Chapter-I

Social, General and Economic Sectors (Non-PSUs)

CHAPTER-I

Social, General and Economic Sectors (Non-PSUs)

1.1 Introduction

1.1.1 Budget Profile

There are 64 Government Departments and 41 Autonomous Bodies in the State. The position of budget estimates and expenditure by the State Government during 2013-18 is given in **Table-1.1.1** below:

Table-1.1.1: Budget and Expenditure of the State Government during 2013-18

(*₹ in crore*)

Particulars	2013-14		2014-15		2015-16		2016-17		2017-18	
	Budget Estimates	Expenditure	Budget Estimates	Expenditure	Budget Estimates	Expenditure	Budget Estimates	Expenditure	Budget Estimates	Expenditure
Revenue Expenditure										
General Services	6,804.28	6,182.04	8,157.61	7402.28	8,910.83	8,409.98	11,129.62	9,934.09	12,300.01	12,408.50
Social Services	7,766.53	7,298.01	10,555.22	9,223.69	11,386.47	9,926.69	14,217.69	10,528.57	12,493.03	10,929.44
Economic Services	2,755.73	2,067.95	4,271.41	3,856.47	4,394.41	3,983.21	5,648.75	3,902.66	5,020.83	4,276.21
Grant-in-aid and contributions	727.66	668.41	807.79	681.27	1,046.63	766.56	1,254.33	906.18	1,736.94	1,468.54
Total (1)	***18,054.20***	***16,216.41***	***23,792.03***	***21,163.71***	***25,738.34***	***23,086.44***	***32,250.39***	***25,271.50***	***31,550.81***	***29,082.69***
Capital expenditure										
Capital Outlay	4,874.19	3,712.03	4,591.37	4,939.01	4,004.85	4,217.38	5,744.36	4,954.22	5,514.37	5,914.37
Loans and advances disbursed	248.66	277.99	212.59	150.97	172.67	83.15	395.22	165.05	252.35	76.83
Repayment of Public Debt	2,152.79	1,316.81	1,757.79	893.89	2,776.79	1,996.56	2,032.23	1,127.40	2,640.23	1,720.72
Contingency Fund	40.00	194.48	180.00	194.15	175.00	385.46	205.00	227.70	375.00	481.50
Public Accounts disbursements	14,212.33	25,190.33	15,683.06	33,534.94	16,247.59	36,536.73	6,602.72	26,607.34	6,521.46	35,366.30
Closing Cash balance	-	2,433.41	-	1,772.02	-	1,462.80	0.00	2,785.95	--	2,733.60
Total (2)	***21,527.97***	***33,125.05***	***22,424.81***	***41,484.98***	***23,376.90***	***44,682.08***	***14,979.53***	***35,867.66***	***15,303.41***	***46,293.32***
Grand Total (1+2)	***39,582.17***	***49,341.46***	***46,216.84***	***62,648.69***	***49,115.24***	***67,768.52***	***47,229.92***	***61,139.16***	***46,854.22***	***75,376.01***

Source: Annual Financial Statements and Finance Accounts.

1.1.2 Application of resources of the State Government

The total expenditure[1] of the State increased from ₹ 20,206 crore to ₹ 35,074 crore during 2013-14 to 2017-18. The revenue expenditure of the State Government increased by 79 *per cent* from ₹ 16,216 crore in 2013-14 to ₹ 29,083 crore in 2017-18.

The revenue expenditure constituted 80 to 84 *per cent* of the total expenditure during the period 2013-14 to 2017-18 whereas the capital expenditure in the same period was between 15 and 19 *per cent.* During this period, the revenue expenditure increased at an annual average rate of 16 *per cent* whereas the revenue receipts grew at an annual average rate of 11.57 *per cent* during 2013-14 to 2017-18.

[1] Total expenditure includes revenue expenditure, capital expenditure, loans and advances.

1.1.3 Funds transferred directly to the State implementing agencies

The Government of India (GoI) had transferred significant funds directly to the State Implementing Agencies for implementation of various schemes/programmes in the past years. However, despite the Government of India's decision to release all assistance pertaining to CSSs/ACA to the State Government and not to implementing agencies, out of total funds of ₹ 2,175.18 crore transferred directly by Government of India to implementing agencies (including Central Bodies and other organisation outside the purview of the State Government) in the State, ₹ 1,001.37 crore (*i.e.* 46 *per cent*; Funds routed outside State Budget-Unaudited figures) was transferred to various State Implementing Agencies during the year 2017-18.

1.1.4 Grants-in-Aid from Government of India

Grants-in-aid received by the State from GoI during 2013-14 to 2017-18 are depicted in **Table-1.1.2** below:

Table-1.1.2*:* Trends in Grants-in-aid receipt from GoI

(*₹in crore*)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Non-Plan grants	981	944	1,043	824	714
Grants for State Plan schemes	3,558	4,083	1,173	1,532	1,621
Grants for Central Plan schemes	13	99	609	843	76
Grants for Centrally Sponsored Plan schemes	523	1,879	2,479	3,035	4,391
Other Transfer/Grants to States (GST Compensation)	--	--	--	--	1,283
Total	***5,075***	***7,005***	***5,304***	***6,234***	***8,085***
Percentage of increase/decrease over previous year	*14*	*38*	*(-) 24*	*18*	*30*
Percentage of Revenue Receipts	*29*	*35*	*25*	*25*	*30*

Grants-in-aid from GoI had shown an increase over the period 2013-14 to 2014-15. However, it decreased by ₹ 1,701 crore (24.28 *per cent*) during 2015-16 over the previous year. During the current year, the receipts under Grants-in-aid from GoI again increased by ₹ 1,851 crore (29.69 *per cent*) over the previous year. The increase in 2017-18 can be attributed to the compensation of ₹ 1,283 crore received in lieu of loss of revenue after implementation of Goods and Services Tax (GST) in the State (with effect from 01 July 2017) and increase in devolution of grants under State Plan schemes (₹ 89 crore) and Centrally Sponsored Plan schemes (₹ 1,356 crore). Non-Plan grants and Grants for Central Plan Schemes declined by ₹ 110 crore and ₹ 767 crore respectively during the current year.

1.1.5 Planning and conduct of Audit

The audit process starts with a risk assessment of various departments, autonomous bodies, schemes/projects that includes assessing the criticality/complexity of their activities, the level of delegated financial powers, internal controls and concerns of stakeholders besides taking into account the previous audit findings as well as media reports. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Reports (IRs) containing audit findings are issued to the heads of the audited entities with request to furnish reply within one month. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these IRs are processed for inclusion in the Audit Reports which are submitted to the Governor of Uttarakhand under Article 151 of the Constitution of India.

During 2017-18, compliance audit of 423 drawing and disbursing officers of the State and nine units of autonomous bodies was conducted by the Office of the Principal Accountant General (Audit), Uttarakhand. Besides, one performance audit was also conducted.

1.1.6 Significant audit observations and response of Government to Audit

In the last few years, audit has reported on several significant deficiencies in the implementation of various programmes/activities as well as on the quality of internal controls in selected departments which have had negative impact on the success of programmes and functioning of the departments. The focus was on auditing specific programmes/schemes and offering suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens.

As per the Comptroller and Auditor General of India's Regulations on Audit and Account, 2007, the departments are required to send their response to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. It is also brought to the attention of the concerned Heads of Department that in view of likely inclusion of such paragraphs in the Report of the Comptroller and Auditor General of India to be placed before the Uttarakhand Legislature, it would be desirable to include their comments in the matter. The draft reports and paragraphs proposed for inclusion in the Report are also forwarded to the Additional Chief Secretaries/Principal Secretaries/Secretaries concerned for seeking their replies. One draft performance audit[2] and 11 draft paragraphs including one follow-up audit for the Audit Report for the year ended 31 March 2018 were forwarded to the concerned administrative Secretaries. However, formal reply of the Government was received in only five cases (August 2019).

1.1.7 Recoveries at the instance of Audit

Audit findings involving recoveries that came to notice in the course of test-audit of accounts of the departments of the State Government were referred to various departmental Drawing and Disbursing Officers for confirmation and further necessary action under intimation to audit. Recovery of ₹ 86.27 lakh was made by the Regional Food Controller, Kumaun Division, Haldwani during the year 2017-18 at the instance of audit.

2 System of Procurement, Storage, Transportation and Distribution of foodgrains under Public Distribution System.

1.1.8 Responsiveness of Government to Audit

The Principal Accountant General (Audit), Uttarakhand, conducts periodical inspection of Government departments by test-check of transactions and verifies the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed by issue of Inspection Reports (IRs). The Heads of offices and higher authorities are required to report their compliance to the Principal Accountant General (Audit) within one month of receipt of the IRs. Serious irregularities are also brought to the notice of the Heads of the Departments by the Office of the Principal Accountant General (Audit), Uttarakhand through a half yearly report on pending IRs.

Based on the results of the test-audit, 8,486 audit observations contained in 3,235 IRs were outstanding as on 31 March 2018, details of which are given in **Table-1.1.3** below:

Table-1.1.3: Outstanding Inspection Reports/Paragraphs

Sl. No.	Name of Sector	Inspections Reports[3]	Paragraphs	Amount involved (*₹ in crore*)
1.	Social Sector	1,739	5,242	17,789.48
2.	General Sector	482	964	1,293.83
3.	Economic Sector (Non-PSUs)	1,014	2,280	7,66,138.00
Total		***3,235***	***8,486***	***7,85,221.31***

The Government sets up audit committees to monitor and expedite the progress of the settlement of the IRs and of the paragraphs in the IRs. During 2017-18, 10 meetings of audit committee were held in which 126 paragraphs were settled. The departmental officers failed to take adequate action on observations contained in IRs within the prescribed time frame resulting in erosion of accountability.

It is recommended that the Government may look into the matter to ensure prompt and proper response to audit observations.

1.1.9 Follow-up on Audit Reports

1.1.9.1 Submission of suo motu Action Taken Notes (ATNs)

According to the Rules of Procedure for Committee on Public Accounts, administrative departments should initiate *suo motu* action on all audit paragraphs featuring in the Comptroller and Auditor General's Audit Reports regardless of whether these are taken up for examination by the Public Accounts Committee. The departments are also required to furnish detailed notes, duly vetted by audit, indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the Audit Reports to the State Legislature.

It was, however, noticed that out of 295 audit paragraphs featuring in the Civil Chapters of Audit Reports from 2000-01 to 2015-16, *suo motu* ATNs in respect of 97 audit paragraphs involving 41 Departments had not been received (as detailed in ***Appendix-1.1.1***) upto 31 March 2018. The Audit Report for the year 2016-17 was placed

[3] Outstanding Inspection Reports/Paragraphs have been taken from 2006-07.

before the Legislative Assembly on 20 September 2018. The related action taken explanatory notes are yet to be received (August 2019).

1.1.9.2 Action taken on recommendations of the PAC

Action Taken Notes, duly vetted by the Principal Accountant General (Audit), on the observations/recommendations made by the PAC in respect of the audit paragraphs discussed by them are to be furnished to the Committee within six months from the date of such observations/ recommendations. Out of 295 audit paragraphs featuring in the Civil Chapters of Audit Reports for the years from 2000-01 to 2015-16, only 186 audit paragraphs had been discussed by the PAC up to 31 March 2018. Recommendations in respect of 97 audit paragraphs were made by the PAC. ATNs on the recommendations of the Committees are pending from the State Government in respect of five paragraphs.

1.1.10 Status of placement of Separate Audit Reports of autonomous bodies in the State Assembly

Several autonomous bodies have been set up by the State Government. A large number of these bodies are audited by the Comptroller and Auditor General of India and their transactions, operational activities and accounts, regulatory issues and internal control, *etc* are scrutinised. The audit of accounts of one autonomous body (Uttarakhand Jal Sansthan) in the State was entrusted (January 2016) to the Comptroller and Auditor General of India for a period of five years (*i.e.* 2015-16 to 2019-20). Separate Audit Report of Uttarakhand Jal Sansthan issued by Audit for the year 2016-17 is yet to be placed before the State Legislature.

1.1.11 Year-wise details of performance audits and paragraphs that appeared in Audit Reports

The year-wise details of performance audits and paragraphs that appeared in the Audit Report for the last two years along with their money value are given in **Table-1.1.4** below:

Table-1.1.4: Details regarding performance audits and paragraphs that appeared in Audit Report during 2015-17

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (*₹in crore*)	Number	Money value (*₹in crore*)	Performance Audit	Paragraphs
2015-16	02	124.08	17	170.76	02	Nil
2016-17	02	127.24	10	23.85	Nil	01

One performance audit[4] and 11 audit paragraphs involving money value of ₹ 1,251.46 crore have been included in this Chapter. Replies, wherever received, have been suitably incorporated at appropriate places.

[4] System of Procurement, Storage, Transportation and Distribution of foodgrains under Public Distribution System.

PERFORMANCE AUDIT

FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT

1.2 System of Procurement, Storage, Transportation and Distribution of foodgrains under Public Distribution System

The Targeted Public Distribution System (TPDS) was launched in India in 1997 with the objective of providing foodgrain at specially subsidised rate to Below Poverty Line (BPL) families as per the norms prescribed by the Government of India (GoI). The scheme was operational in Uttarakhand since the formation (November 2000) of the State. In order to ensure food availability[5] to the poorest of the poor, *Antyodaya Anna Yojana* (AAY) was launched in December 2000. To ensure transparent recording of transactions at all levels, GoI launched (December 2012) a plan scheme on 'End-to-End Computerisation of TPDS'.

Further, National Food Security Act, 2013 (NFSA) was enacted (September 2013) in India by the Parliament with the objective of providing adequate quantity of quality food at affordable prices to people to live a life with dignity. A performance audit of the System of Procurement, Storage, Transportation and Distribution of foodgrains under Public Distribution System (PDS) brought out weaknesses in digitisation of ration cards; identification of eligible beneficiaries; procurement, lifting, distribution, transportation and storage of foodgrains. Some of the significant findings were as below:

Highlights

- ***Supply chain and Fair Price Shops automation under 'End-to-End Computerisation scheme' were not implemented even after elapse of four to five years from the targeted date.***

  [Paragraph 1.2.7]

- ***Procedure for identification of eligible households to be covered under National Food Security Act was not followed as there were instances of incomplete capture of information relating to eligibility criteria as a result of which there was no assurance that only eligible beneficiaries were covered under the scheme. This led to inclusion of ineligible beneficiaries and exclusion of eligible beneficiaries from the benefits of the Scheme.***

  [Paragraph 1.2.8.1 & 1.2.8.2]

- ***The Department could not ensure payment of Minimum Support Price to the farmers on procurement through the commission agents.***

  [Paragraph 1.2.9.1]

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5 By providing AAY families 24.600 kg rice and 10.400 kg wheat per month at specially subsidised rate of ₹ three and ₹ two per kg respectively.

- ***The Department distributed 0.63 lakh MT rice valuing ₹140.13 crore and 0.23 lakh MT wheat (to AAY and BPL category) valuing ₹9.83 crore in excess of actual requirement across the State.***

  [Paragraph 1.2.10.2]
- ***Storage capacity of foodgrains in the State was not adequate. The shortage of storage capacity ranged between 44 per cent and 45 per cent at Regional level and 32 per cent at District level across the State.***

  [Paragraph 1.2.11.3]
- ***Storage godowns lacked the basic equipment and facilities required as per Warehouse manual.***

  [Paragraph 1.2.11.5]
- ***Cash Credit Limit of ₹ 515.85 crore was obtained from Reserve Bank of India despite availability of sufficient funds with the Department. Consequently, the Department suffered a loss of ₹19.35 crore on account of interest paid to Reserve Bank of India against Cash Credit Limit.***

  [Paragraph 1.2.12.2]
- ***Irregular payment of ₹3.48 crore as Mandi Labour Charge was made to the millers against the quantity of rice procured under levy scheme.***

  [Paragraph 1.2.12.5]
- ***Required number of members was not appointed in State Food Commission and only one report after four years of constitution of State Food Commission was prepared. No meeting of Vigilance Committee at State level or at any level in sampled districts was organised during the audit period. There was an overall shortfall of 69.93 per cent to 81.38 per cent in inspection of Fair Price Shops.***

  [Paragraphs 1.2.13.1, 1.2.13.2, 1.2.13.3 and 1.2.13.4]
- ***Rules for conducting periodic Social Audit on functioning of Fair Price Shops were not framed even after elapse of almost five years of commencement of the Act.***

  [Paragraph 1.2.13.5]

1.2.1 Introduction

Prior to the TPDS, the PDS was a general entitlement scheme for all consumers. In 1997, GoI launched TPDS with the objective of providing foodgrains at specially subsidised rate *i.e.* 50 *per cent* of economic cost to Below Poverty Line (BPL) families and at the same time allocation for Above Poverty Line (APL) families was retained at 100 *per cent* of economic cost. GoI advised the States to formulate arrangements for identification of BPL families. Accordingly, erstwhile Government of Uttar Pradesh (prior to creation of Uttarakhand in November 2000) issued guidelines (March 1997) to identify BPL families. In order to ensure foodgrains to the poorest of the poor amongst BPL families, AAY was launched in December 2000. Government of Uttarakhand (GoU) identified and covered 1.91 lakh families under AAY.

In 2013, National Food Security Act, 2013 (NFSA) was enacted by the Parliament with the objective of providing adequate quantity of quality food at affordable prices to people to live a life with dignity. As per the Act, 61.94 lakh **population out of a 101.17 lakh population (census 2011) were to be covered under the scheme in Uttarakhand. Subsequently, 7.69 lakh AAY beneficiaries and 54.23 lakh Priority House Hold (PHH) beneficiaries were covered under the NFSA**. GoU issued (July 2013) guidelines specifying the eligibility criteria for identification of eligible households to be covered under NFSA. As per the guidelines, in addition to existing AAY and BPL beneficiaries, certain families[6] having monthly income up to ₹ 15,000, were to be identified. The detail of distribution norms, entitled quantity of foodgrains and rates are given in the **Table-1.2.1** below.

Table-1.2.1: Details showing norms and entitlement of foodgrains

Category of beneficiary	Foodgrains Entitlement (per month)	Issue Price (*₹/kg*)	
		Wheat	Rice
Erstwhile TPDS			
APL	15 kg (10 kg wheat & 5 kg rice) per card	5.00	7.00
BPL	35 kg (11.800 kg wheat & 23.200 kg rice) per card	4.15	5.65
AAY	35 kg (10.400 kg wheat & 24.600 kg rice) per card	2.00	3.00
NFSA			
AAY	35 kg (13.300 kg wheat & 21.700 kg rice) per card	2.00	3.00
PHH[7]	5 kg (2 kg wheat and 3 kg rice) per member of ration card	2.00	3.00

Source: Information provided by the Department.

To ensure transparent recording of transactions at all levels, GoI launched (December 2012) a plan scheme on 'End-to-End Computerisation of TPDS'.

1.2.2 Organisational Setup

At the Government level, Principal Secretary, Food, Civil Supplies and Consumer Affairs (FCS&CA) Department is responsible for the implementation of the schemes[8]. The State is divided into two regions, Garhwal and Kumaun, and Regional Food Controller (RFC) for procurement and distribution at each of these regions looks after the entire operations under the supervision of Commissioner, FCS&CA. At the District level, the scheme is implemented by the respective District Supply Officers (DSOs) with the assistance of the concerned Area Rationing Officers/Supply Inspectors through a network of 9,309 Fair Price Shop (FPS). The organogram of the Department is given in ***Appendix-1.2.1.***

1.2.3 Audit objectives

The objectives of the Performance Audit were to assess whether:

- the State initiated reforms for implementing the plan scheme on End to End computerisation of TPDS operations;

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6 Like Families whose head was, a widow; suffering from Leprosy or HIV; physically challenged person; persons having age of sixty years and above; families whose head was a, Rickshaw pullers; Coolie; Labourer; Rag picker; Cobbler; agricultural labourer, families residing in urban slums and Ashrams, Orphanages operational in the State, *etc*.

7 PHH includes the BPL families and other families as detailed in foot note 6 having monthly income of up to ₹ 15,000.

8 Up-to September 2015 TPDS and October 2015 onward National Food Security Act.

- the procurement of food grains and other commodities and services was carried out economically, efficiently and effectively;
- the lifting and distribution arrangements were effective to ensure that all the people had access to food grain and distribution was timely and at the prescribed scale and rate;
- the selection of transporters and handling contractors and fixation of rates for transportation and handling was done in a transparent and economical manner;
- the store management of foodgrains was scientific and arrangements for security and quality control of foodgrains were adequate;
- the financial management of public spending on TPDS and implementation of NFSA was efficient and economical; and
- the monitoring and control mechanism for implementation of the scheme was adequate and effective.

1.2.4 Audit Scope and Methodology

A Performance Audit covering the period from 2013-2014 to 2017-18 was carried out in four[9] out of 13 districts during February-June 2018 by test-check of records of the Commissioner, Food and Civil Supplies, Department of Food, Civil Supplies & Consumer Affairs, Regional Food Controllers (RFC) (Kumaun and Garhwal) and four District Supply Officers (DSO) selected on the basis of Probability Proportional to Size without Replacement method. Total expenditure incurred was taken as size measure for the purpose of sampling.

There were two types of godowns *i.e.* base godowns which were under the control of RFCs and internal godowns under the control of DSOs. Two tehsils from each selected districts for the purpose of selection of internal godowns were selected using Simple Random Sampling without Replacement method. Four highest capacity base godowns *i.e.* two[10] from each Region (out of 23 base godowns) and two[11] highest capacity internal godowns (out of 197 internal godowns) from each selected Tehsil were selected. Thus, total of fifteen (four base and eleven internal) godowns were selected for physical verification as detailed in ***Appendix-1.2.2***. Apart from this, 90 out of 910 (10 *per cent*) FPSs connected with sampled godowns and 3,413 beneficiaries out of 34,130 (10 *per cent*) Ration Card Holders (RCHs) connected with selected FPSs were surveyed.

1.2.5 Audit Criteria

The audit criteria for Performance Audit were derived from the sources mentioned as under:

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[9] Pauri and Tehri (Garhwal), Almora and Udham Singh Nagar (Kumaun).

[10] Kichha and Rudrapur (Kumaun), Jwalapur and Bahadrabad (Garhwal).

[11] There was no internal godown in the sampled district of Udham Singh Nagar and there was only one internal godown in tehsil Sri Nagar under sampled district of Pauri.

- National Food Security Act, 2013.
- PDS (Control) Order, 2001, 2004 and TPDS (Control) Order 2015 of Government of India.
- Scheme Guidelines of End-to-End Computerisation of TPDS operations.
- Warehouse Manual for Operationalising of Warehousing (Development and Regulation) Act, 2007 and Departmental Manual-V.
- Guidelines and Government Orders issued by State Government from time to time.

1.2.6 Entry and exit conference

An entry conference was held on 27 February 2018 with the Department, wherein the audit objectives, scope and criteria were discussed. An exit conference was also conducted with the Government on 31 October 2018 wherein the audit findings and recommendations were discussed. Views of the Government/Department have been suitably included in the Report.

Audit Findings

End to End Computerisation and Identification of Eligible Beneficiaries

1.2.7 End to end computerisation of TPDS operations

With a view to address various challenges such as leakages and diversion of foodgrains in the TPDS supply-chain; fake and bogus ration cards; inclusion and exclusion errors; lack of transparency; and weak grievance redressal and social audit mechanisms, GoI launched (December, 2012) a plan scheme on 'End-to-End Computerisation of TPDS'. NFSA which was enacted in September 2013 also emphasised that End-to-End Computerisation was required to be done in order to ensure transparency and to prevent diversions. The Scheme had two components[12]. **Under the component I, digitisation of beneficiary database; creation of FPS database; and creation of storage godown database was completed in September 2015. However, the computerisation of supply chain management, which was supposed to be completed by March 2013, was incomplete**. The FPS automation under component II also remained incomplete though the target date for its completion was March 2014. The shortcomings noticed in digitisation of beneficiary database are discussed in succeeding paragraphs:

1.2.7.1 Delayed identification and digitisation of beneficiary database

As per the provisions contained in section 10 (1) (b) of NFSA, identification and digitisation of beneficiary was to be completed within 365 days of commencement of the Act. The budget for the scheme was approved by GoI in February 2013. As per the

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[12] **Component-I**: comprised digitisation of ration cards/beneficiaries; creation of FPS database; creation of storage godown database; computerisation of supply chain management.

Component-II: included FPS automation which involved installation of Point of Sale (PoS) devices at FPS for authentication of beneficiaries, recording of sales to beneficiaries at the FPS and uploading of transaction data in central server.

agreement entered with the firm in June 2014, the firm was to capture data pertaining to all the mandatory fields provided in the digitisation form, provide a hard copy of the captured data and return the original ration cards / forms after data entry. Minimum of five data entry operators (DEOs) in each district for completion of data entry work were to be deployed by the firm and the work was to be completed within sixty days from the date of agreement.

Due to non-deployment of requisite staff in all the districts, digitisation work was started by the firm in only five out of 13 districts up to first week of September 2014. On request of the firm, the time to complete the work was extended by the department twice *i.e*. up to 5 January 2015 and 15 February 2015. Meanwhile, owing to slow progress of the work by the firm, all the Districts Magistrates were instructed (December 2014) to simultaneously do the work at their level on same tendered rates. As the firm could not complete the digitisation work within the extended period, the remaining work was taken up by the department and completed in September 2015. NFSA was finally implemented in the State from October 2015 with a delay of one year. Instead of terminating the contract and selecting a new competent firm, the department allowed undue time extension to the firm ignoring the inordinate delay and shortcomings in the work. **Resultantly, not only the implementation of NFSA was delayed by more than one year but also the 26.26 lakh ineligible beneficiaries were also provided with the foodgrains for delayed period which were finally weeded out as a result of digitisation.** On being pointed out, the Joint Commissioner replied (December 2018) that work was delayed due to the disaster which occurred in the State in June 2013 and the tenders for the work were invited in December 2013. Due to geographical condition of the State, the firm expressed certain difficulties and accordingly time extensions were granted. It was further stated that owing to slow progress of work by the firm, the digitisation work was undertaken at district level by the department itself.

1.2.7.2 Faulty digitisation of beneficiary database

Up to May 2018, the Department was working on Existing Ration Card Management System (ERCMS) software. The ERCMS database was transferred (May 2018) to Ration Card Management System (RCMS) software. Database of Ration Card Holders and Units pertaining to NFSA was obtained (June and August 2018) from the Department and analysed. The following deficiencies, which are illustrative, were noticed:

- There was no unique identification field in the database for ensuring uniqueness of records and lack of duplication. **Same Aadhaar number was linked with many ration cards (up to 573) at the State level.** In the sampled districts, upto 573 ration cards in Tehri; upto 51 ration cards in Pauri; upto 107 ration cards in Almora; and upto 30 ration cards in U S Nagar were linked with the same Aadhaar number;
- **There were multiple ration cards linked with same voter IDs (up to 15,729) in the State.** Moreover, inappropriate voter ID numbers like NA, UP, NULL, Multiple

zeros, *etc.* were also linked with ration cards. In sampled districts, multiple ration cards (up to eight) were linked with the same voter IDs;

- **There were multiple ration cards (up to 38) linked with the same BPL IDs in sampled districts;**
- There were multiple ration cards (up to four) with the same name, voter ID and FPS in the sampled districts; and
- **Income details in 1,82,515 out of 13,21,000 ration cards of the State were not mentioned**. Similarly, income details in 12,055 out of 88,000 in Tehri; 35,325 out of 91,000 in Pauri; 15,014 out of 80,000 in Almora; and 14,131 out of 2,13,000 ration cards in U S Nagar were not mentioned.

The above deficiencies indicated that neither the input control and validation checks were applied nor authentic documents *i.e.* Voter ID, BPL ID and Aadhaar were obtained from the applicants while digitising the data. The department, therefore, failed to ensure the reliability and authenticity of data.

On being pointed out, the Principal Secretary stated (October, 2018) that the input controls and validation checks were being strengthened; and Aadhaar numbers were being verified from UIDAI. He further stated that the error noticed in the database by Audit would be rectified shortly.

Although digitisation of beneficiary database, creation of FPS database and creation of storage database was completed, the digitisation of beneficiaries was completed with several deficiencies, as same Aadhaar, Voter ID and BPL ID were linked with multiple ration cards after a delay of almost one year, which subsequently resulted into delayed implementation of NFSA in the State. However, the computerisation of supply chain management and FPS automation remained incomplete. Thus, the department failed to ensure the transparency and the very purpose of End-to-End Computerisation was defeated as has been discussed in paragraph nos. 1.2.9.2, 1.2.10.2 & 1.2.10.3.

The State government may ensure transparency and distribution of the foodgrains to the eligible beneficiaries through proper implementation of supply chain and FPS automation.

1.2.8 Identification of beneficiaries

Prior to NFSA there were a total of 128.75 lakh units[13] who were covered under the erstwhile TPDS in the State. After digitisation of ration cards, total beneficiaries under NFSA came down to 61.92 lakh. There were another 40.57 lakh beneficiaries covered under State Food Yojna. Thus, as a result of digitisation of ration cards 26.26 lakh units

[13] Number of members entered in the ration card.

{128.75 – (61.92 + 40.57)} were weeded out. **Despite the fact the digitisation of beneficiary database was fraught with several deficiencies, the State Government could weed out 26.26 lakh ineligible beneficiaries existing in the erstwhile TPDS.** Audit examined the process of identification of the eligible beneficiaries in the test-checked districts and the shortcomings are discussed in succeeding paragraphs:

1.2.8.1 Irregularities in identification of households

GoI enacted the NFSA in the year 2013. As per the Act 61.94 lakh beneficiaries were to be identified under the scheme in Uttarakhand. Government of Uttarakhand (GoU) issued (July-August 2013) guidelines specifying the eligibility criteria, procedure for identification of eligible households and district-wise targeted population to be covered under NFSA. As per the guidelines, in addition to existing AAY and BPL beneficiaries, certain families as mentioned in ***footnote 6*** having monthly income up to ₹ 15,000, were to be identified. After identifying these, more families were covered for reaching the target fixed by GoI. For this, village wise BPL list prepared by the Rural Development Department (RDD), Government of Uttarakhand was to be considered in case of rural areas and families having income up to ₹ 15,000 in urban areas were to be covered under NFSA. Income certificate issued by an officer not below the rank of *Naib Tehsildar* was required as income proof.

Further, as per the prescribed procedure, in rural areas, selection of the beneficiaries was to be done by Village Development Officer and *Lekhpal* in open meetings of *Gram Sabhas*, and in urban areas, selection of eligible household was to be done by the personnel of the Department of Food, Revenue Department and Local Body. As per information made available by the Department, 38.76 lakh beneficiaries in addition to existing AAY and BPL beneficiaries were identified under NFSA, as per details given in **Table-1.2.2** below:

Table-1.2.2: Details of beneficiaries identified under NFSA

(Figures in lakh)

Period	AAY		BPL		APL		Total	
	Cards	Units	Cards	Units	Cards	Units	Cards	Units
Pre-NFSA	1.91	8.26	3.07	14.90	23.20	105.59	28.18	128.75
Post-NFSA	AAY		PHH				Total	
	Cards	Units	Cards		Units		Cards	Units
	1.82	7.69	11.38		54.23		13.20	61.92

Source: Information provided by the Department.

During the course of audit of the sampled districts[14], the following shortcomings were noticed:

- **The application form used for identification of the beneficiaries did not have the requisite fields which were required for selection of certain families as indicated in *footnote 6*.** In absence of these, it could not be ensured that only the eligible beneficiaries were covered under the scheme.

[14] Tehri, Pauri, Almora and Udham Singh Nagar.

- In district Udham Singh Nagar, 2.08 lakh families[15] were issued ration cards under NFSA without obtaining required income certificates from the beneficiaries. Further, application forms of two sampled tehsils *i.e.* Tehri out of seven tehsils in New Tehri district and Dwarahat out of seven tehsils in Almora district were test-checked to see the availability of income certificates issued by competent authorities. **The records showed that out of the 795 applications[16], income certificate was found attached with 258 application[17] forms only.**
- **No records regarding open meeting of *Gram Sabhas* for identification of the eligible beneficiaries in rural areas were found maintained in any of the sampled districts.**
- As per the guidelines issued by GoU, the BPL list prepared by Rural Development Department (RDD) was required to be considered. Audit cross checked RDD BPL list of one randomly selected village from each sampled district with that of the families of the village covered under NFSA. **It was observed that out of 284 BPL families identified by the RDD only 170 families were covered under NFSA leaving 114 families out of the scheme.**
- Instead of following the specified procedure, the department issued application forms to the existing / new beneficiaries through Villages Development Officers in rural areas and local bodies / supply inspectors in urban areas. These were then collected back and ration cards were issued after their digitisation.

On this being pointed out, while admitting the facts, the Principal Secretary stated (October 2018) that corrective measures were being taken and the shortcomings pointed by audit would be addressed in future. The reply was not acceptable as the process of identification of beneficiaries to be benefitted under NFSA was not adhered to which resulted into non-inclusion of eligible households and inclusion of ineligible households under NFSA as discussed in the succeeding paragraph.

1.2.8.2 Non-inclusion of eligible households and inclusion of ineligible households

To verify whether eligible households were identified as per the specified criteria and covered under NFSA and to ascertain that no ineligible households were covered under the scheme, a joint physical verification[18] of randomly selected Urban Slums[19], Ashrams[20], Orphanage homes[21] and normal clusters[22] under the jurisdiction of two sampled godowns of Haridwar[23] was conducted. It was observed that:

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15 AAY: 17,634 + PHH: 1,90,613 = 2,08,247 (Say 2.08 lakh).
16 475 of Tehri and 320 of Dwarahat.
17 255 of Tehri and 03 of Dwarahat.
18 Physical verification carried out with the staff of the DSO, Haridwar.
19 *Indira Basti, Bairagi* Camp & *Lakker / Khatta Basti* of Haridwar.
20 *Ajardham Mahilla Ashram,* and *Chidanand Kushth* Ashram.
21 *Anath Shishu Palan* Trust Haridwar and *Matra Anchal* Haridwar.
22 Subash Nagar, *Pawoon Doi,* Ganeshpuram, Kankhal, Bahadrabad, Jagjeetpur.
23 Jwalapur and Bahadrabad of Haridwar district.

- **35 (24 *per cent*) out of 147 eligible households were not issued ration cards despite the fact that they belonged to the category of daily wagers, beggars and rickshaw pullers, *etc*. and were eligible under NFSA.**
- 50 (34 *per cent*) out of 147 eligible households were issued State Food Yojana[24] ration cards instead of NFSA (PHH) cards despite the fact that all the households comprised labourers, rickshaw pullers, beggars, maids, *etc*.
- **On the other hand, six households (4 *per cent*) out of 147 households were issued NFSA (PHH) ration cards despite the fact that these households were not eligible to be covered under NFSA as their monthly income ranged between ₹ 18,000 and ₹ 60,000.**
- As per the information sought from Chief Medical Officer, Haridwar, there were 238 HIV patients in Haridwar as of 2014-15. However, no efforts to cover HIV patients under NFSA were found made by the DSO.
- Two Orphanage Ashrams *viz. Matra Anchal* and *Anath Shishu Palan* Trust were not issued ration cards despite the fact that there were 70 and 62 inhabitants respectively as of date (August 2018).
- Three ration cards were issued to 30 out of 75 inhabitants of *Ajardham Ashram* thereby depriving the remaining 45 inhabitants.

On this being pointed out, the Principal Secretary stated (October 2018) that necessary steps to exclude the ineligible households and include the eligible households under NFSA were being taken.

This is based on test-check. Government/Department need to review all such cases across the State to eliminate the ineligible beneficiaries and include eligible beneficiaries under NFSA.

While identifying the eligible beneficiaries, BPL list of Rural Development Department was not taken into consideration, income certificates were not obtained from the beneficiaries. Besides, specified procedure of selection of beneficiaries (like no mention of requisite fields in the application form for issue of ration card, not obtaining income certificates from beneficiaries, non-inclusion of all BPL families *etc.*) was also not followed, which ultimately resulted into non-inclusion of eligible households and inclusion of ineligible households under the scheme.

The State Government may ensure strict observance of the specific eligibility criteria and procedure for identification of eligible beneficiaries under the scheme so that eligible beneficiaries are not left out from the benefits of the scheme. Department may undertake periodic review of the beneficiary database for deletion or deleting ineligible and including eligible households.

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24 Under State Food Yojana, five kg of wheat @ ₹ 8.60 per kg and 10 kg of rice @ ₹ 15 per kg is distributed whereas under NFSA, the foodgrains are distributed at subsidised price not exceeding ₹ three per kg for rice and ₹ two per kg for wheat.

1.2.9 Procurement of foodgrains

The scheme of de-centralised procurement (DCP) of foodgrains was introduced by the GoI in the year 1997-98 with a view to enhance the efficiency in procurement and to extend the benefits of Minimum Support Price (MSP) to local farmers as well as to save on transit costs. The State of Uttarakhand adopted DCP for rice and wheat in 2002-03 and 2003-04 respectively. Under this scheme, the State Government on its own and through agencies procures wheat and paddy at MSP on behalf of GoI. The Central Government reimburses the entire expenditure incurred on such procurement as per the cost sheet issued every year. Irregularities noticed in procurement of paddy under DCP are discussed in succeeding paragraphs:

1.2.9.1 Non-verification of payment of MSP to farmers

During the years from 2014-15 to 2016-17, 23.45 lakh MT of paddy was procured through Commission Agents (CAs) against which payment of ₹ 3,701.70 crore was made. To ensure payment of MSP to the farmers, GoU issued (September 2014) orders which specified certain documents[25] to be enclosed with the bills submitted for payment by CAs. A test-check of 299 payment vouchers amounting to ₹ 20.40 crore for the years 2014-15 to 2016-17 in respect of CAs disclosed several irregularities as mentioned below:

- In 191 cases, the 6R[26] Form did not contain the farmers' signature.
- In 11 cases, 6R Form was not found attached.
- In 228 cases, date of auction[27] was not mentioned on 6R form.
- In all the cases, the evidence of payment to the farmers was not found attached with the vouchers.

In light of above shortcomings, it could not be verified that the paddy was purchased by CAs from the farmers at MSP. On this being pointed out, the Senior Regional Accounts Officers, Kumaun and Garhwal, while admitting the facts, replied (May and June 2018) that on an average 500 bills pertaining to food and transport were passed on each working day and due to excess work load, the compliance of orders of State Government could not be ensured. The Department, therefore, failed to ensure payment of MSP to the farmers.

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25 Bills to be submitted by the CAs in 9R enclosing therewith self-attested copy of 6R (in respect of the evidence that the procurement had been made from farmers), proof of payment made to the farmers against the paddy purchased from them, proof regarding payment of Mandi Labour Charge and VAT on such procurement.

26 As per Rule 68(2) of *Krishi Utpadan Mandi Niyamavali*, 6R Form is issued to the seller in the regulated *Mandi* for recording the transaction details like name of the farmer, quantity sold, date of auction, rate of sale and farmers signature.

27 As per State Government Order (October 2013) auction was required to be conducted in *Mandis* to ensure MSP to the farmers.

The fact was also confirmed in the joint verification carried out by audit with the officials of the department wherein 30 out of 32 farmers[28] surveyed, ***stated that they were paid less price than MSP ranging between ₹50 to ₹100 by the CAs.***

This is based on test-check. Government/Department need to take corrective measures and ensure all the necessary documents are attached while passing the bills.

1.2.9.2 Procurement of sugar in excess of the required quantity

GoI decided (April 2013) to remove the levy obligation from sugar mills and launched a new scheme, under which sugar was to be purchased from open market by the State Government and GoI was to reimburse subsidy at the rate of ₹ 18.50 per kg on the quantity distributed at the retail price of ₹ 13.50 per kg under TPDS, limited to the quantity of existing allocation. **It was observed that during the years 2015-16 and 2016-17, 1.46 lakh MT of sugar amounting to ₹ 489.69 crore was purchased against the required quantity of 1.31 lakh[29] MT, which was in excess by 0.15 lakh MT.** Further, it was observed that after the implementation of NFSA, the number of ration cards and units decreased by 5.09 lakh and 26.26 lakh respectively, but the assessment was not done accordingly and quantity of sugar was purchased as per existing allocation. **This resulted into a loss of ₹ 28.55 crore[30] to the GoI on account of reimbursement of subsidy.** On being pointed out, the Chief Marketing Officer replied (June 2018) that purchase was made as per the prescribed quota of the State and procured sugar was distributed to existing beneficiaries. The reply is not acceptable as decrease in number of beneficiaries was not taken into consideration and procurement of sugar was made in excess of the actual requirement leading to excess distribution of 0.15 lakh MT. **Despite the fact that the number of beneficiaries came down by 26.26 lakh, the sugar was procured and distributed in excess of the actual requirement by 0.15 lakh MT. Thus, the possibility of selling of excess sugar in the open market could not be ruled out.**

1.2.9.3 Excess payment of ₹38.98 lakh on Driage

As per the cost sheets issued by the GoI, driage[31] at the rate of one *per cent* on MSP was to be paid to the millers. During the test-check of the records (August 2018), it was observed that in the years 2015-16, 2016-17 and 2017-18, driage at the rate of hundred

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28 A list of farmers was obtained from two purchase centres *i.e.* Bahadrabad and Jwalapur under the control of RFC, Garhwal for the purpose.

29 April 2015 to September 2015: total units 1,28,75,210 x 0.5 kg. x 6 months/ 1,000= 38,625.63 MT, October 2015 to March 2017: total units :1,02,49,007 x 0.5 kg. x 18 months/ 1,000= 92,241.063 MT. Total = 38,625.63 + 92,241.063= 1,30,866.693 MT (say 1.31 lakh MT).

30 Loss to GoI: excess quantity of sugar (15,432.807 MT say 0.15 MT) x ₹ 18,500 per MT = ₹ 28.55 crore.

31 Paddy is procured at the maximum level of moisture content at 17 *per cent* and milled at 14 *per cent* to 15 *per cent*; hence some losses occur during the process of procurement to ultimate milling, which is termed as driage.

per cent of MSP instead of one *per cent* was paid to the millers. Resultantly, excess payment of ₹ 38.98 lakh as detailed in ***Appendix-1.2.3*** was made to the seven[32] millers. On being pointed out, the Principal Secretary (October 2018) stated that the payment of driage was made at the rate of one *per cent* of MSP. The reply was not acceptable as the payment was made at hundred *per cent* of MSP instead of one *per cent*.

1.2.9.4 Quality check of Paddy/Rice

While procuring paddy, only humidity check is done at *mandis*. After procurement, paddy is provided to millers for custom milling. At the time of receiving the custom milled rice in the base godowns, the quality of rice is checked as per prescribed quality parameters *viz*. broken grains, foreign matter, damaged/slightly damaged grains, discoloured grains, chalky grains, red grains, dehusked grains, and so on ***(Appendix-1.2.4)***. For conducting these checks the base godowns are required to have equipment like dispensing balance, scoop set, palm husker, forceps, seed calliper, petri dish, moisture meter, de-husk set, *etc*. Sampling and analysis method to ensure the quality of rice while receiving it from the millers was to be done as per the method given by Bureau of Indian standards (BIS) ***(Appendix-1.2.5)***.

A scrutiny of the records of base godowns operational under RFCs showed that almost the same specifications (within prescribed limits) were entered in the analysis register against each lot of rice received from the millers. However, no documents in support of the sampling method and quality analysis done were found maintained at the godowns. In absence of these documents, it could not be ascertained in audit that the prescribed quality checks were carried out while receiving the rice from the millers. This may also be seen in the light of the fact that 0.06 lakh MT of rice was found substandard during a departmental enquiry conducted in October 2017. Further, during the physical verification of the sampled base godowns, it was observed that no equipment for quality check of wheat, paddy and rice was procured or made available to the base godowns/centres by the department. On being pointed out, the Principal Secretary replied (October 2018) that action for procurement of latest testing kits and equipment was being taken.

Payment of MSP to the farmers was not found ensured which resulted into denial of benefits to the farmers. Procurement of excess sugar than the actual requirement resulted into a loss of ₹ 28.55 crore to the GoI on account of reimbursement of subsidy and possibility of selling of excess sugar in the open market could not be ruled out.

The State Government may ensure payment of Minimum Support Price to the farmers while procuring paddy through CAs.

[32] Mahavir Rice Mill, Jawalapur, Haridwar; Ganga Rice Mill, Roorkee; Balaji Rice Mill, Bahadrabad, Haridwar; Shivalik Rice Mill, Bahadrabad, Haridwar; S R Udyog, Kotdwar; Ganesh Rice Mill, Haridwar and K P Industries, Manglore, Haridwar.

1.2.10 Lifting and distribution

Foodgrains, as per the requirement, are procured by the department from Food Corporation of India (FCI), farmers, CAs and Cooperative department under MSP scheme. After procurement, foodgrains are stored at base/railhead godowns operational under control of RFCs. Further, foodgrains are supplied to government internal godowns (situated in tehsils of the districts) operational under the control of DSOs, as per their demand for distribution to beneficiaries through FPS. Food grains are distributed at central issue price[33] to the ration card holders. A pictogram showing the process of lifting and distribution of foodgrains is shown in ***Appendix-1.2.6.*** Shortcomings noticed in lifting and distribution of foodgrains are discussed in the succeeding paragraphs.

1.2.10.1 Delayed lifting of foodgrains

State Government directed (January 2011) that foodgrains in full quantity, as per allocation for every month, should be made available by the RFCs[34] to the internal godowns up to 23rd of preceding month. From the internal godowns, the foodgrains are required to be supplied to FPS between 23rd and last day of preceding month for distribution within first 15 days of every month to the eligible beneficiaries. The details of delays in lifting, supply and distribution of foodgrains as per the records of sampled districts are given in the **Table-1.2.3** below:

Table-1.2.3: Details of delays in lifting, supply and distribution of foodgrains

Name of agency	Date up to which foodgrains were to be received	Delay
Base godown to Internal godown	Up to 23rd of preceding month	Up to 38 days
Internal godown to FPSs	Between 23rd and last day of preceding month.	Up to 30 days
Distribution to the beneficiaries	Up to 15th day of current month	01-15 days

Source: Information provided by the department.

The delay in supply at various levels ultimately impacted the eligible beneficiaries as was confirmed in beneficiary survey wherein 3,218 beneficiaries (94.28 *per cent*) out of 3,413 stated that they were getting foodgrains with a delay. Thus, timely delivery of foodgrains to the eligible beneficiaries was not ensured. On being pointed out, the DSOs Pauri and Almora replied (March-April 2018) that due to inadequate storage space at the internal godowns and shortage of transportation vehicles, timely lifting and subsequent distribution of foodgrains could not be ensured. Further, Principal Secretary, while admitting the facts, stated that the delay was due to tough and hilly geographical terrain and acute shortage of storage capacity of godowns located in hilly areas. The reply has to be seen in the context that the department failed to augment the storage capacity of the godowns during the audit period and did not have any concrete plan as discussed in ***paragraph no 1.2.11.4.***

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33 Wheat: ₹ two per Kg, Rice: ₹ three per Kg.

34 RFC, Garhwal for the districts of Garhwal region and RFC, Kumaun, for the districts of Kumaun region.

In Gaja under DSO Tehri which was one of the sampled internal godown was randomly taken up for scrutiny it was observed that there was a shortage in storage capacity of 94.16 MT. Further, during test-check of tender documents of the sampled districts of Tehri and Almora, it was observed that transporters who were having merely one or two trucks were awarded transport contracts for more than one godowns which resulted into non availability of trucks as per requirement. The truck owners were also issued notices for not providing sufficient number of trucks for timely lifting of foodgrains. On being pointed out, DSO Almora accepted the facts (December 2018) and stated that care would be taken in future as regards awarding transport contracts.

1.2.10.2 Excess distribution of rice and wheat

Requirement, as per prescribed norms[35], of rice and wheat for AAY, BPL and PHH was worked out by audit, on the basis of existing number of ration cards and units, ***as detailed in Appendix-1.2.7*** and ***Appendix-1.2.7A,*** furnished by the Department. It was noticed that the distribution was made in excess of the actual requirement, as mentioned in the **Table-1.2.4** below:

Table-1.2.4: Details of distribution made in excess of the actual requirement

(Quantity in lakh MT)

Period	Category	Rice					Wheat				
		RQ*	A	L	D	Excess	RQ	A	L	D	Excess
2013-14 - 2017-18	AAY	2.60	2.60	2.67	2.66	0.06	1.32	1.33	1.36	1.34	0.02
2013-14 - Sept 2015	BPL	2.14	2.37	2.56	2.58	0.44	1.09	1.14	1.27	1.30	0.21
Oct 2015 - 2017-18	PHH	4.88	5.02	5.11	5.01	0.13	3.25	3.08	3.15	3.11	0.00
Total		***9.62***	***9.99***	***10.34***	***10.25***	***0.63***	***2.41***	***5.55***	***5.78***	***2.64***	***0.23***[36]

Source: Information provided by the department.
RQ- required quantity, A – Allocation, L- Lifting & D- Distribution.
(*) **Required quantity was worked out by audit**.

It is evident from above table that 0.63 lakh MT rice valuing ₹ 140.13 crore and 0.23 lakh MT wheat (to AAY and BPL categories) valuing ₹ 9.83 crore were distributed in excess of actual requirement. There was excess lifting of rice and wheat than allocation/actual requirement as per norms during above mentioned period across all the categories. Excess distribution of rice and wheat was also observed in the sampled districts as detailed in ***Appendix-1.2.8***. On being pointed out, Joint Commissioner stated (August 2018) that this was due to duplicacy in the ration cards before digitisation and after digitisation, the department had eliminated approximately 26 lakh units. He further added that verification of ration cards and units with Aadhaar card was under process and the excess distribution of foodgrains would be checked fully in near future.

[35] APL (Rice 5 kg and wheat 10 kg per ration card); BPL (Rice 23.200 kg and wheat 11.800 kg per card); AAY (Rice 24.600 kg and wheat 10.400 kg per card, after implementation of NFSA Rice 21.700 kg and wheat 13.300 kg per card), PHH (Rice 3.00 kg and wheat 2.00 kg per unit).

[36] Excess was calculated in Wheat quantity under AAY and BPL categories.

To examine whether excess distribution of rice and wheat were actually reaching the beneficiaries, two sampled internal godowns (Gaja of New Tehri and Bagwali Pokhar of Almora districts) were selected. The allotment of foodgrains made during 2017-18 to these godowns and the distribution of foodgrains to all the linked FPS was cross verified with the requirement of foodgrains as per norms and the total number of ration cards/ units linked with each FPS. **It was observed that excess quantity of rice and wheat than the requirement was provided as detailed in the Table-1.2.5 below**:

Table-1.2.5: Details of allotment of foodgrains in excess of requirement in two sampled internal godowns

(Quantity in Quintal)

Sl no.	Name of FPS	Rice			Wheat		
		Required	Allocation	Excess	Required	Allocation	Excess
Internal Godown Gaja (Tehri)							
1.	Gaja	521.844	556.512	34.668	342.156	353.363	11.207
2.	Nakote	749.280	760.554	11.274	-	-	-
3.	Pokhri	45.396	46.266	0.870	29.004	31.411	2.407
4.	Laowa	119.640	120.430	0.790	-	-	-
5.	Advani	177.348	186.313	8.965	-	-	-
6.	Bamangoan	-	-	-	66.120	68.700	2.580
Internal Godown Bagwali Pokhar (Almora)							
1.	Bhataura	76.740	87.000	10.260	50.460	58.500	8.040
2.	Baadi	82.140	119.000	36.860	54.060	75.000	20.940
3.	Dugadda	181.236	193.500	12.264	-	-	-
4.	BasuliShera	199.668	243.850	44.182	132.132	215.970	83.838
5.	Panergoan	81.504	130.500	48.996	53.496	77.000	23.504
6.	Pokhar	67.908	74.500	06.592	-	-	-
7.	Taulimanari	81.504	87.000	05.496	53.496	55.000	1.504
8.	Jaakh	65.388	93.450	28.062	42.612	57.360	14.748
9.	Damoouli	57.492	72.550	15.058	-	-	-
10.	Melta	47.220	94.000	46.780	30.780	51.000	20.220

Further, analysis of sale register of eight out of 16 FPSs as shown in above table (03 in Gaja and 05 in Bagwali Pokhar) revealed that foodgrains were issued to the beneficiaries as per their admissibility and norms and they had not been issued foodgrains in excess of norms. It indicated that quantity of excess wheat and rice received by FPSs might have been diverted and sold to non-beneficiaries which requires to be investigated. On being pointed out, the DSO Almora replied (December 2018) that the matter would be investigated.

Audit also noticed that there was lack of monitoring mechanism relating to implementation of PDS. There was massive shortfall in inspection of FPSs as discussed in ***paragraph no. 1.2.13.4*** and Social Audit was also not being conducted as discussed in ***paragraph no. 1.2.13.5***. Further, the Vigilance Committee Meetings were also not held as discussed in ***paragraph no.1.2.13.3***. As a result, the shortcomings relating to distribution of foodgrains could not be detected and rectified.

This is based on test-check. Instances of distribution of excess wheat and rice need to be investigated. Further, Government/Department needs to take corrective measures and ensure transparency in TPDS operations to avoid such instances in future. Had the Department implemented End-to-End Computerisation, instances of excess distribution of foodgrains could have been avoided.

1.2.10.3 Mismatch in Stock Register of Godown and linked FPS

Audit took up detailed examination of two internal godowns *i.e.* Gaja and Bagwali Pokhar to check whether there were discrepancies between the stock register of internal godown and stock register of FPS linked to them. There were 29 FPSs linked with sampled godown Bagwali Pokhar of Almora. Out of these, stock registers of five FPSs[37] were cross checked with the stock register of the godown for the year 2017-18. The details are as shown in the **Table-1.2.6** below:

Table-1.2.6: Details of mismatch of quantity of foodgrains in two sampled internal godowns

(Quantity in quintal)

Food grains	Quantity Issued by Internal Godown		Quantity received by FPSs		Difference		Total		Quantity not recorded in FPSs stock register
	PHH	AAY	PHH	AAY	PHH	AAY	Issued	Received	
Rice	543.40	95.00	441.50	88.00	101.90	7.00	638.40	529.50	108.90
Wheat	384.47	85.50	296.50	59.00	87.97	26.50	469.97	355.50	114.47

Source: Information provided by the department.

It is evident from above table that there was mismatch between the quantity of wheat and rice issued by the internal godown and quantity received by the FPSs, as 108.90 quintal of rice and 114.47 quintal of wheat were not found recorded in the stock registers of concerned FPSs. On being pointed out the District Supply Officer, Almora replied (December 2018) that the matter would be investigated.

This was an act of malfeasance. Department may initiate investigation for fixing responsibility. It is also recommended to lodge an FIR if stocks are found to have been pilfered.

There was delay in lifting of foodgrains at every level which subsequently delayed the distribution of foodgrains to the beneficiaries. There was excess distribution of rice and wheat across the State. Further, excess quantity of rice and wheat than requirement was provided to the FPSs but foodgrains were issued to beneficiaries as per their admissibility and norms. It indicated that quantity of excess wheat and rice received by FPSs might have been sold to non-beneficiaries. The Department needs to implement the Supply Chain Management and FPS automation to avoid such malfeasance.

The State Government may ensure timely distribution of foodgrains to the beneficiaries as per specified norms and investigate cases of excess distribution of rice and wheat as pointed out by audit. The Department may extend this examination to all districts for identifying more such cases.

1.2.11 Transportation and Storage of food grains

Timely and effective transportation of the foodgrains under TPDS is very important to distribute the foodgrains to eligible beneficiaries within the prescribed time schedule. Tendering process for selection of contractors for transportation of foodgrains from FCI depot to base godowns and further from one base godown to another base godown

[37] Basuli Shera, Telmainari, Dugauda, Baguna & Ratgul.

was done by the RFCs at Regional level and from Base godowns to internal godowns by the DSOs at district level. Further, proper storage of adequate quantity of foodgrains in the godowns is very essential to ensure timely distribution of quality foodgrains to the eligible beneficiaries. Shortcomings noticed in the process of transportation and storage of foodgrains are discussed in succeeding paragraphs:

1.2.11.1 Transportation rates

Transport Commissioner, Uttarakhand prescribed rates[38] for goods carriage in the State in September 2013. Separate tenders are invited by Regional Food Controllers (RFCs) for each route for transporting foodgrains. Tenders are assessed on the basis of rates quoted for the first 15 kilometres in Garhwal and first 8 kilometres in Kumaun region. Tenders have been awarded at the lowest tendered rate in each of the test-checked routes. However, there was wide variance between the lowest tendered rate of different routes in the same region. Rates in excess of 47 *per cent* to 111 *per cent* compared to the lowest tendered rate was observed in Garhwal and in excess of 34 *per cent* to 201 *per cent* compared to the lowest tendered rates in Kumaun were approved ***(Appendix-1.2.9)***.

Further, State Government order (March 2014) stipulates that transport rates of Regional Transport Officer, FCI, PWD, Irrigation Department and transport unions should be taken into consideration while deciding the transport rates. It was seen that rates in excess of 260 *per cent* to 1,000 *per cent* in Garhwal and 397 *per cent* to 2,410 *per cent* in Kumaun region than the rates approved by the Transport Commissioner were approved during the audit period ***(Appendix-1.2.9)***.

Transporters/handling contractors, owning two trucks only in Garhwal, were selected, despite the fact that they were awarded contracts for transportation to two or three places ***(Appendix-1.2.10).***

On being pointed out, Principal Secretary while admitting that there was a difference between the transportation rates of both regions (Garhwal & Kumaun) stated that for maintaining the uniformity in the transport rates, proposals considering the rates issued by Transport Commissioner were being obtained from both the regions.

1.2.11.2 Storage management of foodgrains

There were two types of godowns *i.e.* base godowns and internal godowns operational under the Department. The foodgrains procured under DCP and lifted from FCI were stored at base godowns and further supplied to internal godowns mainly located at block/tehsil level in the districts. As on March 2018, the department had 197 godowns having capacity of 1.04 lakh[39] MT, out of which 87 (44.16 *per cent*) godowns were operational in rented buildings.

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[38] 25 paisa per quintal per km in plain areas and 38 paisa per quintal per km in hilly areas.

[39] Departmental godown's capacity: 76,349.00 MT + rented godown's capacity: 27,453.400 MT = 1,03,802.400 MT (Say 1.04 lakh MT).

1.2.11.3 Inadequate capacity

As per the GoI's orders (applicable from September 2014), the validity period for lifting of foodgrains is 30 days for each allocation month separately, starting from the first day of the month preceding the allocation month. Accordingly, the Department intimated that storage capacity for two month's allocation is required for ensuring timely lifting and distribution of foodgrains. The details of storage capacity of base godowns *vis-à-vis* allocation of foodgrains for the State are given in the **Table-1.2.7** below:

Table-1.2.7: Details of storage capacity of base godowns against allocation of foodgrains

(Capacity in lakh MT)

Godown level	Allocation for the year	Storage capacity available	Required capacity as per allocation	Less capacity (percentage)
Base Godowns, Garhwal	2.91	0.27	0.49	0.22 (*45*)
Base Godowns, Kumaun	2.14	0.20	0.36	0.16 (*44*)
Internal Godowns	5.05	0.57	0.84	0.27 (*32*)

Source: Information provided by the department.

It is evident from the above table that there was a shortage of storage capacity ranging from 44 *per cent* to 45 *per cent* at Regional level and 32 *per cent* at District level across the State. The shortage of storage capacity resulted into delayed distribution of foodgrains to the beneficiaries as discussed in ***paragraph 1.2.10.1.*** On being pointed out, the Principal Secretary admitted that there was an acute shortage of storage capacity and a proposal to construct 43 godowns in the next five years had been sent to the Government in April 2018.

1.2.11.4 Construction of godowns

The Department did not have any plan during the audit period for augmentation of storage capacity by construction of new godowns in the State. The plan for construction of new godowns in a phased manner during the next five years was prepared only in April 2018. The department, therefore, failed to address the constraints of less storage capacity. Further, it was noticed that four godowns being constructed during the audit period remained incomplete due to unavailability of approach road; non-release of balance amount to the executing agency; and due to hard rocks found at the construction site. The details are given in ***Appendix-1.2.11.*** On being pointed out, the Joint Commissioner (June 2018) accepted the facts.

1.2.11.5 Lack of equipment/facilities in godowns

As per Annexure-II of the Warehouse Manual for Operationalising of Warehousing (Development and Regulation) Act, 2007[40], basic equipment/facilities should be available at each godown for proper storage management. During test-check of the records of sampled districts of Tehri, Pauri and Almora; and RFC, Kumaun and Garhwal, several shortcomings were noticed as indicated in **Table-1.2.8** below:

[40] Department had not prepared its storage manual. In absence of this, the Warehouse Manual issued by GoI was used for benchmarking.

Table-1.2.8: Details of basic equipment/facilities available in godowns

Name of District/ Region	Total Number of godowns	Non availability of facilities in the godowns out of total godowns						
		Weigh Bridge	Fire fighting	Night lighting	Fumigation covers	Pesticides	Well protected boundary	Entry/ Exit gate
Tehri	27	27	27	27	27	27	26	27
Pauri	22	22	22	22	22	22	22	22
Almora	15	15	15	15	15	15	15	08
RFC, Garhwal	12	12	12	12	12	12	07	06
RFC, Kumaun	10	10	10	10	10	10	00	01

Source: Information provided by the department.

The storage godowns, therefore, lacked the basic equipment and facilities required as per manual. Further, physical verification of 15 sampled godowns (Departmental-eight and rented-seven) of Tehri, Pauri, Almora and base godowns (Kumaun Region and Garhwal Region) revealed the following shortcomings:

- No proper stack plan for godowns was in place; gunny bags of foodgrains were not kept properly; Stack cards with proper entries were not placed; fumigation charts and citizen charter were not represented and pesticides register was not being maintained.
- In addition, base godowns Kichha and Rudrapur (Udham Singh Nagar) were in dilapidated condition and foodgrains were stored in very unsystematic and unhygienic condition as rain water was accumulating in the godown from the damaged roof of the godown as can be seen in the following photographs:

Photograph 1.2.1: Dilapidated condition of Godown at Rudrapur (Udham Singh Nagar)

Photograph 1.2.2 and 1.2.3: Rain water accumulating inside the godown at Kichha (Udham Singh Nagar) because of damaged roof

On being pointed out, the Principal Secretary stated (October 2018) that a departmental manual for the purpose was being prepared and a proposal to make available necessary equipment and facilities to departmental godowns had been prepared.

While fixing the transportation rates, Transport Commissioner's specified rates were not considered and there was no uniformity in transportation rates approved for various transporters. There was an acute shortage of storage capacity which resulted into delayed lifting of foodgrains. However, the department did not have a plan to augment the storage capacity. Further, the godowns also lacked basic equipment and facilities.

The State Government may ensure augmentation of the storage capacity of godowns for timely lifting and distribution of foodgrains to the beneficiaries and improving storage conditions of godowns.

1.2.12 Financial Management

1.2.12.1 Availability and utilisation of funds

There were two Major Heads *i.e.* 2408 "Food, Storage and Warehousing" and 4408 "Capital Outlay on Food, Storage and Warehousing" were operational under the department. Expenditure relating to procurement, storage and distribution of foodgrains are booked under 4408, whereas, expenditure relating to establishment and transportation of food grains are booked under 2408. As per paragraph 16 of Uttarakhand Budget Manual, every care should be taken to ensure that the estimates are as accurate as possible. Further, as per paragraph 30 of the Manual, the average of actuals of past three years should be consulted while preparing the budget estimates. The details of availability and utilisation of funds under major head 4408 during the years 2013-14 to 2017-18 are given in the **Table-1.2.9** below**:**

Table-1.2.9: Details of availability and utilisation of funds

(₹in crore)

Year	Funds received from GoU	Expenditure incurred	Saving (percentage)
2013-14	2,211.00	1,840.70	370.30 (*16.75*)
2014-15	2,303.50	1,751.82	551.68 (*23.95*)
2015-16	2,314.52	2,218.45	96.07 (*4.15*)
2016-17	2,351.66	2,253.75	97.91 (*4.16*)
2017-18	2,369.27	1,341.43	1,027.84 (*43.38*)

Source: Information provided by the Department.

Thus, the department had submitted excess demand of budget in the years 2013-14, 2014-15 and 2017-18. Resultantly, there were significant savings of 16.75 *per cent*, 23.95 *per cent* and 43.38 *per cent* respectively. This indicated deficient budget management. On being pointed out, the Finance Controller stated (December 2018) that budget demand was made as per requirement; and further stated that all care would be taken in future.

1.2.12.2 Loss of ₹19.35 crore

In order to make immediate payment to farmers for procurement of wheat and paddy, State Government was authorised to obtain Cash Credit Limit (CCL) from Reserve Bank of India (RBI) in the event of shortage of funds. A CCL of ₹ 115.85 crore and ₹ 400 crore was obtained from RBI in March 2015 and January 2016 respectively, against which ₹ 535.20 crore, including interest, was repaid to RBI. **It was observed that in 2014-15 and 2015-16, ₹ 2,000 crore each was made available by GoU to the Department at the beginning (April) of the financial year for procurement of wheat and paddy against which an amount of ₹ 1,494.62 crore and ₹ 1,965.29 crore respectively was spent.** Thus, there were unspent balances of ₹ 505.38 crore and ₹ 34.71 crore during the two years. **Despite availability of sufficient funds with the Department, CCL of ₹ 515.85 crore was obtained from RBI. Consequently, the Department suffered a loss of ₹ 19.35 crore on account of interest paid to RBI against CCL.** On being pointed out, the Principal Secretary stated (October 2018) that CCL was taken for timely payment to farmers, millers and CAs in anticipation of sanction of annual budget for procurement of wheat in Rabi Marketing Season[41] and rice in Khariff Marketing Season[42]. The reply was not acceptable as sufficient funds for procurement of wheat and paddy were available throughout the relevant financial years.

1.2.12.3 Pending subsidy of ₹680.66 crore with GoI

As per the Memorandum of Understanding (MoU) executed between GoU and GoI for DCP, the State Government shall be paid subsidy on DCP at 100 *per cent* for fixed incidentals[43] and at 95 *per cent* on balance incidentals subject to final adjustment on submission of audited annual accounts by the State Government. **During 2013-14 to 2017-18, subsidy claims of ₹ 2,766.21 crore were submitted to GoI against which only ₹ 2,085.55 crore were paid by GoI retaining ₹ 680.66 crore due to non-submission of audited annual accounts by the State Government for the years from 2008-09 to 2017-18**. On being pointed out, the Principal Secretary stated (October 2018) that accounts upto 2006-07 had been sent to the GoI; accounts for the years from 2007-08 to 2009-10 had been prepared and action to appoint the chartered accountant to prepare the accounts for subsequent years was being taken. The reply was not acceptable as the department failed to submit the annual audited accounts to GoI since 2007-08 onwards because of which it was deprived of the full subsidy amount from GoI.

1.2.12.4 Irregular payment of VAT

As per Section 4 (2) (a) of the Uttarakhand VAT Act, the goods sold through PDS are exempted from VAT. During the test-check of records of RFC Kumaun and Garhwal, **it was noticed that ₹ 41.15 crore, ₹ 175.32 crore and ₹ 25.58 crore were paid to FCI, CAs and millers respectively in contravention of the Act.** The details of purchase of foodgrains made by the Department during 2013-14 to 2017-18 are given in the **Table-1.2.10** below:

Table-1.2.10: Details of purchase of foodgrains

(₹ in crore)

Period	Kind of purchase	RFC Kumaun		RFC Garhwal	
		Purchase Value	VAT paid	Purchase Value	VAT paid
2013-14 to 2017-18	Foodgrain from FCI	383.86	17.09	555.79	24.06
2014-15 to 2017-18	Paddy from CA[44]	3,529.27	167.11	172.43	8.21
2013-14 & 2014-15	Levy rice from millers[45]	530.15	24.28	27.82	1.30
	Total	***4,443.28***	***208.48***	***756.04***	***33.57***

Source: Information provided by the Department.

41 April to June.
42 October to January.
43 MSP, Bonus, taxes including VAT, Milling Charges, Driage.
44 Kumaun: 22.32 lakh MT (2014-15 to 2016-17), Garhwal: 1.13 lakh MT (2014-15 to 2016-17).
45 Kumaun: 18.49 lakh MT and Garhwal: 0.12 lakh MT.

On being pointed out, the Principal Secretary stated (October 2018) that the matter was referred to the Government from time to time and a decision on this was still awaited. The reply was not acceptable as the payment of VAT should not have been made to FCI, CAs and Millers as per the provisions contained in the Act. This resulted in irregular payment of ₹ 242.05 crore to FCI, CAs and Millers.

1.2.12.5 Irregular payment of Mandi Labour Charge

As per GoI's orders[46], statutory charges would be payable only on production of the relevant official/statutory receipts evidencing payments. In respect of Levy Rice, only those private rice millers who purchase paddy at regulated *mandis* are entitled for reimbursement of the Mandi Labour Charge (MLC)[47] at the rate specified in the GoI's approved cost sheet issued for every marketing season. As per information made available by the Department, in the years 2013-14 and 2014-15, 2.48 lakh MT rice was procured under MSP levy scheme, against which ₹ 557.97 crore was paid to the millers. During the test-check of the payment vouchers, it was observed that Form 6R was not found attached with the bills submitted for payment by the millers. The Department, therefore, failed to ensure that the procurement of levy rice was done at regulated *Mandis*. In addition, evidence regarding expenditure incurred on MLC by the millers was not found attached with the bills submitted for payment by the millers. During the years 2013-14 and 2014-15, ₹ 3.48 crore as MLC was paid to the millers against the quantity of rice procured under levy scheme, which resulted into irregular payment of ₹ 3.48 crore to the millers. On being pointed out, the Principal Secretary stated (October 2018) that directions were being issued to Senior Regional Accounts Officers to make sure that all the relevant documents are enclosed with the bills prior to making payments so as to avoid repetition of such instances in future.

1.2.12.6 Non-deduction of TDS of ₹2.58 crore

As per the amendments made in section 194C (6), of the Income Tax Act, Tax Deducted at Source (TDS) applicable from June 2015, will be deducted against payments made to transporters[48]. During the scrutiny of the records of RFC, Kumaun and Garhwal, it was observed that an amount of ₹ 128.75 crore[49] was paid to the transporters during 2015-16 to 2017-18 without deduction of TDS of ₹ 2.58 crore at the rate of two *per cent*. Further,

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[46] Payments relating to statutory charges, such as purchase tax/trade tax, mandi charges, market fee, *arhatia* commission, cess, *etc.* would be payable only on production of the relevant official/statutory receipts evidencing payments. (GoI's Order dated January 2015).

[47] Amount paid to the labourers at regulated *Mandis* for packing, stitching, loading and unloading of gunny bags of foodgrains.

[48] Unless the transporter furnishes a declaration to the payer to the effect that he owns ten or less than ten goods carriages at any time during the previous year. Further, as per para 43.4 of the GoI's Circular19, 2015, Government of India, Ministry of Finance, this exemption from TDS is applicable only in respect of transport charges received for plying, hiring or leasing of goods carriage(s) owned by the transporter.

[49] Kumaun: ₹ 52.82 crore + Garhwal: ₹ 75.93 crore = ₹ 128.75 crore.

while test-check of the paid vouchers, it was noticed that neither any declaration certificates were found attached with the vouchers nor registration certificates of the vehicles used for transportation were attached to prove the ownership. Non-adherence of the provisions of Income Tax Act, therefore, resulted in undue benefit to the transporters and also loss of revenue of ₹ 2.58 crore to the Government.

On this being pointed out, the Senior Regional Accounts Officers, Kumaun and Garhwal while accepting the facts (June 2018) stated that deductions were being made from September 2017 and December 2017 respectively.

1.2.12.7 Non-recovery of gunny bags

As per orders (September 2016) of the State Government, arrangement of gunny bags for purchase of paddy is required to be made by the FCS&CA through respective RFCs, on the basis of demand of procuring agencies, and after transfer of the Custom Milled Rice to State Pool/FCI, the gunny bags are required to be issued in favour of millers and value of the gunny bags recovered as per the cost of the gunny bags mentioned in the cost sheet of respective years. Test-check of records of RFC, Garhwal revealed that 20.28 lakh gunny bags were issued to the millers during 2014-15 to 2016-17, against which only nine lakh gunny bags were received back and 11.28 lakh gunny bags amounting to ₹ 5.82 crore[50] were still with the millers. Neither the gunny bags were received back from the millers nor was the cost of gunny bags recovered. On being pointed out, the Principal Secretary stated (October 2018) that the gunny bags belonged to the rice millers and were procured from their own resources. The reply was not acceptable as the documents made available to audit by the RFC disclosed that the gunny bags were provided to the millers by the department and no recovery was made against the bags which were not returned by the millers.

Despite the availability of sufficient funds, a CCL was obtained from RBI which resulted into loss of ₹ 19.35 crore to the State exchequer on account of payment of interest. Annual audited accounts were not submitted to GoI since 2008-09 which resulted into non-release of ₹ 680.66 crore of subsidy to the State Government. Department made an irregular payment of ₹ 242.05 crore as VAT to FCI, CAs & Millers in contravention of the provisions of VAT Act.

1.2.13 Monitoring mechanism

As envisaged in the PDS Control Order, 2001, 2015 and NFSA (Act), the State Government shall ensure periodic system of reporting and monitoring, regular inspection and meeting of Vigilance Committees (VCs) at State, district, block and FPS levels, *etc.* Deficiencies noticed in monitoring mechanism are discussed in succeeding paragraphs:

[50] 2014-15: ₹ 41.19 per bag; 2015-16: ₹ 45.94 per bag; and 2016-17: ₹ 56.68 per bag of 50 kg capacity each.

1.2.13.1 Constitution of State Food Commission

Section 16 (1) and (2) of NFSA stipulates that every State Government shall, by notification, constitute a State Food Commission (SFC) for the purpose of monitoring and review of implementation of this Act. The SFC shall consist of a Chairperson and five other Members. SFC in the State was constituted (November 2013) with a Chairman and a Member Secretary. One member was appointed (October 2015) after a delay of almost two years after constitution of SFC and four posts of members were still lying vacant. On being pointed out, the Principal Secretary stated (October 2018) that necessary action to appoint remaining members of the commission was in the last stage at the government level.

1.2.13.2 Non-preparation and presentation of annual report in Legislature

Section 16 (6) (f) of Act stipulates that SFC shall prepare annual reports which shall be laid before the State Legislature by the State Government. It was observed that only one report after four years of constitution of SFC was prepared and sent (July 2017) to Government. The report was yet to be presented before State Legislature.

1.2.13.3 Holding of Vigilance Committee Meetings

Section 29 of the NFSA envisages constitution of Vigilance Committees (VCs) at State, District, Block/Tehsil and FPS levels for ensuring transparency and proper functioning of the TPDS and accountability of the functionaries. **However, it was noticed that the VCs were set up in 2010 but remained defunct as no meeting at State level or at any level in sampled districts of Tehri, Pauri, Almora and Udham Singh Nagar was organised during the audit period.** The department reconstituted VCs in January 2018. On being pointed out, the Principal Secretary stated (October 2018) that all the DSOs had been directed to organise the meetings at each level and further added that effective steps would be ensured in future. The reply shows laxity of the department as the VCs were reconstituted after more than four years of the commencement of the Act. In absence of the VCs, the purpose of ensuring transparency in the TPDS got defeated, as there were cases of excess distribution of foodgrains as discussed in ***paragraph 1.2.10.2.***

1.2.13.4 Shortfall in inspection of Fair Price Shops

Clause (6) (2) of PDS (Control) Order, 2001 and clause 11 of TPDS Control Order, 2015 provides that regular inspections of FPSs but not less than once in three months, by the designated authority must be ensured. **It was observed that there was an overall shortfall of 69.93 *per cent* to 81.38 *per cent* in inspection of FPSs in the State during 2013-14 to 2017-18. The shortfall ranged between 35 *per cent* and 98 *per cent* in the sampled districts.** On being pointed out, the Principal Secretary stated (October 2018) that an action plan for effective enforcement in future was being prepared by the department.

1.2.13.5 Non-conducting of Social Audit

Clause 28 (1) of NFSA provides that there should be periodic Social Audit on functioning of FPSs, wherein people collectively monitor and evaluate the planning and implementation of a program or scheme. **It was noticed that after elapse of almost five years of commencement of the Act, rules for conducting social audit were not framed.** As a result, social audit on functioning of FPSs could not be conducted since the implementation of NFSA.

1.2.13.6 Lack of Human Resource

There should be sufficient human resources as per sanctioned strength in place for efficient implementation of the scheme. An analysis of the details of human resource of the Department showed that there was shortage of human resources against the sanctioned strength as depicted in **Table-1.2.11** given below:

Table-1.2.11: Details of Sanctioned strength and Person-in-position (As of June 2018)

Wing	Post	Sanctioned	Person-in-position	Shortfall (percentage)
Supply	Area Rationing Officer	61	16	45 (*74*)
	Supply Inspector	240	144	96 (*40*)
	Chowkidar /Palledar	219	164	55 (*25*)
Marketing	Sr Marketing Officer	39	14	25 (*64*)
	Marketing Inspector	100	63	37 (*37*)
	Marketing Assistant	60	29	31 (*52*)
	Godown *Chowkidar*	42	31	11 (*26*)

Source: Figures provided by the Department.

It is evident from above table that there was a shortfall ranging from 25 *per cent* to 74 *per cent* in deployment of human resources at various levels. The position in four sampled districts also presented a dismal picture[51]. The shortfall in human resources may be seen in the context of lack of regular inspections of FPS; non-conducting of stock verification of foodgrains at FPS; and delay in timely distribution of foodgrains to the beneficiaries. On being pointed out, the Joint Commissioner agreed (August 2018) that due to insufficient human resources, the Department was facing difficulties in successful implementation of the scheme.

1.2.13.7 Elimination of bogus ration cards and Units

Sections 3 (13) and 4 (19) of PDS Control Order 2015 stipulate that the State Government shall regularly review the list of the eligible households for the purpose of deletion of ineligible households or inclusion of eligible households and organise an annual special drive before the end of every financial year for the elimination of bogus or ineligible ration cards. However, the department had not undertaken this exercise. During the scrutiny of records, it was observed that during the period from 2013-14 to September 2015, there were 128.75 lakh units under the TPDS, which were in excess of the total population of the State by 27.58 lakh as per census of 2011.

On being pointed out, the Principal Secretary stated (October 2018) that ration cards were issued by various agencies, such as, Panchayati Raj Department, Rural Development Department, Local Bodies and Food and Civil Supplies Department. Due to shortage of

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[51] Shortfall of 83.33 and 38.46 *per cent* in Pauri; 75 and 68.57 *per cent* in Tehri; 100 and 38.46 *per cent* in Udham Singh Nagar and 100 and 38.46 *per cent* in Almora in deployment of Area Rationing Officers and Supply Inspectors respectively.

human resources, the department could not organise an annual special drive for the elimination of bogus or ineligible ration cards. However, during digitisation, 26.26 lakh units were weeded out as has been pointed out in ***paragraph no. 1.2.8.*** The reply was not acceptable. Had the regular exercise to eliminate bogus or ineligible ration card been done by the department, duplicate and ineligible ration cards/units would have been largely eliminated.

1.2.13.8 Information, Education and Communication

Section 11 (16) of PDS Control Order 2015 stipulates that the State Government shall take necessary steps to educate the RCHs regarding their rights and privileges by the use of electronic and print media as well as display boards outside the FPSs. **Test-check of the records of the sampled districts revealed that no such activity for educating the RCHs was carried out in any of the districts. The result of beneficiary survey carried out by audit revealed that out of 3,413 beneficiaries surveyed in the sampled districts, 1,894 (55.49 *per cent*) beneficiaries stated that they were unaware about the benefits *i.e.* prescribed scale of distribution of foodgrains and issue price, *etc*.** of NFSA. On this being pointed out, the Principal Secretary stated (October 2018) that an action plan to create awareness among ration card holders through print media, *Aakashwani* and distribution of pamphlets was being prepared.

1.2.13.9 Non-display of Citizen Charter

Section 11 (13) of PDS Control Order 2015 stipulates that the State Government shall issue and adopt a Citizen's Charter displaying information regarding rights and privilege of beneficiaries under the scheme, as stipulated under law or based on the model Citizen's Charter issued by the Central Government. **Test-check of the sampled districts disclosed that neither any Citizens Charter was issued by the State Government nor any Citizen Charter adopted in any of the sampled districts.** As a result, the beneficiaries were unaware about the benefit of NFSA as discussed in the preceding paragraph. On this being pointed out, the Principal Secretary stated (October 2018) that a format of Citizen Charter was being prepared.

Vigilance Committee meetings for ensuring transparency and proper functioning of TPDS were not held at any level, there was a huge shortfall in inspection of FPSs, and rules to conduct the social audit were also not framed by the Government. Had the department undertaken these measures excess distribution of foodgrains could have been avoided.

The Government may ensure meeting of vigilance committees and adequate inspection of FPSs at regular intervals and frame rules for periodic Social Audit on functioning of FPSs.

1.2.14 Results of physical verification of FPS

In the sampled districts, 90 FPSs connected with sampled godowns, were physically verified and surveyed by the audit. The results of physical verification and survey are as follows:

- 87 (96.67 *per cent*) FPS owners were not getting supply of foodgrains by the scheduled date. As a result, FPS owners were not able to distribute foodgrains within scheduled date.
- 30 (33.33 *per cent*) FPS owners complained about the quality of foodgrains and 34 (37.78 *per cent*) FPS owners also received complaint regarding quality of foodgrains from beneficiaries.
- Only 23 (25.56 *per cent*) FPSs were inspected regularly.
- Stock of foodgrains was not displayed by 29 (32.22 *per cent*) FPS owners.
- Prescribed norms of distribution of foodgrains were not displayed by 48 (53.33 *per cent*) FPS owners.
- Utilisation Certificates were not being submitted by 41 (45.55 *per cent*) FPS owners.
- Toll free/Helpline number was not displayed by 32 (35.55 *per cent*) FPS owners.
- None of the FPS owners were displaying the list of beneficiaries.
- All the FPS owners were not displaying sample of foodgrains
- 90 *per cent* FPS owners were not updating the list of beneficiaries.

1.2.15 Result of beneficiary Survey

In the sampled districts, 3,413 beneficiaries connected with sampled FPSs were surveyed by the audit. The findings of beneficiary survey are as follows:

- 1,035 (30.33 *per cent*) beneficiaries stated that opening and closing time of FPSs was not displayed by the FPS owner.
- 1,894 (55.49 *per cent*) beneficiaries were unaware about the benefits of the scheme.
- 3,218 beneficiaries (94.29 *per cent*) were not getting ration within scheduled date *i.e.* 15^{th} of each month.
- 1,962 (57.49 *per cent*) beneficiaries stated that quality of foodgrain was average.
- 38 beneficiaries were getting excess quantity of foodgrains as compared to norms.
- 265 beneficiaries were getting less quantity of foodgrains as compared to norms.

1.2.16 Conclusion

The End-to-End computerisation was launched in December 2012 for transparent recording of transactions at all levels and preventing diversion and ensuring full transparency in distribution of the foodgrains to the eligible beneficiaries, but same could not be achieved due to non-implementation of Supply Chain Management and FPSs Automation. Thereafter, National Food Security Act was enacted in September 2013 and as per the Act, 61.94 lakh out of a 101.17 lakh population (census 2011) were to be covered in Uttarakhand. Subsequently, 7.69 lakh *Antyodaya Anna Yojana* beneficiaries and 54.23 lakh Priority House Hold beneficiaries were covered. As a result of digitisation of ration cards the department weeded out 26.26 lakh ineligible beneficiaries which existed in erstwhile TPDS. Specified eligibility criteria and procedure for identification of eligible households to be covered under National Food Security Act, were not followed.

As a result, eligible households were left out from the benefits of the scheme and ineligible households were included under the scheme. Payment of Minimum Support Price to the farmers on procurement through the CAs was also not verified by the Department. Instances of excess distribution of wheat and rice were also noticed. Storage capacity of foodgrains in the State was not adequate and the shortage of storage capacity ranged between 44 *per cent* and 45 *per cent* at Regional level and 32 *per cent* at District level across the State. The existing storage godowns in the State lacked the basic equipment and facilities. The Department suffered a loss of ₹ 19.35 crore on account of interest paid to Reserve Bank of India against Cash Credit Limit of ₹ 515.85 crore obtained from Reserve Bank of India despite availability of sufficient funds. Monitoring mechanism was found deficient. Number of members required as per Act in State Food Commission were not appointed; only one report after four years of constitution of State Food Commission was prepared; and no meeting of Vigilance Committee at State level or at any level in sampled districts was organised during the audit period. There was also an overall shortfall of 69.93 *per cent* to 81.38 *per cent* in inspection of FPSs in the State during 2013-14 to 2017-18. Rules for conducting social audit were not framed even after elapse of almost five years of commencement of the Act.

COMPLIANCE AUDIT

HIGHER EDUCATION DEPARTMENT

1.3 Idle expenditure

After incurring expenditure of ₹2.59 crore, the college could not use the constructed hostel for SC/ST girl students due to absence of security and staff and the hostel building remained idle since January 2015.

With a view to providing hostel accommodation to Scheduled Caste (SC) and Scheduled Tribe (ST) students, the Government of Uttarakhand (GoU) accorded (March 2008) administrative and financial sanction of ₹ 3.43 crore for construction of Boys and Girls hostels[52] in the premises of Government Degree College (College), Dakpathar, Dehradun. Subsequently, an amount of ₹ 2.76 crore[53] was released to the executing agency[54] during 2008 to 2012.

Scrutiny of records (September 2017) of the college revealed **that an expenditure of ₹ 2.54 crore was incurred on the construction of one hostel for which a revised estimate was submitted by the Director, Higher Education, Uttarakhand (March 2014) to the State Government for approval which was not sanctioned. The executing agency refunded the balance amount (April 2014) of ₹ 0.22 crore[55] and**

52 50 bed hostel for boys and 50 bed hostel for girls.

53 2007-08-₹ 50 lakh, 2008-09-₹ 50 lakh, 2009-10-₹ 36 lakh, 2010-11-₹ 40 lakh and 2011-12- ₹ 100 lakh.

54 Uttar Pradesh *Rajkiya Nirman Nigam* Limited.

55 ₹ 2.76 crore-₹ 2.54 crore = ₹ 0.22 crore.

handed over (January 2015) the building of the hostel to the College. The college took possession of the hostel building and spent an additional ₹ 0.05 crore (June 2015) on furnishing the hostel. The constructed hostel building was lying unutilised for the last three years as no students had opted for the accommodation.

On this being pointed out, the Principal stated (March 2018) that applications were invited for the hostel from the students. However, due to non-availability of security and staff, no application was received. Further, it was stated that action (December 2015, October 2017 and December 2017) was being taken for creation of posts for operating the hostel. The reply was not acceptable, since as per Government's Order (December 1997), the hostel staff was to be kept on contractual basis and their remuneration was to be made from hostel fees and other service fees and no posts would be sanctioned for this arrangement. The college, therefore, should have arranged deployment of the staff and security from its own sources for operating the hostel.

Thus after incurring an expenditure of ₹ 2.59 crore, the college could not use the constructed building for providing hostel facilities to SC/ST girl students. The hostel building remained idle since January 2015 thereby depriving students of the intended benefits.

The matter was reported to the Government (April 2018); Reply was awaited (August 2019).

HOME DEPARTMENT

1.4 Loss of revenue

Non-recovery of compounding fee at the prescribed rate led to loss of revenue of ₹3.17 crore.

The Transport Section-1, Government of Uttarakhand, issued (09 August 2016) a notification revising the compounding fee from ₹ 100 to ₹ 500 for violating the instructions issued under Section 179 (1)[56] of the Motor vehicles Act, 1988.

Scrutiny of records (April 2017 to September 2017) of the Senior Superintendent/ Superintendent of Police (SP) of six districts[57] revealed that even after the issue of the notification and publication in the Gazette (01 October 2016), challans were issued against 79,230 vehicles[58] for not following the instructions issued under Section 179 (1) of the Motor vehicles Act, 1988 at the rate of ₹ 100 instead of the revised rate of

[56] Section 179-Disobedience of orders, obstruction and refusal of information (1) Whoever willfully disobeys any direction lawfully given by any person or authority empowered under this Act to give such direction, or obstructs any person or authority in the discharge of any functions which such person or authority is required or empowered under this Act to discharge, shall, be punishable with fine which may extend to five hundred rupees.

[57] Superintendent of Police, Pithoragarh, Udham Singh Nagar, Dehradun, Haridwar, Chamoli and Tehri.

[58] Chamoli: 4,079 vehicles, Tehri: 3,025 vehicles, Udham Singh Nagar: 27,749 vehicles, Pithoragarh: 6,228 vehicles, Dehradun: 18,446 vehicles, Haridwar: 19,703 vehicles.

₹ 500 which resulted in short recovery of compounding fee of ₹ 3.17 crore[59] from the defaulting vehicles (As detailed in ***Appendix-1.4.1***).

On this being pointed out, the Government issued directions (January 2019) to the Director General of Police, Uttarakhand to direct the SPs of the concerned Districts that a strict action would be taken against them, if they charged the compounding fee less than the rate prescribed under the relevant sections of the Motor Vehicles Act, 1988 by the Government.

Non-recovery of fine at the prescribed rate, therefore, led to loss of revenue of ₹ 3.17 crore, for which responsibility of the concerned officers is required to be fixed by the Government/Department.

INDUSTRY DEPARTMENT

1.5 Non-recovery of Special State Capital Investment Subsidy (with interest at the rate of 18 per cent) and Special Interest Subsidy

Industry department failed to recover ₹ 49.56 lakh from a defaulter industrial unit after lapse of more than three years though the scheme guidelines provide for recovery in case of violation of the conditions of grant of subsidies.

Special State Capital Investment Subsidy Assistance (SSCISA)[60] Scheme and Special Interest Subsidy Incentive (SISI)[61] Scheme were implemented by Industry Department, Government of Uttarakhand (GoU) in February 2008 for providing financial assistance to new Industrial units set up in the State after 01 April 2008. Paragraph 10 (3) of the SSCISA scheme provides that the beneficiary enterprise shall have to continue its business for at least 10 years after the commencement of commercial production. Besides, paragraph 11(1) of the scheme provides that "any breach of the provisions contained in paragraph 10 (3) above shall result in the recovery of the State Assistance received by the entrepreneur in single instalment as the recovery of land revenue with interest payable at the rate of 18 *per cent*". Further, Paragraph 7(2) of the SISI Scheme provides that "the Interest Subsidy Incentive shall be available to those industrial units only, who will

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59 79,230 vehicles x (₹ 500 - ₹ 100) = ₹ 3,16,92,000 (Say ₹ 3.17 crore).

60 Under this scheme, 25 *per cent* of the fixed capital investment made on construction of workshop-building, plant & machinery and equipment subject to a maximum of ₹ 30 lakh **would be given as financial assistance to entrepreneurs** who are permanent and bonafide residents of the State for establishing their units in the State and for the other entrepreneurs 20 *per cent* of the fixed capital investment made on construction of workshop-building, plant & machinery and equipment subject to a maximum of ₹ 25 lakh.

61 Under this scheme, the industries seeking loan through the funding banks/financial institutions situated in the districts specified in Category A areas **(Pithoragarh, Uttarkashi, Chamoli, Champawat and Rudraprayag)** may be given incentive of simple interest upto 6 *per cent* of the total loan sanctioned subject to a ceiling of ₹ 5 lakh per unit per annum and those specified in Category B areas {**Pauri Garhwal, Tehri, Almora, Bageshwar, Dehradun (excluding regions of Vikasnagar, Doiwala, Sahaspur and Raipur) and Nainital (excluding regions of Haldwani and Ramnagar)**} may be entitled for interest incentive at the rate of 5 *per cent* subject to a ceiling of ₹ 3 lakh per unit per annum.

continue their business for at least five years after they have received the Interest subsidy, failing which the Government reserves its right to recover the entire subsidy amount from the concerned industrial unit".

Scrutiny of records (May 2017) of General Manager, District Industries Centre (DIC), Haldwani, revealed that an enterprise (M/s Blue Bell) got approval of DIC on Entrepreneurs Memorandum (EM) Part-I[62] on 11 March 2011, for getting subsidy under SSCISA and SISI Scheme, against which ₹ 25 lakh as capital subsidy and ₹ 6.39 lakh as Interest subsidy was sanctioned (July 2013 and March 2015) and disbursed to the entrepreneur in March 2014 and March 2015 respectively. These subsidies were given for setting up of a hotel in accordance with SSCISA Scheme and SISI Scheme Rules, 2008. The Hotel was operational in March 2012 and closed in March 2015 and after that a school was started in the hotel building from April 2015. As the hotel was closed before 10 years of its commencement and before five years after receiving the interest subsidy (March 2015), for which the above subsidies were given under SSCISA and SISI Scheme, the entrepreneur was liable to refund Capital Subsidy and Interest Subsidy of ₹ 31.39 lakh[63] along with interest on Capital Subsidy of ₹ 18.17 lakh[64].

In reply, the Government stated (April 2018) that recovery of the amount of capital subsidy and interest subsidy from the entrepreneur was not justified because the unit had continued its business up to three years which was as per the amendment[65] made in the provision of the scheme on 18 November 2011.

The reply is not acceptable because the unit got approval of DIC on EM Part-I under SSCISA Scheme on 11 March 2011 which was before amendment of the scheme provisions (18 November 2011). The amendment was, therefore, not applicable in this case, as any order/notification is applicable from the date of its issuance until and unless applicability from retrospective date is specified. Further, the unit was not functioning for a period of five years after receiving the Interest subsidy (March 2015) which was a requirement as per the SISI Rules, 2008.

The Industry department, therefore, failed to recover ₹ 49.56 lakh[66] from the defaulter industrial unit even after lapse of more than three years.

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62 **EM Part-I** is the first step/part of registration under SSCISA and SISI scheme. Keeping in view the physical condition of the remote hilly area, the approval of EM Part-I was treated as pre-registration under the Scheme and eligibility amount for subsidy on capital investment was calculated by the DIC on the amount, which was invested by the Enterprise from the date of EM Part-I.

63 ₹ (25 lakh + 6.39 lakh).

64 **Capital subsidy of ₹ 25 lakh was disbursed to the entrepreneur on 18 March 2014.** Interest on Capital Subsidy @18 *per cent* per annum on ₹ 25 lakh from 18.03.14 to 31.03.18 (4 years 14 days) which amounts to ₹ 18,17,260 (say ₹ 18.17 lakh).

65 Amendment was made vide GoU OM No.2931/VII-II/123-Industry/08/2011 dated 18 Nov 2011 which replaced the minimum tenure of production to three years from the earlier 10 years.

66 ₹ 31.39 lakh (Capital subsidy + Interest Subsidy) + ₹ 18.17 lakh (Interest on Capital Subsidy @ 18 *per cent*).

IRRIGATION DEPARTMENT

1.6 Idle expenditure/Non-achievement of objectives

The Division incurred an idle expenditure of ₹2.42 crore on procurement of pipes which were lying unattended in the open leaving it prone to the vagaries of nature, besides incurring an unfruitful expenditure of ₹46.31 lakh on other components of the project. Moreover, the intended objectives of the project had not been achieved even after a lapse of four years.

A project for construction of 18 kilometre (km) long *Lastar* left canal in Rudraprayag District (Jakholi Block) was sanctioned (March 2012) by National Bank for Agriculture and Rural Development (NABARD) for ₹ 9.84 crore under Rural Infrastructure Development Fund (RIDF-XVII). Nine km of the canal was to be constructed with Mild Steel (MS) pipe and the remaining nine km was to be constructed through masonry channel.

Scrutiny of records (May 2017) of the Executive Engineer, Irrigation Division, (ID) Rudraprayag revealed that the Technical Sanction (TS) of the estimate which was forwarded (18 January 2014) to the Chief Engineer (CE), Irrigation Department, Garhwal, had not been accorded till the date of audit. However, the CE and HOD allotted ₹ 280.52 lakh (23 September 2013) and ₹ 75 lakh (26 July 2014) for the project, though the villagers of *Gaithana* village protested the construction of the canal objecting its alignment (27 November 2013). Scrutiny also revealed that approval for 15 km of the canal that fell in forest land was granted on 26 March 2014 by the Government of Uttarakhand. Despite knowing the fact that the TS of this project had not been accorded and there was a dispute in the alignment, the Department entered into 17 different agreements with eight contractors (February-March 2014) for executing the work[67] in 3.4 km for an amount of ₹ 3.29 crore. The contractors supplied the pipes in March 2014 and dumped them along the roadside in absence of approach path to the head of the canal and an amount of ₹ 2.42 crore[68] was paid to the contractors. A revised survey (December 2013-February 2014) was conducted bypassing the *Gaithana* village. As a result, the length of the canal increased to 21 km out of which 18 km fell in forest land. The estimate for the new alignment was revised twice (April 2015 and February 2016) and finally the Superintendent Engineer (SE) returned (09 March 2016) the revised estimate of ₹ 31.65 crore in original to the Division without sanctioning it due to several reasons[69]. The pipes procured for an amount of ₹ 2.42 crore were lying unattended alongside the

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67 Supply, carriage and fixing of MS pipe including flange on both ends, washer, nut bolt, 2 coats of paint and one coat of paint on outer surface and labour for laying.

68 Excluding payment towards cost of bend, fixing charges, sub-grading for laying and painting.

69 1. The revised estimate should have been submitted within one year of approval of the project. 2. Benefit cost ratio was less than one, and 3. The cost of the project has been calculated at higher rate of ₹ 9.65 lakh per hectare instead of ₹ 2.50 lakh per hectare.

road/land belonging to villagers for more than four years. Besides, the Division also incurred an expenditure of ₹ 46.31 lakh[70] on the project.

On this being pointed, the Division stated (May 2017) that the process for invitation of tenders had started after the allotment of fund in September 2013 and agreements were executed accordingly. The Division also stated that the work would be completed after obtaining the approval of the revised estimate. However, the SE, ID, Rudraprayag, in its latest reply (November 2018), stated that (i) due to the objection raised by the villagers, the work on the original alignment cannot be executed and the work on the new alignment also cannot be undertaken due to non-approval of forest land and inappropriate benefit cost ratio; (ii) when steps were initiated for lifting the pipes, the villagers stopped the ID from lifting the pipes and demanded rent for dumping the pipes in their land. An estimate for lifting the pipes and payment of rent was being prepared and after its approval and sanction, the pipes would be lifted and kept in the store for use in any other project.

The Division, therefore, incurred an idle expenditure of ₹ 2.42 crore on procurement of pipes which were lying unattended in the open leaving it prone to the vagaries of nature, besides incurring an unfruitful expenditure of ₹ 46.31 lakh on other components of the project. Moreover, the intended objectives of the project had not been achieved even after a lapse of four years.

The matter was reported to the Government (May 2018); Reply was awaited (August 2019).

MEDICAL, HEALTH & FAMILY WELFARE DEPARTMENT

1.7 Functioning of blood banks in Uttarakhand

The blood banks could not make significant progress in phasing out replacement donors to achieve target of 100 per cent voluntary blood donation (VBD) as envisaged in the National Blood Policy. Information, Education and Communication activities carried out by State Blood Transfusion Council (SBTC) for promotion of voluntary blood donation was inadequate. There was significant difference in the percentage of VBD as per Annual Report of SBTC and figures obtained from the selected blood banks. Out of 35 blood banks in the State, 13 were operating with expired licence from five months to twenty years. Only 22 regular inspections could be carried out against 96 inspections required to be conducted during the period 2015-18. None of the blood banks selected by audit were inspected during 2015-18. Out of eight selected blood banks, five were not calibrating equipment in prescribed time. The Donor and the Master Registers were not being maintained in complete form as prescribed in the Act.

70 Survey: ₹ 7.44 lakh, Compensation for forest land: ₹ 24.83 lakh, Approach road ₹ 7.95 lakh and Miscellaneous expenditure: ₹ 6.09 lakh.

1.7.1 Introduction

Blood transfusion is a life-saving intervention that has an essential role in patient management within health care systems. The Government of India (GoI) formulated (April 2002, amended in 2007 and 2016) National Blood Policy (NBP) for elimination of transfusion transmitted infection and for provision of safe and adequate blood transfusion services to the people through an integrated strategy[71]. Human blood being covered under the definition of 'drugs[72]' under the Drugs & Cosmetics (D&C) Act 1940, 'blood banks[73]' are regulated under the said Act and Rules framed there under, through issue of licence by the State Drug Controllers (SDC) after conducting inspection along with the Central Drug Standards Control Organisation (CDSCO), the licence approving authority.

The National Blood Transfusion Council (NBTC) is a policy formulating apex body in relation to all matters pertaining to the operation of blood centres while the State Blood Transfusion Council (SBTC) has the responsibility of implementing the blood programme in the State. National AIDS Control Organisation (NACO) allocates budget to NBTC for strengthening Blood Transfusion Services. As of March 2018, 35 blood banks were functioning in the State of which 20 were managed by the State Government as detailed in ***Appendix-1.7.1***, four by the Central Government, seven[74] by private parties and four by different charitable institutions. During the period 2015-16 to 2017-18, collection of blood units[75] in the State Government blood banks accounted for 48 to 53 *per cent* of the total collection in the State.

The theme based compliance audit on "Functioning of Blood Banks in Uttarakhand" during the period 2015-16 to 2017-18 was carried out between March and May 2018, through test-check of the records of SDC, State Blood Transfusion Council (SBTC),

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71 Includes collection of blood only from voluntary, non-remunerated blood donors, screening for all transfusion transmitted infections and reduction of unnecessary transfusion.

72 All medicines for internal or external use of human beings and all substances intended to be used for or in the diagnosis, treatment, mitigation or prevention of any disease or disorder in human beings.

73 "Blood Bank" means a place or organisation or unit or institution or other arrangements made by such organisation, unit or institution for carrying out all or any of the operations for collection, apheresis (It is the process by which blood drawn from a donor, after separating plasma or platelets, is re-transfused simultaneously into the said donor), storage, processing and distribution of blood drawn from donors and/or for preparation, storage and distribution of blood components.

74 Out of seven blood banks managed by private parties, six are associated with hospitals and one is a standalone blood bank (not associated with any hospital).

75 One unit=350 ml.

Year	Blood collection (in unit) at various level					
	State Government	Central Government	Private	Charitable institutions	Stand alone blood bank	Total
2015-16	58,080(*53*)	832(1)	14,444(13)	5,860 (5)	30,872(28)	***1,10,088***
2016-17	59,068(*48*)	1,569(1)	23,175(19)	10,267(8)	29,793(24)	***1,23,872***
2017-18	60,836(*48*)	3,783(3)	21,177(17)	15,845(13)	24,696(19)	***1,26,337***

office of the Director General Health and eight[76] State Government blood banks selected on the basis of collection of maximum blood units during the period 2015-18.

1.7.2 Role of SBTC

As per NBP, SBTC would be responsible for implementation of the Blood Programme at State level. In Uttarakhand, SBTC was established[77] (August 2004) with the Secretary, Health & Family Welfare (H&FW) Department as its President. Scrutiny of records showed the following shortcomings:

1.7.2.1 Non-preparation of action plan

As per provision of the NBP, the SBTC was required to prepare an action plan for gradually phasing out replacement blood donors[78] and achieve 100 *per cent* target of collection of safe and quality blood from voluntary blood donors (VBD)[79]. However, it was observed that no such action plan was being prepared by the SBTC.

In the absence of an action plan, the SBTC could not make significant progress as regards VBD in the State as elaborated in ***paragraph 1.7.3.1.***

In order to achieve 100 *per cent* Voluntary Blood Donation, the SBTC should ensure preparation of an action plan for gradually phasing out replacement blood donors.

1.7.2.2 Insufficient meetings of Governing Body of SBTC

As per SBTC Council Rules, 2004, the meetings of Governing Body of SBTC were to be held at least twice a year to review its functioning. However, it was noticed that out of six meetings required to be held, only two meetings[80] of the Governing body were conducted during the period 2015-18. As a result, matters like accounts for the past year, annual report of the state council, proposals for enquires and research work for the next year and demand of funds for the next year could not be reviewed and discussed on a regular basis.

1.7.2.3 Inadequate Information, Education and Communication (IEC) Activities conducted by the SBTC

The SBTC is a Society which is being financed by NACO and State Government through grants. The SBTC receives grants from Uttarakhand State AIDS Control Society (USACS) as provided by NACO and State grants are being received from the annual

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76 (i) Sushila Tiwari Memorial (STM) Hospital, Haldwani, (ii) S.S. Jeena Base Hospital, Haldwani, (iii) L.D Bhatt Government Hospital, Kashipur, (iv) H.M.G. District Hospital, Haridwar, (v) SJNSM Government Joint Hospital, Roorkee, (vi) Doon Hospital, Dehradun, (vii) B.D. Pandey District Hospital Pithoragarh and (viii) Base Hospital Srinagar, Pauri.

77 Under the Society Act, 1860.

78 Family/replacement donor: A donor who gives blood to a member of the patient's family/community which may involve a hidden payment to the donor by the patient's family (ii) One who gives blood when it is required by a member of his /her family/community; this may involve coercion or payment and (iii) A member of the family or friend of the patient who donates blood in replacement of blood needed to a particular patient without involvement of benefits from any source.

79 A voluntary blood donor is a person who gives blood, plasma or other blood components at his/her own free will and receives no payment for it, either in the form of cash or in kind which could be considered a substitute for money.

80 03 August 2015 and 18 May 2017.

budget of department of Health and Family Welfare. As per NBP, SBTC was to develop and launch IEC campaign using all channels of communication including mass media for promotion of voluntary blood donation and generation of awareness regarding dangers of procuring blood from paid donors as well as from unauthorised blood banks.

The budget allocated and expenditure incurred on IEC activities during the years 2013-14 to 2017-18 was as given in **Table-1.7.1** below:

Table-1.7.1: Detail of Budget Allocation and Expenditure on IEC activities

(₹ *in lakh*)

Year	2013-14		2014-15		2015-16		2016-17		2017-18	
	Central	State	Central	State	Central	State	Central	State	Central	State
Grant received	25.40	11.50	8.96	Nil	Nil	Nil	1.00	2.20	1.41	Nil
Expenditure	16.47	3.89	6.99	0.16	3.29[81]	0.35	2.04[82]	2.07	1.41	Nil

Source: SBTC.

It is evident from the above table that there has been steep decline in grants allocated to SBTC by the GoI and the State Government for IEC activities. Audit scrutiny revealed that during the above period the SBTC did not request the GoI and the State Government to increase the amount of grants for IEC activities. It was also observed that in the year 2013-14, 27 IEC activities were conducted while during the year 2014-15, 2015-16, 2016-17 and 2017-18 nine, six, eight and only two activities respectively were conducted for promotion of voluntary blood donation.

On this being pointed out, SBTC stated that the IEC activities were being carried out by the National Aids Control Organisation (NACO). The reply was not tenable as it was mandatory on the part of SBTC to carry out IEC activities to raise the awareness of the need for regular blood donations to ensure quality, safety and availability of blood and blood components and to achieve the target of 100 *per cent* voluntary donations as per the guidelines of NBP. The shortfall in IEC activities has to be seen in the backdrop of poor achievement of the blood banks as regards VBD as discussed in ***paragraph 1.7.3.1***.

For promotion of voluntary blood donation, the SBTC should make efforts to launch IEC campaign using all channels of communication for generation of awareness in public.

1.7.2.4 Non-adherence with the provisions of National Blood Policy

The SBTC Uttarakhand did not adhere with the following provisions of the NBP.

Objective	Provision	Remarks
To strengthen manpower through human resource development	A separate department of transfusion medicine to be established in all medical colleges.	Presently, there are three medical colleges[83] in the State. Department of transfusion medicine was not established in any of the three medical colleges.

[81] From previous years' grants.

[82] Excess expenditure of ₹ 1.04 lakh was met from previous years' balances.

[83] Doon Medical College Dehradun, STM Medical College Haldwani and Government Medical College Srinagar.

	Separate cadre of doctors to be created for providing effective transfusion services in all blood banks.	No such cadre has been created by the State Government.
To encourage research and development in the field of transfusion medicine and related technology	Corpus of funds to be created by SBTC for facilitating research in transfusion medicine and technology related to blood banking.	No corpus of funds was created by SBTC for facilitating research.
	Computer based information and management system to be developed for use by all blood banks regularly to facilitate networking, in order to share information with other blood banks.	One blood bank at district hospital Pauri, in the State was yet to be connected with the network facility. As regards sharing of donor's information, SBTC stated that each blood bank was maintaining a donor's directory which also included rare blood group donors and they could be contacted in case of any emergency. However this data regarding information about donors is not maintained electronically in the blood banks.
To take adequate regulatory and legislative steps for monitoring and evaluation of blood transfusion services and to take steps to eliminate profiteering in blood banks.	The State/SBTC was to enact rules for registration of private hospitals/nursing homes wherein a provision for affiliation with a licenced blood bank for procurement of blood for their patients was to be incorporated.	The State Government/SBTC did not formulate any such rules.

Appropriate action should be taken by the SBTC for implementation of provisions of the National Blood Policy in the State

1.7.2.5 Inadequate staff

To carry out the smooth functioning of the SBTC, the NACO sanctioned (May 2009) one post of director[84], two posts of Deputy Assistant Director[85], one post of Section Officer and eight posts of subordinate staff. The State Government created (June 2016) one post of Director, two posts of Deputy Assistant Directors and 06 posts of subordinate staff (through outsourcing) for SBTC. The post of Section Officer and two subordinate staff were not created by the State Government. Further, the created posts of Deputy Assistant Directors have been not filled up in SBTC. The SBTC did not make any effort to augment its manpower by bringing the matter to the notice of the State Government as well as to NACO.

On this being pointed out, the SBTC replied that there was no need to fill the vacant posts in the SBTC.

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[84] Ex-officio post and charge was being looked after by the Director, Uttarakhand State Aids Control Society (USACS).

[85] Medical-01 and IEC-01.

For effective monitoring of implementation of the National Blood Policy in the State, the State Government may augment the staff of the SBTC as proposed by NACO.

1.7.3 Voluntary Blood Donation

1.7.3.1 Collection of blood from voluntary donors

Voluntary blood donation programme is the foundation for safe and quality blood transfusion service as the blood collection from voluntary non-remunerated blood donors is considered to be the safest. In this context, the NBP provides that the practice of replacement donors shall be gradually phased out in a time-bound programme in order to achieve 100 *per cent* voluntary non-remunerated blood donations.

(a) Position of Voluntary blood donation in selected blood banks

Scrutiny of records of the selected blood banks revealed that the blood banks, except HMG District Hospital Haridwar, could not make significant progress in phasing out replacement donors to achieve the 100 *per cent* target as envisaged in NBP. In five out of eight test-checked blood banks[86], the percentage of VBD decreased in 2017-18 as compared to 2015-16 against the total blood units collected (TBC). Moreover, in absence of an action plan by the SBTC for gradually phasing out the replacement donor, seven out of eight test-checked blood banks[87] could not even achieve 40 *per cent* of the target as detailed in ***Appendix-1.7.2*** and these blood banks mainly depended on replacement donations.

In reply, the concerned blood blanks, while accepting the facts, assured that compliance with the policy would be made in future.

The SBTC should ensure preparation of an action plan for achieving 100 *per cent* Voluntary Blood Donation and also ensure its compliance by all the blood banks in the State.

(b) Mismatch of data

There was a significant difference in the percentage of VBD as per the Annual Report of SBTC and as obtained from the selected blood banks as detailed in ***Appendix-1.7.2***.

The SBTC stated that the figures shown in the annual report were sum of voluntary blood donors and family donors. However, as per NACO's definition, family donor falls under the category of replacement donors. The data of SBTC regarding VBD was, therefore, inflated and did not depict the correct position of VBD in the State.

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86 (i) STM Hospital Haldwani (ii) SS Jeena Base Hospital Haldwani (iii) LD Bhatt Hospital Kashipur (iv) HMG District Hospital Haridwar and (v) SJNSM Hospital Roorkee.

87 (i) STM Hospital Haldwani (ii) SS Jeena Base Hospital Haldwani (iii) LD Bhatt Hospital Kashipur (iv) SJNSM Hospital Roorkee (v) Doon Hospital Dehradun (vi) BD Pandey Hospital Pithoragarh and (vii) Base Hospital Srinagar.

(c) Position of Voluntary blood donation in private, central government, charitable and standalone blood banks

The Annual Report in respect of VBD prepared by the SBTC for Private, Central Government, Charitable and Standalone blood banks revealed that during the period 2015-18, the percentage of VBD was very low in seven blood banks[88]. Moreover, it was zero *per cent* in case of blood bank at BHEL, Haridwar as given in **Table-1.7.2** below. These blood banks largely collected blood from replacement donors.

However, the percentage of VBD in eight blood banks was satisfactory and 100 *per cent* VBD was also achieved by the IMA blood bank during the above period.

Table-1.7.2: Detail of percentage of VBDs in private/Central Government/charitable/standalone blood banks

Sl. No.	Blood bank	Percentage of VBD[89]			
		Name of Blood Bank	**2015-16**	**2016-17**	**2017-18**
1.	**Private**	Max Hospital,Dehradun	*7*	*5*	*18*
2.		HIHT Jollygrant, Dehradun	*89*	*63*	*67*
3.		Subharti, Dehradun	-	*22*	*19*
4.		Srikrishna, U.S. Nagar	-	*11*	*20*
5.		Kailash, Dehradun	-	-	*13*
6.		Jeevan Rekha Hospital, Kashipur	*100*	*100*	*94*
7.	**Central**	MH, Dehradun	*100*	*97*	*100*
8.		MH, Roorkee	*71*	*91*	*100*
9.		BHEL, Haridwar	*0*	*0*	*0*
10.		AIIMS, Rishikesh	-	*61*	*43*
11.	**Charitable**	Sewa Charitable blood bank, Bajpur	--	--	*20*
12.		Mahant Indresh Hospital, Dehradun	*84*	*96*	*98*
13.		RKMS, Haridwar	*4*	*9*	*37*
14.		Kashipur Charitable blood bank, Kashipur	--	--	*81*
15	**Stand alone**	IMA blood bank, Dehradun	*100*	*100*	*100*

Source: Progress Report of SBTC.

Note: *Sl. No. 3, 4, and 10 commenced from 2016-17 and Sl. No. 5, 11 and 14 commenced from 2017-18.*

The SBTC stated that 100 *per cent* voluntary donation was not possible and private blood banks had certain limitations regarding appointment of sufficient staff, *etc.* for the purpose. The reply of the SBTC was not acceptable as the NBP provides that at the State level, the SBTC is fully responsible to implement the provisions of the policy to phase out the replacement donor and 100 *per cent* collection through VBD was envisaged. Further, IMA blood bank (a Standalone blood bank) operated by the private party has achieved 100 *per cent* VBD in three consecutive years during the period 2015-18 and this blood bank has contributed highest number of blood units in the State during the above period.

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88 Serial Numbers 1, 3, 4, 5, 9, 11 and 13 of **Table-1.7.2**.

89 Percentage of VBD calculated against the total blood units collected by the blood bank concerned.

1.7.4 Regulatory issues

1.7.4.1 Issue/ renewal of the license for blood banks

Blood being identified as 'drug', blood banks are regulated under the Drug and Cosmetic Act and Rules made there under. The SDC is the regulatory authority, responsible for issue of licences to blood banks with the approval of CDSCO. Before issue and renewal of licences, joint inspection along with the Drug Inspector, CDSCO is to be conducted. The process of issue/renewal of licence is detailed in ***Appendix-1.7.3.*** The licences are valid upto five years after which the same are to be renewed after conducting fresh joint inspection as regards the availability of required manpower and infrastructure. During the period 2015-18, there were 17 blood banks in the State whose licences were due for renewal. Out of these, licences of only four blood banks were renewed as detailed in ***Appendix-1.7.4***.

Scrutiny of records of the SDC revealed that out of 35 blood banks in the State, 13 (12 Government and one Private) blood banks were running with expired licence (as on June 2018). Out of these 13 blood banks, the case of Doon blood bank has been referred to CDSCO for approval and six blood banks were running without licence for a period ranging from six months to two years due to inspection not being carried out by the licensing authorities. In six cases, the inspection authorities had conducted the inspection and highlighted various shortcomings like insufficient space for storage of blood and laboratory; unsatisfactory cleanliness of the blood bank; non-calibration of equipment, inadequate maintenance of records and non-working of thermographs as detailed in ***Appendix-1.7.4***. However, the deficiencies were not addressed by the blood banks and these were running without licence for period from eight months to twenty years[90] as detailed in ***Appendix-1.7.5.*** As per Rule 122-O of the Drug and Cosmetic Act, the licensing authority or approving authority may cancel or suspend the licence of a blood bank after giving the licencee an opportunity to show cause, why such an order should not be passed. However, no action had been taken by the licensing authority or approving authority against the blood banks that failed to rectify the deficiencies pointed out in the joint inspection of the blood banks.

Operation of blood banks without licence implied dilution in the standards required for quality control and is fraught with the risk of supply of unsafe blood.

The State Drug Controller should ensure taking appropriate action against the defaulter blood banks as per provision of the Drugs and Cosmetics Act.

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90 District Hospital, Pithoragarh and District Hospital, Uttarkashi were running without licence for 20 years and more than 10 years respectively.

1.7.4.2 Irregularities in the process of issue/renewal of licences to blood banks

During scrutiny of records of SDC of Uttarakhand, the following irregularities were noticed in renewing licences of blood banks:

Name of the blood bank	Criteria	Observations
Subharti Hospital, Dehradun	As per the condition of the Licence, any change in the technical staff, as mentioned in the licence, would be forthwith reported to the Licensing Authority. Where any change in the constitution of the blood bank takes place, the current licence would be deemed to be valid for maximum period of three months from the date on which the change has taken place.	The licence of blood bank for the period (May 2015 to May 2020) was renewed (May 2015) by the licensing authority by mentioning the name of working technical staff. At the time of joint inspection (May 2017) by the licensing authorities, it was noticed that technical staff which were mentioned in licence had already left the blood bank one year before the date of joint inspection. As per the condition of the licence, the licence was valid for maximum three months. The blood bank was, therefore, running without valid licence.
Sushila Tiwari Memorial (STM) Hospital, Haldwani	The licence was to be provided in continuity.	The licence was due for renewal from February 2010 to February 2015 but it was renewed for the period from March 2012 to March 2017. Thus the gross negligence on the part of the licensing authority let the blood bank operate without any valid licence for more than two years.
All blood banks	The National Blood Policy (NBP) provides that issuing/renewal of licences to blood banks are subject to condition that the licencee has to seek 'No objection certificate' (NOC) from the SBTC by submitting photo copy of previous licence, blood collection report, proof and detail of Medical Officer and counsellor, annual report indicating blood component of separation facilities *etc.*	Scrutiny of records revealed that licences were being issued/renewed to all blood banks without the necessary NOC from the SBTC.

1.7.4.3 Lack of regular inspections of blood banks

As per terms and conditions of the licence, for ascertaining the standard of the blood and blood products, a blood bank should be re-inspected periodically at least once in a year from the date of licensing, by a team comprising of Drug Inspectors of CDSCO and State licensing authority and if required with an expert.

As per Annual Report of the SBTC, 96 inspections[91] were to be carried out by the licensing authority during 2015-18. However, information collected from the SDC revealed that only 22 inspections[92] could be carried out during the above period. Moreover, audit noticed that none of the test-checked blood banks were inspected during 2015-18.

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[91] 2015-16=30; 2016-17=33 and 2017-18=33 (Total-96).

[92] 2015-16=03; 2016-17=08 and 2017-18=11 (Total-22).

On being pointed by audit, the SDC stated that regular inspections could not be carried out due to shortage of staff. In absence of inspections of the blood banks, the quality of the blood and blood components could not be ensured.

To ensure the functioning of the blood banks as per provision of the Drugs and Cosmetics Act, the license approving (CDSCO) and issuing (State Drug Controller) authorities should conduct regular inspection of the blood banks.

1.7.5 Quality control of blood and blood components

As per provisions of the Act, the blood banks are required to conduct various test (screening) of collected blood against Syphilis, Malaria, HIV I and II, Hepatitis B and C by using various methods *viz.* Nucleic Acid Amplification Test (NAT), Enzyme Linked Immune Sorbent Assay (ELISA) III and IV and Rapid test kits. All these tests have varying sensitivity to detect infections; some can detect infections within a shorter period of the donor getting infected (window period). The following shortcomings were noticed during the audit scrutiny:

1.7.5.1 Inadequate screening of blood for HIV

As per directions of NACO, screening of blood for HIV should necessary be carried out by utilising three different antigens *viz.* two rapid and one Elisa antigens or two Elisa and one rapid antigen. It was further directed that ELISA reader and necessary ELISA test kits and various Rapid test kits for screening the blood against AIDS, Hepatitis B&C, Syphilis and Malaria have to be made available to all blood banks by the USACS. It was observed that all the selected blood banks except blood bank at HMG District Hospital, Haridwar were not utilising the ELISA reader for screening the blood against HIV thereby putting recipients of blood susceptible to infection. However, all collected blood units (except in blood bank at Pithoragarh as described in ***paragraph 1.7.6 b***), were being screened/tested for Hepatitis B, Hepatitis C, Syphilis and Malaria by the various Rapid test kits as provided / specified by the NACO.

When the matter regarding non utilisation of ELISA antigen for testing of blood units against HIV was pointed out by the audit, the blood banks, while accepting the fact, stated that the ELISA HIV test kits were not provided by USACS.

The SBTC and the State Drug Controller should monitor the compliance of NACOs' guidelines regarding screening of blood against HIV.

1.7.5.2 Ineffective Calibration of equipment by the blood banks

The Act, *inter alia,* required that equipment used in blood banks for collection, processing, testing, storage of blood and blood components are to be observed, standardised and calibrated on a regular and scheduled basis. Laboratory thermometers are required to be calibrated before initial use; Hematocrit centrifuge has to be calibrated annually and four other equipment[93] have to be calibrated on six monthly basis. Audit

[93] General lab centrifuge, automated blood typing, hemoglobinometer and refractometer or urinometer.

observed that the equipment of three blood banks[94] were not calibrated since 2016; in District hospital Pithoragarh, equipment were not calibrated since 2015 and in STM College Haldwani from 2017 as detailed in ***Appendix-1.7.6.***

On this being pointed out, the Department, while accepting the fact, stated that the calibrations would be carried out in future.

Non-calibration of equipment at prescribed interval is fraught with the risk of inaccurate and unreliable reading which might result in an unreliable quality of blood collected and issued thereby putting the patients at risk.

1.7.5.3 Donor register

The Act provides that each blood bank is required to maintain donor register indicating serial number, date of donation, name, address and signature of donor with the particulars of age, weight, haemoglobin, blood group, blood pressure, medical examination, bag number and patient's detail, category of donation, deferral records[95] and signature of the Medical Officer in-charge. Further, general conditions for donation of blood provide that the donor should be in the age of 18 to 65 years; weight should not be less than 45 kilograms; haemoglobin should not be less than 12.5 grams; and blood pressure should be in normal condition without medicine.

Audit observed that in all the selected blood banks except SS Jeena Hospital Haldwani, this register was not being maintained in complete form as prescribed in the Act. The age, weight, haemoglobin, blood group, blood pressure, signature of donor and signature of medical officer were not being recorded in the register. As a result, compliance with the above mentioned general conditions for blood donation could not be ascertained.

1.7.5.4 Master Register

The Act prescribes a master register for blood and blood components which should be maintained by each blood bank. This register should indicate bag serial number, date of collection, date of expiry, quantity in ml., RH group, results for testing of HIV, Malaria, Hepatitis, Syphilis, name and address of the donor with particulars, utilisation issue number, component prepared or discarded and signature of the Medical Officer-in-charge.

Scrutiny of records of selected blood banks revealed that three[96] blood banks were not maintaining master register and the other five[97] were not maintaining this register in complete form. The quantity of blood, RH group, utilisation issue number and signature of Medical Officer were not being recorded in the register. These blood banks, therefore,

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94 (i) L D Bhatt Hospital, Kashipur (ii) S S Jeena Hospital, Haldwani and (iii) S J N M Hospital, Roorkee.

95 Deferral records are the part of blood donor records. It is the record of donors who have been excluded from blood donation as found suspected of having an infectious disease.

96 (i) S T M College, Haldwani (ii) B D Pandey District Hospital, Pithoragarh and (iii) L D Bhatt Hospital, Kashipur.

97 (i) S S Jeena Base Hospital, Haldwani (ii) H M G District Hospital, Haridwar (iii) S J N S M Govt. Joint Hospital, Roorkee (iv) Doon Hospital, Dehradun and (v) Base Hospital Srinagar, Pauri.

did not have master records as prescribed for blood and its components and this was against the provision of the Act.

On this being pointed out, the blood banks while accepting the fact, assured that compliance with the Act would be made in future.

For compliance of all provisions of the Drugs and Cosmetics Act, the SBTC and the State Drug Controller should ensure monitoring the functioning of the blood banks and also ensure that all provisions of the Act are being complied with by blood banks in the State.

1.7.6 Gross Violation of Act by the blood bank at District Hospital Pithoragarh

Apart from the above mentioned shortcomings relating to quality control of blood and blood components by the selected blood banks, scrutiny of records and physical inspection of blood bank of B D Pandey District Hospital, Pithoragarh revealed the following shortcomings:

(a) This blood bank has been operating without a valid licence since 1998. It failed to remove all the shortcomings[98] pointed out by the joint inspection team in 2002, 2007, and 2018. In-spite of its poor functioning, no stringent action had been taken by the licensing authority endangering the life of both the donor and recipient.

(b) The Act provides that the collected blood may be properly screened for detecting HIV, Hepatitis B&C, Malaria and Syphilis in order to provide quality blood which is free from any transmissible disease. However, it was observed that during 02 February 2017 to 31 March 2018 (14 months), 1,194 blood units[99] were screened without screening for Malaria and during 21 July 2016 to 31 March 2018 (20 months), 707 blood units[100] were screened without screening for Syphilis and blood units issued to patients.

On this being pointed out, the Medical Officer, Blood Bank, Pithoragarh replied that the screening of Malaria was being carried out through slide method. The reply is not acceptable as there is no provision in the Act for carrying out the Malaria test with slide method. During the above period, the blood bank did not have the required numbers of test kits for screening the collected blood units for Malaria and Syphilis as per the stock records of the Hospital.

Physical verification of the blood bank showed the following deficiencies:

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[98] Sterilisation and wash room not provided; laboratory for transmissible disease is also used as storage of other consumable items; records and store rooms were not in proper way; blood screening for transmissible disease was done only by Rapid Kits method, Elisa was not being used, *etc*.

[99] Only 291 test kits (91 opening balance+200 were received during the mentioned period) were available in the stock while 1,485 blood units were screened during the period *i.e.* (1,485-291= 1,194).

[100] Only 3,318 VDRL test kits (1,318 opening balance+2,000 were received during the mentioned period) were available in the stock while 4,025 blood units were screened during the period. *i.e.* (4,025-3,318=707).

The Act provides that there should be separate laboratory for blood group serology and laboratory for blood transmissible diseases like hepatitis, Syphilis, Malaria and HIV.

It was observed that testing of blood group serology and blood transmissible diseases were being carried out together in a single laboratory by the blood bank as depicted in ***Photograph No. 1.7.1*** alongside.

Photograph No. 1.7.1: *Testing of blood group serology and blood transmissible diseases were being carried out in a single laboratory by the blood bank.*

The Act provides that operation of the blood bank and preparation of blood components should be under hygienic conditions. The wall and floors of the rooms, where collection of blood or preparation of blood components is carried out should be smooth, washable and capable of being kept clean. Drains should be of adequate size and connected directly to the sewer.

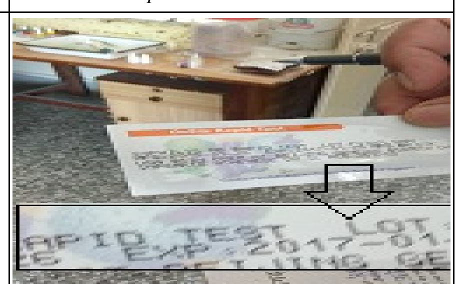
During the physical verification, it was noticed that in the absence of proper drainage system, water was overflowing from the drain and scattered on the floor. The disposable items were kept in the gallery of the blood bank. As a result, blood bank was operating in unhygienic conditions as depicted in ***Photograph No. 1.7.2*** alongside. Moreover, waste blood and blood tubes were thrown in the bin kept on the testing table as depicted in ***Photograph No. 1.7.1*** alongside.

Photograph No.1.7.2: *Functioning of Hospital in very unhygienic conditions.*

Candle flame was being utilised for locking the blood bags in place of tube sealer as depicted in ***Photograph No. 1.7.3*** alongside, though the tube sealers were available in the store of the blood bank. This unhygienic practice may affect the quality of the blood.

Photograph No.1.7.3: *Candle flame was being utilised in Hospital.*

Expired testing kits were being utilised for cross matching of the blood as depicted in ***Photograph No. 1.7.4*** alongside. A number of expired rapid test kits for testing Syphilis were found in the store.



Photograph No. 1.7.4: *Expired testing kits were being utilised for cross matching of the blood.*

For gross violation of the Drugs and Cosmetics Act, the SDC should ensure taking appropriate action against the blood bank as per Rule 122-O of the Act.

1.7.7 Non-establishment of blood bank at district Champawat

The NBP provides that in the State, every district should have at least one blood bank. It was observed that even after sixteen years of implementation (2002) of the NBP, no blood bank had been established in district Champawat till the date of audit (May 2018). It was also noticed that the Chief Medical Officer informed (June 2016) the DG, Health that due to non-establishment of the blood bank, patients could not get the blood on time and as a result, many patients died for want of blood. However, no action was taken by the DG, Health in this regard even after lapse of two years (June 2018).

On this being pointed out, the SBTC replied that the blood bank building was constructed in 2011 as per norms. However, the essential equipment could be procured only during 2016-17 as fund was not available during 2011-12 to 2015-16. Further, it was replied that the District Hospital had applied for licence in 2017-18 for establishment of the blood bank. The reply of SBTC is not acceptable as the demand of funds was made by the SBTC only in 2015-16.

Inordinate delay in establishment of the blood bank in Champawat, therefore, not only revealed the indifference of the Health Department but also endangered the lives of patients.

1.7.8 Conclusion

The blood banks could not make significant progress in phasing out replacement donors to achieve 100 *per cent* target of VBD as envisaged in the Blood Policy in absence of an action plan by the SBTC and insufficient IEC activities. There was a significant difference in percentage of VBD as per Annual Report of SBTC and figures obtained from selected blood banks. Out of 35 blood banks in the State, 13 were running with expired licences from five months to 20 years due to non-inspection by the licensing authorities or non-removal of shortcomings by the concerned blood banks. Only 22 inspections could be carried out against 96 inspections during the period 2015-18. None of the blood banks selected by the audit were inspected during the period 2015-18. Out of eight selected blood banks, five were not calibrating equipment in prescribed time. The donor and master registers were either not being maintained or maintained in incomplete form. Gross violation of Act was noticed in blood bank at district hospital Pithoragarh and there was inordinate delay in establishing blood bank in district Champawat.

The matter was reported to the Government (June 2018), Reply was awaited (August 2019).

1.8 Non-realisation of compensation of ₹18 crore from absentee doctors

The Department failed to realise compensation of ₹18 crore from doctors for breach of agreement. No legal action was taken against the defaulters which defeated the purpose of strengthening health services in the remote area of the State.

The State Government directed (July 2008) Medical College, Srinagar that the candidates who get selected for admission in MBBS course through Uttarakhand Pre-Medical Test (UPMT) have to compulsorily serve on contractual basis for a period of five years in hilly and tough terrain of the State after completion of their MBBS course. This was done with the objective of filling up vacancies of doctors in Government hospitals and providing better medical and health care facilities in the hilly and remote areas of the State. Selected candidates were required to sign **an affidavit** at the time of admission whereby they committed to serve five years in hilly and remote areas of the State. **They were also required to sign a bond whereby they committed to serving five years in remote areas**. Such students were liable to pay subsidised rate of tuition fee of ₹ 15,000 per year for the entire MBBS course and the rest of the cost of their education was to be borne by the State Government. Candidates who were not willing to serve in these regions had to pay an outright amount of ₹ 30 lakh to the State Government. The Government issued (September 2009) the format of the agreement letter directing the Principal to get a Bond[101] signed by the students of 2008 and 2009 batch and by their Parent/Guardians. **The direction relating to serving on contractual basis through prescribed bond issued by the State was effective from 2008 batch to 2012 batch only.**

Scrutiny of records (December 2017) and further information collected (May 2018) from the Medical College, Srinagar and Director General (DG), Medical, Health & Family Welfare, Dehradun showed that the affidavit (at the time of admission) was signed by the students and Bond was signed (in the year 2014) **by the Students of 2008 and 2009 batch** and their Fathers/Parents/Guardians with the surety that the students would provide minimum five years' service in the remote areas of the State after completion of their MBBS course, failing which they were liable to pay ₹ 30 lakh. Out of 200 students[102] who were selected for the course, 180 students[103] were appointed as doctors by the DG in the remote areas of the State. However, it was observed that out of these appointed doctors, 60 doctors were absent from their duty, either from the date of joining or after performing their duty for some time, by breaching the terms and conditions of the affidavit as well as **dishonouring the Bond**. However, the Department neither claimed compensation amounting to ₹ 18 crore[104] from these 60 doctors nor took any legal action against them even after lapse of period ranging from 22 months to four years.

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[101] This Bond was effective till the 2012 batch after which a new bond was finalised.
[102] 100 each for 2008 and 2009 batch.
[103] The information for rest of 20 students could not be provided by the Department to audit.
[104] 60x @ ₹30 lakh=₹18.00 crore.

On this being pointed out, the Principal, Medical College, Srinagar replied (December 2017) that action against the absentee doctors was under process by the State Government.

Apathetic approach of the Department resulted in non-realisation of compensation amount of ₹ 18 crore from the defaulters. Besides the very purpose of strengthening the health services in the remote areas of the State could not be achieved due to shortage of 391 doctors against the sanctioned strength of 890 in the remote districts of the State.

The matter was reported to the Government (May 2018); Reply was awaited (August 2019).

PUBLIC WORKS DEPARTMENT

1.9 Avoidable expenditure

The division paid ₹1.69 crore for excess quantity of 192.69 MT of unutilised steel which could have been avoided, had the excess quantity of steel been utilised judiciously.

Government of Uttarakhand accorded (January 2015) administrative and financial sanctions of ₹ 14.52 crore for construction of five temporary/semi temporary steel girder pile bridges to manage traffic during *Ardh-Kumbh Mela*-2016 in Haridwar district. The technical sanctions (TS) of these works were accorded by the competent authorities in February 2015. *Mela Adhikari* (*Ardh-Kumbh Mela*-2016) assigned the bridge construction work to Public Works Department (PWD) in May 2015.

Scrutiny of records (November 2017) of the Executive Engineer, Provincial Division, Haridwar and further collection (April to June 2018) of information revealed that construction of '*Bairagi* Camp to *Gaurishankar Dweep* (BCGD)' bridge[105] out of the above five sanctioned bridges was postponed as decided in the meeting (May 2015) headed by the *Mela Adhikari*. Keeping the *Kānvar*[106] in view, a decision to construct '*Daksh Dweep* and *Bairagi* Camp (DDBC)' bridge (out of four contracted bridges for which an agreement was executed in May 2015) on *Mayapur* Escape Channel before the *Kānvar,* was taken in another meeting (July 2015) also headed by *Mela Adhikari.* However, as it was not possible to construct a pile bridge in such a short time due to non-availability of Hammer Vibro machine[107] required for construction of pile bridges, it was decided to construct a crate bridge[108] instead. At the same time, a decision to start

105 Bridge not included in those four bridges for which an agreement (May 2015) was entered into with a contractor.

106 An annual pilgrimage of devotees of Lord Shiva, known as *Kānvarias* or "*Bhole*", to Hindu pilgrimage places of Haridwar, Gaumukh and Gangotri in Uttarakhand to fetch holy waters of River Ganga. The pilgrimage is held in the month of *Shrawan* (July-August).

107 A tool used to drive piles in or out of the ground for building marine docks, bridges, buildings, roads, rail, walls, and many other types of foundations.

108 Steel crates, open at the top and bottom are placed on the floor and filled with boulders on which the superstructure is erected.

construction of the BCGD bridge (by supply and fabrication of same specification of steel as used in DDBC bridge), which was postponed in the earlier meeting (May 2015), was also taken. Further scrutiny however revealed that due to change in the type of DDBC bridge, the quantity of steel required for erection of the crate bridge was significantly reduced to 73.31 MT against the original requirement of 266 MT. A balance quantity steel of 192.69 MT[109] was, therefore, left with the contractor which could have been utilised in BCGD bridge. The Division, instead of instructing the contractor to utilise the balance steel at hand, allowed the contractor to further procure and fabricate another 518.45 MT for BCGD bridge. The Division, therefore, could not utilise the balance 192.69 MT of steel and had to pay ₹ 1.69 crore[110] to the contractor for the unutilised steel which could have been avoided.

On being pointed out, the division stated (June 2018) that the steel parts of bridge are assets of *Mela Adhikari*, which can be used in *Kumbh Mela* in future for construction of more bridges. The reply of the Division was in complete disregard to paragraph 179 of Financial Hand Book (Volume VI)[111]. The PWD should have exercised prudence by utilising the balance steel of DDBC bridge in construction of BCGD bridge rather than wait for the next *Kumbh Mela* after six years (2022).

The division, therefore, incurred ₹ 1.69 crore for excess quantity of 192.69 MT of unutilised steel which could have been avoided.

The matter was reported to the Government (August 2018); Reply was awaited (August 2019).

RURAL DEVELOPMENT DEPARTMENT

1.10 Follow-up audit on the Performance Audit of Indira Awaas Yojana

1.10.1 Introduction

A performance audit of "*Indira Awaas Yojana*" (IAY) covering the period 2008-09 to 2012-13 was included in the Audit Report (Civil) for the year ended 31 March 2013. For this performance audit, five districts namely Dehradun, Haridwar, Udham Singh Nagar, Nainital and Tehri Garhwal were selected. The Report was placed before the State Legislative Assembly in November 2014, and has not yet (April 2018) been discussed by the Public Accounts Committee. To address the gaps found in IAY, this scheme was restructured into *Pradhan Mantri Awaas Yojana-Gramin* (PMAY-G) with effect from 1 April 2016. During follow-up audit, it was noticed that out of 28 observations included

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109 266 MT-73.31 MT=192.69 MT.

110 192.69 MT * ₹ 87,500 = ₹ 1,68,60,375 (Say ₹ 1.69 crore).

111 Paragraph 179 provides that the purchase of stores or materials far in advance or in excess of requirements is likely to result both in direct and indirect losses to the Government and it should be avoided.

in the report, five observations were no more relevant due to change in structure brought out in the new scheme (as detailed in ***Appendix-1.10.1***).

1.10.2 Objective, scope and methodology of audit

A follow-up audit was conducted from February to April 2018 with the objective of assessing the implementation of recommendations made in the earlier Audit Report and other important audit findings by test-checking the records of the offices of the Commissioner, Rural Development Department, Uttarakhand, District Rural Development Agencies (DRDAs), Nainital and Dehradun, DRDA Cell and two selected blocks[112] in each selected district of Nainital and Dehradun. Physical verification of 200 IAY/PMAY-G[113] houses (49 IAY houses and 151 PMAY-G houses) of four selected blocks of two districts was also carried out by the audit team. The period covered in audit was from 2015-16 to 2017-18. The audit was conducted with reference to the four recommendations accepted by the Government in the exit conference (November 2013) against 28 observations included in the Audit Report for the year ended 31 March 2013.

Audit Findings

The status of implementation of 23 observations and four audit recommendations accepted by the Government has been arranged in the following three categories:

1.10.3 Implementation of audit recommendations

A. Insignificant or no progress

Audit findings made in earlier Report	Recommendation made	Current status as informed by the Government	Audit findings/ comments
(i) Annual Action Plan was not prepared by any of the test-checked DRDAs. Instead, only annual financial and physical targets for each block were fixed with no timeframes for completion of incomplete houses of previous years. No monthly targets were fixed for achievement of annual targets *(Para 1.3.6.2 of previous audit report).*	Compliance of the provisions of IAY guidelines so as to extend benefits of the Scheme to eligible persons may be ensured.	Category wise (Schedule Caste, Schedule Tribe and General category) targets were allotted to districts, blocks and finally to Gram Panchayats (GPs) for particular year and such targets are treated as action plan.	No specific reply was given regarding preparation of Annual Action Plan. The recommendation is yet to be implemented as Annual Action Plan was still not prepared as noticed during test-check of records of two selected districts.
(ii) Non-claiming of reimbursement (for relief to victims of natural calamities and in other emergent situation like		Proposal amounting to ₹ 168.75 related to 2nd instalment of special projects under IAY of district	Reply is not specific. The State should have claimed its amount utilised for disaster emergencies from the Centre as per the

112 In Dehradun- Raipur and Sahaspur blocks and in Nainital-Haldwani and Ramnagar blocks.

113 100 houses from each district selected on the basis of systematic sampling (It is a type of probability sampling method in which sample members from a larger population are selected according to a random starting point and a fixed periodic interval).

fire, riots, *etc.*) *(Para-1.3.7.5)*		Pithoragarh has been sent to GoI (December-2017).	provisions of IAY. The recommendation, therefore, is yet to be implemented.
(iii) No attempt was found to have been made by the DRDAs of the selected districts to involve NGOs for monitoring and supervision of the scheme. Thus, community monitoring and transparency was found lacking *(Para 1.3.10.4 of previous audit report).*	Internal control mechanism as per the guidelines needs to be strengthened so as to ensure regular monitoring of the scheme.	Directions with regard to monitoring and supervision of PMAY (G) houses through self-help groups (SHG) under National Rural Livelihood Mission (NRLM) have been issued.	The observation is yet to be implemented as during test-check of records, it was noticed that there was no involvement of NGOs for monitoring and supervision of the scheme.

B. Partial Implementation

Audit findings made in earlier Report	Recommendation made	Current status as informed by Government	Audit findings/comments
(i) There were 12,505 landless BPL households which were in permanent IAY waitlist, for which proposals amounting to ₹ 61.87 crore were sent to the Commissioner, Rural Development Department (CRDD) by the DRDAs concerned during the year 2009-10 and 2010-11, which was not sent to the GoI by the State Government *(Para 1.3.6.6 of previous audit report).*	Compliance of the provisions of IAY guidelines so as to extend benefits of the Scheme to eligible persons may be ensured.	For implementation of homestead site scheme, funds amounting to ₹ 1,515.85 lakh (Central share- ₹ 361.40 lakh + ₹ 361.40 lakh State share + ₹ 793.05 lakh additional State share) were provided to districts for providing land to 3,475 BPL SC/ST landless families of the State during 2014-15 but due to higher rates of available land/non-availability of land it could not be purchased.	The recommendation was partially implemented as during test-check of records of two selected districts, it was noticed that despite availability of funds amounting to ₹ 39.38 lakh and ₹ 692.37 lakh in Dehradun and Nainital respectively, 110 and 1,934 BPL SC/ST landless families in Dehradun and Nainital respectively were not provided land till the date of audit. Also the unutilised funds were not surrendered.
(ii) No housing loan was given to any beneficiary during 2008-13. Audit also conducted joint physical verification of 1,149 IAY houses wherein it was noticed that the beneficiaries were not even aware of any such facilities *(Para 1.3.8.6 of previous audit report).*		Directions in regard to providing bank loan to beneficiaries have been issued to blocks and awareness programmes related to facility of bank loan are being organised and bank loan to two beneficiaries of district Haridwar has been sanctioned under PMAY-G.	The observation has been partially implemented as during test-check of records of DRDA, Dehradun, it was noticed that awareness programmes with regard to loan facility from the financial institutions were carried out at both the selected blocks during the year 2017-18; whereas, in DRDA, Nainital no such awareness programmes were carried out during 2016-18.
(iii) During joint physical verification, it was noticed that there were 47 *per cent* houses which were constructed without permanent walls and		There is no case of the IAY/PMAY-G houses being without plaster on walls/roofs. Sanctioned houses are physically inspected by the	The observation has been partially implemented as during physical verification of 200 (49 IAY houses and 151 PMAY-G houses) houses, it was noticed that 24

roofing, and walls of houses were not externally plastered. There were also houses without doors/windows *(Para 1.3.8.7 of previous audit report).*		district/block level officials from time to time and directions are given to concerned officers and beneficiaries to complete houses in all respects. Besides, Junior Engineers (JEs) posted at block level are also being imparted training at UIRD, training centre, Rudrapur.	*per cent* IAY houses and 16 *per cent* PMAY-G houses were without permanent walls/roofing and external plaster.
(iv) Out of five selected districts, only in Udham Singh Nagar, an amount of ₹ 2.41 lakh was released by the DRDA to its blocks for affixing IAY board and logo properly. However, it could not be ensured by the DRDA whether this money had been utilised for the said purpose, as no utilisation certificates were provided to DRDA *(Para 1.3.8.9 of previous audit report).*		Funds provided for IAY logo have been utilised by the concerned BDOs and utilisation certificates have been provided to DRDAs concerned.	The observation has been partially implemented as it was noticed during physical verification of IAY houses that out of 49 IAY houses, 48 houses were found without IAY logo.
(v) As per Vigilance Monitoring Committee (VMC) guidelines, 20 meetings (four meetings in a year) were to be held during 2008-13 at the State level as well as at the District level. However, only three such meetings were held at the State level and three to four meetings in test-checked districts during 2008-13 *(Para 1.3.10.1 of previous audit report).*	Internal control mechanism as per the guidelines needs to be strengthened so as to ensure regular monitoring of the scheme.	Meeting at State level was organised (October-2017) under the chairmanship of Hon'ble Rural Development Minister. At district level, as and when time was given by the Hon'ble Member of Parliament, meetings took place.	The observation has been partially implemented as meetings at State level as well as district level took place but not as per required norms.
(vi) During 2008-13, in selected districts 823 grievances/complaints were received and forwarded to concerned blocks against which only 78 cases were verified by the concerned blocks out of which only 34 cases were settled. Action taken on the remaining grievances/complaint was not available with the		At state, district and block level, grievance redressal cells have been formulated and complaint registers have been maintained and through which complaints are being settled. Besides this, complaints related to IAY/PMAY-G received through *Samadhaan* Portal are also being settled at various levels. At State level, out of 825	The observation has partially been implemented as against 825 complaints 754 complaints are still pending at State level whereas, records of two selected DRDAs showed that neither Grievance Redressal Cell was established nor any records such as grievance register were being maintained as per provisions of PMAY-G guidelines.

DRDAs *(Para 1.3.10.3 of previous audit report).*		complaints received, 71 have been settled and rest 754 are under process.	
(vii) During physical verification of 1,149 IAY houses, it was noticed that IAY board and logo were not displayed in 967 houses; 47 *per cent* houses were without permanent walls, roofing and external plastering; the beneficiaries were not even aware of the housing loan facility; 165 IAY houses were found incomplete; basic facilities such as kitchen, smokeless *chulhas*, ventilation, sanitary and drainage facilities and electric supply were lacking; there was no convergence of IAY with programmes such as TSC, NRWSP, RGGVY and LIC; there was no specific and standard design for construction of IAY houses and allotment of houses was not made to female members in 100 *per cent* cases *(Para 1.3.11 of previous audit report).*		Directions to concerned have been issued and from the year 2016-17, all the information and photos related to physical position of constructed/ under construction houses were being uploaded on *Awaassoft*[114] App under PMAY-G.	The observations have partially been implemented as during physical verification of 200 IAY/ PMAY-G houses it was noticed that: ➢ Logo was not displayed in 98 *per cent* IAY houses. ➢ 31 *per cent* PMAY-G and 26 *per cent* IAY houses were under construction. ➢ 24 *per cent* IAY houses and 16 *per cent* PMAY-G houses were without permanent walls/roofing and external plaster. ➢ No awareness programmes were carried out in both the selected blocks of Nainital. ➢ Approval of house design/typology was pending at GoI level. ➢ Non-availability of basic facilities ranged between eight to 40 *per cent* Out of physically verified 49 IAY houses and 151 PMAY-G houses, convergence rate of IAY with other programmes[115] such as TSC, NRWSP, RGGVY and LIC ranged between zero to 22 *per cent* while, convergence of PMAY-G with MNREGS/ SBM, NRDWP, PMUY and DDUGJY ranged between four to 81 *per cent*. 96 *per cent* houses (IAY) were

[114] *Awaassoft* is a local language-enabled workflow-based transaction level Management Information System in place to facilitate e-governance of IAY and PMAY-G.

[115] TSC-Total Sanitation Campaign, NRWSP-National Rural Water Supply Programme, RGGVY- *Rajeev Gandhi Grameen Vidyutikaran Yojana*, LIC- Life Insurance Corporation of India, MNREGA-Mahatma Gandhi National Rural Employment Guarantee Scheme, SBM(G) *Swachh Bharat* Mission *Grameen*, NRDWP-National Rural Drinking Water Programme, DDUGJY-*Deen Dayal Upadhyaya Gram Jyoti Yojana.*

			allotted to female members of the family during 2015-16.
(viii) In three districts out of the five test-checked districts, it was noticed that during 2008-13, 45 IAY houses were allotted to those beneficiaries who had already been benefitted by other schemes and in two selected blocks of Haridwar district, 10 beneficiaries who had *pucca* houses were paid amount of ₹ 4.41 lakh during 2011-13 *(Para 1.3.8.5 of previous audit report).*	Compliance of the provisions of IAY guidelines so as to extend benefits of the Scheme to eligible persons may be ensured.	In Dehradun, out of 14 irregularly allotted beneficiaries, an amount of ₹ 2.11 lakh was recovered from seven beneficiaries and in rest of the cases, recovery process was underway. In addition to this, disciplinary actions were initiated against the concerned officials. In Haridwar, recovery from two beneficiaries have been done and deposited in DRDA Cell. In Nainital, one beneficiary was benefitted from two schemes; and therefore, recovery had been made from the beneficiary while mentioning adverse entry in the employee's records. At present under PMAY-G, all the details are being uploaded on *Awaassoft* and therefore, repetition of such irregularity has been done away with.	The observation has yet to be fully implemented as recovery from seven beneficiaries in Dehradun was yet to be made.
(ix) It was observed that no district and block level official was trained in adopting cost effective and environment friendly housing technologies and also disaster proof building practices, to assist the beneficiaries *(Para 1.3.9.2 of previous audit report).*		Block level JEs have been directed to provide technical support to beneficiaries of IAY/PMAY-G and as such technical support is being provided.	The recommendation was yet to be fully implemented as it was noticed during physical verification that out of 49 IAY houses and 151 PMAY-G houses, only 43 *per cent* and 64 *per cent* houses respectively were found technically supported by the block level engineers.
(x) It was noticed that during 2008-13, inspections carried out by the state, districts and block level officials were far below the prescribed norms *(Para 1.3.10.2 of previous audit report).*	Internal control mechanism as per the guidelines needs to be strengthened so as to ensure regular monitoring of the scheme.	Directions have been issued to blocks for physical inspection of IAY/PMAY-G houses and physical inspection of IAY/PMAY-G houses is being done from time to time.	This observation was yet to be fully implemented as out of four selected blocks, only Haldwani block could provide inspection reports for the period 2016-18. However, Inspections were being carried out by District level officers at regular interval.
(xi) It was noticed that no system of social audit of	The system of Social Audit may be	Social audit of IAY/PMAY-G houses is being done through	The observation was partially implemented as it

the scheme was being followed in any of the test-checked districts *(Para 1.3.10.5 of previous audit report).*	ensured as per the Scheme guidelines.	Social Audit Teams and directions with regard to uploading of social audit information on *Awaassoft* have been issued and such information is being uploaded on *Awaassoft.*	was noticed that out of four selected blocks, social audit was being carried out only under three blocks[116] during 2016-18. However, social audit reports were not available in any of the three blocks.
(xii) During 2008-13, there were huge unspent balances as well as short release of State share and non/late submission of proposals which led to curtailment of central assistance in test-checked districts *(Para 1.3.7.1 of previous audit report).*	Financial management system so as to avoid delay in release of funds to the implementing agencies, diversion of funds and curtailment of funds from GoI may be strengthened.	At State level, State Nodal Account with regard to IAY/PMAY-G is being operated and through Fund Transfer Order (FTO) funds are being directly released to beneficiaries and neither bank accounts are being operated at district level nor are funds remaining with the districts.	The recommendation is partially implemented as during audit, it was noticed that the instances related to unspent balances, non/late submission of proposals, delayed release, non-release of 2nd installment and difference between bank balance, balances on *Awaassoft* and delayed submission of UCs were still persistent.
(xiii) As against sanctioned houses, only 44 *per cent* houses were completed whereas, 94 *per cent* physical achievement was shown in MPRs *(Para 1.3.8.1 of previous audit report).*		Physical progress of IAY/PMAY-G houses is being uploaded on *Awaassoft* from the year 2016-17.	The observation was partially implemented as during physical verification of 200 (49 IAY houses and 151 PMAY-G houses) completed houses, it was noticed that 26 *per cent* IAY houses and 31 *per cent* PMAY-G houses were incomplete but had been declared as completed by the department.
(xiv) It was noticed that not a single file was opened for convergence purpose in the test-checked DRDAs. Despite this, the status of convergence with other flagship schemes during 2008-13 was being regularly reported to GoI by the Department through its MPRs *(Para 1.3.8.8 of previous audit report).*	Convergence of IAY activities with other programmes at State/District level to ensure complete functional dwelling units may be prioritised.	Directions with regard to convergence of IAY/PMAY-G with other schemes have been issued from time to time to block level officials and IAY/PMAY-G is being converged with MNREGA, *Pradhan Mantri Ujjawala Yojana,* NRDWP for drinking water facility and *Deen Dayal Upadhyaya Gram Jyoti Yojana.*	The recommendation has been partially implemented as during test-check of records of selected blocks of Dehradun and Nainital districts, it was noticed that PMAY-G scheme was only being converged with MNREGA, though the scheme had to be converged with other programmes[117] too.

[116] Haldwani, Ramnagar and Sahaspur.

[117] NRDWP for drinking water facility, *Deen Dayal Upadhyaya Gram Jyoti Yojana* (DDUGY) and *Pradhan Mantri Ujjawala Yojana* (PMUY).

C. Full Implementation

Audit findings made in earlier Report	Recommendation made	Current status as informed by Government	Audit findings/comments
(i) No data regarding housing shortage was available with Department at any level. The funds were being allotted by DRDAs to the concerned beneficiaries on the basis of their cut off score instead of SC/ST population which was in contravention of the scheme parameters *(Para 1.3.6.4 of previous audit report).*		In each district, waiting list of IAY has been prepared as per the guidelines by which there is an assessment of the need for housing itself. From April 2016 onwards, under PMAY-G, selection of beneficiaries is based on the SECC-2011 survey which is uploaded on *Awaassoft*.	The Department has implemented the audit recommendation fully.
(ii) It was noticed that during 2008-13, unit assistance was provided to 77 beneficiaries against 38 BPL-IDs (except in Sahaspur where unit assistance was provided to three beneficiaries against a single BPL-ID) and in Devprayag block payment of ₹ 35,000 to a beneficiary was made double against single BPL ID *(Para 1.3.8.2 of previous audit report).*	Compliance of the provisions of IAY guidelines so as to extend benefits of the scheme to eligible persons may be ensured.	The matter related to providing assistance to 77 beneficiaries against 38 IDs was enquired and the concerned Block Development Officers reported that it happened because of incorrect mentioning of BPL ID numbers. The matter related to double payment in Devprayag block was enquired and found correct and orders of recovery, and penal action / show cause notices were issued to the concerned officials.	The reply of the Department was verified. The Department has implemented the audit observation fully.
(iii) Scrutiny of records and joint physical verification of selected blocks of Dehradun showed that 43 beneficiaries who were selected in the year 2010-11, were not paid as per the enhanced prevailing rates *(Para 1.3.7.2 of previous audit report).*		In Dehradun district, 45 beneficiaries were provided assistance as per earlier rates *i.e.* ₹ 35,000 per house, as these beneficiaries were sanctioned assistance against targets of FY 2009-10, for which ₹ 35,000 per house was admissible.	The Department has implemented the audit recommendation fully.
(iv) In four selected DRDAs, IAY funds amounting to ₹ 1.74 crore were diverted to other	Financial management system so as to avoid delay in release of funds to	IAY Funds were diverted to other components in demanding situation for a very short time and such	The Department has implemented the audit observation fully.

items of expenditure, out of which, ₹ 0.37 crore remain unadjusted till the date of audit *(Para 1.3.7.3 of previous audit report).*	the implementing agencies, diversion of funds and curtailment of funds from GoI may be strengthened.	funds have been adjusted.	
(v) In five test-checked districts, it was noticed that an amount of central share of ₹ 146.81 crore deposited in the master bank account was transferred to IAY bank accounts after 10 to 349 days without interest accrued thereon. Further, in violation of guidelines, multiple accounts were opened (ranging between two to 11) in different banks in all the five selected districts. The scheme funds were also kept in current accounts in DRDA, Haridwar and Devprayag block of district Tehri which led to loss of interest on IAY funds *(Para 1.3.7.4 of previous audit report).*		In all the districts, only one bank account under the scheme has been opened and at present no IAY bank account is functional at district level. All such bank accounts have been closed as per directions of Ministry of Rural Development, GoI. At present, single master account is functional at State level from which funds are transferred through FTO (Fund Transfer Order).	The Department has implemented the audit observation.
(vi) It was observed that there was an acute shortage of Village Development Officers (VDOs) in GPs of all test-checked blocks ranging from 56 to 93 *per cent (Para 1.3.9.1 of previous audit report)*	Internal control mechanism as per the guideline may be strengthened.	Department has appointed 161 new VDOs after 2013 and process for filling rest of the vacant posts is in progress.	The Department has implemented the recommendation. In four selected blocks; MIP was as per sanctioned strength.

1.10.4 Conclusion

Of the total 23 observations commented upon, 26 *per cent* observations were fully implemented; 61 *per cent* observations were partially implemented and 13 *per cent* observations were not implemented as on January 2019. While significant progress had been made by the State Government in addressing some of the concerns raised in audit, there remained instances relating to non-preparation of Annual Action Plan, non-involvement of NGOs in monitoring of the scheme, funds remaining unspent, non-claiming of reimbursement for relief to victims of natural calamities, non-organising of meetings of State as well as District Level Committees, and non-settlement of grievances which merited continuous attention.

RURAL WORKS DEPARTMENT

1.11 Non-levying of centage charges

Non-adherence to the financial rules and Government orders in respect of levying of centage charges led to the loss of ₹ 73.20 lakh to the Government exchequer.

Paragraphs 635 and 636 of Financial Hand Book Vol-VI stipulate provision of centage charges[118] on deposit works. The Government also directed (February 1997 and May 2008[119]) the executing agencies to levy centage charges on deposit works carried out by them for non-government organisation, local bodies and commercial departments.

Scrutiny of records (August 2017) of the Executive Engineer (EE), Rural Works Division, Dehradun showed that financial and administrative sanction of ₹ 11.13 crore for 202 different deposit works[120] (during 2015-17) were accorded by the client departments[121]. However, in violation of the terms of the financial rules and Government orders (May 2008), centage charges were not provisioned in the detailed estimates of the different deposit works by the division at the rate of 10 *per cent*. Out of sanctioned amount, the client departments released ₹ 8.70 crore, of which, the division incurred an expenditure of ₹ 7.32 crore on the different deposit works till the date of audit. The division did not adhere to the financial rules and Government orders in respect of inclusion of centage charges amounting to ₹ 1.11 crore[122] in the detailed estimates of 202 works. Non-levy of centage charges led to a loss of ₹ 73.20 lakh[123] till the date of audit. The amount of loss would increase further as expenditure progresses.

On this being pointed out, the EE accepted the facts (August 2017) and stated that provision for centage charges was not made in the estimates and, therefore, centage charges could not be charged from the client departments. It was further stated that in future, the provision of centage charges in the estimates of works pertaining to such type of client departments would be made and levied accordingly. Further, on the basis of the audit observation, the division (October 2017 and December 2017) took up the matter with the client departments for depositing the centage charges. The Secretary & Chief Engineer of RWD, also agreed with the audit observation in a meeting held in September 2017.

The matter was reported to the Government (November 2017); Reply was awaited (August 2019).

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118 Total amount chargeable as establishment, tools and plants and audit/accounts charges, if any recoverable.

119 Centage charges revised by the Government which superseded the order dated 27 February, 1997 where in the provision of centage charges was at uniform rate of 12.5 *per cent.* As per revised order (May 2008), centage charges are 10 *per cent* on works cost upto ₹ one crore, nine *per cent* on works cost more than ₹ one crore but less than ₹ five crore and eight *per cent* on works cost more than ₹ five crore.

120 SIDCUL-184 works and MDDA-18 works (2015-17). Works like CC road, Community Centers, Construction of *Nali*, Construction of *Pulia*, Retaining Walls *etc*.

121 State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (SIDCUL) and Mussoorie-Dehradun Development Authority (MDDA).

122 10 *per cent* of ₹ 11.13 crore = ₹ 1.11 crore.

123 10 *per cent* of ₹ 7.32 crore= ₹ 73.20 lakh.

SOCIAL WELFARE DEPARTMENT

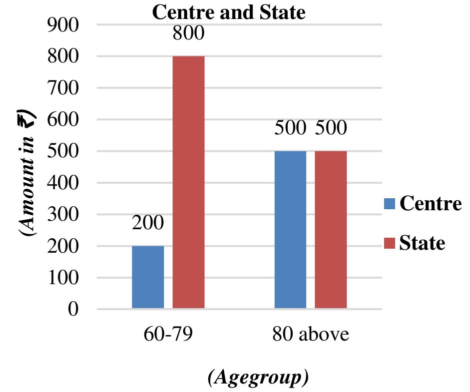
1.12 Old Age Pension Scheme

The Department was not able to ensure full compliance with the guidelines/rules laid down for providing pension to the old age persons. The selection process of beneficiaries for old age pension was fraught with several deficiencies. The pension database lacked input and validation controls. As a result, there were cases of excess payment of ₹0.17 crore to 614 beneficiaries; disbursement of ₹0.10 crore to deceased persons; disbursement of ₹4.18 crore to ineligible persons; and double payment of ₹0.21 crore to 85 beneficiaries. The State Government had to bear a burden of ₹33.29 crore due to less demand of fund from the Government of India. There was an irregular claim of ₹7.25 crore against ineligible beneficiaries from Government of India. There were instances of delayed disbursement of quarterly instalment of pension with the delay up to 366 days. Arrears of pension of ₹15.25 crore to 34,551 beneficiaries were not paid. District Level Committees for implementation, monitoring and evaluation of scheme were not constituted. The mechanism of grievance redressal and social audit was also not in place.

1.12.1 Introduction

Government of India (GoI) launched (August, 1995) a fully funded Centrally Sponsored Scheme known as National Social Assistance Programme (NSAP). Old Age Pension Scheme (OAPS), one of the four components of NSAP, was renamed as Indira Gandhi National Old Age Pension Scheme (IGNOAPS) in 2007. Persons of 60 years and more belonging to Below Poverty Line[124] (BPL) only are eligible under this scheme. BPL identification of a family in the State was based on the survey[125] conducted in 2002 by Rural Development Department. The Government was providing monthly pension under NSAP at the rate of ₹ 800 per month (Central share: ₹ 200 and State share: ₹ 600 for the age group of 60-79 years of age while for the age of 80 years and above the Central share was ₹ 500 and State share ₹ 300) till May 2016. The rate of pension was enhanced to ₹ 1,000 per month (Central share: ₹ 200 and State share: ₹ 800 for the age group of 60-79 years of age while Central share: ₹ 500 and State share: ₹ 500 for the age of 80 years and above) from June 2016 as given in the **Chart-1.12.1** alongside. Apart from this, the State Government was also

Chart-1.12.1: Agegroup-wise share of Centre and State



124 In Uttarakhand BPL survey was conducted only in rural area.

125 This survey was based on 13 parameters: such as area of the land, type of houses, food security, sanitation, consumer goods, literacy, job status, children status, debt status *etc.* The surveyed families were to be given a score from 0 to 4 for each parameter. Thus the maximum score was 52. In Uttarakhand the upper limit of score for identifying a BPL family was capped at 25.

providing Old Age Pension (OAP) to the persons who were above the age of 60 years and were not identified under BPL category subject to fulfilment of certain conditions (as amended in March 2014) which is described below:

(i) Persons of 60 years and more living in rural areas provided his/her land holding is less than 2.5 acres and total monthly family income from all sources is below ₹ 4,000.

(ii) For the urban areas the monthly family income from all sources, should not exceed ₹ 4,000.

It was further clarified by the Social Welfare Department (June 2016) that persons whose son/grandson is more than 20 years old but living above the poverty line would not be eligible for pension. OAP was paid by Government of Uttarakhandat the rate of ₹ 800 per month till May 2016 after which it was enhanced to ₹ 1,000 per month from June 2016.

A compliance audit on the implementation of the OAPS in Uttarakhand which included both IGNOAPS and OAP covering the period 2015-16 to 2017-18 was conducted during March 2018 to October 2018. Out of 13 District Social Welfare Officers (DSWOs), four DSWOs, two each in Kumaun and Garhwal region[126] were selected, on the basis of Probability Proportional to Size without Replacement method taking expenditure incurred on the scheme as size measure for scrutiny of records. Further, in each selected district, two blocks and in each block, two Gram Panchayats (GPs) were selected using Simple Random Sampling without Replacement method. For beneficiary survey, a sample of 20 beneficiaries in each selected GP, were selected randomly. Besides, Pilot Study was carried out (February 2018) in district Almora. In addition, Champawat having least number of beneficiaries in the State was also selected for audit.

The records of the Director, Social Welfare Department (DSW), Haldwani, was also scrutinised.

1.12.2 Selection process of beneficiaries

The eligibility criteria, selection process of beneficiaries and disbursement of pension under OAPS in the State are detailed in ***Appendix-1.12.1.***

Test-check of records of all selected DSWOs revealed the following shortcomings in the approval process:

- The application form had no columns for capturing information regarding land owned by the applicants and the income status of their son/grandson. In the absence of this field, no certificate[127]/affidavit was obtained from the applicants. During beneficiary survey, as discussed in ***paragraph 1.12.8,*** it was found that there were non-BPL beneficiaries who had land in excess of the permissible limit.

[126] Kumaun region: Pithoragarh and Udham Singh Nagar, Garhwal region: Dehradun and Haridwar.
[127] Patwari report.

- Teams for verification of applications were not constituted in any of the test-checked districts. The purpose of verifying the eligibility of applicants through verification teams was, therefore, defeated. We noticed cases of disbursement of pensions to ineligible persons as discussed in ***paragraph 1.12.4.4, 1.12.4.5 and 1.12.4.6***.
- Information regarding approval/rejection was also not conveyed to the applicants or concerned GPs. As a result, the applicants whose applications were rejected could not go for appeal.
- Test-check in selected 24 GPs, revealed that the list of pensioners had not been displayed and records *viz*. application forms, sanction/rejection orders and concerned registers were also not being maintained in any of the GPs. It was also found that, in contravention of NSAP guidelines, photographs and supporting documents of the beneficiaries were not being uploaded in pension database.
- As per guidelines, the application for pension was to be submitted at Block office with all the required documents. After scrutiny of application at Block level by Assistant Social Welfare Officer, the applications were to be forwarded to DSWO for sanction of pension. Test-check of records of selected 12 Blocks in six districts revealed that the dates on which the applications were received from the applicants were not available at block level[128]. Since the date of receipt of applications was not being recorded, it could not be ascertained whether the applications were disposed within the stipulated period of four weeks. However, the dates on which these applications were forwarded to the District Offices were available on records.
- Out of six selected districts, scrutiny of pending applications in district Haridwar and Udham Singh Nagar revealed that 3,292 applications[129] were lying undisposed upto the date of audit, out of which 1,944 applications[130] were pending from December 2017 to March 2018.

On being pointed out, the Department stated that necessary rectification in application form would be carried out. It also assured that district offices would be instructed to comply with all the provisions of the scheme.

The Government may ensure that all the existing norms as enumerated in the guidelines and instructions issued for selection of beneficiaries be strictly followed.

1.12.3 Financial Management

1.12.3.1 Availability and utilisation of funds

The details of availability and utilisation of funds under the scheme (both Central and State sponsored) during the years 2015-16 to 2017-18 are given in **Table-1.12.1** below:

128 Except in Takula block in Almora, Chakrata block in Dehradun and Munakot block in Pithoragarh.
129 Haridwar-791, U S Nagar-2,501.
130 Haridwar-446, U S Nagar-1,498.

Table-1.12.1: Details of Availability and Utilisation of funds

(₹ in crore)

Year	Opening Balance	Funds received		Total Funds available	Expenditure		Closing balance	
		Central Share	State Share		Central Share	State Share	Central Share	State Share
2015-16	3.39	47.79	314.91	366.09	49.90	302.85	1.28	12.06
2016-17	0.00[131]	71.09	406.79	477.88	64.31	400.98	6.78	5.81
2017-18	6.78	61.60	448.00	516.38	68.38	448.00	0.00	0.00
Total		***180.48***	***1,169.70***		***182.59***	***1,151.83***		

Source: Data provided by Director, Social Welfare.

Closing balance of State Share was surrendered to the State Government at the end of each financial year while Central Share was carried forward as opening balance in the next financial year. Further, during the year 2015-16, ₹ 12.36 crore[132] was released to five district treasuries for pension payment to the beneficiaries for the last quarter of 2015-16. This amount was neither transferred to the beneficiaries nor surrendered to the Government. On this being pointed out, the department replied (May 2018) that the matter would be taken up with the concerned treasuries and intimated to audit. Information is still awaited (August 2019).

1.12.3.2 Excess burden on State exchequer due to inaccurate assessment of beneficiaries

Under NSAP guidelines, GoI bears partial assistance[133] under IGNOAP Scheme. Scrutiny of the records at DSW revealed that the demand raised under IGNOAP was not in consonance with the actual number of beneficiaries to whom the pension was being disbursed. During the years 2015-16 to 2017-18, the State Government raised demand of ₹ 235.08 crore for 7,65,599 beneficiaries[134] against which it received ₹ 180.48 crore and disbursed ₹ 268.37 crore to 6,46,687 beneficiaries. This resulted in excess burden of ₹ 87.89 crore on the State exchequer of which, the burden of ₹ 33.29 crore was due to less demand from GoI as detailed in **Table-1.12.2** below:

Table-1.12.2: Details of demand raised against requirement

Year	No. of pensioners to whom pension was disbursed			No. of pensioner for which Grant actually demanded			Excess (+)/Short (-) demand *(per cent)*
	(60-79 years)	(80 years & above)	*(₹ in crore)*	(60-79 years)	(80 years & above)	*(₹in crore)*	
2015-16	1,18,912	1,30,865	107.06[135]	1,85,637	64,381	83.18	(-)23.88 *(28.71)*
2016-17	94,277	84,035	73.05	2,21,579	37,913	75.93	(+)2.88 *(3.79)*
2017-18	1,19,151	99,447	88.26	2,15,792	40,297	75.97	(-)12.29 *(16.18)*
Total	***3,32,340***	***3,14,347***	***268.37***	***6,23,008***	***1,42,591***	***235.08***	***(-)33.29 (14.16)***

Source: Data provided by Director, Social Welfare.

131 The closing balance of ₹ 1.28 crore of 2015-16 of Central Share was included in ₹ 12.36 crore released to five treasuries which remained unadjusted till March 2018.

132 State Share: ₹ 11.08 crore and Central Share: ₹ 1.28 crore.

133 For age group 60 to 79 years: ₹ 200 per month per beneficiary and for age group above 80 years: ₹ 500 per month per beneficiary.

134 This was neither based on figures in the database nor on Monthly Progress Reports of the districts.

135 =1,18,912 @ ₹ 2,400 per year (₹ 28,53,88,800) + 1,30,865 @ ₹ 6,000 per year (₹ 78,51,90,000) =₹ 1,07,05,78,800 say ₹ 107.06 crore.

As is evident from the above table, there was a less demand of 28.71 *per cent* and 16.18 *per cent* by the State during the years 2015-16 and 2017-18 respectively while there was an excess demand of 3.79 *per cent* during the year 2016-17 from GoI.

On being pointed out, the department stated that demand was raised as per the number of beneficiaries shown in Monthly Progress Report (MPR). The reply was not acceptable as the demand raised neither matched with number of beneficiaries shown in MPR nor it was in line with number of beneficiaries to whom the pension was being disbursed.

The Government may ensure that demand raised to GoI under NSAP is concurrent with actual number of beneficiaries to whom pension is to be disbursed.

1.12.3.3 Irregular claim from Government of India

NSAP guidelines provide that the assistance under the IGNOAP is applicable only for the person belonging to BPL category. The assistance from GoI was limited to ₹ 200 per month for beneficiaries of age group between 60 and 79 years and ₹ 500 per month for the beneficiaries of 80 years and above age group.

Scrutiny of the beneficiary database in the selected DSWOs revealed that out of 1,17,454 beneficiaries covered (up to March 2018) under NSAP, BPL identification number was mentioned only in case of 49,924 (42.51 *per cent*) beneficiaries. The remaining 67,530 beneficiaries had no BPL identification numbers mentioned against their names as shown in **Table-1.12.3** below:

Table-1.12.3: Details of beneficiaries against whom no BPL identification numbers mentioned

Name of District	No. of beneficiaries under NSAP	No. of beneficiaries for which BPL ID mentioned	No. of beneficiaries for which BPL ID not mentioned	Age bifurcation of beneficiaries for which BPL ID was not mentioned	
				80 years and above	60-79 years
Almora	24,370	12,262	12,108	11,146	962
Dehradun	22,816	6,656	16,160	11,224	4,936
Haridwar	28,979	6,922	22,057	21,485	572
Pithoragarh	10,042	5,119	4,923	4,217	706
U S Nagar	23,375	17,531	5,844	2,945	2,899
Champawat	7,872	1,434	6,438	6,388	50
Total	***117,454***	***49,924***	***67,530***	***57,405***	***10,125***

Source: Data provided by concerned DSWOs.

Further, out of 67,530 cases, scrutiny of records of 8,134 beneficiaries (12 *per cent*) produced to audit was carried out. It was noticed that 6,184 beneficiaries (76 *per cent*) were not falling in the BPL category under NSAP. Despite this, they were wrongfully included in the BPL category under NSAP which resulted in irregular claim of ₹ 7.25 crore from GoI during the period 2015-18 as detailed in **Table-1.12.4** below:

Table-1.12.4: Details of beneficiaries not eligible for Central Grant

Name of District	No. of beneficiaries test-checked	No. of ineligible beneficiaries whose pension was sanctioned under NSAP			Demand made from GoI during the period 2015-18 (*₹in crore)*
		Total	80 years & above	60 to 79 years	
1	**2**	**3**	**4**	**5**	**6 (Col.4 x ₹ 6,000+Col.5 x ₹ 2,400)x3 years**
Almora	600	319	318	01	0.57
Dehradun	1,150	735	553	182	1.13
Pithoragarh	540	248	248	00	0.45
U S Nagar	5,844	4,882	1,472	3,410	5.10
Total	***8,134***	***6,184***	***2,591***	***3,593***	***7.25***

Source: Data provided by concerned DSWOs.

On being pointed out, the department while accepting the facts stated that payments to ineligible beneficiaries under NSAP would be stopped and instructions to include these beneficiaries under State Scheme would be issued. The Government further stated (May 2019) that the districts had been instructed to feed BPL identification number of NSAP beneficiaries in pension database.

The Government may initiate corrective measures to exclude non-BPL beneficiaries who were wrongfully included under NSAP scheme to avoid irregular claim from GoI.

Since these irregularities have been brought out on the basis of test-check of few cases, therefore, it is recommended that the Department may examine all the remaining cases to verify whether pension under NSAP is being disbursed to eligible beneficiaries.

1.12.4 Irregular payments due to inadequacies in the pension software

1.12.4.1 Lack of validation and input control in the pension software

Social Welfare Department in collaboration with National Informatics Centre started (November 2011) an online software eSPAN for distribution of old age pension.

The database relating to Old Age Pension maintained by the department was scrutinised (4,33,095 pensioner's records) to check input and validation controls as well as inconsistencies with the laid down rules. The shortcomings are detailed below:

1. Age column is inconsistent with Date of Birth (DOB) column. DOB column was not a mandatory field in the database while Age was mandatory. Age up to 901 years could be seen in age column in the database.
2. Monthly Income column lacked'input control' to prevent input of amount in excess of ₹ 4,000 for sanction under State Scheme.
3. UID/Aadhaar number had blank and duplicate values; showing lack of validation control.
4. There was no provision to store Application receiving date, Application disposal date and Sanction date in the database because of which information relating to delay in processing of the cases was not available.
5. Column name: 'Has Any Land', 'Land Details' were not being used/captured by department although this issue was crucial for identification of applicant as per eligibility criteria.
6. Mobile number is mandatory as per guidelines issued by the department but it was not a mandatory field in the database.
7. Son's Monthly Income and Son's Occupation column had Null or Blank value. As per State Government order, monthly income and occupation of son are important parameters for determining eligibility.
8. Pensioner's database was not linked with State BPL database.
9. There was no column to capture life certificate in the database and life certificate in respect of beneficiaries were also not obtained every year by the department.
10. There was no provision in the system to cap the per capita pension at ₹ 1,000.
11. Sharing pattern between Centre and State varies depending on the age bracket of the beneficiaries. So the system should have one to one mapping between the age of beneficiary and the Central and State share of pension. However, this feature was not there in the system.

Table-1.12.5: Number of cases having blank and null/duplicate values of important inputs

Sl. No.	Column Name	Number of cases
1.	Date of Birth	49,521 cases of blank/null values
		4,989 cases of age 100 to 125 years
		9 cases of age > 125 years
2.	UID (Aadhaar No.)	26,957 cases of blank/null values
		64 cases of duplicate values
3.	BPL Family ID	1,13,795 cases of blank/null values
4.	Mobile Number	3,12,004 cases of blank/null values

The Government may ensure to strengthen the pension database by plugging in the above deficiencies and modify the pension software accordingly.

Inadequate control mechanism led to many irregularities as discussed in the succeeding paragraphs.

1.12.4.2 Pension to deceased persons

As per para 3.6.3 (vii) of NSAP guidelines, the Gram Panchayats/Municipalities were required to report every case of death of beneficiary to the designated sanctioning authority. Further, State Government's order (26 May 2016) prescribed that the life certificates of beneficiaries should compulsorily be obtained every year.

During joint beneficiary survey of 480 beneficiaries in the selected 24 GPs, it was found that intimation of death of pensioners was not provided by the concerned GPs and life certificates in respect of beneficiaries were also not obtained each year. This fact was also corroborated from the records of physical verification conducted by the DSWOs of Pithoragarh and Udham Singh Nagar. As a result, deletion of name of deceased beneficiaries was not done regularly and promptly which not only rendered the beneficiary list incomplete, but also resulted in transfer of pension amount in the account of beneficiaries even after their death. During physical verification of selected GPs from the districts of Pithoragarh, Udham Singh Nagar and Champawat, beneficiary list of concerned GPs were shown to Gram Pradhan and villagers, who in turn intimated to audit about the death of some beneficiaries mentioned in the list. The DSWOs of Pithoragarh, Udham Singh Nagar and Champawat remained unaware of the death of 74 beneficiaries[136] since the Department was not verifying life certificates annually as was required as per scheme guidelines. Their pension amounts were credited in the bank accounts for periods ranging from one to 78 months after their death resulting in an irregular payment of ₹ 10.35 lakh[137]. Further, scrutiny of bank statements of five deceased beneficiaries made available to audit, revealed that withdrawals were made from four bank accounts even after death of the beneficiaries.

[136] Udham Singh Nagar: 49, Pithoragarh: 15, Champawat: 10.

[137] Udham Singh Nagar: ₹ 7.18 lakh, Pithoragarh: ₹ 2.49 lakh, Champawat: ₹ 0.68 lakh.

On being pointed out, the concerned DSWOs accepted the facts and stated that pension of deceased person would be stopped and necessary action to recover the paid amount would be initiated. The Government further stated (May 2019) that final reply would be submitted after receiving compliance from concerned DSWOs.

The Government may ensure to evolve a mechanism for obtaining life certificate of beneficiaries each year and simultaneously conduct regular physical verification to avoid disbursement of pension to deceased persons.

1.12.4.3 Excess payment to beneficiaries

The amount of pension payable for the period 2015-16 to 2017-18 to each beficiary was ₹ 800 per month up to May 2016 and thereafter ₹ 1,000 per month.

Analysis of pension database revealed that excess payments were made to 11,511 beneficiaries of the State during 2015-18. As the data base was not found reliable due to inconsistencies and inadequate input control, manual verification of 4,067 cases[138] of DSWO Dehradun and Champawat sanctioned during 2015-18 was carried out. In 614 cases[139] (15 *per cent*), it was found that excess payment of ₹ 17.08 lakh[140] was made to the beneficiaries due to absence of inbuilt validation check for limiting per capita pension at ₹ 1,000 as mentioned in ***paragraph 1.12.4.1*** above.

On being pointed out, DSWO replied that excess payment was made to these beneficiaries erroneously and assured that recovery would be made shortly.

Since these irregularities have been brought out on the basis of test-check of few cases, therefore, it is recommended that the Department may examine all the remaining cases to verify excess payment to the beneficiaries.

1.12.4.4 Disbursement of pension to persons having monthly income of more than ₹ 4,000

Government of Uttarakhand decided (March 2014) that persons with monthly family income of up to ₹ 4,000 would also be eligible for OAPS.

Analysis of pension database for the period 2015-16 to 2017-18 revealed that pension of ₹ 0.83 crore was sanctioned to 295 beneficiaries in the State with monthly income of more than ₹ 4,000 in non BPL cases, which was in violation of extant rules. The cases of disbursement of pension to persons having monthly income of more than ₹ 4,000 was also found during beneficiary survey as mentioned in ***paragraph 1.12.8***.

1.12.4.5 Non-detection of double payment of pension

Scrutiny of data provided by the selected DSWOs revealed that 85 beneficiaries[141] were allotted pension IDs twice against the same Aadhaar number/BPL ID/Bank account

[138] Dehradun-3924 cases and Champawat-143 cases.
[139] Dehradun-496 cases and Champawat-118 cases.
[140] Dehradun-11.23 lakh and Champawat-5.85 lakh.
[141] Dehradun-17, Haridwar-31, Pithoragarh-21 and Udham Singh Nagar-16 beneficiaries.

number. As the database could not detect duplicate Aadhaar numbers/BPL ID/Bank account number, the pension was sanctioned twice to 85 beneficiaries during different periods between April 2011 and January 2018 and paid continuously till March 2018, which resulted in double payment of ₹ 20.87 lakh[142].

On being pointed out, the Government stated (May 2019) that instructions for recovery of double payment had been issued.

Since these irregularities have been brought out on the basis of test-check of few cases, therefore, it is recommended that the Department may examine all the remaining cases to check whether double pension has been sanctioned to other beneficiaries.

1.12.4.6 Disbursement of pension to ineligible persons

The State Government issued (March 1990) directions that in cases where husband and wife both were eligible for OAP, the pension shall only be granted to either husband or wife and in those cases, priority would be given to the female member. The Government of Uttarakhand reconfirmed the above directions vide its order issued in June 2016.

As the required validation control was missing, pension was sanctioned to both husband and wife having the same BPL ID number in 1,147 cases during 2007-08 to 2017-18 and paid continuously till March 2018, which resulted in an irregular payment of ₹ 4.18 crore during different periods between January 2008 and January 2018 as detailed in **Table-1.12.6** below. Further, joint beneficiary survey of 480 beneficiaries in 24 selected GPs also confirmed this fact. It was found that in 41 cases (nine *per cent*), both husband and wife were receiving pension.

Table-1.12.6: Details of Sanction of pension to both Husband and Wife in selected districts

Name of District	Pension sanction to both Husband & Wife	Sanctioned during	Irregular Payment (*₹ in crore*)
Almora	586	2010-11 to 2017-18	2.20
Dehradun	115	2011-12 to 2017-18	0.33
Haridwar	91	2013-14 to 2017-18	0.30
Pithoragarh	25	2007-08 to 2016-17	0.15
U S Nagar	330	2011-12 to 2017-18	1.20
Total	***1,147***		***4.18***

Source: Data provided by concerned DSWOs.

On this being pointed out, the Government stated (May 2019) that necessary instructions to stop pension to ineligible beneficiaries and recovery of amount paid to them had been issued.

[142] Dehradun: ₹ 4.87 lakh, Haridwar: ₹ 8.37 lakh, Pithoragarh: ₹ 5.58 lakh and Udham Singh Nagar: ₹ 2.05 lakh.

Since these irregularities have been brought out on the basis of test-check of few cases, therefore, it is recommended that the Department may examine all the remaining cases to verify whether pension has also been sanctioned to the spouse of beneficiaries. The Government may also ensure to evolve a mechanism to check sanction of pension to both husband and wife.

1.12.5 Other findings

1.12.5.1 Delayed disbursement of pension

State Government issued orders (March 2011) for distribution of pension to the beneficiaries on quarterly basis. The payment of first, second and third instalment was to be made in the month of June, September and December respectively and the last instalment was to be paid by the end of February of that year.

Scrutiny of records of the selected DSWOs disclosed that the payments were delayed for periods up to 366 days during 2015-18 as detailed in **Table-1.12.7** below:

Table-1.12.7: Details of delay in disbursement of pension to beneficiaries in test-checked district

Name of District	Delay in payment of pension in days		
	2015-16	**2016-17**	**2017-18**
Almora	21 – 75	22 – 84	12 – 51
Dehradun	05 – 112	13 – 51	04 – 23
Haridwar	04 – 112	13 – 45	05 – 54
Pithoragarh	01 – 366	25 – 217	07 – 119
U S Nagar	24 – 60	26 – 75	18 – 28
Champawat	14 – 26	00 – 23	07 – 38

Source: Data provided by concerned DSWOs

On being pointed out, the Government while accepting the facts stated (May 2019) that instructions for timely disbursement of pension had been issued to concerned districts.

1.12.5.2 Non-payment of arrear

State Government ordered (June 2016) that the disbursement of old age pension to the beneficiaries who had not submitted their Aadhaar Card will be stopped. However, State Government extended (December 2017) the date of submission of Aadhaar Card till March 2018.

Scrutiny of records (April 2018) revealed that in DSWO Haridwar and Pithoragarh, disbursement of pension to 6,703 beneficiaries[143] was stopped from October 2016 for non-submission of Aadhaar Card. Even though the Government had extended the date of submission of Aadhaar Card till March 2018, these pensioners were not paid the arrears of ₹ 7.79 crore pertaining to different periods (between October 2016 and September 2017) till the date of audit.

[143] Haridwar: 5,656 and in Pithoragarh: 1,047.

Further, information provided (May 2018) by the DSW revealed that 34,551 beneficiaries in nine districts[144] were deprived of pension /arrear of ₹ 15.25 crore[145] in the State for the period 2017-18 due to non-availability of funds.

On this being pointed out, the concerned DSWOs stated that due to shortage of manpower the payments of arrears could not be made and assured that the payment would be made to these beneficiaries as early as possible. As regards non-payment of pension/arrear to the beneficiaries, the DSW stated that request for early release of budget had been sent (May 2018) to the Government and the same would be disbursed after receiving the funds. The Government further stated (May 2019) that out of nine districts, two districts (Almora and Dehradun) had paid the arrear amount.

1.12.6 Shortage of man power

State Government issued instructions (June 1981) that three clerks should be deployed for more than 1,500 live pensioners for OAP work in district offices. Scrutiny of records of the DSWOs revealed that against three sanctioned posts of clerks in each selected district, only eight clerks[146] were deployed. There was a shortfall of 67 *per cent* in Almora, Haridwar, Pithoragarh and Champawat and 34 *per cent* in Dehradun and Udham Singh Nagar.

On this being pointed out, the Government stated (May 2019) that a proposal to create posts of Computer Operator and Junior Assistant at District/ Block level had been sent to administrative department.

1.12.7 Information, Education and Communication activities

NSAP guidelines stipulate that States should ensure wide and continuous publicity about entitlement under the scheme and procedure for claiming it through posters, brochures, media and other means. Expenditure on Information, Education and Communication activities was to be borne from administrative expenses. Scrutiny of records at DSW and in six selected DSWOs revealed that no publicity campaign through newspaper/other media was carried out in the State, except in district Dehradun and Champawat, during the period 2015-18.

A survey conducted by audit in five GPs[147] revealed that 25[148] eligible persons for OAP had neither applied for pension nor were identified by field level workers/officials.

On this being pointed out, the DSW accepted the facts and stated that in future wide publicity would be carried out. As regards non-identification of eligible persons, the

144 Chamoli: 549, Rudraprayag: 1,849, Dehradun: 9,620, Haridwar: 5,307, Nainital: 6,787, Almora: 1,929, Bageshwar: 4,320, Champawat: 435 and Udham Singh Nagar: 3,755.

145 Pension of fourth quarter of 2017-18 and arrears for the period between October 2016 and September 2017.

146 One each in Almora, Haridwar, Pithoragarh and Champawat and two each in Dehradun and Udham Singh Nagar.

147 Kuraiya GP in district Udham Singh Nagar, Delna and Bahadurpur Saini in district Haridwar, Kamlekh and Garsadi in district Champawat.

148 Kuraiya-05, Delna-06, Bahadurpur saini-11, Kamlekh-02 and Garsadi-01 persons.

concerned DSWOs stated that the concerned Assistant Social Welfare Officer would be directed to initiate action for inclusion of the eligible persons for OAP.

The Department may undertake this exercise in all districts for identifying eligible beneficiaries who have so far not been covered under the scheme.

1.12.8 Results of Beneficiary Survey

Joint beneficiary survey of 480 beneficiaries in 24 selected GPs was conducted along with employees of Social Welfare Department. The significant findings of beneficiary survey were as below:

- Spouses of 41 beneficiaries (nine *per cent*) were also getting OAP.
- Nine beneficiaries (two *per cent*) of State funded pension were holding excess land in comparison to permissible limit of 2.5 acre in rural area.
- Family members of 11 beneficiaries (two *per cent*) of State funded pension were Government employees.
- Family income of 53 beneficiaries (11 *per cent*) of State funded pension was in excess of ₹ 4,000 per month.

1.12.9 Monitoring and Evaluation

1.12.9.1 Non formation of State/District Level Committee

Guidelines of NSAP provide that a State Level Committee (SLC) headed by Chief Secretary and District Level Committees (DLC) headed by Chief Executive Officer, *Zila Panchayat* would be formed. These committees were responsible for implementation, monitoring and evaluation of the programme. The SLC/DLCs were required to submit their reports to the GoI and State Nodal department respectively. Besides, Vigilance and Monitoring Committee (VMC) was to be formed for review of implementation of the programme. Meeting of the VMC was required to be held at least once in every quarter.

It was observed that in contravention of the guidelines, neither SLC at State Level nor DLC in the selected districts were formed. However, VMC was formed but only four meetings were held at State level against the required 12 meetings for the period 2015-18.

1.12.9.2 Grievance Redressal Mechanism

The guidelines of NSAP provide that a grievance redressal system should be formed at the Block, District, Municipality level and an officer should be designated to whom the grievances can be addressed. Complainant must be given a receipt indicating the time line for redressal. In addition to this, complaints can also be registered using *Samadhan* portal (online portal) of GoU and *Jansunwai* conducted by District Magistrate for grievance redressal.

Scrutiny of records in selected DSWOs revealed that there were no designated officers to address grievance redressal in any of the districts. Information provided by the concerned DSWOs revealed that only five and four complaints were registered in Dehradun and Haridwar district respectively and no complaint was registered in Almora, Pithoragarh and Champawat district during the year 2015-18. In Udham Singh Nagar, 373 complaints were received through *Samadhan* portal and *Jansunwai* during the period 2015-18 and all were disposed.

On being pointed out, the concerned DSWOs stated that the grievance redressal cell would be formed. The Government further stated that instructions to appoint an officer for grievance redressal at District/Block/Municipality level had been issued to concerned districts.

1.12.9.3 Absence of Social Audit

Guidelines of NSAP provided that participation of the public in decision making and policy execution is one of the tenets of good governance. For this purpose, Social Audit was essential for implementation and monitoring of the scheme. Social Audit was to be conducted by the *Gram Sabha*/Ward Committee at least once in every six months. Scrutiny of records of the selected DSWOs revealed that Social Audit Committees were not formed in the selected GPs and no social audit was conducted in any of the GPs of selected districts during the period 2015-16 to 2017-18.

On this being pointed out, the department replied that instruction for formation of Social Audit Committee and conducting social audit would be issued. The reply of the Department was not acceptable as Social Audit was an essential component for implementation and monitoring of the scheme.

1.12.9.4 Lack of physical verification

State Government guidelines (November 1981) provide that physical verification of beneficiaries should be conducted on six monthly basis to check whether pensioner is alive and still eligible for pension. The Government of Uttarakhand reconfirmed the above directions vide its order issued in November 2009.

Scrutiny of records of the six selected DSWOs revealed that physical verification of pensioners was carried out twice in district Haridwar and thrice in district Udham Singh Nagar and Champawat whereas it was carried out only once in Dehradun, Almora and Pithoragarh against the required six times during 2015-18. Inadequate physical verification of pensioners resulted in payment even after death of the pensioners as discussed in ***paragraph 1.12.4.2*** above.

On this being pointed out, the Government stated (May 2019) that all DSWOs had been instructed to conduct physical verification of all beneficiaries twice in a year.

1.12.10 Conclusion

The implementation of Old Age Pension Scheme in the State suffered from several deficiencies. There was inaccurate assessment of beneficiaries under NSAP which resulted in less funds being demanded from GoI. People not falling in the BPL category were incorrectly covered under NSAP. There was lack of validation and input control in the pension software. Distribution of pension to deceased persons, sanction of pension to both husband and wife and disbursement of pension to beneficiaries with delay were also noticed. The Department lacked sufficient manpower. Department had not undertaken adequate publicity campaigns for disseminating information about the scheme.

UTTARAKHAND ENVIRONMENT PROTECTION AND POLLUTION CONTROL BOARD AND UTTARAKHAND STATE TRANSPORT DEPARTMENT

1.13 Role of Uttarakhand Environment Protection and Pollution Control Board and Uttarakhand State Transport Department in controlling air pollution in Dehradun

Uttarakhand Environment Protection and Pollution Control Board (UEPPCB) did not make any comprehensive programme for prevention, control or abatement of air pollution. It did not monitor all the 12 air pollutants notified by the Central Pollution Control Board. The UEPPCB did not coordinate with the Department of Industries to obtain information about industries registered with them so as to bring the industrial units under its consent regime. No mechanism was evolved to watch the renewal of consent after its expiry. The Transport Department did not take adequate measures towards implementation of the provision regarding re-registration of 15 years' old vehicles. It also did not have any effective mechanism to ensure that all the vehicles turn up for emission testing after the expiry of 'Pollution Under Control' certificate. UEPPCB also failed to discharge its regulatory function to prevent and control the emission of pollutants spread into the atmosphere by the brick kilns and mining units. The monitoring by the UEPPCB was found deficient. It failed to prepare and submit the Annual Report relating to its functioning to the State Legislature.

1.13.1 Introduction

Air pollution can be defined as the presence of toxic chemicals or compounds in the air at levels that pose health risk. Air pollution adversely affects men and material, flora and fauna. It causes breathing trouble, blood diseases, eye problems and various kinds of skin and lung diseases. Substances that are generally recognised as air pollutants include Suspended Particulate Matter (SPM), Respirable Suspended Particulate Matter (RSPM), Sulphur Dioxide (SO_2), Nitrogen Dioxide (NO_2), Carbon Monoxide (CO), Carbon Dioxide (CO_2), Methane and Ozone depleting substances such as Chlorofluorocarbons (CFC). The most commonly identified sources of air pollution are vehicles; industries; construction activities; waste burning, *etc.*

Air pollution has become a growing concern in the past few years, and Dehradun is no exception. The Government of India informed (15 December 2017) Lok Sabha that Dehradun was the most polluted city among those classified as Eco sensitive cities in India in two out of three parameters namely SO_2 and Particulate Matter 10 (PM_{10}). As per Greenpeace report for the year 2016, Dehradun was ranked the 5th highest polluted city in respect of PM_{10}.

A theme based compliance audit on 'Role of Uttarakhand Environment Protection and Pollution Control Board and Uttarakhand State Transport Department in controlling air pollution in Dehradun' was conducted to assess whether the provisions of the Air (Prevention and Control of Pollution) Act, 1981 (Air Act) for prevention, control and abatement of air pollution were complied. The audit was conducted during March 2018 to

June 2018 covering the period 2015-18 in the office of the Uttarakhand Environment Protection and Pollution Control Board (UEPPCB) along with its Regional Office (RO) at Dehradun. Relevant records in the Department of Transport were also scrutinised.

The audit team along with representatives of RO Dehradun also conducted joint physical verification of all three monitoring stations[149] located in Dehradun and 32 out of 793 industrial units[150] to ascertain whether the environmental safeguards prescribed in 'Consent to Operate' (CTO) granted by UEPPCB were followed. Besides, 6 out of 19 Pollution Under Control (PUC) Centres were also physically verified to see if the PUCs complied with the provisions of the applicable rules.

1.13.2 Planning

1.13.2.1 Lack of comprehensive programme to prevent and control air pollution

According to Section 17 of the Act, UEPPCB was required to plan a comprehensive programme for prevention, control or abatement of air pollution. Further, the Central Pollution Control Board (CPCB) *vide* its letter dated 20 January 2015 had directed the UEPPCB to carry out Source Apportionment Study[151]. However, it was observed that the Board did not make any comprehensive programme. It was also not in a position to make effective programme for prevention and control of air pollution in absence of relevant information about the number of industries running in Dehradun (as discussed in ***paragraph 1.13.5.1***) and non-identification of sources of air pollution along with their quantification through source apportionment studies regarding prevention, control or abatement of air pollution effectively.

On being pointed, the UEPPCB stated that action would be taken for preparation of a comprehensive plan for prevention, control or abatement of air pollution. The reply is not acceptable as in absence of comprehensive programme, the UEPPCB was not in a position to fulfill its mandate effectively. Lack of comprehensive programme gains seriousness in view of a report (2016) of Indian Council of Medical Research which indicates that Air pollution is the second highest risk factor driving the most death and disability in Uttarakhand.

The UEPPCB should make efforts to prepare a comprehensive programme in accordance with Section 17 of the Air Act.

1.13.3 Financial Arrangement

Financial resources of UEPPCB comprised water cess, consent fees and other receipts. income and expenditure of the UEPPCB during 2015-16 to 2017-18 is given in **Table-1.13.1** below:

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[149] BSNL Office, Clock Tower; *Anchal* Dairy, Raipur Road; and Himalayan Drug, ISBT.

[150] Including five mining units and seven Brick kiln units.

[151] Source Apportionment Study is primarily based on measurements and tracking down the sources through receptor modelling, helps in identifying the sources and extent of their contribution in pollution.

Table-1.13.1: Details of Income and Expenditure

(₹ in crore)

Year	Income					Expenditure			Net Surplus (percentage)
	Consent Fees	Water Cess	Interest Income	Other Income*	Total Income	Establishment and other Expenses**	Income Tax	Total Expenses	
2015-16	18.76	1.83	12.14	2.90	35.63	10.21	2.08	12.29 (*34.49*)	*65.51*
2016-17	16.68	2.02	10.55	2.11	31.36	11.34	2.45	13.79 (*43.97*)	*56.03*
2017-18	20.40	0.56	9.75	1.74	32.45	11.32	0.06	11.38 (*35.07*)	*64.93*
Total	***55.84***	***4.41***	***32.44***	***6.75***	***99.44***	***32.87***	***4.59***	***37.46(37.67)***	

Source: Data provided by UEPPCB.
*Bio Medical fee, Stack Monitoring & Analysis fee, NOC fee, Bank Guarantee forfeited, Hazardous fee, *etc*.
**Capital expenditure (construction of building, land purchase, purchase of vehicles, computers, furniture, *etc*.).
Note: Figures in parentheses indicate percentage to total income.

It may be seen from the above that:

- The percentage of surplus funds ranged between 56.03 *per cent* and 65.51 *per cent* of total funds available during 2015-18.
- The entire amount was spent on establishment and other expenses.

Details of receipts and expenses pertaining to National Air Quality Monitoring Programme (NAMP) funds are shown in **Table-1.13.2** below:

Table-1.13.2: Details of receipts and expenses pertaining to NAMP funds

(₹in crore)

NAMP Funds Receipts and Expenses			
S. No.	**Year**	**Received Amount**	**Total Expenses[152]**
1.	2015-16	0.41	0.51
2.	2016-17	-	0.52
3.	2017-18	-	0.41

Source: Data provided by UEPPCB.

1.13.4 Air quality monitoring

1.13.4.1 Non-monitoring of all air pollutants

The Central Pollution Control Board (CPCB) had notified (November 2009) National Ambient Air Quality Standards (NAAQS) with 12 identified pollutants. It included five gaseous pollutants such as SO_2, NO_2, Ozone (O_3), CO and Ammonia (NH_3), two dust related parameters (PM_{10} and $PM_{2.5}$), three metals (Lead, Nickel and Arsenic) and two organic pollutants {Benzene and *Benzo(a) Pyrene* (BaP)-particulate}. The impact of the major air pollutants on the environment is shown in ***Appendix-1.13.1***.

It was observed that:

- The UEPPCB was monitoring only three air pollutants *i.e*. SO_2, NO_2 and PM_{10} regularly at all the three stations in Dehradun.
- The remaining pollutants *viz. Ammonia, Lead, Ozone, Carbon monoxide, Benzene, BaP, Arsenic and Nickel,* besides $PM_{2.5}$, which are fine particles known for triggering or worsening various chronic diseases, were not being monitored.

[152] Expenses are incurred by the UEPPCB and afterwards reimbursed by the CPCB.

As a result, UEPPCB was not in a position to assess the health hazard and to take mitigating measures to control and regulate the pollutants from various sources and their harmful effects.

The UEPPCB stated that due to lack of staff having technical expertise, laboratory and sampling instruments[153] and non-determination of the location for installation of the samplers, all pollutants could not be measured.

It was also observed that UEPPCB failed to carry out any study to finalise the location for installation of equipment. Further, it did not inform the CPCB about the requirement of resources.

The UEPPCB should make efforts to monitor all 12 pollutants notified by the CPCB.

1.13.4.2 Level of pollutants

In order to implement the mandate under the Air Act and the Environment (Protection) Act, 1986, it was necessary to assess the present and anticipated air pollution through continuous air quality survey/monitoring program. The CPCB started (1984-85) National Ambient Air Quality Monitoring (NAAQM) Network later renamed as National Air Quality Monitoring Programme (NAMP). Monitoring of Ambient Air Quality in Dehradun under NAMP was being done through three stations by measuring mainly three pollutants namely SO_2, NO_2 and PM_{10}. The data pertaining to the said measurement are depicted in **Table-1.13.3** below:

Table-1.13.3: Details showing level of pollutants during 2015-2017

(Unit µg/m^3)

Year	Clock Tower			Raipur Road			Himalayan Drug, ISBT		
Average	PM_{10}	SO_2	NO_2	PM_{10}	SO_2	NO_2	PM_{10}	SO_2	NO_2
2015	159.54	26.48	29.92	155.35	26.33	29.53	237.75	27.45	30.43
2016	180.05	25.07	28.66	245.23	25.92	28.99	288.12	27.10	30.05
2017	190.40	24.97	28.50	220.74	25.84	28.85	302.34	26.66	29.68
Standards	60	20	30	60	20	30	60	20	30

Source: Data provided by UEPPCB.

Scrutiny of the above stated results of analysis reports in respect of these stations for the years 2015 to 2017[154] disclosed that:

- The annual mean value of SO_2 ranged between 24.97 µg/m^3 and 27.45 µg/m^3 which exceeded the prescribed limit (20 µg/m^3).
- The annual mean value of NO_2 ranged between 28.50 µg/m^3 and 30.43 µg/m^3 which slightly exceeded the prescribed limit (30 µg/m^3).

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153 The sampler for measuring the $PM_{2.5}$ was arranged from supplier on trial basis in June 2018 which was also not installed.

154 The annual mean value is calculated by UEPPCB for calendar years.

- The annual mean value of PM_{10} ranged between 155.35 µg/m^3 and 302.34 µg/m^3 which considerably exceeded the prescribed limit (60 µg/m^3).

On being pointed out, the UEPPCB agreed with the fact and replied that the action plan for abatement and control of air pollution was in draft stage.

1.13.4.3 Irregular monitoring

The NAMP guideline states that the monitoring of pollutants is to be carried out for 24 hours (average of 4-hourly sampling for gaseous pollutants and 8-hourly sampling for particulate matter) twice a week, to have 104 observations in a year. The period and frequency of sampling should be such that statistically reliable averages can be obtained with the data. One of the objectives of monitoring under NAMP is to determine compliance with NAAQS.

The joint inspection of the three air quality monitoring stations revealed that the measurements of SO_2, NO_2 and PM_{10} were being taken for 16 hours a day at an interval of four hours and eight hours for SO_2, NO_2 and PM_{10} respectively, which was not in consonance with the prescribed norms. The annual average, therefore, had the risk of being inaccurate and non-representative of the actual level of pollutants.

On being pointed out, the RO, UEPPCB Dehradun stated that due to shortage of staff and infrastructure facilities, the required monitoring for 24 hours was not carried out.

The UEPPCB needs to address the problem of shortage of staff and lack of infrastructural facilities so as to carry out monitoring of pollutants in accordance with the NAMP guidelines for mitigating the risk of generating inaccurate and non-representative data.

1.13.4.4 Ambient Air Quality Monitoring Stations

1.13.4.4 (A) Non-representative site

According to CPCB guidelines, certain trees may also be sources of PM in the form of detritus, pollen, or insect parts. Therefore, samplers should be located at sites which are more than 20 metres away from nearby trees. Further, all sides of the ambient air quality monitoring station should be open *i.e.,* the intake should not be within a confined space and height of the inlet must be 3-10 metres above the ground. If the location of the instrument is such that it does not satisfy the physical requirements of monitoring site, then the data generated may not be of much use in determining status and trends of level of pollutants.

Joint inspection of the three Ambient Air Quality Monitoring Stations (AAQMS) revealed that contrary to the prescribed norms, all sides of the three samplers were not open and had restricted free flow of air. The sampler in one case was within 20 metres from nearby trees. Sample photographs of the samplers are depicted as under:

Photograph 1.13.1: Himalayan Drug, ISBT (5 April 2018)
Observation- Within 20 m from nearby trees

Photograph 1.13.2: Himalayan Drug, ISBT (5 April 2018)
Observation-Within 20 m from nearby trees

Photograph 1.13.3: Anchal Dairy, Raipur (5 April 2018)
Observation- Not open from all four sides

Photograph 1.13.4: Anchal Dairy, Raipur (5 April 2018)
Observation- Not open from all four sides

Photograph 1.13.5: BSNL Office, Clock Tower (5 April 2018)
Observation- Not open from all four sides

Photograph 1.13.6: BSNL Office, Clock Tower (5 April 2018)
Observation- Not open from all four sides

Installation of the air monitoring instruments in contravention to the prescribed norms has the risk of generating inaccurate and non-representative result.

On being pointed out, the UEPPCB agreed with the facts and replied that action would be taken as per NAMP guidelines.

1.13.4.4 (B) Other shortcomings noticed during Joint Physical Verification

The joint physical verification disclosed various other shortcomings in the three AAQMS as discussed in **Table-1.13.4** below:

Table-1.13.4: Details showing results of joint physical verification of AAQMS

Provisions of NAMP guidelines	Audit Findings
➢ Information on type and number of vehicles should be obtained. Pollution load emanating from this source should be estimated so as to identify sources that are generating significant amount of pollution. This information will help in identifying the pollutants which can be expected in an area and thus should be measured.	➢ Information regarding type and number of vehicles was not maintained. No assessment was made by the UEPPCB in this regard even at the time of setting up of these monitoring stations.

➢ Meteorological data with respect to temperature, relative humidity, wind speed and direction should be collected. Predominant wind direction plays an important role in determining location of monitoring stations.	➢ No meteorological data with respect to temperature, relative humidity, wind speed and direction were collected.
➢ Site sheltering and facilities such as electricity of sufficient rating, *etc*. should be available. The stations should be protected from extreme weather conditions.	➢ Site sheltering facilities like shade for protection from rains, sunlight, *etc* were not available.
➢ The laboratory instrument must be calibrated regularly so as to minimise errors.	➢ Instruments were not calibrated since 2012.
➢ Field assistants should be M.Sc. in environmental chemistry.	➢ Field assistants for AAQMS were having qualification of 12 Standards.
➢ Provision for uninterrupted power supply must be made so that monitoring can be carried out 24 hours in day.	➢ There was lack of facility for power back up.

UEPPCB should make efforts to install and maintain the samplers as per provisions of the NAMP guidelines so as to avoid the risk of generating inaccurate and non-representative data.

1.13.4.5 Lack of monitoring of Benzene level near the petrol/diesel retail stations

Benzene is one of the hydrocarbons present in the atmosphere at trace level. As per the World Health Organisation, acute occupational exposure to benzene may cause narcosis, headache, dizziness, drowsiness, confusion, tremors and loss of consciousness. Benzene mainly emanates from evaporation in petrol stations. Petrol is a very volatile substance. It quickly evaporates during loading and dispensation. This contributes towards high ambient concentration in petrol pumps. This makes the refueling stations high risk areas.

Escape of Benzene is controlled by a device called a Vapour Recovery System[155] (VRS) which sucks back the fumes that escapes from a pipe when fuel is being pumped into a vehicle or an outlet.

The CPCB had notified (November 2009) NAAQS with 12 identified pollutants. Benzene was one of the pollutants to be monitored. As per the NAAQS set by the CPCB, the permissible level of Benzene is 5$\mu g/m^3$.

During review of records of UEPPCB, it was noticed that:

- ➢ No plan to monitor and control the benzene level was made.
- ➢ The UEPPCB never carried out any testing of benzene level near the retail petrol/diesel stations in Dehradun.
- ➢ The UEPPCB did not ensure installation of any VRS at the retail petrol/diesel stations.
- ➢ The UEPPCB did nothing to bring the retail petrol/diesel stations under the consent regime.
- ➢ Further, joint inspection of ten out of 97 such retail petrol/diesel stations in Dehradun revealed that no station was equipped with the VRS.

155 As per document of CPCB.

On being pointed out, the UEPPCB agreed with the facts. It stated that there was no action plan related to monitoring of benzene level and steps would be taken after obtaining directions from the competent authority.

UEPPCB, therefore, failed to take any step to assess the quantum of benzene level and control this pollutant.

Keeping in view the adverse impact of Benzene on humans, UEPPCB should make efforts to assess the quantum of benzene level and take suitable measures to keep it under permissible level.

1.13.5 Industrial Pollution

1.13.5.1 Non-conducting of survey and non-identification of industrial units

According to Section 21 of the Air Act, no person shall, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The proponent of the industry has to apply through the 'Single Window' at District Industries Centre (DIC). Thereafter, the Regional Officer (RO), UEPPCB scrutinises the application under the Air Act 1981 and Doon Valley Notification, 1989 and accords *in-principle approval* for establishing the industry. Subsequently, the proponent applies for Consent to Establish (CTE) separately and the relevant documents are scrutinised by the Regional Office concerned and if found in order, the proponent is asked to deposit the required fee. At this stage, site inspection of the industrial units is done by the officials of the RO. On the basis of the inspection report, the CTE is issued by the R.O./Head Office, as the case may be. The same procedure is adopted while issuing CTO. At the time of inspection, the compliance of the conditions attached with CTE is also verified.

The UEPPCB had no up-to-date information about the total number of industrial units operating in Dehradun. During 2015-18, 1,104 industrial units were established as per DIC, Dehradun. However, only 107 industrial units[156] applied with the UEPPCB for getting the CTE. The UEPPCB neither carried out any survey nor coordinated with the Department of Industries to obtain information about registered industries so as to bring them under its consent regime. In absence of data regarding industrial units operating in Dehradun, the UEPPCB could not ensure that the industrial units undertook measures that are required to control air pollution and which it seeks to enforce through the CTO conditions[157].

On being pointed out, the UEPPCB stated that no survey was conducted because of shortage of staff and only those industries which had applied for CTO were under its

[156] Out of these 107 industrial units, 94 were granted CTE. Further, out of 94 units, only 52 units were granted CTO. At the time of issuance of CTO, the conditions attached with CTE are also verified.

[157] The Department of Industries also does not impose any conditions relating to environmental clearance at the time of licensing.

consent regime. It further stated that the issue would be placed before the Board in its forthcoming meeting.

UEPPCB should make efforts to identify industries operating without valid CTO and bring them under its consent regime.

1.13.5.2 Renewal of consent

Consent granted to industries under Section 21 of the Air Act is required to be applied for renewal within period of its validity specified by UEPPCB.

The UEPPCB did not evolve any mechanism to watch the renewal of consent after expiry of the validity period of consent issued earlier. The number of industrial units in operation without getting its CTO renewed could not be ascertained in absence of maintenance of data by the UEPPCB. UEPPCB, therefore, lacked the necessary information to enforce the provisions of the Act properly.

Joint physical verification of 32 industrial units, as detailed in ***Appendix-1.13.2 A,*** out of the 793 units under the consent regime of the Board revealed that 19 industries, as detailed in ***Appendix-1.13.2 B,*** were running without renewed consent of the UEPPCB for a period ranging from one to three months (till the date of audit). Further, out of four units, three units, as detailed in ***Appendix-1.13.2 C,*** had taken the CTE, but did not apply for CTO; One unit applied for CTE which was rejected. Yet the unit was functioning/operating.

On being pointed out, the UEPPCB agreed that there was no monitoring mechanism for watching the expiry of CTOs.

UEPPCB should evolve a mechanism to ensure that each and every industrial unit has renewed its CTO within prescribed time frame and no industrial unit operates after rejection of application for CTE/CTO.

Since these irregularities have been brought out on the basis of test-check of few cases, therefore, it is recommended that the UEPPCB should review all the consents so as to ensure that all industrial units have renewed their CTO and no industrial unit operates after rejection of application for CTE/CTO.

1.13.5.3 Lack of monitoring after rejection of CTOs

Scrutiny of records provided by RO, Dehradun revealed that in 29 cases[158], the application for CTO were rejected during the period 2015-18.

The Board, however, did not evolve any monitoring mechanism like inspection to ensure that such industrial units did not operate after their consent applications were rejected as was evident when one unit was found to be operational in the joint physical verification of 32 units.

[158] Comprising fresh and old cases.

1.13.5.4 Issue of consent with retrospective effect

The categorisation[159] of industries in Dehradun is based on the CPCB's directions and Doon Valley Notification, 1989. The details are as given in ***Appendix-1.13.3***.

Under Section 21 of the Air Act and Rules made there under, the UEPPCB was empowered to issue CTE and CTO. Before expiry of CTO granted initially, the units were required to renew their CTOs. An application for renewal of CTO was to be submitted 60 days before expiry of the earlier CTO[160]. As per sub-section (4), the UEPPCB was required to issue consent within the prescribed period of four months after the receipt of the consent referred to in sub section (1). Further, the UEPPCB prescribed (March 2016) the maximum time limit for disposal of consent applications was 30 days for green category; 60 days for orange category; and 90 days for red category industries.

Scrutiny of the records revealed that 503 (66 *per cent*) out of 760 CTOs issued during 2015-18 by RO, Dehradun, were not issued within the prescribed time and the delay ranged up to 580 days. It is worth mentioning that these industries were operating during the period of delay. It was further noticed that in 757 (99.61 *per cent*) cases out of 760 CTOs issued during 2015-18, the CTOs were granted with retrospective effect and in 87 out of the 757 cases, the consents were issued after the end of the consent period. Year wise breakup of the CTO granted with retrospective effect is depicted in **Table-1.13.5** below:

Table-1.13.5: Results of analysis of Consents issued during 2015-18

Year	Total number of industry granted CTO	Number of industrial units granted CTO after expiry of consent period itself (in percentage)	Number of industrial units granted CTO with retrospective effect but within the consent period (in percentage)	Number of industrial units granted CTO before start of the consent period (in percentage)
2015-16	**305**	**47(*15.41*)**	**256(*83.93*)**	**02(*0.66*)**
2016-17	**213**	**19(*8.92*)**	**193 (*90.61*)**	**01(*0.47*)**
2017-18	**242**	**21(*8.68*)**	**221(*91.32*)**	**0**
Total	***760***	***87(11.45)***	***670(88.16)***	***03(0.39)***

Source: Data provided by UEPPCB.

Delayed issuance of consents and making these effective retrospectively implied that the compliance with the required conditions by the industrial units was foregone.

UEPPCB should ensure that CTOs are issued within prescribed time frame so that no industrial unit operates without valid consent.

159 All industries (a) which are non-obnoxious and non-hazardous, employing upto 100 persons, not discharging industrial effluents, not using fuel in manufacturing process and not emitting emission of diffused nature are categorised as **Green**, (b) discharging controllable liquid effluents below 500 kl/day, consuming coal/fuel less than 24 mt/day and employing not more than 500 persons are categorised as **Orange** and (c) discharging effluents of polluting nature @ 500 kl/day, employing more than 500 persons/day and consuming coal/fuel more than 24 mt/day are categorised as **Red**.

160 As per terms and conditions of CTO.

1.13.5.5 Consent register

Section 51 of the Air Act provides that every State Board shall maintain a register containing particulars of the persons to whom consent has been granted under Section 21 of the Air Act, the standards for emission laid down by it in relation to each such consent and such other particulars as may be prescribed.

Review of the records of UEPPCB and RO, Dehradun revealed that the consent register was not being maintained.

Due to non-maintenance of consent register, the UEPPCB did not have consolidated information about the persons to whom the consent had been issued, emission standards for each case and the consent conditions which were initial parameters for monitoring.

1.13.5.6 Results of joint physical verification of industries

Joint physical verification of 32 out of 793 industrial units covered under the consent regime of the UEPPCB revealed non-compliance with the various conditions mentioned in the Environmental Clearance (EC)/CTO, as discussed in **Table-1.13.6** below:

Table-1.13.6: Results of joint physical verification of Industries

Sl. No.	Environmental Clearance/ Consent to Operate conditions	Non-compliance observed in number of industrial units
1.	The project authorities shall submit the compliance report of 'Environmental Clearance' after every six months to the Authority	Six units were not submitting the compliance report.
2.	The gaseous emission (SO_x, NO_x, CO, Volatile Organic Compound (VOC) and Hydrocarbons (HC) and particulate matter along with RSPM levels from various process units shall conform to the standards prescribed by the concerned authorities from time to time.	Nine units were not submitting the ambient air quality monitoring report. As a result, it could not be ensured that the prescribed norms were being followed.
3.	The vehicles used at the factory site should comply with emission norms and noise level standards of CPCB.	In 11 units, PUC certificates of the vehicles used at the factory site were not available.
4.	A separate Environmental Management Cell equipped with full-fledged laboratory facilities shall be set up to carry out the Environmental Management and Monitoring functions.	In 12 units, no separate Environmental Management Cell was set up.
5.	33 *per cent* of the total project site area shall be converted into green belt.	In 10 units, total project site area converted into green belt was below the standard norms.
6.	The applicant shall develop three rows of green belt on the premises with plant species as suggested by the CPCB.	In 21 units, the CPCB norms were not being followed.
7.	The industry shall provide "Inspection Book" at the time of inspection by the UEPPCB.	In 26 units, Inspection Book was not being maintained.

UEPPCB should ensure that all industrial units comply with the conditions set out in the EC/CTO so that air pollution could be brought under control.

Since these irregularities have been brought out on the basis of test-check of few cases, therefore, it is recommended that the UEPPCB should review all the consents so as to ensure that all industrial units comply with the conditions set out in the EC/CTO.

1.13.6 Vehicular pollution

Under Section 20 of the Air Act, the Transport Department (TD) was authorised to control vehicular pollution. The major vehicular pollutants are CO, NO_2, air toxins namely benzene, aldehydes, lead, particulate matter, hydrocarbon, *etc*.

The Central Motor Vehicles Act, 1988, and the Central Motor Vehicles Rules (CMVR) 1989, are the principal instruments for regulation of vehicular emissions throughout the country. The implementation of various provisions of this Act rests with the State Governments.

Vehicular population in Dehradun increased from 6.81 lakh in 2015-16 to 8.71 lakh at the end of 2017-18.

1.13.6.1 Re-registration of vehicles

As per sub-section (7), (8) and (10) of Section 41 of the Central Motor Vehicle Act, 1988, the registration of all motor vehicles other than transport vehicles is valid for 15 years and subject to fitness it can be renewed further for a period of five years under intimation to the original registering authority. The documents required for re-registration include 'attested copy of PUC certificate'.

Scrutiny of records revealed that 48,158 vehicles were registered with the Regional Transport Office (RTO), Dehradun during the period 1999-2002[161] and were due for re-registration during the period 2015-18. However, it was noticed that only 11,176 vehicles were re-registered and no objection certificate for 4,748 vehicles for re-registration in other States, was issued. The TD, therefore, did not take adequate measures towards implementation of the provision as regards re-registration of 15 years' old vehicles or getting them off the road. One of the mechanisms by which it could have checked the compliance with the emission norms by the old vehicles was deficient.

Transport Department should ensure compliance with the emission norms, by the old vehicles, either by re-registration or getting them off the road.

1.13.6.2 Vehicular pollution load

Estimation of emission loads is an essential step in order to estimate the share of various sources in the total emission load in a region. It also helps in understanding the potential of various strategies in reducing the emission loads in a region.

Review of records of TD revealed that the Department neither conducted any survey to identify the places of heavy traffic nor pollution load was assessed in Dehradun.

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[161] The data prior to 1999 is not available with the department.

On being pointed out, the RTO Dehradun did not give any specific reply. The TD failed to prepare a comprehensive plan or strategy to reduce pollution load in Dehradun in absence of reliable and relevant data.

Transport Department should make efforts to estimate emission load and devise a strategy for reducing the pollution load.

1.13.6.3 Inoperative equipment available with enforcement team

Scrutiny of information revealed that the TD assigned the work of checking of emission level of polluting vehicles to two enforcement teams. However, it was observed that the equipment available with the teams, for checking the emission level, were not operational and, therefore, no vehicles[162] were checked by the team during 2015-18. The Department, therefore, failed to take effective measures against vehicle owners who were flouting the emission norms.

1.13.6.4 Pollution under control certificates

As per sub rule 115 (7) of the CMVR 1989, after the expiry of a period of one year from the date on which the motor vehicle was first registered, every such vehicle shall carry a valid PUC certificate issued by an agency authorised for this purpose by the State Government. The validity of the certificate shall be for six months and the certificate shall always be carried in the vehicle and produced on demand by the prescribed officers.

There were 8.71 lakh registered vehicles of different categories as of March 2018 in Dehradun. The TD had authorised 19 PUC Centres as of March 2018 in Dehradun.

1.13.6.4 (a) Shortfall in coverage of vehicles for PUC certificates

It is important to check and thereby control emissions during the entire useful life of a vehicle. Every motor vehicle is required to carry a valid “PUC Certificate” (valid for six months) issued by the TD or by any Pollution Checking Center authorised by the TD. The details of number of vehicles registered and PUC certificate issued in Dehradun during 2015-18 are given in **Table-1.13.7** below:

Table-1.13.7: Details of number of vehicles registered and PUC certificates issued in Dehradun during 2015-18

Year	Vehicles registered	No. of vehicles due for obtaining the PUC Certificates	PUC Certificates issued during the year
CB as on 31-03-2015	**6,81,292**	-	-
2015-16	57,688	6,81,292	42,016
2016-17	61,100	7,38,980	41,953
2017-18	70,734	8,00,080	47,131
CB as on 31-03-2018	8,70,814	-	-

Source: Transport Department, Dehradun.

It may be seen that the total PUC certificates issued during each year of the period 2015-18 was significantly low as compared to the vehicles registered. Also, the Department did not have any effective mechanism to ensure that the vehicles turn up for emission testing after expiry of their PUC certificates.

162 Except 41 vehicles checked with the help of PUC centres.

Department should evolve an effective mechanism to ensure that all vehicles turn up for emission testing after expiry of their PUC certificates.

1.13.6.4 (b) Inspections of PUC centres not carried out regularly

According to Uttarakhand Motor Vehicle Rules 2011, every PUC centre may be inspected by the transport officials not below the rank of Motor Vehicle Inspector from time to time and inspection report has to be submitted to the respective RTO. It was observed that the TD had not carried out any such inspection during 2015-18.

On being pointed out, the Department replied that instructions had been issued to concerned officials for carrying out regular inspection of PUC centres.

1.13.6.4 (c) Results of Joint inspection of PUC stations

A joint team (consisting of officials of the TD and Audit) visited six out of 19 PUC centres in Dehradun. The following deficiencies were noticed during the inspection as given in the **Table-1.13.8** below:

Table-1.13.8: Results of joint physical verification of PUC stations

Joint Inspection of PUC stations	
Provisions of Central Motor Vehicles Rules, 1989/ Uttarakhand Motor Vehicle Rules 2011	**Non-compliance by PUC centres**
The measures for compliance of the provision (emission norms) shall be done with a meter of the type approved by an authorised agency.	All the six testing agencies failed to provide documents pertaining to approval of the type of meters by the authorised agency.
The Authority Letter will be valid for five years only. Application for its renewal must be submitted before 60 days from its expiry.	The authority letter of one PUC centre out of six centres had expired. One centre did not provide the authority letter. No renewal application was submitted.
The PUC centre will depute only those operators for testing of the vehicle who are trained by the manufacturer/supplier/dealer of the testing equipment and the testing will be done by only those personnel.	In all the six PUC centres inspected, testing of the vehicles was also done by persons other than those authorised by the Transport Department.
The centre shall display the Authority Letter, Training Certificate of the operator at a prominent place.	None of the six agencies inspected was displaying the authority letter, training certificate of the operator at a prominent place.
The information pertaining to the PUC certificates issued by the PUC centre will be submitted to the ARTO/RTO/Office of the Transport Commissioner.	None of the six agencies inspected provided the required documents.
An agreement for annual maintenance of gas analyser, smoke meter (including printer), *etc* was to be made.	None of the six agencies had entered into AMC for maintenance of gas analyser, smoke meter, *etc*.

On being pointed out, the Department issued notice to the PUC centres asking for their explanation. It added that the operators of the testing centres had been instructed to operate their centres in accordance with provisions of Rules.

Since these irregularities have been brought out on the basis of test-check of few cases, therefore, it is recommended that Department should review all PUC centres for ensuring compliance of the provisions of Rules by them.

Department should ensure compliance of the provisions of Rules by PUC centres.

1.13.7 Pollution from brick kilns

All brick kilns have been categorised as 'orange' category vide Doon Valley Notification, 1989. Clay bricks are produced in small or cottage scale brick kilns. The raw materials in the brick kilns include topsoil, coal, paddy husk, fly ash, wood and locally available agro wastes to some extent. Brick manufacturing process generates emissions which consist of mainly coal fines and dust particles. The Ministry of Environment and Forests, Government of India *vide* notification GSR543 (E) dated July 22, 2009 prescribed the 'Emission Standards for Brick Kilns' and entries relating thereto.

As per information provided by the RO Dehradun, there were seven brick kilns in Dehradun. Six out of seven brick kilns were physically verified jointly by audit team and representative of the RO Dehradun and the findings are shown in **Table-1.13.9** below:

Table-1.13.9: Results of joint physical verification of brick kilns

Provision of Air Act. 1981	Audit Findings
➢ As per Section 21(1), no person shall, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.	➢ All the six units were operating without obtaining the CTO as CTO issued had expired in March 2012 (two units); March 2016 (one unit) and March 2018 (three units).
Provision of Environmental Clearance (EC)/ CTO	**Audit Findings**
➢ The unit shall carry out cultivation/plantation activity in the leased area once it is backfilled.	➢ There was an inadequate plantation in all the six units.
➢ Stack emission report is required to be submitted every six month to the RO UEPPCB, Dehradun.	➢ No stack monitoring report was being submitted by any of the units.
➢ The Inspection Book is to be maintained by the brick kiln units and it was to be made available to Board officials.	➢ No inspection book was maintained in any of the units.
➢ Water sprinkling and covering of the excavated earth during transportation was to be undertaken to prevent any dust emission from the work site.	➢ No such measures were adopted by any of the six units inspected.
➢ The project proponent shall provide protective respiratory devices to workers and they shall also be provided with adequate training and information on safety and health aspects.	➢ No such devices were seen to be used by the workers at the site.
➢ Inspection/ sampling/ monitoring was to be done at least twice in a year on half yearly basis for orange category units.	➢ Inspections were not conducted and stack samples were not taken and analysed in case of all six brick kilns.

On being pointed out, the RO Dehradun stated that the notices were being issued for renewal of CTO and added that all the six units would be directed to comply with the CTO conditions. Further, RO Dehradun stated that due to shortage of staff, the required inspections were not carried out.

The UEPPCB, therefore, failed to discharge its regulatory function to prevent and control the emission of pollutants spread into the atmosphere by the brick kilns.

UEPPCB should make efforts to ensure compliance of conditions attached with EC/CTO issued to brick kilns.

Since these irregularities have been brought out on the basis of test-check of few cases, therefore, it is recommended that the UEPPCB should review all the consents so as to ensure that all brick kilns comply with the conditions attached with EC/CTO issued to them.

1.13.8 Mining

All mining units have been categorised as 'orange' category vide Doon Valley Notification, 1989. For abatement of pollution from mining operations, the mining units are required to comply with the conditions attached with the EC and the CTO. The UEPPCB had fixed half yearly inspection norms for units categorised as orange. Mining units falling in orange category are to be inspected on half yearly basis.

Review of records of three out of five units operating in Dehradun revealed that no inspection was carried out by the RO Dehradun during 2015-18.

This shows poor monitoring on the part of RO in conducting inspections of mining units.

1.13.8.1 Joint inspection of mining units

During joint inspection of three out of five mining units operating in Dehradun, it was found that the mining units were flouting the prescribed conditions as discussed in **Table-1.13.10** below:

Table-1.13.10: Results of joint physical verification of mining units

Provision of Air Act, 1981	Audit Findings
➢ Subject to the provisions of Section 21(1), no person shall, without the previous consent of the State Board, establish or operate any industrial plant[163] in an air pollution control area.	➢ All the three mining units were being operated though validity of their CTOs had lapsed. The units had also not applied for the renewal of CTO.
Provision of EC/CTO	**Audit Finding**
➢ To cover the truck transporting mined material.	➢ Vehicles used for transportation of mined material were not covered in all the units inspected.
➢ Mining Units shall also conduct ambient air quality monitoring for SPM.	➢ No periodic monitoring of ambient air quality for SPM was done by any of the units.
➢ Water spray and sprinkling system should be installed and maintained in order to utilise the same for dust suppression.	➢ Water spray and sprinkling system was not installed in all the units hence dust suppression could not be done.
➢ High efficiency dust extraction system shall be installed.	➢ None of the units inspected had installed high efficiency dust extraction system.

On being pointed, RO Dehradun stated that the units would be directed to renew CTO within 60 days and follow the conditions mentioned in the CTO.

UEPPCB should ensure that mining units renew their CTO and comply with the conditions attached with the EC/CTO.

[163] A mine is considered as an industrial plant with respect to Air Act 1981.

Since these irregularities have been brought out on the basis of test-check of few cases, therefore, it is recommended that the UEPPCB should review all the consents so as to ensure that all mining units have renewed their CTO and comply with the conditions attached with EC/CTO.

1.13.9 Monitoring

Apart from deficiencies in monitoring mentioned in the preceding paragraphs, the following deficiencies were also noticed.

1.13.9.1 Environmental Statements

Every person carrying on an industry, operation or process requiring consent under Section 21 of the Air (Prevention and Control of Pollution) Act, are required to submit an annual 'Environmental Statement' which includes pollutants; quantity of pollutants discharged; and percentage of variation from prescribed standards with reasons.

It was observed that the industries were not submitting the Environmental Statements to the UEPPCB. An important aspect for monitoring the polluting units was, therefore, absent.

1.13.9.2 Annual Report

Section 35 (2) of the Air Act, 1981 prescribes that every State Board during each financial year, would prepare and forward a copy thereof to the State Government within four months from the last date of previous financial year, an annual report giving full account of its activities which include the present state of environmental problems and counter measures; environmental research; environmental training; environmental awareness and public participation; environmental standards including time schedule for their enforcement; prosecution launched and convictions secured for environmental pollution control; and annual plan of the following year, *etc*. The report was required to be laid before the State Legislature within a period of nine months from the last date of the previous financial year.

It was observed that annual report for the year 2015-16 and 2016-17 was not prepared and for the year 2017-18, the report which was prepared was not submitted to the State Government yet.

The UEPPCB accepted the fact and stated that the report for the year 2017-18 would be forwarded to the State Government after approval of the competent authority. The State Legislature was denied the privilege of discussing the Report and taking measures for control or abatement of pollution.

UEPPCB may ensure that Annual Report is prepared and submitted to State Government for its onward submission to the State Legislature within stipulated time frame.

1.13.9.3 Manpower

The sanctioned strength, person-in-position and vacant posts as regards scientific and technical group in the UEPPCB are given in **Table-1.13.11** below:

Table-1.13.11: Details of manpower pertaining to Scientific and Technical group

Group	Sanctioned Strength	Person in position (as on 31-03-2018)	Vacancy (*per cent*)
Scientific	41	11	30 (*73*)
Technical	26	10	16 (*62*)

Source: Data provided by UEPPCB.

It can be seen from the above table that there were 73 *per cent* and 62 *per cent* vacancies in Scientific and Technical groups respectively. The shortages in these critical posts hampered the day to day monitoring of air pollution activities which the UEPPCB was mandated to perform.

On being pointed out, the UEPPCB accepted the fact and stated that as decided in 19^{th} Board meeting (27 February 2018), the class-III vacant post (Junior Engineer, Personal Assistant, Laboratory Assistant and Monitoring Assistant) would be filled through State Subordinate Service Selection Commission and the vacant post of Assistant Environment Engineer and Assistant Scientific Officer would be filled through direct recruitment.

1.13.10 Conclusion

Uttarakhand Environment Protection and Pollution Control Board (UEPPCB) failed to make any comprehensive programme for prevention, control or abatement of air pollution. The percentage of surplus funds ranged between 56.03 *per cent* and 65.51 *per cent* of total funds available during 2015-18. The monitoring by the UEPPCB was found deficient as it was monitoring only three air pollutants against the 12 identified pollutants, and that too was not being carried out as per the prescribed norms of National Air Quality Monitoring Programme. In absence of data regarding industrial units operating in Dehradun, the UEPPCB could not ensure that the industrial units undertook measures that are required to control air pollution. It did not evolve any mechanism to watch the renewal of consent after its expiry. Sixty-six *per cent* of CTO were not issued within the prescribed time during 2015-18 by Regional Office, Dehradun. The Transport Department did not take adequate measures towards implementation of the provision regarding re-registration of 15 years' old vehicles. It also did not have any effective mechanism to ensure that the vehicles turn up for emission testing after expiry of their PUC certificate which resulted in shortfall in coverage of vehicles for PUC certificate. UEPPCB failed to discharge its regulatory function to prevent and control the emission of pollutants spread into the atmosphere by the brick kilns and mining units. The shortages in the critical posts hampered the UEPPCB to discharge its mandate effectively. It failed to prepare and submit the Annual Report relating to its functioning to the State Legislature.

The matter was reported to the Government (July 2018); Reply was awaited (August 2019).