Report of the
Comptroller and Auditor General of India
on
General, Social & Economic Sectors

The Report has been laid on the table of the State Legislature Assembly on 15-07-2014

for the year ended 31 March 2013

Government of Bihar

Report No. 2 of the Year 2014

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PREFACE

1. This Report is prepared for submission to the Governor of the State of Bihar under Article 151 of the Constitution of India.

2. The audit of expenditure by the Departments of the State Government is conducted under Section 13 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

3. This Report presents the result of audit of expenditure of the Government of Bihar.

4. The cases mentioned in this Report are those, which came to notice in the course of test audit during the year 2012-13 as well as those, which came to notice in earlier years, but could not be dealt with in the previous Reports; matters relating to the period subsequent to 2012-13 have also been included, wherever necessary.

5. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

CHAPTER - I

INTRODUCTION

CHAPTER-I

INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (CAG) relates to matters arising from the performance audits of selected programmes and activities and compliance audits of Government departments and autonomous bodies.

Compliance audit refers to the examination of transactions relating to expenditure of the audited entities, to ascertain whether the applicable laws, rules, regulations, orders and instructions issued by the competent authorities were being complied with. Performance audit on the other hand, in addition to compliance issues, also examines whether the objectives of the programme/activity/department were achieved economically and efficiently.

The primary purpose of this Report is to bring to the notice of the State Legislature, the important results of audit. The findings of audit are expected to enable the Executive to take corrective actions leading to improved financial management and better governance.

This Chapter, in addition to explaining the issues of planning and extent of audit, provides a synopsis of the significant achievements and deficiencies in implementation of selected schemes, significant audit observations made during the audit of transactions and follow-up on previous Audit Reports. Chapter-II of this Report contains findings arising out of performance audit of selected programmes/activities/departments, while Chapter-III presents observations on compliance audit in Government departments and autonomous bodies.

1.2 Audited entity profiles

There are 44 departments in the State at the Secretariat level, headed by Principal Secretaries/Secretaries with the overall control and guidance being provided by the Chief Secretary. In the performance of their duties, the Principal Secretaries/Secretaries are assisted by Special Secretaries/Additional Secretaries/Directors and other subordinate officers. In addition, there are 9166 local bodies and 27 autonomous bodies substantially funded by the Government, which are audited by the Office of the Accountant General (Audit), Bihar on behalf of the CAG.

The comparative position of expenditure incurred by the Government during the year 2012-13 and in the preceding year is given in **Table-1.1** below:

Table 1.1:
Summary of Fiscal Operations in 2012-13

(₹ in crore)

Receipts	2011-12	2012-13	Disbursements	2011-12	2012-13		
Section-A: Revenue					**Non-Plan**	**Plan**	**Total**
Revenue Receipts	**51320.17**	**59566.66**	Revenue Expenditure	**46499.49**	**37573.69**	**16892.46**	**54466.15**
Tax revenue	12612.10	16253.08	General Services	17729.72	18570.99	74.12	18645.11
Non-tax revenue	889.86	1135.27	Social Services	18728.78	11078.22	12029.15	23107.37
Share of Union Taxes/Duties	27935.23	31900.39	Economic Services	10037.82	7920.77	4789.19	12709.96
Grants from Government of India	9882.98	10277.92	Grants-in-aid and Contributions	3.17	3.71	00	3.71
Section-B: Capital							
Misc. Capital Receipts	0.00	0.00	Capital Expenditure	8852.01	93.15	9491.37	9584.52
Recoveries of Loans and Advances	22.51	24.70	Loans and Advances disbursed	1906.08	104.07	1981.88	2085.95
Public debt receipts	6627.96	9553.96	Repayment of Public Debt	2922.46	-	-	3069.96
Inter State Settlement Receipts	75.41	0.00	Inter State Settlement payments	1.39	-	-	0.00
Contingency Fund	800.00	2250.00	Contingency Fund	800.00	-	-	2250.00
Public Account receipts	22302.61	27066.21	Public Account disbursements	21393.22			24798.82
Opening Cash Balance	2735.44	1509.45	Closing Cash Balance	1509.45	-	-	3715.58
Total	**83884.10**	**99970.98**	**Total**	**83884.10**			**99970.98**

(Source: Finance Accounts of the State for the year 2012-13)

1.3 Authority for audit

The authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. CAG conducts audit of expenditure of the departments of the Government of Bihar under Section 13[1] of the CAG's (DPC) Act 1971 and is the sole auditor in respect of 10 autonomous bodies which are audited under Sections 19(3)[2] and 20(1)[3] of the CAG's (DPC) Act. In addition, the CAG also conducts audit of other autonomous bodies, which are substantially funded by the Government, under Section 14[4] of the CAG's (DPC) Act. The principles and methodologies for

1 *Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to the Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts.*

2 *Audit of accounts of such corporation, established by law made by the Legislature, on the request of the Governor for which the Governor is of opinion that it is necessary in public interest so to do.*

3 *Save as otherwise provided in section 19, where the audit of accounts of any body or authority has not been entrusted to the CAG, he shall, if requested so to do, by the President or the Governor, undertake the audit of accounts of such body or authority on such terms and conditions as may be agreed upon between the CAG and the Government.*

4 *Audit of all receipts and expenditure of a body/authority substantially financed by grants or loans from the Consolidated Fund of the State and (ii) all receipts and expenditure of any body or authority where the grants or loans to such body or authority from the Consolidated fund of the State in a financial year is not less than ₹ one crore.*

conducting various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts issued by the CAG in 2007.

1.4 Planning and conduct of audit

The audit process starts with the assessment of risks faced by various departments of the Government. This risk analysis is based on the expenditure incurred, criticality or complexity of its activities, the level of delegated financial powers, assessment of overall internal controls and concerns of the stakeholders. The previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the heads of the offices audited with copies to the next higher authorities. They are requested to furnish their replies to the audit findings within six weeks of receipt of the Inspection Reports. Based on replies received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Reports, which are submitted to the Governor of the State of Bihar under Article 151 of the Constitution of India.

During 2012-13, 6330[5] party-days were used to carry out transaction audit of 690 units and to conduct three performance audit reviews, two long paragraphs and audit of Co-operative Department. The audit plan covered those units/entities which were vulnerable to significant risks as per our assessment.

1.5 Significant audit observations

In the last few years, audit has reported on several significant deficiencies in the implementation of various programmes/activities through performance audits, as well as on the quality of internal controls in the selected departments. Similarly, the deficiencies noticed during compliance audits of the Government departments/organisations have also been reported upon.

1.5.1 Performance audits of programmes/activities/departments

The present Report contains three performance audits of the Implementation of Sarva Shiksha Abhiyan in Bihar, Rashtriya Krishi Vikas Yojana and Information Technology Audit of National e-Governance Plan, besides, review of functioning of Co-operative Department and long paragraphs on Execution of 3000 tube wells under RIDF Phase-XI and Rehabilitation of Degraded Forest (RDF). The highlights of these audits are given in the following paragraphs:

1.5.1.1 Implementation of Sarva Shiksha Abhiyan in Bihar

Government of India (GoI) launched Sarva Shiksha Abhiyan (SSA) in the year 2000-2001 to attain Universal Elementary Education (UEE) in the country in a mission mode with partnership of the State Governments and Local Self

[5] *General Sector: 70 units (682 party days), Social Sector-I: 82 units (885 party days), Social Sector II: 411 units (3547 party days) and Economic Sector: 127 units (1216 party days).*

Governments. Further, GoI also enacted, the Right of Children to Free and Compulsory Education (RTE) Act, 2009 in April 2010 which provided that every child in the age group of 6-14 years should have a right to free and compulsory education in neighborhood school till completion of elementary education by March 2013.

However, the objective of universalisation of elementary education was yet to be achieved due to non-preparation of perspective plan or preparation of annual plans based on unreliable data, deficient financial management, under utilisation of fund and resultant non-receipt of GoI share amounting to ₹ 12231.60 crore. The pupil teacher ratio of 53:1 during 2008-09 further worsened to 59:1 during 2012-13. Inadequate infrastructure and basic facilities like school building, drinking water, toilets etc. apart from delayed supply of books to the children and negligence of children with special needs were also the significant deficiencies. The scheme of Kasturba Gandhi Balika Vidyalaya suffered due to shortage of manpower and lack of infrastructure. Forty three *per cent* of the post of teacher in the State was vacant, besides, manpower management as well as internal control mechanism of SSA was deficient and required to be strengthened.

(Paragraph 2.1)

1.5.1.2 Rashtriya Krishi Vikas Yojana

With a view to ensuring holistic development of agriculture and allied sectors in the States, the National Development Council (NDC) launched a special Additional Central Assistance Scheme namely *Rashtriya Krishi Vikas Yojana* (RKVY). The Agriculture department is the nodal department for implementation of RKVY schemes through allied departments such as Co-operative and Animal Husbandry which also includes Fisheries and Dairy Development. However deficient planning, inability to utilise the earmarked funds, slow progress of construction of e-Kisan Bhawan for providing intended facilities to the farmers through information technology, non-promotion of organic farming, distribution of micronutrients without preparing soil Health Card and fertility mapping, non-adherence of guidelines in implementation of Bihar *Shatabdi* tube well scheme, lack of internal control mechanism and monitoring at each stage etc. were the significant deficiencies observed during review of the scheme.

(Paragraph 2.2)

1.5.1.3 Information Technology Audit of National e-Governance Plan

The National e-Governance Plan (NeGP), approved by the Government of India in 2003, aimed to make all Government services accessible to the common man in his locality through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable costs to realize the basic needs of the common man.

The performance audit of Bihar State Wide Area Network (BSWAN) and Common Service Centres (CSCs) under NeGP revealed that objective of SWAN for making all Government services accessible to the common man in his locality through CSCs was not achieved. The service provider agency (M/s TCS) had neither configured Network Monitoring System/ Integrated Services Digital Network etc. nor integrated BSWAN to other networks like NICNET to provide wide access network to BSWAN. Further, payment was made to M/s TCS without prescribed network availability. Above all, neither Government had identified the personnel for training nor M/s TCS had made the training roll-out plan/training calendar for training to the government personnel to take over the network operation from TCS. There was inordinate delay in rolling out of CSCs. In majority of CSCs internet/WiMAX was not installed by BSNL. Contrary to the guidelines of DIT, Government of India, MoU was not signed with concerned departments to enable a timely delivery of Government Services.

(Paragraph 2.3)

1.5.1.4 Functioning of Co-operative Department

The Co-operative Department (Department) provides agriculture credit by making arrangement of short term credit through Co-operative credit structure, storage and support price of agriculture produces, through Primary Agriculture Credit Societies (PACS) and insurance coverage of crops through various insurance companies as well as commercial banks to safeguard the rural economy of the State. Though Co-operative Department had promised a lot for the betterment of rural infrastructure in the State, deficient planning and weak financial management had marred the outcomes. Non-adherence of conditions of MoU deprived the State from GoI share of revival package. The achievement percentage in procurement of wheat decreased from 98 *per cent* in 2008-09 to 35 *per cent* in 2012-13 whereas in respect of paddy the achievement ranged between 100 and 267 *per cent* during 2008-12 which was a commendable achievement. However, inadequate man power management in the Department, inadequate monitoring and failure of the Department to conduct the audit of Co-operative Societies during 2008-13 were the other deficiencies observed in the review.

(Paragraph 2.4)

1.5.1.5 Long Paragraphs on Execution of 3000 tube wells under RIDF Phase-XI

The Rural Infrastructure Development Fund (RIDF) was set up by the Government of India in 1995-96 for financing the ongoing rural infrastructure projects in irrigation sector through NABARD. The main objective of the Minor Water Resources Department (MWRD) Government of Bihar (GoB) was to create irrigation potential in a short span of time with lesser cost by using the available water sources and to properly utilise the created irrigation potential. The implementation of RIDF Phase-XI scheme was badly affected due to lackadaisical approach of Department and absence of agreement for energisation of completed tube wells between Bihar State Electricity Board and the Department. The agreements of execution did not contain defect liability clause, though required as per the conditions of NABARD which resulted in infructuous expenditure. Further, the intended objective to increase the rural infrastructure by creating additional irrigation potential in the State could not be achieved.

(Paragraph 2.5)

1.5.1.6 Long Paragraphs on Rehabilitation of Degraded Forest (RDF)

The State of Bihar has total 6473 Sq Km of forest land out of which 231 sq Km is dense forest and 6242 Sq Km is degraded forest land. With a view to regenerating degraded forests, protecting and conserving natural resources, checking loss of biodiversity and developing water resources, Government of India and Government of Bihar have been providing funds for Rehabilitation of Degraded Forests (RDF). The Environment and Forest Department (Department), Government of Bihar (GoB) is responsible for implementation of RDF scheme and management of forests in the State. The implementation of RDF in State was marred by persistent surrenders in overall funds meant for plantations in the State as well as funds in test checked divisions for RDF. The department did not have planning (from village level to apex level) for preparation and implementation of Rehabilitation of Degraded Forest schemes. No working plan was prepared either at the Joint Forest Management Committees level or at divisional level. The RDF plantation was affected due to delay in receipt of funds, low survival of plantation and non-execution of compensatory afforestation. The records of more than five years old plantations were not being maintained. The monitoring of plantations was deficient resulting in inadequate rehabilitation of degraded forests.

(Paragraph 2.6)

1.5.2 Compliance audit

The Report highlights several significant deficiencies in critical areas which impacted the effective functioning of Government departments and organisations. These can be broadly categorised as:

- Non-compliance with rules.
- Audit against propriety/excess/wasteful/infructuous expenditure.
- Irregular/avoidable/unjustified expenditure.

1.5.2.1 Non-compliance with rules

For the sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but also helps in maintaining good financial discipline. This Report contains instances of non-compliance with rules involving ₹ 442.79 crore. Some of the significant audit findings are given below:

Imprudent and invigilant financial mismanagement in Bihar Intermediate Education Council while investing its funds led to loss of interest amounting to ₹ 52.13 lakh.

(Paragraph 3.1.1)

Procurement of paddy amounting to ₹ 2.37 crore against tampered documents and irregular land rent receipts defeated the very objective of providing minimum support price to bonafide farmers. Further due to non-delivery of 25.58 lakh quintal of Customed Milled Rice against 2.14 crore quintal of paddy released to the millers in advance resulted in loss of ₹ 433.94 crore to the Government.

(Paragraph 3.1.2)

Due to non-preparation of *Khatian*, non-raising of demand and resultantly non-recovery of water rates from the beneficiaries by the five divisions, the State Exchequer suffered revenue loss of ₹ 1.32 crore during 2009-12.

(Paragraph 3.1.3)

Due to non-adherence of the guidelines in vogue prior to revised direction regarding operation of funds, the department suffered loss of interest to the tune of ₹ 4.64 crore due to keeping of land-bank fund in non-interest bearing account by the concerned District Land Acquisition Officers.

(Paragraph 3.1.4)

1.5.4.2 Audit against propriety/Excess/Wasteful/Infructuous expenditure

Audit detected instances of impropriety and excess/wasteful/infructuous expenditure involving ₹ 10.24 crore, which are highlighted below:

Due to execution of agreement without specifying the area to be cleaned, inadequate monitoring and making payment to the agency without proper verification resulted in excess payment of ₹ 70.78 lakh to the agency leading to loss to the Government.

(Paragraph 3.2.1)

Non-adherence of provision of Bihar Financial Rules 2005, violation of Operational Guidelines of Financial Management and non-enforcement of strict economy while incurring expenditure led to avoidable and excess expenditure of ₹1.20 crore.

(Paragraph 3.2.2)

Initiation of work without finalisation of alignment and prior land acquisition by the department resulted in abandoning of work mid-way by the contractor leading to unfruitful expenditure on incomplete works amounting to ₹ 2.54 crore.

(Paragraph 3.2.3)

Due to non-adherence to the approved specification of GFCC and lackadaisical attitude towards the timely initiation of execution, the Department had to incur wasteful expenditure of ₹ 5.79 crore on washed away bed bars. Besides the intended objective of curbing/restricting the damage owing to recurring flood could not be achieved.

(Paragraph 3.2.4)

1.5.4.3 Irregular/avoidable/unjustified expenditure

An expenditure is deemed as irregular if there is a deviation, willful or otherwise, from the rules and norms prescribed by the competent authority while incurring the same. This indicates lack of effective monitoring which may encourage willful deviations from observance of rules/regulations leading to avoidable/unjustified expenditure. A few cases of such irregularities involving ₹ 41.63 crore are highlighted below:

Violation of Government order and approval of higher rate by District Magistrate led to irregularties in purchase of equipment worth ₹ 98.76 lakh and excess payment of ₹15.36 lakh.

(Paragraph 3.3.1)

Due to imprudent decision taken by the department in getting the residual bituminous work executed in 2012 on lower specification based on traffic census of 2007, led to substandard execution of work worth ₹ 2.51 crore.

(Paragraph 3.3.2)

The irregular allowance of price neutralisation in execution of the works under Centrally Sponsored Scheme, though prescribed only for State funded works, resulted in extra burden on the State exchequer amounting to ₹ 62.27 lakh.

(Paragraph 3.3.3)

Failure of the department to ascertain the actual liabilities through joint physical verification of STWs before making the payment of outstanding electricity bills to BSEB resulted in avoidable payment of ₹ 37.51 crore against 548 non-functional STWs.

(Paragraph 3.3.4)

1.6 Recoveries at the instance of Audit

During 2012-13 a total amount of ₹ 17.11 lakh[6] was recovered from five units at the instance of audit.

1.7 Lack of responsiveness of the Government to Audit

1.7.1 Insufficient response of the Government to Audit

The Accountant General (AG) (Audit), Bihar conducts periodical inspections of Government departments to check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed by the issuance of Inspection Reports (IRs). The heads of offices and the next higher authorities are required to comply with the observations contained in the IRs, rectify the defects promptly and report their compliance to the Audit Department.

However, a review of IRs issued during the period 2006-07 to 2012-13 relating to 38 departments revealed that 29442 paragraphs relating to 5270 IRs remained outstanding at the end of March 2013 as shown in the **Table no. 1.1.**

Table no. 1.1

Outstanding IRs/Paragraphs

Outstanding IRs/Paragraphs for the year								
	2006-07	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**Total**
IRs	843	757	986	1027	863	191	603	**5270**
Paragraphs	4956	3822	5558	5446	4357	1242	4063	**29442**

The year-wise and department-wise break up of outstanding IRs and paragraphs is mentioned in ***Appendix 1.1***

The pendency of such a large numbers of IRs/paragraphs indicates lack of responsiveness of the Government departments towards audit observations.

6 *PHC, Gwal Para: ₹ 0.15 lakh; ITI, Sitamarhi: ₹ 0.22 lakh; Finance Department, Bihar: ₹ 0.10 lakh; Vidhan Sabha Secretariat: ₹ 5.81 lakh; and Bihar School Examination Board: ₹ 10.83 lakh.*

1.7.2 Non-submission of Explanatory (Action Taken) Notes

The Manual of Instructions (1998) of the Finance Department, Government of Bihar envisaged that the Secretaries to Government of the concerned departments submit explanatory notes to the Assembly Secretariat on audit paras and reviews included in Audit Reports (AR). Such notes were required to be submitted after vetting in audit within two months from the date of presentation of the ARs to the State legislature without waiting for any notice or call from the Public Account Committee (PAC). They were also required to indicate therein, the circumstances and reasons for occurrence of such irregularities and deviations from the prescribed norms and the action proposed to be taken to make good the losses and to prevent recurrence of such instances.

Further, Regulation 213 of the Regulations on Audit and Accounts (November 2007) envisaged that the Union, the States and the Union Territories having legislative assemblies, where legislative committees were functioning or where the Government desires the Comptroller and Auditor General to vet the Action Taken Notes (ATN), the concerned Secretaries to Government should send two copies of the draft self-explanatory ATN to the AG (Audit) for vetting along with the relevant files and documents, properly referenced and linked. This was to be done within such period of time as might be decided for submission of the self-explanatory ATNs prescribed by the PAC.

It was noticed that as of March 2013, 15 departments had not submitted the ATNs in respect of five reviews and 33 paragraphs pertaining to the years 2003-2011 (***Appendix 1.2***).

1.7.3 Follow-up action on earlier Audit Reports

Regulation 212 and 213 of the Regulations on Audit and Accounts envisage the settlement of paragraphs featured in the Audit Reports of the Comptroller and Auditor General of India. Departments were required to furnish ATNs to the PAC within two months from the date of the recommendations made by the PAC in their reports.

Review of the outstanding ATNs on the paragraphs included in the earlier Reports of the Comptroller and Auditor General of India for the Government of Bihar revealed that the ATNs in respect of the PAC Reports pertaining to the period from November 2002 to March 2013, in respect of 408 paragraphs involving 30 departments remained outstanding as of March 2013 (***Appendix 1.3***).

CHAPTER - II

PERFORMANCE AUDIT

CHAPTER II
PERFORMANCE AUDIT

EDUCATION DEPARTMENT

2.1 *Implementation of Sarva Shiksha Abhiyan in Bihar*

Executive summary

Introduction

Government of India (GoI) launched *Sarva Shiksha Abhiyan* (SSA) during the year 2000-2001 to attain Universal Elementary Education (UEE) in the country with the prime objective to enrol all children of the age group of 6-14 years in school with adequate provision of school infrastructure by March 2013.

(Paragraph 2.1.1)

Planning

Perspective plan was not prepared during the period under review. Annual plans were prepared without adhering to the bottom up approach of planning. Thus in absence of proper updation of household survey, source of data was not reliable. The targets were enhanced in the subsequent year's plan without considering the achievement and shortfall in previous years

(Paragraph 2.1.6.1 & 2.1.6.2)

Financial Management

Financial management of SSA in the State was deficient as benefit of Central assistance and State share to the tune of ₹ 19279 crore could not be availed. Outstanding advances in the State against the implementing agencies increased from ₹ 2071.58 crore in 2008-09 to ₹ 7899.78 crore at the end of 2012-13, however, the same was reduced to ₹ 4088.82 crore at the end of October 2013.

(Paragraph 2.1.7 and 2.1.7.4)

Programme implementation

The State could not achieve access of compulsory education to all habitations as 1896 eligible habitations were still deprived of school facility as of March 2013. In test checked districts, 206 new primary schools shown as opened to cover eligible habitations but were non-functional in absence of teacher. The State failed to achieve universalisation of elementary education as 9.50 lakh children were still out of school as of March 2013 in the State. Interventions for coverage of out of school children were carried out without basic data, proper evaluation and cases of fake mainstreaming also noticed in the test-checked districts during 2008-13.

(Paragraph 2.1.8 to 2.1.8.4)

The Pupil Teacher Ratio (PTR) in the State was 59:1 which was far behind the norms of 40:1. Thirteen *per cent* of schools did not have their own building. Despite availability of fund, only 56 *per cent* of new school building, 60 *per cent* of additional classroom and 26 *per cent* of head masters room could be completed during eight years in the State. Basic facilities like drinking water, toilets, electricity, boundary wall, playground etc. were not available in nine to

68 *per cent* schools in the State. Unauthorised payment of ₹ 19.11 lakh was made to 300 landless/buildingless schools in test checked districts.

(Paragraph 2.1.8.5 to 2.1.8.8)

Short/delayed supply of free text-books was noticed in test checked districts, besides, out of 996 schools, 110 schools did not receive books during 2008-13. Assessment for aid and appliances for each identified children with special need was not carried out during 2008-13. The *Kasturba Gandhi Balika Vidyalaya* suffered with shortage of manpower and lack of infrastructure like kitchen, toilet, drinking water etc. Forty three *per cent* and 40 *per cent* of the post of teacher in the State and test checked districts respectively were vacant, besides, manpower management as well as internal control mechanism of SSA was deficient. Despite, implementation of SSA over a decade, 36 *per cent* dropout rate was indicative of unsatisfactory performance of SSA.

(Paragraph 2.1.8.12 to 2.1.13)

2.1.1 Introduction

Government of India (GoI) launched Sarva Shiksha Abhiyan (SSA) in the year 2000-2001 to attain Universal Elementary Education (UEE) in the country in a mission mode with partnership of the State Governments and Local Self Governments. Further, GoI also enacted, the Right of Children to Free and Compulsory Education (RTE) Act, 2009 in April 2010 which provided that every child in the age group of 6-14 years should have a right to free and compulsory education in neighbourhood school till completion of elementary education by March 2013.

2.1.2 Organisational structure

Bihar Education Project Council (BEPC), a registered society under Society Registration Act, is the implementing agency of SSA in the State. At State level, the General Council (GC) of BEPC under the Chairmanship of Education Minister is responsible for overall policy guidance and review of implementation of the programme and Executive Committee (EC) under the Chairmanship of Development Commissioner is responsible for administration and implementation of SSA. The State Project Director, BEPC is the member Secretary of GC and EC. At district level, District Executive Committee headed by District Magistrate is responsible for co-ordination and monitoring the programme and the District Programme Officer, SSA is responsible for implementation of the programme. Besides, programme implementation at Block, Cluster and School level was supervised by the Block Education Officer (BEO), Cluster Resource Centre Co-ordinator and Vidyalaya Shiksha Samiti (VSS) respectively ***(Appendix 2.1.1)***.

2.1.3 Audit objectives

The performance audit was conducted to assess whether:

- perspective plan was prepared and annual plan was drawn in light of the perspective plan;
- the funds were utilised economically, efficiently and effectively;
- programmes of SSA were carried out as per norms fixed and infrastructure created was adequate;

- functioning of Kasturba Gandhi Balika Vidyalaya (KGBV) and implementation of National Programme for Education of Girls at Elementary Level (NPEGEL) were in line with SSA guidelines; and
- performance of the programme was effectively monitored at different level to perceive the short comings in implementation.

2.1.4 Audit criteria

The Performance Audit of SSA was benchmarked against the criteria derived from the following sources:

- SSA guidelines issued by GoI;
- Framework for implementation of SSA issued by GoI;
- Manual on Financial Management and Procurement by GoI; and
- Orders and circulars issued by GoI and Government of Bihar from time to time.

2.1.5 Scope of Audit and methodology

During performance audit, records of BEPC at apex level, 12[1] out of 38 District Programme Officers (DPOs) in the State and 43 out of 194 Block Resource Centres (BRCs) for the period 2008-13 were test checked during May to October 2013. Besides, in 43 test checked BRCs, records of 996 schools (Primary School: 567 and Upper Primary School: 429) out of 6626 schools (PS: 3818 and UPS: 2808)[2] were seen and information collected from them in audit. An entry conference was held on 7 May 2013 with Principal Secretary to Government, Education Department and State Project Director, BEPC wherein audit objectives, scope and criteria were discussed. After completion of audit, the audit findings were discussed with Principal Secretary, Education Department and State Project Director, BEPC in an exit conference held on 27 December 2013. The replies and views of the Department have been incorporated at appropriate places.

Audit findings

Performance audit on "Sarva Shiksha Abhiyan" for the period 2001-05 had been conducted and findings were featured in the paragraph 3.2 of Audit Report (Civil) of the Comptroller and Auditor General of India for the year ended 31 March 2006. The major deficiencies like improper plan formulation, short release of share by Central and State Government, inadequate school infrastructure, adverse Pupil Teacher Ratio etc. which were pointed out in the report were found to persist even during the current review upto 2012-13 as discussed in subsequent paragraphs. The Performance Audit Report of SSA for the year ended March 2006 has not been taken up for discussion so far in Public Accounts Committee (PAC).

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[1] *Bhagalpur, Gaya, Khagaria, Kishanganj, Madhubani, Muzaffarpur, Nawada, Patna, Rohtas, Saharsa, Saran and Sitamarhi*

[2] *PS: upto class V and UPS: upto class VIII*

2.1.6 Planning

Proper planning is the key factor for any department to achieve the targeted goal as per vision of the Government. Planning is a process for identifying the needs that exists in a particular area for achieving specific goal, evolving strategies to address them and proposing suitable activity as per the strategy. Deficiencies noticed in planning for implementation of schemes are discussed in the following paragraphs:

2.1.6.1 Planning process

As per paragraph 4.3 of Financial Management and Procurement (FMP), the main objective of planning process is to provide the planners an insight into various aspects of planning and provide assistance and guidance for the preparation of need based plans. The deficiencies noticed in planning process are discussed below:

Perspective plan not prepared

- ***Non-preparation of perspective plan:*** As per FMP, the State and districts were required to prepare Perspective and Annual Plan. However, Perspective Plan was not prepared in the State level office and in any test checked districts during 2008-13. In the absence of Perspective Plan, programmes of SSA were implemented and monitored on the basis of Approved Annual Plan of the respective years. In reply, BEPC stated (November 2013) that after 2001-02 perspective plan was not required by GoI, hence, it was not prepared by the State. Reply was in contravention of norms as SSA manual specifically provide the need for preparation of the perspective plan.

Annual plans formulated without adhering bottom up approach of planning

- ***Non-adherence to bottom up approach of planning:*** Planning process was required to be initiated through bottom up approach by constituting planning teams at village/habitation, block and district level. These planning teams were required to visit each habitation, interact with community and hold consultative meetings ensuring participatory planning. However, in test checked districts, planning teams at village/habitation and block level were not constituted during 2008-13. Hence, annual plans were being formulated without exercising the bottom up approach of planning. In reply BEPC stated (November 2013) that planning core teams was constituted at Vidyalaya Shiksha Samiti (VSS), Block Resource Centres (BRCs) and district level. However, in reply to audit observation, the District Programme officers (DPOs) of the test checked districts intimated (June-October 2013) that no such core team at village and block level had been constituted.

Non-maintenance of Bal-Panji, improper updation of HHS data indicated source of data used for plan formulation was not reliable

- ***Unreliable source of data:*** The main source of data required for planning and plan formulations were household surveys (HHS), yearly updation of HHS data, District Information System for Education (DISE) data and research studies. The State had conducted household survey only once (2009) during 2008-13 and updation of household survey data carried out in the form of School Elementary Education Plan (SEEP). In SEEP, data regarding population, out of school children, habitation covered etc. was to be filled on the basis of HHS/Bal-Panji[3]. In ten[4] out of 12 districts, non-maintenance of Bal-Panji ranged between 29 and 37 *per cent* in 787 (out of 996) test checked schools during 2008-13. It indicated that proper updation of HHS data was not done. In reply BEPC stated (November 2013) that absence of Bal-Panji only in 28 to 35 *per cent* of schools did not represent that entire planning process had been diluted. Contention of BEPC was not acceptable as non-maintenance of Bal-Panji by almost one third of schools indicated that annual plan was not based on actual number of child population and out of schools children.

DISE data were different from the data reported by the BRCs

- ***Unrealistic District Information System for Education (DISE) data:*** Scrutiny of records of test-checked DPOs disclosed that data shown in DISE were different from the data of test checked districts obtained from BRCs. As per DISE data, number of functional school in 37 BRCs[5] of 12 test checked districts (except Patna) was 5702 whereas it was 5634 according to the respective BRCs. Further, number of building less school in nine[6] districts as per DISE was 2372 while the DPOs of concerned district indicated it as 2404. Thus, the source data utilised for preparation of annual plan were not authentic. During exit conference, the Government stated (December 2013) that error was less and by strengthening the system, correctness of DISE would be ensured.

Hence, there was a need to strengthen the system of bottom up approach of planning to ensure authenticity of data which is the need of entire planning.

2.1.6.2 Unrealistic targets in plan

As per paragraph number 19.1 and 20.2 of Financial Management and Procurement (FMP) Manual of SSA, previous year's achievements and constraints are needed to be considered before planning for subsequent years. Further, outlays proposed under each intervention were to be supported by relevant data to determine the physical target.

Plan size was being enhanced without considering the previous year's shortfall and achievement

In test checked districts, scrutiny revealed that despite inadequate achievements ranging between one and 45 *per cent* during 2008-13, the targets were enhanced in the subsequent year's plan without considering the achievement and shortfall in previous years ***(Appendix 2.1.2)***. During exit conference (December 2013), Government agreed with audit observations and stated that from 2013-14, plan size has been curtailed on actual basis.

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3 *A register in which the details of children age group of 6 to14 years (population, enrolment and out of school) of a school habitation are being maintained by teachers.*

4 *Bhagalpur, Gaya, Khagaria Kishanganj, Madhubani, Muzaffarpur, Nawada, Rohtas Saharsa and Sitamarhi*

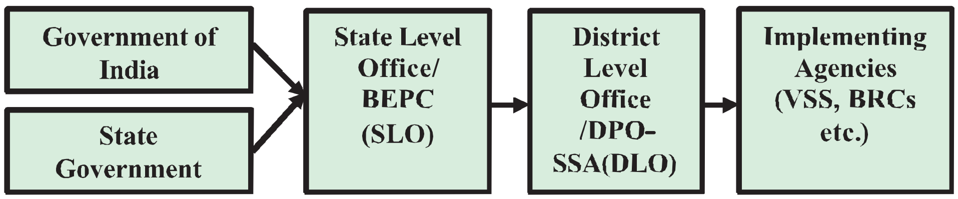
5 *The block level office, headed by Block Education Officer*

6 *Gaya, Khagaria, Kishanganj, Madhubani, Nawada, Patna, Rohtas, Saharsa and Saran*

2.1.7 Financial management

As per manual on FMP of SSA, the funding of the scheme was in the ratio of 65:35 during 2008-09 and 60:40 in 2009-10 between GoI and State. Further, in order to achieve the targets of SSA in time, the 13th Finance Commission had been providing funds for elementary education to the State Government since 2010-11. GoI revised the funding pattern from 2010-11. Accordingly, after deducting grant provided by 13th Finance Commission from total approved budget, the balance amount was to be shared between the GoI and the State Government in the ratio of 65:35 respectively. The Fund flow of SSA is given in the chart number 2.1.1 below:

Chart number-2.1.1
Funds flow chart



The year wise details of funds made available by GoI and State Government to the BEPC, releases by BEPC to DPOs during the period 2008-09 to 2012-13 are indicated in table number 2.1.1.

Table number-2.1.1
Available funds and release by BEPC

(₹ in crore)

Year	Total approved outlay	Opening balance	Received under 13th Finance Com-mission	Government of India fund			State Government fund			Other receipts	Total fund available (3+4+6+9+11)	Release by BEPC (*per cent*)
				Required share	Actual release	Shortfall in release (5-6) (*per cent*)	Required share	Actual release	Shortfall in release (8-9) (*per cent*)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2008-09	3664.16	282.01	0.00	2381.70	1861.58	520.12 (22)	1282.46	938.25	344.21 (27)	11.36	3093.20	2327.89 (75)
2009-10	4294.55	765.31	0.00	2576.73	1217.39	1359.34 (53)	1717.82	984.93	732.89 (43)	23.42	2991.05	2010.59 (67)
2010-11	6526.10	980.46	585.00	3861.71	2047.90	1813.81 (47)	2079.39	895.12	1184.27 (57)	44.17	4552.65	3204.10 (70)
2011-12	11123.44	1348.55	699.00	6775.89	1851.09	4924.80 (73)	3648.55	292.01	3356.54 (92)	44.87	4235.52	3835.51 (91)
2012-13	10615.16	400.01	818.00	6368.15	2754.62	3613.53 (57)	3429.01	2000.00	1429.01 (42)	10.86	5983.49	5867.11 (98)
Total	**36223.41**		**2102.00**	**21964.18**	**9732.58**	**12231.60**	**12157.23**	**5110.31**	**7046.92**	**134.68**		**17245.20**

(Source: Furnished by BEPC)

Inadequate spending led to short release of GoI and State Government fund of ₹ 19279 crore during 2008-13

As evident from the table, 67 to 98 *per cent* of available funds had been released by BEPC during 2008-13. Although, GoI and GoB had to release ₹ 21964.18 crore and ₹ 12157.23 crore respectively but there was shortfall of ₹ 12231.60 crore and ₹ 7046.92 crore in GoI and GoB share. The shortfall in release of share by GoI and GoB ranged between 22 and 73 *per cent* and 27 to 92 *per cent* respectively during 2008-13. Thus, the programme was deprived of Central and State assistance to the tune of ₹ 19279 crore[7]. The shortfall in release by GoI during 2012-13 was mainly attributable to inadequate spending of fund and heavy outstanding advances to the tune of ₹ 6131.46 crore upto 2011-12. The status of outstanding advances is discussed in paragraph number 2.1.7.4.

BEPC stated (November 2013) that GoB releases the State share against the amount released by GoI and non-release of fund by GoI was not attributable to non-adjustment of advances. Reply was not acceptable as State was responsible to spend the fund made available by GoI. Besides, GoI did not release its balance required share of ₹ 3613.53 crore during 2012-13 and intimated the Government (April 2013) that balance grants for 2012-13 could not be released due to large outstanding advances.

The deficiencies noticed in financial management of the scheme are discussed in succeeding paragraphs.

2.1.7.1 Delayed release of grants

Delayed release of grants indicated improper financial management

All school related grants under SSA were to be released in the first quarter of financial year to facilitate the schools to utilise the grants in a meaningful manner. Contrary to the above, it was noticed in test checked districts (except Saharsa which did not furnish the information) that funds amounting to ₹ 119.92 crore were released by DPOs to schools with delays ranging between one and nine months during 2008-13 ***(Appendix-2.1.3)*** indicating improper financial management and apathy of DPOs to ensure the utilisation of grants in meaningful manner.

In reply, BEPC attributed (November 2013) the delayed release upto three months to delayed approval of plan and stated that districts were being instructed to release the grants timely.

2.1.7.2 Non-preparation of bank reconciliation statements

As per paragraph 84 of Manual on FMP (2010) of SSA, monthly bank reconciliation statement (BRS) should be carried out on a regular basis and any discrepancy should be rectified.

Monthly BRS not prepared by the DPOs and necessary adjustments for cheques worth ₹ 32.42 crore could not be done

Scrutiny of records disclosed that none of the test checked DPOs (except DPO, Sitamarhi) had prepared monthly BRS during 2008-13. Due to non-preparation of monthly BRS, it was noticed (June-August 2013) in four test checked districts that necessary adjustments in the books of accounts for the cheques worth ₹ 32.42 crore[8] (issued by DPOs during 2005-06 to 2011-12 and not presented in the bank) could not be done.

In reply, BEPC accepted (November 2013) that in previous years, BRS of DPOs were not prepared, though from 2013-14, position has improved and action is being taken against the defaulter districts.

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[7] *Central share- ₹12231.60 crore + State share- ₹7046.92=₹19278.52 or say ₹ 19279 crore.*

[8] *Kishanganj : ₹ 28.66 crore; Nawada : ₹ 0.50 crore; Patna : ₹ 3.18 crore and Saharsa : ₹ 0.08 crore = ₹ 32.42 crore*

2.1.7.3 Non-deposit of demand draft/cheque

As per paragraph 52 of SSA manual on FMP (2010), a register of bank drafts was to be maintained by the DPOs. Further, as per paragraph 79.9 of manual *ibid*, all cash/cheques/demand drafts (DD) etc. received were to be deposited into the bank as far as possible on the same day or next day positively so as to avoid cash in transit for long period.

Non-maintenance of basic records led to non-deposit of cheques for ₹1.93 crore since three years indicated indifference in implementation of scheme

During scrutiny of records of test-checked DPOs, it was found that none of the DPOs had maintained the register of DD/cheque. As a result, in five test checked DPOs[9], an amount of ₹ 1.93 crore ***(Appendix-2.1.4)*** meant for civil works and VSS grants refunded by different schools through 53 DD/cheques during April 2009 to May 2013 were not presented to the bank. It was further noticed that validity of 32 DD/cheques worth ₹ 1.02 crore had already expired and the amount involved could not be incorporated in the books of accounts of SSA.

In reply, BEPC stated (November 2013) that direction regarding maintenance of register of bank draft/cheques properly had already been issued to all DPOs in February 2013. However, this basic record was not being maintained in the test checked DPOs (June-October 2013). Hence intended purpose for releasing the fund to VSS remained unachieved due to indifferent attitude of the DPOs towards implementation of the schemes.

2.1.7.4 Non-adjustment of advances

According to paragraph 74 of SSA manual on FMP, the adjustment of advances should be included in the financial year to which the grant related. Further, the advances were to be entered in the Advance Register with details of name of the recipient and status of previous advances against the recipient.

DPOs did not maintain advance register and heavy advances of ₹ 7899.78 crore noticed in the State as of March 2013

Scrutiny of records disclosed that the test checked districts had not maintained the recipient's name and status of receipt of previous advances. Consequently, the details of the recipient and age-wise status of outstanding advances were not available in any of the DPOs. In absence of such details, proper watch and adjustment of outstanding advances was not possible as well as genuineness of the advances already settled could not be established. The amount of outstanding advances in the State had increased from ₹ 2071.58 crore in 2008-09 to ₹ 7899.78 crore as of March 2013.

In exit conference, the Government stated (December 2013) that outstanding advances were biggest challenges for BEPC and by systematic and sincere efforts, outstanding advances were reduced to ₹ 4088.82 crore at the end of October 2013. However, huge outstanding advances were yet to be settled (December 2013) which also includes the funds refunded by different schools to concerned DPOs amounting to ₹ 1.93 crore in shape of DDs/Cheques in test checked districts as pointed out in paragraph 2.1.7.3.

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[9] *Khagaria, Madhubani, Muzaffarpur, Patna and Rohtas*

2.1.8 Programme implementation

The implementation of various interventions of SSA is discussed in the following paragraphs.

2.1.8.1 Access of children to school

As per the RTE Act every child of the age group of 6-14 years has right to compulsory education in a neighbourhood school by 2013, the State Government has fixed (May 2011) norms to provide a primary school (PS) in a habitation for a population of 40 and above children in the radius of one km and one upper primary school (UPS) within the radius of three km. However, child population norm for opening of UPS was not fixed by the Government. The status of habitations without PS in the State as of March 2013 is shown in the table number-2.1.2.

Table number – 2.1.2
Status regarding total habitation and access of schools as of March 2013

Total habitations	Habitations covered with PS	Total Habitations without PS	Eligible Habitations without PS	Number of children in eligible habitations
112067	108074	3993	1896	110294

(Source: Data furnished by BEPC)

110294 children in eligible habitations were without neighbourly schools facilities

As is evident from the table, 3993 habitations did not have PS. Of them, 1896 were eligible for coverage under norms of establishment of PS. Hence, it was clear that 110294 children in eligible habitations could not avail neighbourly school facility. In addition, the BEPC did not complete the habitation survey for opening of UPS (November 2013). Hence, the number of habitation required for opening of UPS could not be ascertained in audit.

Hence, access of compulsory education to all habitations required to be achieved by March 2013 was yet to be achieved.

BEPC accepted the audit observation and stated (November 2013) that habitation survey for opening of New Primary School (NPS) had been completed and nearly completing this exercise for UPS too.

2.1.8.2 Opening of New Primary School and up-gradation of Primary School into Upper Primary Schools

As per paragraph 2.7 of frame work for implementation of SSA, New Primary Schools (NPS) were to be opened and Primary Schools (PS) were to be upgraded as Upper Primary Schools (UPS) to cover every eligible habitation. As per criteria, only those PS having their own land for construction of additional class room (ACRs) were to be upgraded to UPS. At the State and test checked districts level, the status of opening and upgradation of NPS and UPS respectively during 2001-13 are given in table number 2.1.3

Table number -2.1.3

Target and achievement for opening of NPS and UPS during 2001-13

Types of schools	State		Test checked districts	
	Target	Achievement (*per cent*)	Target	Achievement (*per cent*)
NPS	21419	20775 (97)	6441	6034 (94)
UPS (Target-20182)	19725*	19383 (98)	7245	7025 (97)

(*Source: Records of BEPC and test checked DPOs*)

* *Against target of 20182 UPS, State had surrendered 457 UPS during 2012-13 as Patna district had achieved the requirement for opening of UPS. Hence, total targets were reduced to 19725.*

Above table showed that achievement in opening of NPS and UPS during 2001-13 in the State ranged between 97 and 98 *per cent* respectively, whereas in test checked districts, it ranged between 94 and 97 *per cent*. However, these figures did not indicate the actual status of achievement in the test checked DPOs as discussed below:

PS were shown as opened but remained without teacher and landless primary schools also upgraded as Upper Primary Schools

- In six test checked districts, 206 PS[10] (2006-12) opened were without teachers as of June 2013, however, these had been shown as functional as of March 2013.
- In eleven test checked districts, 791 primary schools[11] were upgraded to UPS without availability of additional land for ACRs and in five test checked districts nine landless primary schools[12] were also upgraded into UPS.

Thus, it was evident that the achievements shown under scheme were not factually correct and intended benefits of opening of NPS and up-gradation of PSs into UPSs were yet to be achieved fully.

BEPC stated (November 2013) that primary schools were upgraded into UPS as per State Government norms. Reply was not acceptable as landless PS as well as PS without adequate land were also shown as upgraded into UPS in contrary to norms fixed.

2.1.8.3 Enrolment

Paragraph 1.4.1 of framework for implementation of SSA specified that mandate of RTE Act of free and compulsory education to every child in the 6-14 age group in a neighbourhood school should be achieved by March 2013. The status of enrolment during 2008-13 in the State is given in the table number 2.1.4.

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[10] *Gaya:47, Khagaria-1, Kishanganj:123, Madhubani:8, Nawada: 21 and Rohtas:06, Total = 206 schools*

[11] *Bhagalpur-10, Gaya-99, Khagaria-73, Kishanganj-6, Madhubani-21, Muzaffarpur-17, Nawada-20, Patna-149, Saharsa-47, Saran-3 and Sitamarhi-346 , Total = 791 PS*

[12] *Gaya-2, Muzaffarpur-1, Nawada-2, , Patna-3 and Saran-1 =09 PS*

Table number – 2.1.4
Status of child population (6-14 years age) and enrolment in all schools (including private) in the State

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Child population (6-14 years age)	20002625	20510840	20797574	21325767	21809131
Enrolment	18991895	19988254	20012674	20973436	20859231
Enrolment percentage	95	97	96	98	96

(Source: Data furnished by BEPC)

It would be seen from the above that the status of enrolment in the State ranged between 95 and 98 *per cent* during 2008-13. There was increase of three *per cent* in enrolment during 2008-12 but it further decreased by two *per cent* during 2012-13 in comparison to 2011-12. Enrolment at the end of March 2013 stood at 96 *per cent* as per departments own figures, while 949900 children were yet to be provided free access to education.

Enrolment figure in attendance register was over stated, as it was more than the population of the children

Further, it was also noticed that Government had carried out (2011-12) cleaning of attendance register by removing names of fake/double enrolled students. However, scrutiny of admission and attendance registers of class-I of 125 schools in four test checked districts (Kishanganj, Nawada, Rohtas and Saran) pertaining to the period of 2012-13 disclosed that against admission of 3691 number of children, 5104 children were shown as enrolled in attendance register. Besides, test-check of records of four DPOs revealed that enrolment figure was more than the population of children of 6-14 years age group during 2012-13 as shown in table number 2.1.5.

Table number – 2.1.5
Excess enrolment against child population during 2012-13

Name of district	Child population*	Child enrolment*	Excess enrolment
Sitamarhi	665640	667354	1714
Khagaria	350053	369106	19053
Kishanganj	343962	394897	50935
Gaya	858434	871428	12994
Total	**2218089**	**2302785**	**84696**

*(Source: * DISE Data and information provided by concerned DPOs)*

From aforesaid table, it would be clear that against child population of 2218089, the respective DPOs had shown 2302785 children as enrolled, as such, enrolment figure were inflated by 84696 numbers.

Hence, enrolment figures were also inflated as compared to actual enrolment and did not present the correct status of enrolment in the test checked districts.

In reply, BEPC stated (November 2013) that all the private schools were required and requested to furnish information in DISE data but many of them did not furnish information as such this led to some apparent discrepancies in the data. The reply is not relevant as audit had commented about incorrect data maintained/provided by Government schools.

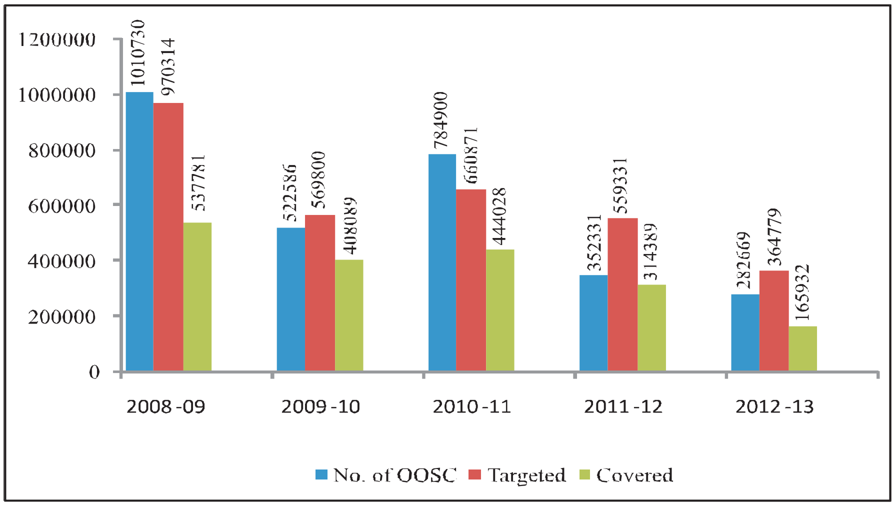
2.1.8.4 Out of school children

There is a great heterogeneity among 'out of school children' (OOSC). OOSC could belong to remote school-less habitation, could be working children, street children, deprived children in urban slums, bonded child labourers etc.

As per guidelines, this heterogeneity demands diversified approaches and strategies for their education. The year wise number of OOSC, targeted for coverage and actually covered during 2008-13 in the State is depicted in chart number 2.1.2.

Chart number 2.1.2

Number of Out of School Children, targeted and covered in the State



(Source: Information furnished by BEPC)

As is evident from the above chart, number of OOSC in the State decreased from 1010730 in 2008-09 to 282669 in 2012-13. Besides, in none of the years, optimum coverage was noticed. During 2009-10 and 2011-13, more targets were set as compared to actual OOSCs in the State.

BEPC indicated only 282669 OOSCs during 2012-13, however, OOSCs in the State was 949900

Further, analysis revealed that during 2008-12, the number of OOSC was derived by BEPC after subtracting total enrolment of children of 6-14 years of age group from total population. However, during the year 2012-13, BEPC had taken the figures of OOSCs as mentioned in the Bal Panjis i.e 282669 which was less than the numbers of OOSCs i.e.949900 when derived as per the earlier method followed by BEPC. Thus, the figure of OOSCs shown by BEPC for the year 2012-13 were at variance with the earlier years' figures.

BEPC stated (November 2013) that calculation of OOSC cannot be done arithmetically (Population minus Enrolment). However, for want of data of private school, some apparent discrepancies occurred in DISE data as well as OOSC data. Reply was contrary to the fact as BEPC itself derived the number of OOSC during the period 2008-12 by subtracting the enrolment figure from total population. Moreover the figures of Bal Panjis were not reliable (as already commented in paragraph 2.1.6.1).

- ***Interventions for coverage of out of school children***

As per paragraph 40.2 of SSA framework, three broad kinds of strategies are to be adopted for mainstreaming of OOSCs: (i) setting of Education Guarantee School (EGS) in school-less habitations, (ii) mainstreaming of OOSC through bridge course, back to back school camps etc and (iii) strategies for very specific, difficult groups of children who cannot be mainstreamed.

Scrutiny disclosed that no EGS were opened in any of the test checked districts during 2008-13 and mainstreaming of OOSC was being done through Residential Bridge Course (RBC) and Non-residential Bridge Course (NRBC). However, it was noticed in test check that BRCs of the districts had not identified child labourer, street children, deprived children in urban slums etc. The points noticed during course of scrutiny of records of RBC in the test checked districts are discussed in succeeding paragraphs.

- ***Residential Bridge Course***

Under RBC, Utpreran Kendra (UK) was a residential training centre having boarding facilities to cover the difficult group of OOSC children (11-14 years age). In test checked districts, 96032 OOSCs were covered in 1366 UKs and an expenditure of ₹ 97.98 crore was incurred on them during 2008-13. The shortcomings noticed in operation of RBC in the test checked districts are discussed below:

Selection of OOSC was done without list of identified OOSCs

- ***Improper identification of OOSCs***: As per SSA guidelines, selection of OOSC for UKs was to be done from the list of OOSC identified in household survey. Accordingly, by organising contact programme in the village/tola where OOSC identified children and their parents were to be motivated for enrolling children in residential bridge course. During audit, it was observed that none of the test checked districts had list of identified OOSC during 2008-13 and OOSCs were selected for UKs locally by the incharge of UKs by organising camp at school level. Hence, identification of OOSC was not done properly, besides, in absence of the basic list, the genuineness of actual beneficiaries for enrolment in UKs could not be ascertained in audit. In reply, BEPC stated (November 2013) that the districts had only aggregates of OOSC and such list was available at BRCs level. Reply was not acceptable as the list of identified OOSCs was also not available at the test checked BRCs.

Management-cum-monitoring committee was not constituted

- ***Non-constitution of Management-cum-Monitoring Committee:*** Guideline for UKs prescribed that a District level management-cum-monitoring committee was to be formed to look after the establishment/proper functioning of UKs. In test checked districts, no such committee was found formed during 2008-13. Hence, proper functioning of UKs was not ensured by any of the test checked districts. In reply, BEPC stated (November 2013) that directions for better monitoring have been issued to the districts.

UKs were operated without required learning materials

- ***Non-distribution of learning materials***: As per UK guidelines, *Prayas (Part I, II and III)* bridge course books were to be provided to children of UKs under the teaching arrangement in order to educate them upto the level of class V. Scrutiny disclosed that only *Prayas Books Part I* were provided to OOSCs in the test checked districts and UKs were being operated without providing necessary learning material. In reply, BEPC stated (November 2013) that it was possible to provide good education to student even in the absence of *Prayas* books because teachers were trained to use local material etc. Reply was in contravention of guidelines, besides, BEPC itself instructed (September 2012) DPOs that training should not be started without receipt of *Prayas* books from BEPC and it was also the responsibility of the BEPC to ensure timely supply of required book.

Evaluation of OOSCs not done and cases of fake mainstreaming were also noticed

- ***Evaluation and mainstreaming of OOSCs not ensured:*** After completion of tenure of UKs, children achieving education upto level class V were to be evaluated at district level and mainstreamed in class VI. It was observed that no evaluation was conducted by the test checked districts (except Sitamarhi for the year 2009-10). Besides, cross verification of list of OOSC shown as mainstreamed by UKs with admission register of mainstreamed schools in three districts,[13] revealed that the name of students shown as mainstreamed in the Government school were not found in the admission register of the concerned school ***(Appendix-2.1.5)***. From the above fact, it was clear that due to failure in evaluation and ensuring mainstreaming of OOSCs at district level, cases of fake mainstreaming took place. In reply, BEPC stated (November 2013) that the evaluation of children was to be done at school level. Reply was against the prescribed norms of guidelines of UKs as evaluation was to be done at district level.

Release of advances to UKs without ensuring infrastructure facility led to blockage of funds and also defeating the objective of UKs

- ***Advances to non-operational UKs***: According to guidelines prescribed by BEPC for residential bridge course, fund for UKs was to be released by DPOs after ensuring adequate infrastructure like rooms, toilet, bathroom, kitchen and store etc. It was observed that DPO Saran, Madhubani and Rohtas had given advances of ₹ 7.66 crore to 177 UKs[14] during 2008-13. Of which, 128 UKs[15] could not be operationalised due to lack of infrastructure. Further, 86[16] non-functional UKs did not refund ₹ 3.05 crore (Saran: ₹ 2.44 crore, Rohtas: ₹ 0.22 crore and Madhubani: ₹ 0.39 crore). Thus, not only the funds remained blocked with non-functional UKs but the objective of UKs was also defeated. The BEPC informed (November 2013) that ₹ 0.68 crore (Saran : ₹ 0.41 crore and Madhubani : ₹ 0.27 crore) had been recovered/adjusted (November 2013) by the respective districts and steps for recovery of remaining amount had been taken. However, ₹ 2.37 crore (Madhubani: ₹ 0.12 crore, Rohtas : ₹ 0.22 crore and Saran : ₹ 2.03 crore) was yet to be recovered from non-operational UKs as of December 2013. Besides, release of fund without ensuring availability of adequate infrastructure in the UKs, indicated that proper checks were not being exercised before release of funds by the DPOs responsible for implementation of programm.

- ***Closure of UKs without completing its tenure:*** In five test checked districts, it was found that 116 UKs were opened for coverage of 8050 OOSCs during 2010-13 and an expenditure of ₹ 10.16 crore were incurred on these UKs towards non-recurring (utensils, trunk, bed etc), cost of teaching learning material (TLM), arrangement on fooding etc.

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[13] *Madhubani, Kishanganj and Rohtas*

[14] *Madhubani : 24 UKs : ₹ 0.84 crore, Rohtas : 4 UKs : ₹ 0.22 crore and Saran- 149 UKs : ₹ 6.60 crore,= 177 UKs : ₹ 7.66 crore*

[15] *Madhubani- 24, Rohtas – 4 and Saran-100*

[16] *Madhubani- 11,Rohtas:4 & Saran-71*

Due to closure of UKs without completing its full tenure, OOSCs remain deprived of education and expenditure of ₹ 10.16 crore incurred on UKs proved unfruitful

However, 69 UKs of four districts[17] were closed without completing the full tenure of one year due to non-provision of fund and 47 UKs of Khagaria[18] were also closed in mid way of their operation as per the orders (April 2012) of District Education Officers due to deficiencies/irregularities in the UKs. As a result, OOSCs covered through these UKs remained deprived of education and expenditure of ₹ 10.16 crore incurred on UKs proved unfruitful. BEPC stated (November 2013) that Khagaria district had evidence of mainstreaming whereas, centres of Madhubani districts were closed for want of fund and in other districts some of the centres closed after OOSC were found capable of mainstreaming. Reply was not acceptable as centres of Khagaria were closed by the orders of DEO due to mismanagement in UKs. Besides, responsibility for ensuring the availability of fund from unspent balances vested with BEPC.

Thus, due to non-constitution of management-cum-monitoring committee and non-conduct of evaluation study of the children on completion of their tenure at UKs resulted in blocking of funds given as advance to non operational UKs and improper functioning of UKs.

2.1.8.5 Pupil-Teacher Ratio

Framework for implementation of SSA read with Appendix-I, sl. no. 8 provides that there should be at least two teachers in PS and at least one teacher for every class in UPS with pupil teacher ratio (PTR) of 40:1 and 35:1 respectively. Besides, one teacher each for science and mathematics, social studies, languages and a full time head-teacher was required to be posted in every UPS. These parameters were to be achieved by March 2013.

PTR in the State increased from 53:1 in 2008-09 to 59:1 in 2012-13.

Scrutiny of the records of BEPC revealed that out of 71762 schools, 357 were running without any teacher whereas 5002 (seven *per cent)* were running with single teacher in the State as of March 2013. The BEPC did not have the records of PS and UPS wise availability of teachers in the State. However, overall status of PTR (Both PS and UPS) of Government schools in the State during 2008-13 as furnished by BEPC was more than 40:1 and also increased from 53:1 in 2008-09 to59:1 in 2012-13 as depicted in the table number 2.1.6:

Table number – 2.1.6
Pupil Teacher Ratio in Government schools in Bihar

Sl. No	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
1	Number of teacher	313004	312759	307274	341755	343105
2	Total enrolment	16693640	17989437	18589913	19709592	20340261
3	**Pupil teacher ratio (PTR)**	**53**	**58**	**60**	**58**	**59**

(Source: Data furnished by BEPC)

[17] *Gaya (2010-12):26 UKs(1300 OOSC, ₹ 0.69 crore), Madhubani (2011-12) – 37 UKs (1850 OOSCs, ₹ 2.94 crore), Muzaffarpur (2011-12)– 2 UKs (150 OOSCs, ₹ 0.13 crore) and Saran (2010-13) – 4 UKs (300 OOSCs, ₹ 0.29 crore), = 69 UKs: ₹ 4.05 crore*

[18] *Khagaria (2011-12) – 47 UKs (4450 OOSCs, ₹ 6.11crore)*

However, these PTR did not reflect the actual status in six[19] out of 12 test checked districts as depicted in table no. 2.1.7.

Table number – 2.1.7
Pupil teacher ratio in the districts as of March 2013

Name of district	Enrolment	Number of teacher available	PTR
Bhagalpur	567633	8780	65
Gaya	871428	11302	77
Khagaria	365420	5274	69
Patna	811311	12864	63
Saharsa	433971	6851	63
Sitamarhi	670377	9727	69

(Source: Information furnished by test checked districts)

From above table, it would be clear that PTR in six test checked districts ranged between 63:1 and 77:1 which showed stark deviation in PTR as compared to PTR of State.

Besides, scrutiny of 996 (PS:567 and UPS:429) out of 27121 schools of the test checked districts revealed the following facts:-

- Science and mathematics teacher were not available in 305 UPSs.

77 PS had single teacher and 374 UPS were without headmaster

- 77 PSs were running with single teacher and no regular headmaster was posted in 374 UPSs.

Further, during test check of PSs, it was also noticed that for 120 students, seven teachers were posted in PS Tangi, Kochadhaman Kishanganj whereas against enrolment of 406 students, single teacher was posted in PS Bhasargot, Sitamarhi.

This indicated that posting of teachers was irrational and department had yet to achieve the prescribed PTR as per SSA norms.

In reply, BEPC intimated (November 2013) that position would be improved by appointment, promotion and rationalisation of working teachers.

2.1.8.6 Infrastructure

Quality of school building and availability of basic facilities therein is an important determiner of school access for motivating children to enrol in and attend school regularly. Construction of school building and creation of other basic facilities[20] is an important component of SSA. Scrutiny of status and construction of school buildings as well as basic facilities are discussed in succeeding paragraphs:

- ***School accommodation***

13 *per cent* schools in the state were buildingless and running in open/ beneath tree/ samudayik bhawan etc

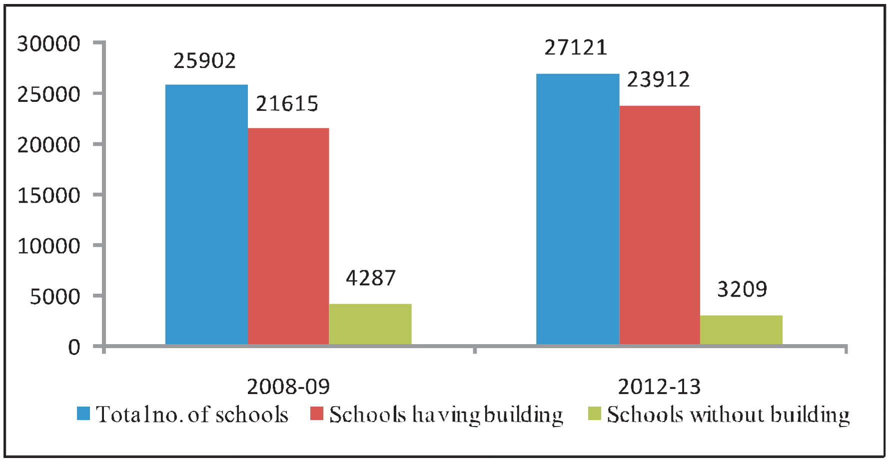
Infrastructure is one of the main interventions under SSA. Norm 4 of FMP provides that there should be a room for every teacher or for every grade/class whichever is lower in primary and upper primary schools with a provision that there shall be at least two classrooms with verandah in every primary school with at least two teachers by March 2013. As per records of BEPC, it was

[19] *Bhagalpur, Gaya, Khagaria, Patna, Saharsa and Sitamarhi*
[20] *Additional class rooms, Toilets, drinking water facilities etc.*

noticed that of 71762 schools in the State, 9063 (13 *per cent)* schools were buildingless. The status of school building in the test-checked districts during 2008-09 and 2012-13 is depicted in the chart number 2.1.3:

Chart number – 2.1.3

Status of schools buildings in test-checked districts



(Source: Information furnished by test checked DPOs)

It can be seen from the chart that 3209 (12 *per cent*) out of 27121 schools were buildingless as of March 2013. Further, scrutiny of 996 (PS: 567 and UPS: 429) out of 27121 schools of the test checked districts revealed the following facts:

- 113 schools were buildingless and running in open/beneath tree (62), temple/masjid premises (4), samudayik/panchayat bhawan (39), hut (5) and in other school (3).

Photograph of buildingless Primary School, Mushari Bhadhash, Khagaria running beneath the tree

- 20 PS were running with only one room. The teacher-in-charge of school also reported (June-August 2013) that during rainy season and hot days, they were compelled to close the school in absence of rooms.

BEPC replied (November 2013) that buildings for buildingless school would be provided just after acquisition of land and provision for required ACRs would be ensured in future. Thus, the availability of classrooms in accordance with available teachers as well as the prescribed number of classrooms in schools as per SSA norms was yet to be ensured.

- ***Status of constructions***

At the State level, the target relating to construction work of New School Building (NSB), Additional Classrooms (ACR) and Head Master's Room (HMR) sanctioned between 2005-06 and 2012-13 and achievement as of March 2013 is given in the table number 2.1.8.

44 to 74 *per cent* of civil works sanctioned during 2005-12 were either not taken up or yet to be completed as of March 2013

Table number– 2.1.8

Target and achievement of NSB, ACR and HMR in the State

Type of Building	Target	Completed *(per cent)*	In progress *(per cent)*	Not taken up *(per cent)*
New School Building	15000*	8462 (56)	4047 (27)	2491 (17)
Additional Class Room	276045**	166371 (60)	104943 (38)	4731 (2)
Head Master Room	9560***	2491 (26)	6945 (73)	124 (1)

(Source: data furnished by BEPC)

* *Sanctioned during 2006-07*

** *Sanctioned during 2005-06: 26627; 2006-08: 70753; 2008-09 : 26661; 2009-10 : 18875; 2010-11 : 56436; 2011-12 : 76693*

*** *Sanctioned during 2005-06: 1431; 2011-12: 8129*

It would be seen from the above table that only 56, 60 and 26 *per cent* works of NSB, ACR and HMR respectively could be completed (March 2013) during last eight years of implementation of the scheme. The reasons for incomplete and non-starter works were attributable to release of funds by DPOs without ensuring the availability of land. Though, monthly progress report for civil works was sent by the test checked DPOs to the BEPC every month but large number of incomplete civil works indicated the lack of interest of BEPC in taking effective steps to expedite the civil works in order to provide school accommodation by March 2013 as required.

BEPC replied (November 2013) that land for NSB had yet to be identified, however, district authorities have been instructed to complete the pending civil works.

- ***Incomplete civil works***

In test checked districts, the total targets from 2005-06 to 2012-13 and achievements upto June 2013 in respect of construction of NSB, ACR and HMR are given in table number 2.1.9 .

Table number – 2.1.9

Target and achievement of NSB, ACR and HMR in test-checked districts

Type of building	Target	Completed	In progress		Not taken up
			Actual progress	Non-starter	
NSB	4147	2163	732	511	741
ACR	75570	37858	23335	11533	2844
HMR	3857	534	1911	1191	221
Total	**83574**	**40555 (48)**	**25978 (31)**	**13235[21] (16)**	**3806 (5)**

Figure in parenthesis indicates percentage.

(Source: Information furnished by test checked DPOs)

[21] *Upto 2007-08 : 566, 2008-09:241, 2009-10:416, 2010-11:3100, 2011-12:8649, 2012-13:263 = 13235*

It would be seen from the table that 48 *per cent* of the work had been completed. Scrutiny also revealed that five *per cent* of the works were not taken up, while 16 *per cent* remained non-starter and the status of remaining 31 *per cent* of work-in-progress as of June 2013 is given in table number 2.1.10.

Table number – 2.1.10

Statement showing expenditure incurred on incomplete works in test-checked districts

(₹ in crore)

Target of construction work not achieved due to lackadaisical attitude of VSSs, DPOs and BEPC

No. of incomplete works	Expenditure incurred on incomplete work	Status of incomplete work		
		Plinth level	Lintel level	Finishing level
25978	845.42	7644	10622	7712

(Source: information furnished by test checked DPOs)

As shown above, 25978[22] civil works remained incomplete since 2005-06 and expenditure incurred thereon amounting to ₹ 845.42 crore during 2005-13 remained unfruitful. However, despite availability of funds, the target of constructions could not be achieved due to lackadaisical attitude of Vidyalaya Shiksha Samitis (VSSs) as well as DPOs and BEPC.

BEPC assured (November 2013) that incomplete works would be completed soon by intensive monitoring.

- ***Release of funds for construction without ensuring availability of land***

Paragraph number 2.5.2 of Framework for Implementation of SSA stipulated that the State Government is to ensure that land is available for opening of new schools. Further, the availability of land for new school buildings (NSB) was to be ensured by concerned panchayats prior to release of funds to VSS while funds for construction of ACRs and HMRs were to be released after availability of adequate land.

Rupees 370.59 crore remained blocked since one to seven years against 13235 non-starter civil works

Scrutiny of records revealed that DPOs released funds of ₹ 370.59[23] crore to VSSs for execution of 13235 civil works (511 NSBs, 11533 ACRs and 1191 HMRs) without ensuring the availability of land. This had resulted into non-starting of construction work from 12 to more than 84 months though required to be completed within three months and the funds amounting to ₹ 370.59 crore remained blocked with concerned VSSs.

In reply, BEPC intimated (November 2013) that district authorities have been instructed to recover the fund from concerned VSS. However, the reply of BEPC was silent on the issue of release of fund without ensuring availability of land. Further, the targeted beneficiary students have also been deprived of the school accommodation as envisaged under SSA norms and a large number of civil works remained non-starter even after a lapse of seven years.

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[22] *Upto 2007-08 : 1703, 2008-09:802, 2009-10:920, 2010-11:7628, 2011-12:14214, 2012-13:711 = 25978*

[23] *511 NSB : ₹ 40.24 crore,11533 ACRs : ₹ 295.43 crore and 1191 HMRs : ₹ 34.92 crore = ₹ 370.59 crore*

- ***Funds retained by Headmasters***

Eleven retired/ transferred HM retained ₹ 45.69 lakh meant for civil works which was fraught with risk of misappropriation

During test check of the records of DPOs and schools, it was noticed that Headmasters (HM) of 11 schools in five districts had withdrawn funds of ₹ 45.69 lakh[24] during 2006-13 meant for civil works from the account of Vidyalaya Shiksha Samiti (VSS). However, the HMs of schools neither submitted adjustment vouchers nor deposited the amount even though they were transferred or retired. Non-recovery of amount (June 2013) from the recipient was fraught with risk of misappropriation.

BEPC intimated (November 2013) that districts were being instructed to lodge FIR against the concerned HMs followed by filing of certificate case.

The fact remained that the school building could not be constructed.

- ***Basic facilities***

Paragraph 6 of SSA framework emphasised the need to develop a system to provide suitable and clean environment like drinking water facilities, toilets, boundary wall etc. by March 2013. The status of availability of the basic facilities in the State, test checked districts and schools as of March 2013 is given in the table number 2.1.11.

Table no. –2.1.11

Availability of basic facilities in schools

(In number)

No. of Government schools	In State		In test checked districts		In test-checked schools	
	71762		27121		996	
Facilities	**Not available**	**Per-centage**	**Not available**	**Per-centage**	**Not available**	**Per-centage**
Drinking water facility	6166	09	2503	09	178	18
Toilet facility	17479	24	7456	27	246	25
Separate girls toilet facility	39206	55	9974	37	559	56
Access ramp for handicapped/ disabled children	25214	35	11817	43	NA	NA
Boundary wall	34591	48	13610	50	615	62
Playground	49067	68	17916	66	754	76

(Source: furnished by BEPC, test checked districts & schools)

Basic facilities were absent in 18 to 76 *per cent* of test checked schools

As is evident from table the aforesaid facilities were absent in 9 to 68 *per cent* of schools in the State whereas in test-checked districts, it ranged between 9 and 66 *per cent*. However, in the test-checked schools, 18 to 76 *per cent* of schools were lacking in these basic facilities. Even, 35 *per cent* of schools in the State had no ramp facility for handicapped children, however, in test

24 *Khagaria : P.S. Muslim Tola, Khirniya (Chautham) : ₹ 6.23 lakh), P. S. Girls, Satkhuti (Parbatta) : ₹ 1.31 lakh and M. S. Hajipur Awas Board (Khagaria Sadar): ₹ 7.27 lakh, Kishanganj: UMS, Darjeebhitha (Thakurganj): ₹ 9.79 lakh, UMS, Bagalbari-2 (Pothia): ₹ 0.63 lakh, Muzaffarpur : M.S. Mustafapur (Kanti) ₹ 1.80 lakh; P. S. Tal gaura (Sahebganj) : ₹ 4.19 lakh, Rohtas : P.S.Khadwaon, (Kochas): ₹ 1.71 lakh, UMS, Khudru(kochas): ₹ 6.95 lakh and P.S.Nimiyatekari(Rohtas) ₹ 0.36 lakh, Saran: MS girls Amnour: ₹ 5.45 lakh, Total = ₹ 45.69 lakh*

checked districts, unavailability of this facility was 43 *per cent*. Hence, the goal of SSA to provide basic facilities to schools in the State could not be ensured up to March 2013.

In reply, BEPC stated (November 2013) that after completion of civil works like NSB, ACR etc. other basic facilities like boundary wall, playground etc. would be taken care of later in phased manner. The fact remains that the schools already running had to be equipped with all the basic facilities on priority.

2.1.8.7 Release of grants

As per paragraph number 20.1 of FMP read with Annexure-II, three types of annual grants viz School Maintenance Grant, School Grant and Teacher Grant are provided for all primary and upper primary schools. Further, as ibid paragraph 75.1, utilisation certificates for these grants was to be submitted by the concerned schools within one month after the close of the financial year. Scrutiny of records of DPOs disclosed the following:

School maintenance grant of ₹ 90.73 lakh was excessively paid and a sum of ₹ 19.11 lakh was given to 300 landless/building less schools by the DPOs during 2008-13

- ***School Maintenance Grant:*** School maintenance grant was to be provided for annual maintenance and repair of existing school building. A maximum of ₹ 10000 per annum per school were to be made available only to those schools having existing building of their own. In contravention to the norms of FMP, school maintenance grant of ₹ 90.73 lakh had been excessively paid to 2477 schools by five DPOs and a sum of ₹ 19.11 lakh was given to 300 landless/building less schools by ten DPOs during 2008-13 ***(Appendix-2.1.6)***.

  The BEPC stated (November 2013) that excessively paid amount of school maintenance grant from buildingless schools would be recovered.

- ***School grant:*** School grant is meant for replacing non-functional school equipment and purchase of consumable, play materials etc. Three[25] out of 12 test checked districts had not released the grant annually to all the schools. Of 40033 schools, this grant was released to 35018 schools and remaining 5015 (13 *per cent)* did not receive the grant during 2008-13. Scrutiny of records of DPOs revealed that none of the test checked districts had submitted UCs in time. As a result, out of ₹ 91.38 crore released, UCs for only ₹ 28.48 crore were received by the DPOs during 2008-13.

- ***Teacher grant:*** All the teachers are entitled to receive ₹ 500 yearly in order to facilitate child centre, joyful classroom process etc. In test checked districts, against availability of 612808 teachers, only 552926 teachers had received Teacher Grant during 2008-13. Thus, 59882 (10 *per cent*) of teachers were deprived of grants to the tune of ₹ 2.99 crore[26] for purchase of low cost locally available teaching learning materials. Thus, the intended objective could not be achieved. Scrutiny of records of DPOs revealed that none of the test checked districts had

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[25] *Madhubani, Muzaffarpur and Nawada*

[26] *Total number of teachers 59882 x ₹ 500 = ₹ 29941000 or say ₹ 2.99 crore*

submitted UCs in time. As a result, out of ₹ 27.53 crore released, UCs for only ₹ 7.96 crore were received by the DPOs during 2008-13.

Thus, short coverage under school and teacher grant besides pending UCs for ₹ 82.47 crore indicated apathy of DPOs in ensuring the quality education under SSA.

In reply, BEPC stated (November 2013) that school grant and teacher grant were not released due to non-submission of utilisation certificates in time. Reply was not acceptable as the grants were paid to those schools and teachers who had also not submitted the utilisation certificates as discussed above.

2.1.8.8 Teaching Learning Equipment

As per paragraph number 29.1 of FMP, new primary/upper primary schools were entitled to receive ₹ 20000 and ₹ 50000 respectively to meet the basic school requirement like chair, table, stationary etc. under Teaching learning equipment (TLE).

Newly opened all PS and UPS did not receive TLE fund

Scrutiny of records of test checked districts disclosed that a total TLE funds of ₹ 3.63 crore[27] were not provided to 199 new primary schools (NPS) and 647 upper primary schools against opening of new 2430 PSs and 3493 UPSs during 2008-13 respectively. Further, scrutiny revealed that out of 12 districts seven[28] had released ₹ 10000 only as TLE fund to each NPS against norms of ₹ 20000 resultingly short release of ₹ 1.78 crore was noticed during 2008-13. Besides DPO, Rohtas did not release fund of ₹ 78.60 lakh for TLE during 2008-13, though 13 NPS and 152 UPS were opened during the period. No reason was available with the DPOs for non-release of TLE for these newly opened schools.

In reply, BEPC stated (November 2013) that TLE grants to NPS were released as per provisions of annual plan of the respective years. Reply was not in consonance with the norms of SSA guidelines.

2.1.8.9 Computer aided learning

Computer aided learning (CAL) component under SSA was to make teaching and learning experience interesting, delightful, enjoyable and to invoke curiosity among children. Under this intervention, computers were to be provided to maximise coverage in UPS with special emphasis on science and mathematics.

During scrutiny of records of BEPC, it was observed that altogether 619 CAL centres in UPS were available in the State. Of them, 375 CAL (Bihar Education Project i.e. BEP model) centres were being run by district concerned and responsibility for operation of remaining 244 centres rest with Bihar State Electronic Development Corporation (BSEDC), Patna and their consortium partner (Infrastructure Leasing & Financial Services - Education & Technology Services Ltd. (ILFS-ETS), Mumbai since December 2009.

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27 *199 x ₹ 20000 = ₹ 39.80 lakh + 647 x ₹ 50000 = ₹ 323.50 lakh*

28 *Gaya : ₹ 3.50 lakh, Madhubani : ₹ 36.30 lakh, Muzaffarpur: ₹ 36.40 lakh, Nawada :₹ 8.10 lakh Patna : ₹ 13.20 lakh, Saran : ₹ 35.50 lakh, Sitamarhi :₹ 44.60 lakh, Total = ₹ 177.60 lakh i.e. ₹ 1.78 crore*

Further, after expiry of term with BSEDC & ILFS-ETS in January 2013, the BEPC directed (March 2013) all DPOs of the State to operate these CAL centres through VSS.

Of the available 203 CAL centres in test checked districts, 158 were non-functional for want of trained teachers and defects in computers

During audit, it was noticed that out of 10974 operational UPS in the test checked districts, 203 CAL centres (BEP model: 117 & ILFS: 86) were available. However, after expiry of term of ILFS, all the centres previously run by ILFS were closed since February 2013 and 72 centres (out of 117 BEP model centres) were also not functioning. Hence, total 158 (BEP:72 and ILFS:86) were non-functional mainly due to non-availability of trained teachers and defect in computer/accessories etc.

In reply, BEPC intimated (November 2013) that audit observations were noted for future guidance and further stated that budget for the year 2013-14 had been received in the last week of June 2013 and after that all DPOs had been instructed to make all the CAL centres operational. However, at Rohtas and Gaya, CAL centres were not found functional (September-October 2013), besides, BEPC was silent regarding availability of computer trained teachers.

2.1.8.10 Training to teachers

With a view to enable the teachers to see pedagogical practices from the child perspective and continuously upgrade their knowledge and teaching skills, training was an important intervention under SSA. Audit observations related to training are discussed in succeeding paragraphs:

- ***Training to untrained teachers***

Under section 23 of RTE Act, State was to appoint teachers with minimum qualification as notified by National Council of Teachers Education (NCTE). NCTE stipulated that in case sufficient number of trained teachers were not available and untrained teachers fulfilling educational and other qualifications were required to be recruited, the State Government was to ensure that their services were not regularised/confirmed unless they acquired the qualifications deemed to be equivalent to the diploma in education as per NCTE norms.

1.60 lakh teachers in the State do not possess required qualifications for teachers

During scrutiny it was noticed that against availability of 3.50 lakh primary and upper primary teachers in the State, 1.95 lakh (56 *per cent*) teachers were untrained as of March 2013. Further scrutiny revealed that though BEPC took initiative (2006-07) for imparting training to 152221 teachers through Indira Gandhi National Open University (IGNOU), but the courses of IGNOU were not recognised by NCTE and required additional six months enrichment training. However, only 35155 teachers have completed six months enrichment training course (July 2013) and remaining 117066 teachers were yet to acquire the requisite qualification. Hence, 1.60 lakh teachers had not acquired the teacher's qualification as required under NCTE (July 2013). In reply, BEPC stated (December 2013) that recognition of courses of IGNOU would be accorded from NCTE very soon.

- ***In-service training***

In-service training of 10 days for all teachers in Government, local bodies and aided schools is to be imparted under SSA norms with a view to enable them continuously upgrade their knowledge and teaching skills. This training is to be provided through Block Resource Centre level and above.

Status of in-service training of teacher as examined in 11 out of 12 test checked districts (except DPOs, Kishanganj) is given in table number 2.1.12.

Table number -2.1.12

Availability of teachers and training imparted thereagainst during 2008-13

Year	No. of teacher available	Teacher imparted 10 days training	Short fall (*per cent*)
2008-09	114471	30236	84235(74)
2009-10	116357	18532	97825(84)
2010-11	114401	21533	92868(81)
2011-12	125515	25593	99922(80)
2012-13	125856	24685	101171(80)

(Source: information furnished by test checked DPOs)

Shortfall in imparting 10 days in service training ranged between 74 and 84 per cent during 2008-13.

It would be seen from the table that short fall in imparting in-service training during the period 2008-09 to 2012-13 ranged between 74 and 84 *per cent* indicating inadequate upgradation of the knowledge and teaching skills of all the teachers and quality education could not be ensured to children.

BEPC stated (November 2013) that shortfall in achievement of 10 days residential training was mainly due to logistic problem. However, as seen in audit the shortfall in achievement of in-service training was mainly attributable to acute shortage of manpower (70 *per cent)* in the districts at BRCs level.

2.1.8.11 Uniforms

As uniforms constitute an expense which poor families are often not able to afford and thus becomes a barrier for many children to pursue and complete elementary education. Keeping this in view, SSA provides distribution of two sets of uniforms to all boys belonging to SC/ST/BPL families and all girls in the Government schools within a ceiling of ₹ 400 per child per year. Further, norms for intervention (Sl. 9f) in Appendix-I of framework of SSA stipulates that in places where school authorities are not in a position to provide uniform in kind, cash transfer will be allowed provided that prior approval of Project Approval Board (PAB) at national level has been obtained.

Scrutiny of records disclosed that the State Project Director, BEPC directed (February 2011) all the DPOs to transfer the fund meant for uniform into the bank accounts of the eligible children through respective VSS. However, scrutiny in test checked districts revealed that fund of uniform was lying in bank accounts of BRCs or VSSs during 2010-12, as bank accounts of the children could not be opened. Later, it was observed that directions issued (November 2012) by GoI regarding non-payment of the cost of uniform in cash and in case of failure in providing uniform by school level, the cost was to be borne by the State. Despite cautioned by GoI, BEPC had been instructing to DPOs to provide cash for uniforms and consequently, in violation of aforesaid norms of SSA, ₹ 506.74 crore were distributed in cash during 2012-13 by the schools in the State.

Cash payment for uniform was in contrary to the norms of SSA and GoI directives

Hence, distribution of uniforms to children during 2010-12 could not be ensured, as the fund meant for uniform was either lying with BRCs or VSSs or distributed in cash which was against the norms of SSA as well as repeated concern of GoI on distribution of cash.

BEPC stated (November 2013) that due to difficulties in the opening of bank account, reimbursement of cash payment against vouchers was allowed. Reply confirmed that the State Government's action was not in conformity with the instructions under the scheme.

2.1.8.12 Distribution of free text books

As per paragraph number 25.1 of FMP of SSA, free text books would be provided to all children. Besides books are to be made available through procurement either by direct contracting from Bihar State Text Book Publishing Corporation (BSTBPC) or through open tender system for printing or purchase. Bihar Curriculum Framework 2008 (BCF) requires that quality text books to all children should be made available well before the start of the academic session.

Accordingly, BEPC awarded the contract to BSTBPC every year for printing and supply of text books in all the 38 districts of the State. The status of enrolled children and supply of textbook thereagainst by BSTBPC to the test checked districts is given in table number 2.1.13.

Table no. – 2.1.13
Statement showing distribution of free text books

Year	Enrolment in government schools	Requ-isition of books to BEPC	Books received in the district	Short supply against enrolment	Supply continued till	Expenditure against supply in the district(*₹in crore)*
2008-09	6796824	5240628	4736815	2060009	Dec 2008	25.51
2009-10	7465026	6802131	6408258	1056768	April 10	68.43
2010-11	7414981	6522704	5822842	1592139	Dec 10	63.63
2011-12	7752463	6931878	6480096	1272367	Feb12	77.73
2012-13	7796241	7801967	7205919	590322	Sep 12	87.11
Total	**37225535**	**33299308**	**30653930**	**6571605**		**322.41**

(Source: records of test-checked DPOs)

65.72 lakh children deprived of free text book in test-checked districts and 110 test-checked schools did not receive books at all during 2008-13

It is evident from the table that 65.72 lakh children (18 *per cent*) were deprived of free text books during 2008-13. This was mainly due to requisition not made according to enrolment and short supply against requisition also. The BEPC placed order for supply timely but the BSTBPC delayed the supply which ranged between nine and 11 months. Scrutiny of records at BEPC also revealed that during two years (2009-11), Government curtailed the requisition by 15 *per cent* without assigning any reason and deprived the children from free text book.

Scrutiny of records of 996 test checked schools disclosed that during 2008-13, 110 schools[29] did not receive books at all. Thus, the objective to educate children through timely provision of text books could not be achieved.

BEPC stated (November 2013) that districts made demand of books after deducting the stock of undistributed books already available with them. BEPC always deducted penalty for delayed supply and poor quality of books supplied by BSTBPC during 2009-13. Reply was not correct as there was no closing stock of books with the districts in any year under the review period.

[29] *2008-09:33, 2009-10:21, 2010-11:32, 2011-12:14, 2012-13:10, Total = 110 schools*

Penalty imposed did not prove to be a deterrent as delayed supply of books continued over the years.

2.1.8.13 Education of children with special need (CWSN)

SSA provides that children with special need[30] (CWSN) were to be provided education in an appropriate environment. After identification of CWSN, assessment of each identified child was to be carried out by a team constituted at block level and they were to be placed in the neighbourhood school with needed support services. All children requiring assistive devices were to be provided aids and appliances. An Individualised Educational Plan (IEP) was to be prepared for every child with special needs. Architectural barriers were to be removed by providing facility of ramp, assessable classrooms, toilets etc. in schools for easy access and to promote inclusion of CWSN.

During scrutiny of records of BEPC, following points were noticed:

- Out of 71762, only 37544 (52 *per cent*) of the schools had been made barrier free for easy access in order to provide disabled-friendly facilities in school and only 8248 *(11 per cent*) schools had disabled friendly toilet.
- Out of 329297 CWSN, IEPs were prepared for only 15226 (five *per cent*) of the children.
- No Braille books were provided *during* 2011-13 though, 13020 blind children were identified during 2011-12.

Distribution of aids and appliances was meagre

- No hearing aids were provided to hearing impaired children from the year 2007-08 to July 2011, although number of such children identified as on July 2011 was 64066. However, after July 2011 to March 2013, only 24290 (38 *per cent*) hearing aids were provided to CWSN. Hence, 62 *per cent* of identified children still suffered, however, no further progress had been intimated by BEPC (November 2013).
- To facilitate the process of educating children with disability, Rehabilitation Council of India (RCI) New Delhi communicated (September 2009) to BEPC, launching of foundation courses on education of children with disabilities with a basic aim to develop understanding and basic competencies in teachers for dealing with children having disabilities. Scrutiny of records of BEPC disclosed that only three *per cent* of the teachers were trained in this course as of March 2013.

Further, in test checked districts, the status of CWSN identified, enrolled in schools and provided assistive devices is given in table number 2.1.14.

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30 *Orthopaedically impaired, visually impaired, cerebral palsy, mentally retarded etc.*

Table number –2.1.14
Year wise CWSN identified, enrolled and aids & appliances distributed during 2008-13

Year	CWSN identified	CWSN enrolled in schools	CWSN not enrolled *(per cent)*	CWSN given aids and appliances	Percentage of identified CWSN receiving aids and appliances
2008-09	87745	62908	24837 (28)	1583	2
2009-10	86662	63868	22794 (26)	4389	5
2010-11	87064	66858	20206 (23)	2963	3
2011-12	96161	74617	21544 (22)	4489	5
2012-13	98179	80473	17706 (18)	2928	3

(Source: information furnished by test checked DPOs)

It can be seen from the table that the aids and appliances were provided to only two to five *per cent* of identified children during 2008-13. It was also noticed that 18 *per cent* of identified CWSN remained out of school as of March 2013.

Assessment of requirement for each CWSN was not done

Further, scrutiny disclosed that assessment of each identified child could not be done due to non-constitution of team at block level in the test-checked districts, however, orthopaedically handicapped and hearing impaired children were assessed in need of aids and appliances.

BEPC stated (November 2013) that initially, no instruction was issued regarding preparation of IEP of each disabled children from the State level office and assessment could not be done due to non-conducting of camp at each Block as it was not possible. Reply was in contravention of SSA guidelines as IEP was to be prepared for every CWSN and it was the responsibility of the BEPC to assess the requirement for each CWSN.

2.1.8.14 Kasturba Gandhi BalikaVidyalaya

The *Kasturba Gandhi Balika Vidyalaya* (KGBV) scheme was launched by GoI (July 2004) for setting up residential schools of upper primary level for girls belonging predominantly to the SC, ST, OBC and minority communities. As per guidelines, only dropped out girls were to be enrolled in the KGBV, priority was to be given to the girls over the age of 10 years and under no circumstances, girls who were going or able to go in local schools, were to be selected for admission in KGBVs. Further, as per paragraph 44.4 (ii) of FMP, Government was responsible for providing necessary infrastructure like building, furniture, bedding etc. in the KGBVs.

The KGBVs in the State were running with acute shortage of manpower

It was noticed that 529 out of 535 sanctioned (up to 2010-11) KGBVs were functional and 47311 out of targeted 53500 girls in the State were enrolled up to 2012-13. Scrutiny of records disclosed that KGBVs in the State were running with acute shortage of manpower as given in table number 2.1.15.

Table no. -2.1.15
Sanctioned strength and men-in-position in KGBV as of March 2013

Name of post	Sanctioned strength	Men-in-position	Vacancy	Vacancy Percentage
Warden	535	300	235	44
Full time teacher	1605	916	689	43
Accountant	535	250	285	53
Night guard	535	277	258	48
Cook + Assistant cook	1605	691	914	57

(Source: Information furnished by BEPC)

It would be clear from the table that 43 to 57 *per cent* of the sanctioned posts were vacant in the KGBV of the State as of March 2013.

Scrutiny of records in test checked districts (188 KGBVs were functional against sanctioned 194 KGBVs) revealed the following:

- Information furnished by KGBV disclosed that students were being enrolled as per the request of the parent/guardian of the girls.
- In 22 out of 36 KGBVs test checked, it was noticed that 424 regular school girls (not drop out) and 21 underage girls (eight to ten years) were found enrolled which was against the guidelines issued by the Government for enrolment of girls in KGBVs.

During joint physical verification[31] of KGBVs, it was noticed that:

Over crowded bedrooms, broken door and windows and unavailability of toilets showed unsafe and unhygienic accommodation for girls of KGBVs

- 11 test checked KGBVs, running in rented/private or other Government building had no adequate infrastructure. The girls enrolled in these KGBVs were living in overcrowded rooms as upto 60 girls were found accommodated in a single room, only 32 cots and 40 mattress were found available for 100 girls confirming insufficient bedding arrangements. The broken doors of bed rooms and toilets as well as broken windows were also found in these KGBVs which indicated unsafe accommodation arrangements for the girls ***(Appendix-2.1.7)***. In reply BEPC agreed with audit observation that KGBVs is running in private, rented house and other Government buildings had no adequate physical infrastructure needed for100 girls. However, BEPC was silent on the steps taken for improving the proper arrangements in KGBV schools meant for girl students.
- In KGBV at Isuapur (Saran), no warden/teaching staff was posted though 56 girls were enrolled and no alternative arrangement for the same was made.

BEPC accepted (November 2013) the fact of shortage of manpower and stated that position would be improved. It was further stated that all the girls admitted in KGBV were drop outs and no KGBV in the State were wilfully closed. The reply of BEPC was factually not correct as instances of enrolment

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31 *Joint physical verification conducted by the Audit with Bihar Education Project officials, warden and HM of Government schools.*

of regular school going girls in KGBV and unjustified closure of KGBVs were noticed during audit.

Thus, shortage of manpower coupled with lack of infrastructure revealed that quality education and habitation was not being ensured to the girl students.

2.1.8.15 Implementation of National Programme for Education of Girls at Elementary Level

As per paragraph 43 of FMP, National Programme for Education of Girls at Elementary Level (NPEGEL) is an additional support to the existing scheme of SSA for providing additional components for education to under privileged/disadvantaged[32] girls with special focus under difficult situation[33] at elementary level. In order to achieve this objective, a core team at block level was to be formed to undertake surveys, prepare village level plan and block specific project. Further, as per paragraph 6.2 of SSA framework, a model girl child friendly school called "Model Cluster School" (MCS) was to be opened in block where NPEGEL scheme is operational.

The target group of girls for NPEGEL was not identified and covered

Records of BEPC showed that total 99.79 lakh girls were enrolled in 4231 MCSs of the State as of March 2013. However against total outlay of ₹ 191.73 crore, only ₹ 77.43 crore (40 *per cent*) had been spent on NPEGEL during 2008-13. The inadequate spending was mainly attributable to less expenditure against target on community mobilisation, carrying out skill building activities and civil works etc.

Further, scrutiny of records of NPEGEL of test checked districts disclosed the following deficiencies:

- As per information provided (June to October 2013) by the DPOs of test checked districts, core team at village or block level was not formed to undertake baseline survey and block and village wise mapping. Consequently, intervention was carried out without identification and coverage of girls under difficult situation. During exit conference (December 2013), the Government further stated that they were focussing to retain the girls in schools by organising Meena Manch, Hunar etc. Reply was in contravention of guidelines as target group of girls remain uncovered.
- The programme envisaged to provide the girl child friendly infrastructure which included facilities in terms of teaching learning equipment, learning through computers, film shows, CD materials etc. Accordingly, BEPC purchased 593 computers for new 593 MCS through BELTRON and made payment of ₹ 1.65 crore (March & September 2012). BELTRON supplied 593 computers, of them 352 computers were not installed, while 248 UPS were not supplied by the

32 *Scheduled castes, Scheduled tribes and other disadvantaged rural girls of educationally backward blocks.*

33 *Out of school girls, drop out girls, overage girls who have not completed elementary education, working girls, girls from marginalised social group, girls with low attendance, girls with low level of achievement, girls rescued from work, trafficked children, daughters of sex workers, displaced girls including girls in disturbed areas and urban settings.*

agency (May 2013). Thus, the purpose of providing computer based education to all MCSs could not be achieved and expenditure incurred on purchase of computers proved unfruitful in MCSs.

BEPC admitted (November 2013) the unsatisfactory supply and installation of computers.

- Gender sensitisation training was not given to teachers though required under this programme to make alive and sensitive the role of educators in eliminating gender disparities. BEPC did not offer any comment regarding non-imparting such training to teachers as envisaged under the programme.

2.1.9 Manpower management

Efficient functioning of a scheme depends upon the availability of requisite manpower and proper management of the available manpower. The sanctioned strength and men-in-position of BEPC as of March 2013 are given in table no. 2.1.16.

Table no. – 2.1.16

Sanctioned strength and men-in-position at State level as on 31 March 2013

Name of post	Sanctioned strength	Men-in-position	Vacancy (*per cent*)
Teachers (Primary & Upper Primary)	**592539**	**339844**	**252695 (43)**
(A) Senior Professional Grade			
State Project Director	1	1	0
Additional State Project Director	1	0	1
Administrative Officer	7	5	2
Civil Works Manager	1	1	0
Chief Accounts Officer	1	0	1
Officers	10	5	5
Executive Engineer	5	5	0
System Analyst	1	0	1
Total	**27**	**17**	**10 (37)**
(B) Professional Grade	33	10	23
(C) Support Grade	52	15	37
(D) Auxiliary Grade	18	13	5
(E) State Level Internal Cell (including internal audit)	28	6	22
Total (A to E)	**158**	**61**	**97 (61)**

(Source: information furnished BEPC)

The acute vacancies indicated deficient manpower management

As is evident from the table above that total vacancies in the State were 61 *per cent* of the sanctioned strength while 43 *per cent* of vacancies were in the cadre of teachers. In test checked districts, the vacancy position of teachers, Block Resource persons, Executive Engineers, Assistant Engineers and Junior Engineers was 85042 out of 210938 posts (40 *per cent),* 488 out of 681 posts (72 *per cent*), nine out of 12 posts (75 *per cent*), 12 out of 24 posts (50 *per cent)* and 112 out of 167 post (67 *per cent*) respectively with overall vacancies of 71 *per cent* in sanctioned posts ***(Appendix-2.1.8).***

In reply, BEPC intimated (November 2013) that steps were being taken to fill up the vacancies by February 2014. It is evident that the manpower management of SSA was deficient and needed to be strengthened to attain the prescribed level of checks under the scheme.

2.1.10 Internal Control

Internal control is an integral component of a scheme's management process established in order to provide reasonable assurance that the operations are being carried out economically, effectively and efficiently, financial reports and operational data are reliable and the applicable laws and regulations are being complied with so as to achieve the desired objectives.

During scrutiny of records at BEPC, it was noticed that of 28 sanctioned posts in the State level internal cell, 22 (79 *per cent)* posts were vacant, which showed deficient internal control mechanism of SSA in the State.

2.1.11 Monitoring and supervision

Regular monitoring is a key factor for effective and efficient implementation of any programme. Monitoring of programme implementation at district level would be carried out by district level committee. This committee comprised of senior most Member of Parliament (MP) as chairman, District Magistrate/chief executive officer of Zila Parishad as member secretary and District Education Officer as in charge of SSA and other district level officers. Scrutiny revealed that monitoring committee at district level had not been formed in 10[34] out of 12 test checked districts.

Monitoring Committee at district level not formed in ten districts, though Executive Committee formed but did not organise meetings as per required periodicity

Besides, an executive committee is also to be formed at State and district level with the responsibility to achieve the objectives of SSA and for disposal of all other administrative, financial and academic works. Meeting of executive committee was to be organised at least four times in a year. During test check, it was noticed that against requirement of organising 20 meetings during 2008-13, State Level Executive Committee had organised only nine meetings during the same period. Similarly, the executive committee at district level also lacked behind in holding those meetings, the deficit of which ranged between 6 and 18 meetings during 2008-13 as against the target of 20 meetings. This reflected lackadaisical attitude of BEPC and the district authorities towards implementation of SSA. Consequently, improper planning process, weak financial management and budgeting process, inadequate coverage of interventions, a large number of civil works remained non-starter/incomplete, etc. took place during the Review period.

The concerned DPOs had reported (June to August 2013) to audit that no monitoring committee had been formed. The BEPC however, stated (November 2013) that in test checked two[35] districts, district level monitoring committee had been formed.

2.1.12 Joint physical verification of schools

Joint physical verification of 151 schools conducted by audit with Bihar Education Project officials and teachers of 11 test checked districts (excluding Madhubani), followings facts were noticed:

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[34] *Bhagalpur, Gaya, Khagaria, Kishanganj, Madhubani, Muzaffarpur, Nawada, Patna, Rohtas and Saran.*

[35] *Kishanganj and Nawada*

- In 43 schools (28 *per cent),* presence of children was less than actually shown in the attendance register. The shortage ranged between 10 and 99 *per cent.*
- In nine schools, attendance was nil.
- Seven schools were found closed during school hour.
- One school in Khagaria district (PS, Vidhyadhar ward no. 4) was found non-existent.
- 26 (17 *per cent)* schools were without any toilets.
- 56 schools (37 *per cent*) had one or more toilets but all of them were unusable.

The BEPC stated (November 2013) that district authorities had been directed to provide up to date status of the schools and action taken by district / block level functionaries.

2.1.13 Impact analysis of the scheme

In Bihar, SSA is being implemented since 2000-01. With a view to analysing the impact of implementation of the programme, the retention trend of the students in the school was assessed during performance audit. The class wise enrolment in the Government and Government aided schools in the State and their retention trend during 2008-13 are analysed in table no. 2.1.17.

Table no. 2.1.17

Statement showing class wise enrolment in Government and Government aided schools during 2008-13

Year	Class							
	I	II	III	IV	V	VI	VII	VIII
2008-09	4182580	3603371	2953907	2427819	2038635	1351060	1170127	950147
2009-10	3804267	3323898	3193381	2637181	2196893	1464484	1291798	1093223
2010-11	3519120	3231263	3221628	2967343	2433531	1656686	1372629	1168837
2011-12	3296264	3218004	3231110	3090729	2830168	1927964	1633024	1307811
2012-13	2825415	2836734	2905743	2802463	2660396	2090233	1714921	1456061

(Source: Records of BEPC)

Despite implementation of SSA over a decade, 36 *per cent* of enrolled children of class I in 2008-09 could not be retained upto class V in 2012-13

From the table, it would be clear that only 2660396 out of 4182580 children (highlighted in table) enrolled in class I could be retained in class V after five years. Drop out of 1522184 (36 *per cent*) children during 2008-13 indicated decline in retention rate inspite of implementation of SSA over a decade.

2.1.14 Conclusion

In Bihar, Perspective plan was not prepared and annual plans were prepared on unreliable source of data and without adhering to the bottom up approach. The financial management of the scheme was deficient and GoI share amounting to ₹ 12231.60 crore could not be received due to under utilisation of fund and heavy un-adjusted advances at Bihar Education Project Council. The objective of universalisation of elementary education was yet to be achieved. The adverse pupil teacher ratio in the State could not be improved during 2008-13 as in the year 2008-09 PTR was 53:1, whereas, during 2012-13, it was 59:1. The access to infrastructure and basic facilities for children like school building, drinking water, toilets etc. were inadequate. Thirteen *per* *cent* of the schools in the State were without building. The objective of timely provision of free text books to all enrolled students could not be achieved due to improper assessment and delayed supply of books. A large number of identified children with special needs remained out of school, besides, assessment for provision of aids and appliances to identified children with special needs could not be done due to non-constitution of block level team. The *Kasturba Gandhi Balika Vidyalaya* suffered due to shortage of manpower and lack of infrastructure. Forty three *per cent* of the post of teacher in the State were vacant, besides, manpower management as well as internal control mechanism of SSA was deficient and required to be strengthened.

2.1.15 Recommendations

The Government may consider improving the effectiveness of the working of the Bihar Education Project Council for implementation of Sarva Shiksha Abhiyan through:

- preparation of perspective plan should be ensured and annual plans should be prepared based on reliable data and by adhering to the bottom up approach of planning;
- financial management should be strengthened to achieve the intended objectives of SSA;
- programmes like access of children to school, maintaining Pupil Teacher Ratio by appointment of teachers, providing infrastructure and basic facilities to schools should be ensured as per prescribed SSA norms; and
- assessment of each identified children with special need should be made and required aids and appliances should be ensured. Besides, operation of Kasturba Gandhi Balika Vidyalayas should be made as stipulated in SSA norms and appropriate accommodation with regard to basic facilities should be ensured in KGBVs of the State.

AGRICULTURE DEPARTMENT

2.2 *Rashtriya Krishi Vikas Yojana*

Executive Summary

Introduction

In order to ensure holistic development of Agriculture and allied sectors and achieve four *per cent* annual growth in the agriculture sector during XIth Plan period, *Rashtriya Krishi Vikas Yojana* (RKVY), a centrally sponsored scheme, was introduced in Bihar during 2007-08.

(Paragraph 2.2.1)

Planning

The planning of the implementation of the RKVY in the State was not in conformity with the guidelines of the scheme as the State Agriculture Plans were not based on local agro-climatic conditions and grass root inputs. Further, the State Level Sanctioning Committee, responsible for sanction and monitoring of scheme, did not discharge its duties as per provision laid in the scheme guidelines.

(Paragraph 2.2.6.1 and 2.2.6.2)

Financial Management

The pattern of funding of RKVY was *cent per cent* central grant and the States were given sufficient flexibility in formulation of plan. In Bihar, against the sanction of ₹ 2033.34 crore by Agriculture Department, the allotment given to the implementing agencies was ₹ 2010.32 crore, out of which ₹ 1416.74 crore could be spent during 2008-13 leaving ₹ 593.58 crore (30 *per cent*) as unspent balance. This is indicative of inadequate financial management.

(Paragraph 2.2.7)

The utilisation certificates (UCs) of ₹ 1719.74 crore had been submitted to Government of India against the total funds received amounting to ₹ 2010.32 crore. UCs were submitted (March 2013) on the basis of releases to implementing agencies without its actual expenditure.

(Paragraph 2.2.7.1)

Implementation of schemes

In implementation, the progress of the construction of e-Kisan Bhawans was slow which affected the intended programme for providing all facilities to the farmers through information technology under single roof.

(Paragraph 2.2.8.1)

Although the progress under farm mechanisatioh as improved during 2008-13, but cases of excess, unauthorised and irregular payments were detected during performance audit due to failure of the district nodal officers in adhering to the State guidelines.

(Paragraph 2.2.8.2)

The status of production by recipients of High Density Polyethylene (HDPE) and *pucca* structure beneficiaries was much below the projection during 2010-13 which led to non-achievement of intended objectives of promoting the organic farming.

(Paragraph 2.2.8.3)

The Government guideline was not adhered to with regards to implementation of Bihar *Shatabdi* tube well scheme leading to inadequate progress. Excess payment and payment without work could not be authenticated in audit. The status of construction of the godown was also not in line with the scheme guidelines.

(Paragraph 2.2.8.6 & 2.2.8.7)

Internal control mechanism

Internal control mechanism was not put in place as laid in the guidelines.

(Paragraph 2.2.9)

Monitoring and Evaluation

Monitoring was inadequate as the officers did not carry out the monitoring process as per quantum prescribed under guidelines for implementation of the schemes. The evaluation study of the scheme was not conducted during 2008-13.

(Paragraph 2.2.10)

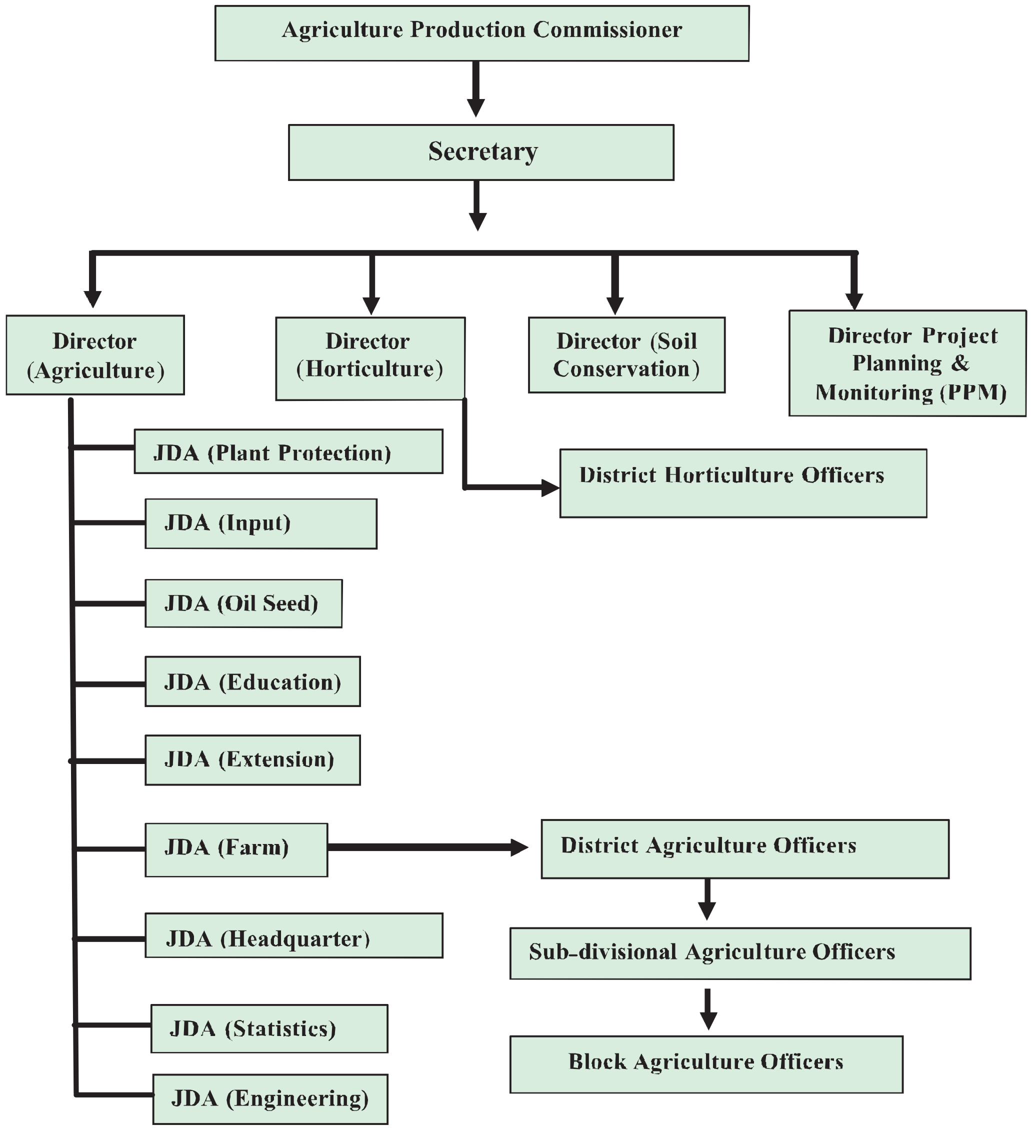
2.2.1 Introduction

Concerned with the slow growth in the agriculture and allied sectors, the National Development Council (NDC), in its meeting held on 29 May 2007 resolved for launching a special Additional Central Assistance Scheme namely *Rashtriya Krishi Vikas Yojana* (RKVY) to ensure holistic development of agriculture and allied sector in the States. The RKVY aimed at achieving four *per cent* annual growth in the agriculture sector during XIth Plan period, by ensuring a holistic development of Agriculture and allied sectors. Its main objective was to bring quantifiable changes in production and productivity of various components of agriculture and allied sectors and to maximize returns to the farmers. In Bihar, RKVY was launched during 2007-08. The Agriculture department is the nodal department for implementation of RKVY schemes through allied departments such as Co-operative and Animal Husbandry including Fisheries and Dairy Development Departments.

2.2.2 Organisational Structure

The Agriculture Department, Government of Bihar (GoB) headed by Agriculture Production Commissioner (APC) and assisted by Secretary of the department and four Directors (Agriculture, Horticulture, Soil Conservation and Project Planning & Monitoring) is the nodal department for implementing the RKVY scheme in the State. The Directorate of Agriculture is the State-level implementing agency assisted by nine Joint Director Agriculture (JDA) while at district level the District Agricultural Officer (DAO) assisted by Assistant Agriculture Officers, Sub-Divisional Agriculture Officers (SAOs) and District Horticulture Officers (DHOs) are responsible for implementation of the scheme at district level. The Block Agriculture Officers (BAOs) are responsible for implementation of the scheme at block level/grass root level.

Organisational Structure



(Source: Website of the Agriculture Department)

2.2.3 Audit objectives

The performance audit was conducted to assess whether:

- the planning process of the implementation of scheme was effective and according to the RKVY guidelines;
- the financial management ensured adequate and timely availability of funds and their effective and economic utilisation;
- the projects were implemented according to the regulatory structure in place and the intended objectives of the projects were achieved and Nodal agency/Agriculture Department effectively coordinated with various departments and implementing agencies for implementing various projects; and

- the internal control mechanisms were put in place to ensure efficient and effective monitoring and control over implementation at each level.

2.2.4 Audit Criteria

The Performance audit of RKVY was benchmarked against criteria derived from the following sources:

- Guidelines for Rashtriya Krishi Vikas Yojana (RKVY) of Department of Agricultural and Cooperation, Ministry of Agriculture;
- Website of RKVY scheme (rkvy.nic.in);
- Evaluation studies by National Institute of Rural Development (NIRD);
- Comprehensive State Agricultural Plan (Eleventh Five Year Plan 2007-12);
- Guidelines for projects under implementation;
- Departmental instructions, circulars issued from time to time; and
- Bihar Treasury Code.

2.2.5 Scope and methodology of Performance Audit

The performance audit of RKVY for the period 2008-13 was conducted between April and August 2013. Records of Director, Agriculture at headquarters and 13[1] out of 38 District Agriculture Offices were test checked. An entry conference was held in May 2013 with the Director, Agriculture to discuss the objectives, criteria and methodology of performance audit. The departmental inputs, views and concerns were appropriately considered while conducting the performance audit. The Exit Conference was held on 30 December 2013 and replies as well as department's views had been incorporated in the report at appropriate places.

2.2.6 Planning

Proper planning based on the agro-climatic condition of different area of the State is the key factor for successful and effective implementation of the scheme.The deficiencies noticed in planning under the scheme are discussed in the succeeding paragraphs:

2.2.6.1 Deficient planning

As per paragraph-3 of the RKVY guidelines, each district was required to formulate a District Agriculture Plan (DAP) based on the inputs received from *Panchayati Raj Institution* (PRI) through Gram Sabha. Similarly Agriculture department, GoB was to prepare a comprehensive State Agriculture Plan (SAP) by integrating the district plans in convergence with the other centrally sponsored scheme. The State prioritises with respect to agriculture and allied

[1] *(i) Bhojpur (ii) East Champaran (iii) Gaya (iv)Gopalaganj (v)Kisanganj (vi)Madhubani (vii) Muzaffarpur (viii) Nalanda (xi) Patna (x) Purnia (xi) Rohtas (xii) Samastipur and (xiii) Sitamarhi.*

sector as well as local priorities was required to be appropriately incorporated in the DAPs.

Scrutiny of records of Directorate of Agriculture revealed the following facts:

- The DAP was not prepared in any of the districts test checked during 2008-13.

SAPs were prepared on the basis of State priorities without inputs from Gram Sabha

- Although the SAPs were prepared during 2008-13 on the basis of State priorities but the inputs from which these plans were prepared and sanctioned were not available on records. The SAPs also did not contain the details of the projects undertaken by the allied departments. Thus, SAP was not explicit on mechanism, planning, baseline information collection, monitoring, documentation and regular reporting process.
- Physical and financial targets for the projects proposed under various programmes / sub-sector with their objective and strategies were mentioned in the SAP. It also proposed a number of promising and innovative programmes that generate hopes for rejuvenation of the agriculture sector for attaining high growth rate. However, the details of projects and their mode of implementation were not mentioned in the SAP.
- As per para 3.3 of the guidelines issued by GoI the department nominated Bihar Agricultural Management and Extension Training Institute (BAMETI) and Agricultural Technology and Management Agency (ATMA) for preparing the State and District Agriculture Plan respectively. But the BAMETI and ATMA did not prepare the SAP and DAPs for the State and districts respectively. Apart from this, the BAMETI was also responsible for research, preparation of training module and organising training programme with participation of Agriculture Scientist at State level while ATMA was to perform the same work at district level. But scrutiny revealed that BAMETI and ATMA did not perform their assigned works and acted only as fund transferring agency.

However, SAP was prepared by the department and this was not based on local agro-climatic conditions, grass root inputs and lacked convergence with other departments.

The DAOs of all 13 test checked districts accepted that the DAPs were not prepared in any district. However, the department replied (December 2013) that the SAP was prepared on the basis of Comprehensive District Agriculture Plan (CDAP) prepared for all the 38 districts. The copy of year-wise CDAP was however, not made available to audit as of December 2013 by the department.

2.2.6.2 Sanction of schemes

Paragraph-6 of RKVY guideline stipulated that State Level Sanctioning Committee (SLSC) was to be constituted under the chairmanship of Chief Secretary, Secretary and Directors of all allied departments as a member. This committee was responsible for sanctioning of projects under stream-I and

Stream-II of RKVY, monitoring the progress of the sanctioned projects/schemes, reviewing the implementation of the schemes and ensuring that no duplication of efforts or resources takes place. However, the State could choose to use the entire allocated RKVY funds under the stream-I only and in that event 100 *per cent* of the RKVY funds could have been utilised for stream-I. Thus the projects/schemes under stream-I only had been sanctioned in Bihar. This committee was to meet at least once in a quarter. Field as well as evaluation study of schemes as may be required under implementation were also to be carried out by this committee. Scrutiny of records of Director of Agriculture revealed that:

- Only six against required 20 meetings were held which indicated the lack of seriousness over the implementation of schemes right from planning to implementation stage. Further, the committee did not undertake any evaluation study during 2008-13.

SLSC meeting was much less than required

The department replied (December 2013) that the meeting of SLSC were held as per requirement and none of the scheme was taken up without the approval of SLSC. It was also stated that the review of the progress of Krishi Road Map which also included RKVY scheme, was carried out by the Chief Secretary regularly and separate review at the level of Chief Secretary was not required.

The reply of the department confirmed that the meetings of SLSC were not held as per the provisions of the guidelines according to which it was mandatory to hold at least one meeting in a quarter for regular evaluation and monitoring with regards to the progress of scheme.

2.2.7 Financial Management

The funding of RKVY was *cent per cent* through Central grant and the States were given sufficient flexibility under the scheme to make appropriate local choices so that the envisaged outcomes could be achieved.

As per funding pattern adopted by the Agriculture department in the State the fund released by GoI had been provided to the nodal department. The entire fund had been drawn by the department at headquarter level and transferred it to BAMETI who in turn transferred it to implementing agencies at district level.

The year-wise cost of projects approved by SLSC and actual release of funds by GoI for agriculture and allied sector, funds sanctioned exclusively for Agriculture Department, funds allotted and unspent balance during the period 2008-13 are detailed in the following table:

Table-2.2.1
Details showing allotment, expenditure and unspent balance of RKVY funds in the State

(₹ in crore)

Agriculture and allied sector			Agriculture Department			
Year	Project cost approved by the SLSC	Funds released by GoI	Funds sanctioned for Agriculture Department by the State	Funds allotted	Expenditure incurred	Unspent Balance (percentage)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2008-09	182.27	148.54	118.03	118.03	96.92	21.11 (18)
2009-10	137.31	110.79	107.05	107.05	76.46	30.59 (29)
2010-11	406.96	415.10	330.83	330.83	204.81	126.02 (38)
2011-12	1660.47	506.82	498.49	487.57	408.72	78.85 (16)
2012-13	2396.26	700.20	978.94	966.84	629.83	337.01 (35)
Total:	**4783.27**	**1881.45**	**2033.34**	**2010.32**	**1416.74**	**593.58 (30)**

(Source: Data furnished by the Nodal Officer, RKVY, Director of Agriculture, Bihar, Patna)

The analysis of the figures contained in table disclosed the following:

30 *per cent* of the total allotted fund remained unspent

- Against the sanction of ₹ 2033.34 crore to the Agriculture Department, the allotment made to the district implementing agencies was ₹ 2010.32 crore, out of which ₹ 1416.74 crore could only be spent during 2008-13 leaving ₹ 593.58 crore (30 *per cent*) as unspent balance.
- Against the total allotted amount of ₹ 2010.32 crore, ₹ 161.36 crore (eight *per cent*) was released to the different implementing agencies at the fag end of the year (between 8 March to 22 March) during 2008-13.
- As per para 7.2.3 of RKVY guidelines, the permissible carryover of unspent balance should be 10 *per cent* of central allocation. Any excess over the permissible limit should be adjusted in the second instalment. But it was seen that though the unspent balances ranged between 18 and 38 *per cent,* the fact was not reported to GoI.

In 13 test checked districts year-wise allotment, expenditure and unspent balances are detailed in the following table:

Table-2.2.2

Details showing allotment, expenditure and unspent balance of 13 test-checked districts

(₹ *in crore)*

Year	Allotment	Expenditure	Unspent balance
2008-09	23.31	21.96	1.35
2009-10	29.89	28.15	1.74
2010-11	85.62	70.50	15.12
2011-12	180.12	159.33	20.79
2012-13	326.06	291.59	34.47
Total	**645.00**	**571.53**	**73.47**

The analysis of the figures contained in table disclosed the following:

- In the test checked districts ₹ 571.53 crore was spent against the allotment of ₹ 645 crore leaving the unspent balance of ₹ 73.47 crore during 2008-13. The year wise and district wise status of allotment, expenditure and unspent balances are depicted in ***Appendix-2.2.1***.
- The percentage of unspent balance in three test checked districts[2] was within the permissible limit of 10 *per cent*. However, the percentage of unspent balance in 10 test checked districts[3] ranged between 10.37 and 25.82 *per cent*.

In response to audit observation the department stated (December 2013) that report of unspent balance from all the districts were being obtained and the compiled report would be sent to GoI for revalidation. The department also assured to undertake appropriate steps for timely release of fund to the DAOs and further stated that regular monitoring by the JDAs would be done to ensure optimum expenditure in ensuing three months.

The other shortcomings in the financial management of RKVY are discussed in succeeding paragraphs:

2.2.7.1 Utilisation Certificate based on release

As per para 1.3 of RKVY guidelines issued by the GoB the entire funds received from GoI was drawn at Headquarter level and transferred to BAMETI in shape of cheque/Bank Drafts, who in turn transferred the amount to implementing agencies at district level.

Utilisation Certificate submitted on the basis of release without its actual expenditure

During scrutiny of the records of the Directorate of Agriculture it was observed that ₹ 2010.32 crore[4] was transferred to BAMETI during 2008-13 and in turn BAMETI transferred the entire amount to Project Director, ATMA / DAOs and submitted the Utilisation Certificates (UCs) to the Agriculture Department of entire amount on the basis of release only. However, it was observed that the Director, Agriculture had sent the UCs for ₹ 1719.74 crore to GoI without actual expenditure as on March 2013 and the UCs for remaining ₹ 161.71crore were still to be sent as of October 2013. The

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2 *Muzaffarpur, Nalanda and Patna*

3 *Bhojpur, Gaya, Gopalganj, Kishanganj, Madhubani, Motihari, Purnea, Rohtas, Samastipur and Sitamarhi*

4 *GoI fund: ₹ 1881.45 crore and State fund: ₹ 128.87 crore*

audit finding was also substantiated by the fact that ₹ 593.58 crore was lying as unspent balance with the DAOs as per information provided by the department as of September 2013.

The department replied (December 2013) that as per procedure adopted by the Department, presently the funds are made available to BAMETI after drawal by the Director, Agriculture based on sanction and allotment order. Further, the funds are being transferred to the districts by the Director, BAMETI which in turn are being kept in the respective bank accounts by the district authorities. The department accepted the necessity of reforms in the present procedure of funding and assured to rectify the procedure of funds transfer to the implementing agency through the allotment to stop the withdrawal of fund at Directorate level.

2.2.7.2 Irregular operation of banks accounts

As per paragraph 1.3 of the guidelines issued by GoB, separate bank account was to be maintained for the RKVY scheme. The guideline issued both by GoI and the State Government did not have any mention about the mode of utilisation of interest accrued on RKVY funds deposited in different bank accounts. However, the Deputy Secretary (Finance) of DAC (GoI) directed (April 2011) that interest earned would be counted as grants-in-aid under that particular scheme for the current year and this amount would be deducted from the next instalment.

The accrued interest of ₹ 7.48 crore remained un-utilised in absence of necessary instruction from the department

Scrutiny revealed that in the test checked nine districts[5] two to eight accounts were being operated. In two districts[6] eight bank accounts were also opened in private banks.[7] Further, an interest amounting to ₹ 7.48 crore pertaining to BAMETI, Patna and 13 test checked districts was found parked in different bank accounts as of September 2013. It was seen in audit that the DAOs of the 13 test checked districts did not mention the amount of interest earned on the scheme funds in the financial progress report sent to the department. Consequently it was also not reported to GoI.

On this being pointed out by audit, all the DAOs replied[8] that the amount of interest earned on scheme funds was neither reported to the department nor utilised. They further stated that necessary instruction would be sought from the department about procedure of utilisation of interest amount accrued on the RKVY funds deposited with the banks.

Responding to the audit comments the department informed (December 2013) that instruction had already been issued (November 2013) to the implementing agency and asked for the information in the proforma containing information regarding fund received and accrued interest at the end of month. The Director also instructed the DAOs to close the accounts opened in private banks and transactions should strictly be made through nationalised bank.

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5 *(i) Bhojpur (ii) East Champaran (iii) Gaya (iv) Gopalagan, (v) Muzaffarpur (vi) Patna (vii) Purnia (viii) Samastipur and (xi) Sitamarhi.*

6 *(i) Gaya and (ii) Patna.*

7 *(i) Axis Bank and (ii) HDFC Bank*

8 *April 2013 to August 2013*

2.2.7.3 Outstanding advances

An advance of ₹ 19.32 crore remained un-adjusted

Rule 318 of Bihar Treasury Code, 2011 provides that the advance for implementation of schemes given to concerned officers and employees was to be adjusted within 12 months from the date of drawal of the advances. Scrutiny of the records of District Agriculture Offices in four[9] out of 13 test checked districts revealed that advances were given to different BAOs, Subject Matter Specialists (SMSs), Officials and Private Agencies for implementation of System of Rice Intensification (SRI) and System of Wheat Intensification (SWI) etc. during January 2011 to October 2012, but an amount of ₹ 19.32 crore[10] was lying unadjusted as of December 2013 even after lapse of 12 months.

The department accepted the audit findings (December 2013) and stated that process of adjusting the outstanding advances in all the concerned districts was under way and it would be completed by obtaining vouchers from the concerned officials. The Director, Agriculture issued an order (November 2013) to adjust amount in next three months.

2.2.7.4 Irregular maintenance of project accounts at block level

As per para 7.1.5 of RKVY guidelines, the nodal agency would ensure maintenance of project wise accounts by the implementing agencies. However, scrutiny of records of 170 out of 216 blocks of all the test checked districts revealed the following deficiencies:

- 31 out of 170 blocks did not maintain the cash book and the maintenance of the cash book pertaining to 139 blocks was not proper.
- 46 blocks did not produce the cash book and vouchers to audit even after the order of the Secretary/Director of the department (April/May 2013).

Accounts at block level were not maintained properly due to lack of proper infrastructure

In reply, the BAOs attributed improper maintenance of accounts to non-provision of accounts staff, computer operator and computer/printer. It also expressed inability to maintain the accounts as they were overburdened due to miscellaneous work entrusted by the concerned Block Development Officers (BDOs) other than Agriculture Department.

Thus, it was evident that base level project accounts of the RKVY were not being maintained properly due to lack of basic infrastructure and non-availability of manpower.

In response to audit comments the department replied (December 2013) that the BAOs neither had any separate establishment nor any Accountant or Computer Operator. It was also stated that the GoB had sanctioned (August 2012) the 534 posts each for Accountant and Computer Operator and 1068 posts of Peon-cum-Guard at block level and the process of recruitment would be started shortly.

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9 *(i) Bhojpur (₹ 0.18crore), (ii) Madhubani (₹ 0.76 crore), (iii) Muzaffarpur (₹ 16.63 crore) and (iv) Rohtas (₹ 1.75 crore)*

10 *(i) 2011-12: ₹ 2.69 crore and (ii) 2012-13: ₹ 16.63 crore.*

However, it was seen that the department failed to start the recruitment process even after expiry of more than one year from the date of sanction of post.

2.2.8 Implementation of schemes

As per para 4 of RKVY guideline issued by GoI, 17 components ***(Appendix-2.2.2)*** were identified as focus areas to be covered under RKVY. The State Government however, implemented only nine schemes ***(Appendix-2.2.3)*** and seven schemes ***(Appendix-2.2.4)*** under these components during 2008-09 and 2009-10 respectively but gradually the coverage of schemes was increased to 19 during 2010-13 ***(Appendix-2.2.5)***. The performance audit of nine major schemes[11] of Agriculture Department was carried out and important audit findings are discussed in the following paragraphs:

2.2.8.1 Information and communication

- ***Non-implementation of Agricultural Resources Information System Network (AGRISNET) project***

In order to provide agriculture related information through electronic medium and knowledge sharing among the farmers as well as policy makers and researchers through database, Agricultural Resources Information System Network (AGRISNET) project under RKVY was started[12] in 2007-08. As per para 3 of the guidelines issued by GoI, the AGRISNET Project was to be implemented in a project mode, i.e. funds under AGRISNET was to be provided to the State Government or to Autonomous bodies identified by the State Governments/Union territories on the basis of specific project proposals submitted for the purpose. The main objective of AGRISNET was to provide improved services to the farmers through latest information flow from APC to Block level.

Scrutiny of records and files relating to AGRISNET project of agriculture department for the period 2008-13 revealed the following:-

- The agencies responsible for preparation of project proposal of scheme (i.e. BAMETI and Information and Technology Department, GoB) and Agriculture Production Commissioner (APC) had taken 20 months' time[13] in submission of proposal of scheme to GoI.

- The GoI made available the first instalment of ₹ four crore for this project in March 2011 on the basis of proposal submitted by BAMETI in February 2011. But the amount remained parked (August 2013) in

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11 (1) e-Kisan Bhawan,(2)Farm mechanization, (3) Organic Farming Promotion, (4)Activities for enhancement of soil health, (5) Implementation of SRI and SWI (6) Bihar Shatabadi Tubewell, (7) Food grain storage, (8) strengthening of seed multiplication farms and (9) Bagicha Bachao

12 The Director IT, Government of India, Ministry of Agriculture, New Delhi vide his D.O. letter dated 24.04.2007 directed to submit AGRISNET Project Proposal for Bihar.

13 Since initiation of the project in June 2008 to submission in February 2011 bank account[14] and the project remained a non-starter till December 2013 despite availability of funds.

AGRISNET project has been dropped and new scheme of Kisan Portal is still to be implemented

- Further, due to non implementation of AGRISNET, a new project Kisan Portal was taken up as per the proposal contained in Agriculture Road Map for the year 2012-17 issued in April 2012. It was aimed to facilitate the information flow from State to Block level and feedback from the farmers at grass root level. Initially this system was to be installed in 124 completed e-Kisan Bhawans. It was decided (November 2012) to start the work with the available fund of ₹ four crore with BAMETI with State plan support of ₹ two crore. Further, a five-member committee[15] was formed under the chairmanship of the Secretary, Agriculture in December 2012.

Thus, the department failed to implement the AGRISNET project even after lapse of more than five years, from the date of sending the proposal for AGRISNET to GoI. Further the new scheme i.e. "Kisan Portal" which had been taken up (April 2012) in place of AGRISNET could also not be started as of December 2013.

The department admitted (December 2013) that AGRISNET project was dropped due to unavoidable reasons and MIS project (Kisan Portal) is being implemented.

- ***Slow and tardy progress in implementation of e-Kisan Bhawan***

With a view to providing all facilities such as offices to Block Agriculture Officer, Soil Testing Laboratory, up-to-date agriculture information system, training facilities, provision of different agriculture inputs under a roof at block level, the scheme for construction of e-Kisan Bhawan in all blocks (534) of the State was approved by the GoB during 2008-09 under RKVY scheme. As per procedure finalised by the department the respective District Magistrate (DM) was responsible for finalising the implementing agency. Against the aforesaid proposal, sanction of ₹ 162.82 crore for construction of 324 e-Kisan Bhawans was accorded by the department during 2008-11 which was released[16] to the District Nodal Officers. As per report submitted to the audit the construction of 124 e-Kisan Bhawans was completed at a cost of ₹ 53.94 crore as of December 2013.

The construction of e-Kisan Bhawan was very slow despite availability of fund

Further, in test-checked districts, ₹ 62.76 crore were received and sanctioned for construction of 125 e-Kisan Bhawans (February 2009 & June 2010) but only 75 e-Kisan Bhawans could be completed after incurring an expenditure of ₹ 60.66 crore as of November 2013. It was also observed that only 48 out of 75 completed e-Kisan Bhawans were handed over to BAOs till December 2013. The construction of each e-Kisan Bhawan was to be completed within six months from the date of work order by the implementing agencies. Scrutiny of records disclosed following irregularities:-

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14 *Punjab National Bank (A/C No.-000019)*

15 *Secretary, Director (BAMETI), Director (PPM), Deputy Director (Information) and Deputy Director (Headquarter)*

16 *2008-09: ₹ 68.89 crore and 2010-11: ₹ 93.93 crore*

Unauthorised occupation of five e-Kisan Bhawans and APC order to ensure the quality was not complied with

- 75 e-Kisan Bhawans were completed with delay ranging between two and three years though it was to be completed within six months from the date of issue of work order.
- Five[17] e-Kisan Bhawans in Bhojpur, Gaya and Sitamarhi districts were unauthorisedly occupied by DM (one), Block Development Officers (two), Central Reserve Police Force (CRPF) and Special Task Force (STF) respectively. No effective steps were taken by the respective DM/DAO to get the Bhawans vacated as of December 2013.
- In 10 test checked districts[18] 26 e-Kisan Bhawans were handed over without the provision of electric connection and water facility as per information furnished by the respective BAOs through proforma provided by the audit.
- As per order of APC (May 2012) an enquiry committee was to be constituted in each district to ensure the quality of work executed by the agencies in the light of various complains of people and media report. But scrutiny of the records of test checked districts revealed that the committee was formed only in Purnea district. Thus, the compliance of the order of APC was not ensured by any test checked district even after the lapse of over one year. Even in Purnia district, where the enquiry committee was constituted, there was no progress/outcome of the committee noticed as of October 2013.
- There was sub-standard execution of work in five e-Kisan Bhawnas in four districts[19] as reported by the respective BAOs.

In reply, the DAOs stated that the matter would be placed before the respective DMs to pressurise the agencies for early completion of construction as the implementing agencies were nominated by the respective DMs. The department also endorsed (December 2013) the replies of DAOs. No specific reply was furnished by the department to get the five e-Kisan Bhawans in three districts vacated and about the sub-standard work executed.

Thus, lack of proper monitoring by the respective DAOs, BAOs and the respective DMs led to slow and tardy progress in construction of e-Kisan Bhawans which ultimately affected the ambitious programme of the department to provide all agriculture related facilities through information technology to the farmers under single roof.

2.2.8.2 Farm Mechanisation

Agriculture Mechanization in agriculture was introduced by GoI (August 2007) with a view to providing improved implements and machines for different agricultural practices to increase productivity. Mechanization helps in timely land preparation, sowing and harvesting of crops. Use of improved implements for land preparation reduces the cost and time. As per para 4 (B)

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17 *Bhojpur - Charpokhari, Ara Sadar and Udwant nagar; Gaya-Imamganj and Sitamarhi- Belsand*

18 *(i) Bhojpur,(ii) Goplaganj, (iii) Kishanganj,(iv) Madhubani, (v) Muzaffarpur, (vi) Nalanda,(vii) Patna, (viii) Purnea, (xi) Rohtas and (x) Sitamarhi*

19 *(i) Bhojpur (ii) Gaya, (iii) Gopalganj and (iv) Kishanganj*

of RKVY guideline, assistance was to be provided for farm mechanisation especially for improved and gender friendly tools, implements and machineries. In Bihar, implementation of this scheme was started from January 2009 and subsidy amounting to minimum ₹ 200 and maximum ₹ 50 lakh was to be paid on 40 types of machineries and equipment (***Appendix-2.2.6***) to the targeted beneficiaries/farmers. Under this scheme ₹ 537.09 crore was released and ₹ 473.93 crore was spent leaving unspent balance of ₹ 63.69 crore ***(Appendix-2.2.7)*** with implementing agencies in the State during 2008-13. However, scrutiny of records of farm mechanisation in test checked districts revealed the following:

- ***Unauthorised payment of subsidy***

Under Farm Mechanisation scheme a maximum subsidy of ₹ five lakh was admissible to the beneficiary on purchase of GoI approved combine harvester. DAC had issued (November 2011) a list of approved combine harvester after proper test by Farm Machinery Training and Testing Institute (FMTTI) under Farm Mechanisation Programme for making payment of subsidy to the farmers. According to the list and guidelines issued by GoB, subsidy on combine harvester was admissible only on GoI approved make/model having capacity of 125 Horse Power (HP) or less.

Un-authorised expenditure of ₹ one crore in violation of guideline

Scrutiny of the records relating to subsidy payment on Combine Harvester of three districts[20] revealed that subsidy amounting to ₹ one crore was provided to 20 beneficiaries ***(Appendix-2.2.8)*** who purchased Combine Harvester of the capacities ranging between 128 and 130 HP as against the permissible capacity of 125 HP in contravention to the guidelines issued by the department.

On this being pointed out, the department endorsed the copies of the replies submitted by DAO's which stated (July to September 2013) that matter would be investigated. Thus, the subsidy paid to 20 farmers amounting to ₹ one crore was unauthorised.

- ***Irregular payment of subsidy***

As per guidelines of Farm Mechanisation issued by GoB, the applications from the willing farmers were to be collected by the BAO/SMS at the block level with recommendation of Panchayat representative. After enlisting the applications, the sanction letters were to be issued by DAOs according to target fixed for each block on first come first serve basis. Further, physical verification was to be done as per engine number mentioned on cash memo and report was to be submitted within two to six months from the date of purchase of machinery. In addition, the beneficiary were to necessarily have main agricultural machinery and equipment for receiving auxiliary agricultural machinery and equipment and according to guideline of Farm Mechanisation issued by the State Government, the recipient farmers of subsidy for Combine Harvester had to compulsorily have Straw Reaper.

[20] *(i) Gopalganj- 7, (ii) Nalanda- 4 and (iii) Rohtas-9*

There was an irregular expenditure of ₹ 9.31 crore on subsidy for agriculture implements in violation of guidelines

Scrutiny of the records relating to subsidy payment on distribution of farm implements in 12 test checked districts[21] revealed that no application register was maintained at the block level, the columns of application form were not filled properly such as details of land possession certificate, sign of identification, application number, name of equipment etc. were not filled up. Recommendation of Panchayat representative was not obtained and physical verification of implements was not done as per provision of guidelines. In three districts[22] Combine Harvesters were distributed to farmers without Straw Reapers. In five districts[23] Rotavator, Disc Harrow and Power Thresher were distributed but the necessary documents like owner book, registration number, purchase vouchers and insurance etc. of tractor were not obtained from the beneficiaries before issuing sanction order though required under guidelines. Thus, the authenticity of the payment of subsidies to the above beneficiaries amounting to ₹ 9.31 crore (***Appendix-2.2.9***) could not be established in audit.

In reply, the DAOs stated that the records of the concerned beneficiaries would be thoroughly checked and necessary documents would be obtained. It would be ensured that the Combine Harvester with Straw Reaper were given in future. They also assured to issue instructions to BAOs for maintenance of Application Register. The department did not provide any specific reply rather endorsed (December 2013) the replies of DAOs.

Thus, subsidy under this scheme was being provided to beneficiaries without adhering to the provisions of the scheme guidelines.

- ***Excess Payment***

According to guidelines issued by GoB relating to Farm Mechanisation, subsidy was to be paid to the beneficiary in the following manner:

Table-2.2.3

Sl. No.	Name of machine covered under Farm Mechanisation	Amount of subsidy to be given
1	Combine Harvester (Self propelled or tractor driven)	50 *per cent* of its cost or subject to maximum ₹ five lakh
2	Power Beader	80 *per cent* of its cost or maximum ₹ 30,000
3	Rotavator	50 *per cent* of its cost or maximum ₹ 40,000

Scrutiny of the records relating to subsidy on farm mechanisation pertaining to two[24] out of 13 test checked districts revealed that cost of tractors was included with the cost of Combine Harvester and maximum ₹ five lakh was paid to five beneficiaries resulting in excess payment of subsidy (***Appendix-2.2.10)***.

In reply the DAOs stated (December 2013) that the process of recovery of excess paid subsidy in two districts was under way and the audit findings had been accepted by the department. Thus, excess payment on account of subsidy was made to the beneficiaries in contravention to the scheme guidelines.

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21 *(i) Bhojpur,(ii) East Champaran, (iii) Gaya, (iv) Kisanganj, (v) Madhubani, (vi) Muzaffarpur, (vii) Nalanda,(viii) Patna, (ix) Purnia, (x) Rohtas,(xi) Samastipur and (xii) Sitmarhi*

22 *(i) Bhojpur,(ii) Nalanda and (iii) Rohtas*

23 *(i) Gaya, (ii) Kishanganj, (iii) Nalanda, (iv) Samastpiur and (v) Sitamarhi*

24 *(i) Gaya and (ii) Nalanda*

2.2.8.3 Organic Farming Promotion Scheme

This scheme was launched (2010-11) by GoB as a scheme under RKVY to provide support for decentralised production of organic fertiliser at the village level along with marketing. The *vermi* composting is aimed with introduction of superior technology for better production. This scheme was aimed to promote the use of organic fertiliser in farming and minimise the imbalanced use of chemical fertiliser.

As per para number 3, 4 and 5 of the guidelines issued by GoB, it was envisaged that the applications from the desiring farmers were to be collected by the BAO/SMS at the block level with recommendation of Panchayat representative with all columns properly filled up. After enlisting the applications the sanction letters were to be issued by DAO according to target fixed for each block on the basis of first come first serve basis. Subsidy was to be granted at the rate of 50 *per cent* of the construction cost subject to maximum ₹ 3000 per unit for *pucca* construction and ₹ 5000 per unit for High Density Polyethylene (HDPE). The subsidy on maximum 10 units to each beneficiary was to be provided. The payment was to be made in at least two instalments first after construction/installation of structure and second after starting the production. The second instalment was to be released only after proper physical verification by the designated officers authorised for the same. Under this scheme ₹ 272.16 crore was released and ₹ 113.05 crore was spent in the State during 2010-13. The expenditure was ₹ 37.56 crore against the allotment of ₹ 40.62 crore in the 13 test checked districts during the same period which is detailed in the following table:

Table-2.2.4
Details regarding release, expenditure and unspent balance during 2010-13:

(₹ in crore)

	Release	Expenditure	Unspent Balance
State	272.16	113.05	159.11
Test-checked districts	40.62	37.56	3.06

Scrutiny of the records relating to Organic Farming Promotion Scheme revealed that the application register was not being maintained at block level and the DAO had been receiving the applications from BAO/Subject Matter Specialist. The enlistment of only selected beneficiaries was carried out and thus, the objective of first-come-first serve was not fulfilled. Further, the payment of subsidy was made in one instalment without physical verification of *vermi* production.

The DAOs replied that necessary instructions would be issued for maintaining the application register at block level to ensure "first-come-first-serve" principle as per guidelines issued by GoB for implementation of scheme. The department did not provide any specific reply (December 2013), rather endorsed the replies of respective DAOs.

The other shortcomings noticed during course of scrutiny of records relating to organic farming promotion scheme revealed the following:

- ***Excess Payment***

Excess payment of ₹ 4.85 crore to beneficiaries on subsidy of HDPE in violation of guidelines

Scrutiny of records relating to HDPE in nine test checked districts[25] revealed that cent *per cent* cost of HDPE was paid (₹ 9.70 crore) to the suppliers during 2010-13 instead of 50 *per cent* of the cost of *vermi* bed in violation of the scheme guidelines. Thus, the payment of cent *per cent* cost of HDPE to the supplier without consent of beneficiaries led to excess payment of ₹ 4.85 crore (***Appendix-2.2.11***) in contravention to the scheme guidelines.

The DAOs assured to take corrective action in the light of audit observations and stated that the payment of subsidy would be made after obtaining the statement of cost from the beneficiaries. The department did not furnish any specific reply (December 2013).

- ***Irregular payment of subsidy***

As per para 3 of the guidelines issued by GoB for Organic Farming Promotion Scheme, applications were to be collected from the desired beneficiaries and entered in the application register. The selected beneficiaries were to purchase/construct HDPE/ Pucca structure on their own cost and the subsidy were payable after submission of their claims and physical verification by the designated officials. Subsidy on HDPE/Pucca structure was to be paid to those beneficiaries having their own cattle or they would purchase the dung at their own cost. However, the subsidy for HDPE and pucca structure was to be limited to 50 *per cent* of the construction cost subject to maximum ₹ 5000 and ₹ 3000 per unit respectively.

Rupees 6.11 crore was directly paid to suppliers for pucca vermi bed though prohibited under guidelines

Scrutiny of the records of DAOs revealed that in four test checked districts[26] DAOs ordered the suppliers to supply/construct the HDPE/*Pucca* structure and made payment of ₹ 6.11 crore directly to the suppliers and especially in Sitamarhi district, DAO had issued order to the suppliers to even collect the application also from the beneficiaries, train them and construct the *pucca* vermi bed. Further, 50 *per cent* of cost of dung amounting to ₹ 1.12 crore was unauthorisedly paid to the beneficiaries in three districts[27].

The DAOs replied that in absence of clear cut instruction of the department, the 50 *per cent* cost of dung had been paid. The reply was contrary to the provisions of guidelines as only 50 *per cent* of unit and its installation cost was to be paid as subsidy to the beneficiaries. The cost of dung was not to be paid as the beneficiaries under this scheme were to purchase dung at their own cost. The department also enclosed (December 2013) the reply of concerned DAOs.

Thus the payment of ₹ 1.12 crore as a 50 *per cent* cost of dung was unauthorised and in contravention of the provision of scheme guidelines.

2.2.8.4 Activities for enhancement of soil health

Para 4 (C) of RKVY guidelines provides for efficient quality control of inputs for enhancing the soil health. The scheme for preparing soil health card and

25 *(i) Bhojpur, (ii) East Champaran, (iii) Gaya, (iv) Gopalganj, (v) Kishanganj, (vi) Patna, (vii) Purnea, (viii) Samastipur and (ix) Sitamarhi*

26 *(i) Bhojpur (₹ 1.44 crore), (ii) Madhubani (₹ 2.74 crore), (iii) Nalanda (₹ 0.71 crore), and (iv) Sitamarhi (₹ 1.22 crore)*

27 *(i) Bhojpur (₹ 26.10 lakh), (ii) Madhubani (₹ 3.46 lakh) and (iii) Nalanda (₹ 82.40 lakh) = ₹ 1.12 crore*

fertility mapping was launched by GoB in October 2011. The audit findings on this scheme are being discussed in the succeeding paragraphs:

- ***Non preparation of soil health card and fertility mapping***

Soil health card and fertility mapping not done despite availability of fund

The department had sanctioned ₹ 3.09 crore during 2011-12 for strengthening the soil testing laboratories, for issue of soil health card and fertility mapping. Twenty four districts of the State were covered under this scheme. Under this scheme the sample of soil was to be collected from each revenue village and after analysis soil fertility map was to be formulated. Its objective was to assess Panchayat wise fertility and formulation of district wise fertility map.

Scrutiny of records pertaining to 11 test checked districts[28] covered under this scheme revealed that the work of fertility mapping was not carried out in any of the test checked districts. Further, the Deputy Director Farm, Purnea purchased godrej table, stool and chemicals worth ₹ 3.10 lakh in December 2012 from its fund whereas the remaining amount of ₹ 11.28 lakh was lying unutilised as of July 2013. However, of ₹ 1.42 crore allotted (October 2011) to 10 out of 13 test checked districts, ₹ 1.14 crore remained unutilised as of October 2013.

The department accepted the audit findings (December 2013) and stated that the tendering process for preparation of soil health card and fertility map was under way and it would be started shortly.

Thus, the intended objective of the scheme could not be achieved as of December 2013.

2.2.8.5 Implementation of System of Rice Intensification (SRI) and System of Wheat Intensification (SWI) scheme

Quality of ingredients was not ensured before distribution among the farmers though expenditure of ₹ 144.70 crore was incurred

As per para 4 (A) of guideline of RKVY, assistance can be provided for making available certified/Hybrid seeds to farmers, production of breeder seed, purchase of breeder seed from institutions such as ICAR, public sector seed corporations, production of foundation seed, production of certified seed and seed treatment. The cultivation of wheat through SWI and paddy through SRI by using hybrid variety is aimed for substantial increase in production. This is an important component of RKVY and implemented in cluster to make awareness among the farmers with regards to benefit of this scheme. The ingredients such as *vermi* compost, fertiliser and micro nutrients were to be made available to the beneficiaries at camps organised at block level. The supplying firms as enlisted by the DAO were to set up their stall at camp site and the farmers were to purchase the materials from the supplier. The BAOs were responsible to make payment to the farmers on production of cash memo by the beneficiaries. The implementation of the scheme was started from 2010-11 and total coverage during 2010-13 in test checked districts was 604867.90 acre against targeted area of 634622.90 acre after incurring an expenditure of ₹ 144.70 crore.

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28 *(i) Bhojpur (ii) East Champaran (iii) Gaya (iv) Gopalganj (v) Madhubani (vi) Muzaffarpur (vii) Nalanda (viii) Patna (ix) Purnia(x) Samastipur and (xi) Sitamarhi.*

Scrutiny of records revealed the following facts:

- The Director, Agriculture stated (July 2011 and May 2012) that during inspection in some districts it was seen that SRI was not implemented as per norms and hybrid seeds were used instead of certified seeds.
- The Director, Agriculture directed (June 2012) the district nodal officer to undertake spot inspection of the randomly selected Blocks/ Gram Panchayats about the actual position of SWI demonstration of Arhar and hybrid paddy, but no such inspection report was made available to audit though called for.
- The quality test of micro nutrients and *vermi* compost should have been ensured before distributing among the farmers. But, the test reports of the samples taken by the SAO were not on records in test checked districts though called for. However, as per information provided (January 2014) by the Deputy Director (Quality Control) out of 610 samples[29] received during 2010-13, the testing of only 537 samples[30] was carried out and of these 160 samples[31] were found sub-standard.

The DAOs accepted that the quality test of inputs was not ensured before the distribution of ingredients among the farmers. DAOs also stated that adoption rate of SWI and SRI technique by the beneficiary was poor and assured to take effective action to increase the adoption rate. The department only endorsed (December 2013) the replies of concerned DAOs.

Thus, the quality of supply of micro nutrients and vermi compost was not ensured before distribution.

2.2.8.6 Implementation of Bihar *Shatabdi* Tube-Well scheme

Due to heavy demand of shallow tubewell, GoB introduced (August 2011) a sub scheme (Extension scheme of Green Revolution) under RKVY. Under this scheme subsidy of maximum ₹ 12000 was admissible to the farmers for 120 feet deep shallow tubewell and pump set based on demands and survey. Nalanda and Samastipur districts were selected (August 2011) as pilot project for one block in each district. Later on (November 2012) the sub scheme was extended to further 21 districts[32]. APC through amendment letter (October 2011) instructed that shallow tubewell and pump set should be installed under 6.5 meter depth from the surface to facilitate the uninterrupted water availability even during the summer season. It also issued orders to constitute a committee comprising Executive/Assistant Engineer of Minor Irrigation and Agriculture Engineer to decide the payment schedule of different components of the tubewell such as drilling charge, cost of pipe, accessories and construction of 6.5 meter deep RCC pit for tubewells having depth of less than

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29 *(Micro nutrients-371 and Vermi compost-239)*

30 *(Micro nutrients-303 and Vermi compost-234)*

31 *(Micro nutrients-35 and Vermi compost-125)*

32 *(i) Arwal, (ii) Banka, (iii) Begusarai, (iv) Bhagalpur, (v) Bhojpur, (vi) Buxar, (vii) Darbhanga, (viii) East Champaran, (ix) Gopalganj, (x) Jehanabad, (xi) Jamui, (xii) Madhubani, (xiii) Muzaffarpur, (xiv) Patna, (xv) Rohtas, (xvi) Saran, (xvii) Sheohar (xviii) Sitamarhi, (xix) Siwan, (xx) Vaishali and (xxi) West Champaran.*

120 meter and to decide the proportionate payment schedule according to variation of depth of tubewell.

As per the guidelines the selection of beneficiaries was to be based on the application received by the SMS/BAO based on survey report. The farmers were given liberty to purchase the pipe and accessories as per their choice during the camp organised for this scheme. Payment was to be made after the physical verification by the BAO and after ensuring successful running of tubewell of at least eight hour. The sanction of ₹ 39 crore[33] was accorded by the State and the entire fund was released during 2011-13 against which an expenditure of ₹ 10.63 crore[34] was incurred.

Scrutiny relating to records of implementation of this scheme in test checked districts revealed that against the target of 18441 shallow tube wells and 4909 pump sets, only 7650 shallow tube wells and 1710 pump sets were achieved respectively as of August 2013 at a cost of ₹ 5.54 crore. The following irregularities were observed during audit:

- ***Payment without work***

Scrutiny of records of DAO, Nalanda and Samastipur revealed that 2510 and 4128 tube wells respectively against the target of 6000 tube wells each were reported completed at an expenditure of ₹ 5.20 crore. According to approved model estimate of tube well, Reinforced Concrete Cement (RCC) pit was to be constructed for installation of pump at an estimated cost of ₹ 5200 each RCC pit.

The payment of ₹ 3.44 crore could not be authenticated without construction of RCC pit in violation of APC order

The scrutiny of individual scheme case records of the beneficiaries comprising application, sanction letter issued by BAO, physical verification report of BAO along with photographs of beneficiaries revealed that the construction of RCC pit was neither mentioned in the physical verification report nor exhibited in photographs. Therefore the payment made to 6638 beneficiaries amounting ₹ 3.44 crore[35] on account of construction of RCC pit could not be authenticated in audit. Thus, the payment was made without construction of RCC pits in the constructed tube wells by ignoring the physical verification reports of the BAO and photographs attached with the documents.

On this being pointed out, the DAO Samastipur replied that the chart prepared by Executive Engineer, Minor Irrigation Division did not have the mention of RCC pit whereas DAO Nalanda had assured to investigate the matter.

The reply of DAO Samstipur was contrary to the facts as the chart approved by DM had the model estimate containing RCC pit. The department only enclosed (December 2013) the replies of concerned DAOs instead of giving their own views.

- ***Excess payment***

The authorised committee (for approval of rate of tube well) in Samastipur and Nalanda district approved the model estimate of NABARD which stipulated the rate of drilling as well as pipe as ₹ 100 per meter and as such the rate per

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[33] *2011-12-₹21 crore and 2012-13- ₹ 18 crore*

[34] *2011-12-₹5.20 crore and 2012-13- ₹ 5.43 crore*

[35] *6638x5200= ₹ 3.44 crore*

The excess payment of ₹ 5.41 crore was made in contravention of committee's decision and guidelines

foot comes to ₹ 30.58 (say ₹ 31). The scrutiny of payment vouchers made available to audit in Samastipur and Nalanda district pertaining to 16 beneficiaries revealed that the payment was made at the rate of ₹ 70 and ₹ 120 per foot for drilling charges and ₹ 66 and ₹ 140 per foot for the cost of pipe respectively. Thus, there was an excess payment of ₹ 39 and ₹ 89 per foot as drilling charge and ₹ 35 and ₹ 109 per foot for the cost of pipe respectively. Thus, there was an excess payment of ₹ 5.41 crore ***(Appendix-2.2.12)***.

The DAO, Samastipur justified (December 2013) the rate of payment but the reply of DAO was not acceptable as the payment on account of drilling charges and cost of pipes was not made as per approved rate of DM. However the DAO, Nalanda assured (December 2013) for proper action after carrying out the detail examination of records. The department did not furnish (December 2013) any specific reply, rather endorsed the reply of concerned DAO which justified the rate of payment.

During audit in other test checked districts the following irregularities were also noticed:

- In six districts neither the committee was constituted nor standard chart was prepared which resulted in non-payment of subsidy among 1425 beneficiaries[36] despite execution of the work. In Patna district committee was constituted but neither the survey was conducted nor standard chart was finalised.

The DAOs replied (December 2013) that the process of constituting the committee and finalisation of the standard chart for determining the rate of drilling charges as well as cost of pipe is under way.

2.2.8.7 Foodgrain storage scheme

Though there are number of programmes for increasing food grain production but the food grain storage scheme was introduced in the State during the year 2011-12 to prevent damage of foodgrain which was approximately 20 to 30 *per cent* or even more due to improper and inadequate storage facilities. According to guidelines, subsidy of 50 *per cent* of construction cost of 200 MT godown subject to maximum of ₹ five lakh was to be given to beneficiary.

Against the sanction of ₹ 47.70 crore (2011-13) for the State, the funds released and expenditure there against was ₹ 47.70 crore and ₹ 27.50 crore respectively. Further, in test checked districts, only 196 godowns against targeted 299 godowns were constructed at a cost of ₹ 4.30 crore as of August 2013. Details of release, expenditure and unspent balance in the State and test checked districts are in the following table:

[36] *(i) Bhojpur-200, (ii) Gopalganj-110, (iii) Madhubani-302, (iv) Motihari-510, (v) Rohtas-185 and (vi) Sitamarhi-118*

Table-2.2.5
Details of funds released, expenditure and unspent balance lying in the State and test checked districts during 2011-13

(₹ in crore)

Particulars	Release	Expenditure	Unspent Balance
State	47.70	27.50	20.20
Test-checked districts	14.95	4.30	10.65

Scrutiny of related records of implementation of this scheme disclosed the following:

- ***Construction of godown***

The godown was to be constructed by the beneficiaries at their own cost. Subsidy of 50 *per cent* of the construction cost subject to maximum ₹ five lakh was to be paid only after physical verification by the Agriculture Engineer/ JDA (Engineering). As per guidelines issued by GoB, roof of godown was to be covered by Tubular Trus or on pipe six mm Asbestos sheets.

Scrutiny of records relating to construction of godown in 11 test checked districts[37] revealed the following:

23 godowns were not constructed as per the specification. ₹ 3.25 crore was withdrawn from treasury in violation of Bihar Treasury Code

- 23 godowns[38] were constructed with RCC roof in lieu of Asbestos sheet. Further, the terms of agreement did not have any legal binding to ensure the use of godown by other farmers of the Village/ Pachayat and there was possibility of misuse of these godowns for residential purposes after obtaining subsidies.

Photograph of godown constructed in village Shambhuar of Madhubani district

- The joint physical verification[39] of ten[40] godowns in four out of 13 test checked districts exhibited RCC roof in lieu of asbestos sheet and 20 residential rooms in the front side with designed window on which payment of subsidy amounting ₹ 50 lakh was made to the ten beneficiaries.

37 *(i) Bhojpur, (ii) East Champaran, (iii) Gaya, (iv) Gopalaganj, (v) Madhubani, (vi) Muzaffarpur, (vii) Nalanda, (viii) Patna, (ix) Purnia,(x) Rohtas, and (xi)Sitmarhi*

38 *(i) Bhojpur (4) ,(ii) Gaya (7), (iii) Gopalganj (3), (iv) Madhubani (2), (v) Muzaffarpur (1), (vi) Purnia(3) and (vii) Rohtas (3)*

39 *With Block Agriculture Officers*

40 *(i) Bhojpur(2), (ii) Gaya (3), (iii) Madhubani (2) and (iv) Purnea (3)*

- In contravention of Rule 300 of Bihar Treasury Code, ₹ 3.25 crore was withdrawn from the treasury in the month of March 2013 to avoid the lapse of funds as the entire fund was lying unutilised in four districts[41] as of December 2013.

The DAOs accepted (December 2013) the audit finding and assured to take corrective action as per observation made by audit. They also stated that the funds were drawn in anticipation of payment to the beneficiaries who had been given sanction order for construction of godowns and the payment would be made after physical verification. The department only enclosed (December 2013) the replies of concerned DAOs instead of giving their own views.

2.2.8.8 Strengthening of seed multiplication Farms

There was decrease in production in seed multiplication farms despite pumping of ₹ 51.12 crore

As per para 4 (e) of guidelines issued by the GoI, State farms that are used for both research and seed production purposes may be provided funds in a project mode covering aspects such as land development, creation of irrigation facilities, upgrading technology etc. The fund for fencing work, provision of irrigation facility, farm mechanisation and levelling of land was provided for upgradation and strengthening of farms under RKVY to Sub-divisional Agriculture Officers (SAOs) to manage the agriculture farms under them for quality production of seeds during 2008-11. Under this component, a sum of ₹ 81.20 crore was sanctioned for the State and funds were released and expenditure thereagainst were ₹ 81.20 crore and ₹ 51.12 crore respectively. Details of release, expenditure and unspent balance in the state and test checked districts are in the following table:

Table-2.2.6

Details of funds released, expenditure incurred and unspent balance lying in the State and test checked districts during 2008-11:

(₹ in crore)

Particulars	Release	Expenditure	Unspent Balance
State	81.20	51.12	30.08
Test-checked districts	18.24	15.71	2.53

Scrutiny of records of 20 SAOs in 11 out of 13 test checked districts revealed that ₹ 18.24 crore was allotted to them during 2008-11 for barbed fencing, levelling of land, purchase of tractor, rotavator, land leveller etc. and for providing irrigation facility to all 58 farms. All the works were executed by Farm Manager at an expenditure of ₹ 15.71 crore during 2008-11. Apart from this, separate funds of ₹ 5.97 crore were also provided for recurring expenditure for farming. The production of wheat, paddy and cereals in the year 2010-13 was 53536.5 quintal in these farms. Further, scrutiny revealed the following:

41 *(i) Gaya (₹0.50 crore), (ii) Muzaffarpur, (₹ 0.65 crore) (iii) Nalanda (₹ 1.60 crore) and (iv) Patna (₹ 0.50 crore)*

- In seven districts[42] the decrease was noticed in production of cereals ranging between 4 and 48 *per cent* while in three districts[43] increase in production of cereals ranging between eight and 22 *per cent* was noticed during the year 2012-13 as compared to 2011-12.
- In Bhojpur district, Deputy Director of Agriculture (Farm) inspected (May 2011) farm and found quality of barbed fencing as sub-standard and recommended to recover the amount of ₹ 18 lakh from the salary of Farm Assistant, but action taken on the recommendation was not made available to audit though called for (August 2013).

The department enclosed (December 2013) the replies of concerned SAOs. In reply the SAOs stated that the decrease of the production was mainly due to adverse climatic condition such as drought and flood etc. and lack of manpower and assured to take step for increasing the production.

2.2.8.9 Bagicha Bachao Scheme

Bagicha Bachao scheme under RKVY was started in the State by the Agriculture Department during 2012-13 for the safety of plants from insects through proper maintenance like ploughing, lime painting with mixed insecticides in order to increase the fruit production. Under this scheme the District Horticulture Officer was to undertake a detailed survey of the entire bagicha detailing the types and age of the trees. Accordingly, the scheme was to be implemented by nominating the respective Kisan Salahkar for all the works right from ploughing to lime painting, mapping etc. just after first break of monsoon (July). All the related works were to be completed during August to October. The responsibility for monitoring of scheme was entrusted to DAO and DHO.

Implementation of Bagicha Bachoo scheme was not done within the specified time which led to non-achievement of intended results

Scrutiny of records pertaining to Bagicha Bachao scheme relating to test checked districts revealed that only ₹ 10.93 crore out of allotted ₹ 22.79 crore was spent and out of that ₹ 4.96 crore was surrendered (February 2013) and ₹ 6.90 crore was parked (September 2013) in banks. The scheme could not be completed within the prescribed period of August to October due to delay in release of funds (i.e. last week of September). It was further observed that the cross checking of implementation of the scheme through random selection was not done despite orders (October 2012) of Secretary-cum-Mission Director.

In reply, the DHOs attributed delay in receipt of funds for non completion of scheme. Thus, the Bagicha Bachao Scheme in its first year of execution did not achieve the intended results in the State.

2.2.9 Internal control mechanism

As per para 8 (iv) of guidelines read with para 6.3 of the guidelines issued by GoI, the progress and implementation of the scheme is to be monitored by a SLSC in each State and shall be comprised of Secretary of the State Government and representative of DAC. SLSC will *interalia* be responsible for monitoring and sanctioning of projects/schemes, reviewing the implementation of the schemes objectives and ensuring that programmes are

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42 *(i) Bhojpur,(ii) Gaya, (iii) Kishanganj,(iv) Muzaffarpur,(v) Nalanda,(vi) Purnea and (vii) Rohtas*

43 *(i) Gopalganj, (ii) Patna and (iii) Sitamarhi*

implemented in accordance with the norms laid down in the scheme guidelines, commissioning/undertaking field studies to monitor the implementation of the projects and initiating evaluation studies from time to time, as may be required. The comments on the functioning of SLSC with regards to monitoring and evaluation of the schemes had already been mentioned in the para 2.2.6.2 of this report. Further, there was no other internal control mechanism in place.

The department replied (October 2013) that the process of internal audit was being done and evaluation study was being conducted during 2013-14.

2.2.10 Monitoring and Evaluation

The monitoring mechanism was deficient and evaluation study not conducted by the department

Effective and contemporaneous monitoring is an essential factor for successful implementation of the scheme to facilitate the maximum achievement of intended objective. As per guidelines issued by the State Government for each sub scheme, at least 15, 30 and 50 *per cent* inspections were to be carried out by the JDA, DAO and SAO respectively. But during scrutiny of records of 13 out of 38 districts test checked, no such monitoring report was available on the record though called for (June to September 2013). The Director, Agriculture instructed (July 2011) the DAOs to ensure the adoption of System of Rice Intensification (SRI) method as per norms but the follow up action was not on record though called for (June to September 2013). The instructions of Director issued (June 2012) to DAOs for spot inspections of the randomly selected Blocks/Gram Panchayats to know the actual position of SWI demonstration were not complied with in any of the test checked districts.

Except one evaluation study conducted by NIRD for planning only, no evaluation study was conducted by the department during 2008-13.

Thus, the monitoring and evaluation of the scheme was inadequate and not in conformity with the guidelines.

2.2.11 Conclusion

In the State like Bihar that has vast untapped potential and natural endowments, RKVY could have done wonders in the Agriculture sector but deficient planning and inability to utilize the earmarked funds limited the outcomes of scheme. In implementation, slow progress of construction of e-Kisan Bhawan badly affected the intended programme for providing intended facilities to the farmers through information technology under single roof. Although the progress under Farm mechanisation was satisfactory, the case of excess payment, unauthorised and irregular payments were detected due to failure of the district nodal officers to observe the State guidelines. The status of production of vermi compost by HDPE and *pucca* structure recipients beneficiaries was not ensured which led to non-achievement of intended objectives of promotion of organic farming. The micronutrients were distributed without preparing soil Health Card and fertility mapping. The Government guideline was not adhered with regards to implementation of Bihar *Shatabdi* tube well scheme leading to inadequate progress, excess payment and payment without work. The status of construction of godowns was also not in line with the scheme guidelines. The internal control mechanism was not in place. The monitoring at each stage was inadequate as no evaluation study was conducted during 2008-13 except one by NIRD for planning portion only.

2.2.12 Recommendations

The Government should ensure that:

- Planning process should start from grass root level to facilitate the preparation of projects based on both local and State priorities.
- Infrastructure at Block level should be strengthened with provision of adequate staff.
- The implementations of the entire scheme should be based on demand, and not on target, to achieve the intended objectives.
- Commercial/domestic production of vermi compost should be intensified to avoid the distribution of substandard manure among beneficiaries.
- Internal control mechanism should be put in place.
- Monitoring at each stage and periodical evaluation should be ensured.

INFORMATION TECHNOLOGY DEPARTMENT

2.3 National e-Governance Plan

Executive Summary

Introduction

National e-Governance Plan was introduced to make all Government services accessible to common man in his locality, through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable cost to realise his basic needs. The e-Governance scheme broadly consists of the five major components i.e. State Wide Area Network (SWAN), State Data Centre (SDC), State Service Delivery Gateway (SSDG), Common Service Centres (CSCs) and Mission Mode Project (e-District).

(Paragraph 2.3.1)

Financial information

The available funds and expenditure under the above mentioned five components was ₹ 321.88 crore and ₹ 213.90 crore respectively during 2006-13 indicating utilisation of only 66 *per cent* of the available funds. Further, utilisation of available funds was 90 *per cent* in BSWAN whereas, it was 30 *per cent*, 84 *per cent*, nine *per cent* and eight *per cent* only in respect of CSC, e-District, SDC and SSDG respectively. This indicated an unbalanced development of components of NeGP in the State.

(Paragraph 2.3.5)

Implementation of Bihar State Wide Area Network (BSWAN)

The State constituted a State Level SWAN Project Implementation Committee after delay of six months and MoU with Bharat Sanchar Nigam Limited (BSNL) for providing Bandwidth was signed after delay of nine months from the date of approval (October 2006) of Government of India. The Service provider agency M/s Tata Consultancy Services (M/s TCS) had neither configured Network Monitoring System nor integrated BSWAN with other networks like National Informatics Centre Network (NICNET) to provide wide access network to BSWAN. Hence, the facilities available with NICNET were not made available under BSWAN network. In addition, M/s TCS did not connect/configure Integrated Services Digital Network (ISDN) line from District Head Quarter (DHQ) and Block Head Quarter BHQ to State Head Quarter (SHQ) as backup link for network availability till date of audit October 2013). Due to non-configuration of ISDN Primary Rate Interface (PRI)/Basic Rate Interface (BRI) line, the department did not utilise the ISDN link as backup line and failed to achieve the target of 99.5 *per cent* and 99 *per cent* of network availability at DHQ and BHQ. The Final Acceptance Test (FAT) was issued[1] to M/s TCS by State Designated Agency (SDA) without clearing the functionality test of all equipment which were mentioned in schedule of the agreement (August 2008). Further, SDA made payment of ₹ 3.12 crore to M/s TCS without ensuring prescribed network availability. Above all, neither the Government identified the personnel for training nor M/s TCS had made the training roll out plan/training calendar for imparting

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[1] *Between 22.9.2008 and 25.3.2010*

training to the Government personnel to take over the network operation from M/s TCS to the Government by September 2013.

(Paragraph 2.3.6 to 2.3.8.7)

Implementation of Common Service Centre (CSC)

Master Service Agreement (MSA) to establish Common Service Centres (CSCs) was executed in 7840 out of 8463 panchayats. Contrary to the guidelines of Department of Information Technology, Government of India (GoI), MoU was neither signed with concerned departments to enable a timely delivery of Government Services nor appropriate enablement plan was developed to provide G2C services through the CSCs. Further, SDA did not appoint Special Purpose Vehicle (SPV) and State Anchor to lay down operating and financial discipline within the CSCs though it was essential.

(*Paragraph 2.3.9 to 2.3.11.7*)

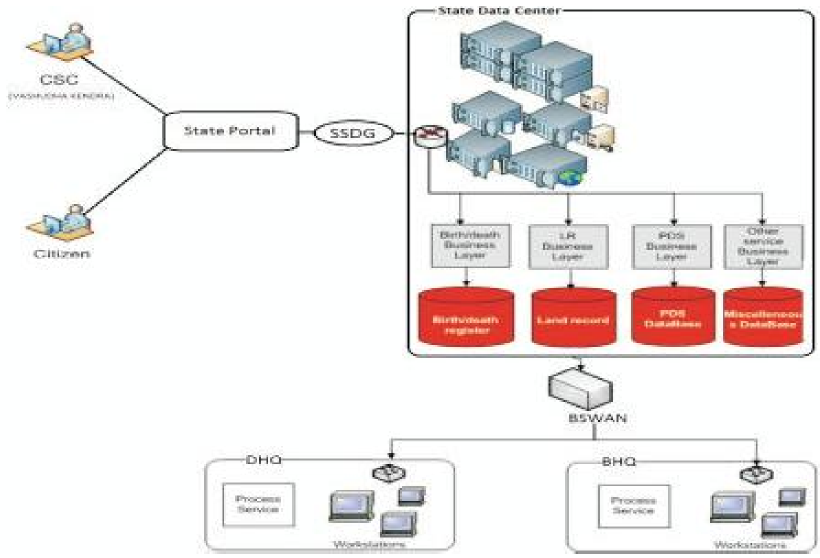
2.3.1 Introduction

The National e-Governance Plan (NeGP) was first conceived by the Department of Electronics and Information Technology (DEITY) (erstwhile Department of Information Technology - DIT) and the Department of Administrative Reform & Public Grievances (DAR & PG) in 2003, and approved by the GoI in 2003. The primary vision of NeGP was to make all Government services accessible to the common man in his locality, through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable costs to realise his basic needs. Twenty two Mission Mode Projects (MMPs) were identified as a part of NeGP with the common aim of improving delivery of Government services to citizens and business. The Union Cabinet approved (May 2006) an integrated approach for implementation of e-Governance programme where DEITY had a pivotal role in providing guidance to the States/ Union Territory (UTs) for implementation of the component schemes of NeGP and co-ordinating between the Central Line Ministries and the States/UTs for implementation of MMPs. The States/UTs were vested with the responsibility of actual implementation of the programme. The e-Governance scheme broadly consisted of the following major components:

- Core infrastructure (State Wide Area Net Work (SWAN), State Data Centre (SDC) and State Service Delivery Gateway (SSDG),
- Mission Mode Projects (MMPs)-Back end, and
- Common Service Centres (CSCs)- Front end

A detail configuration of NeGP is given in the chart number 2.3.1:

Chart-2.3.1

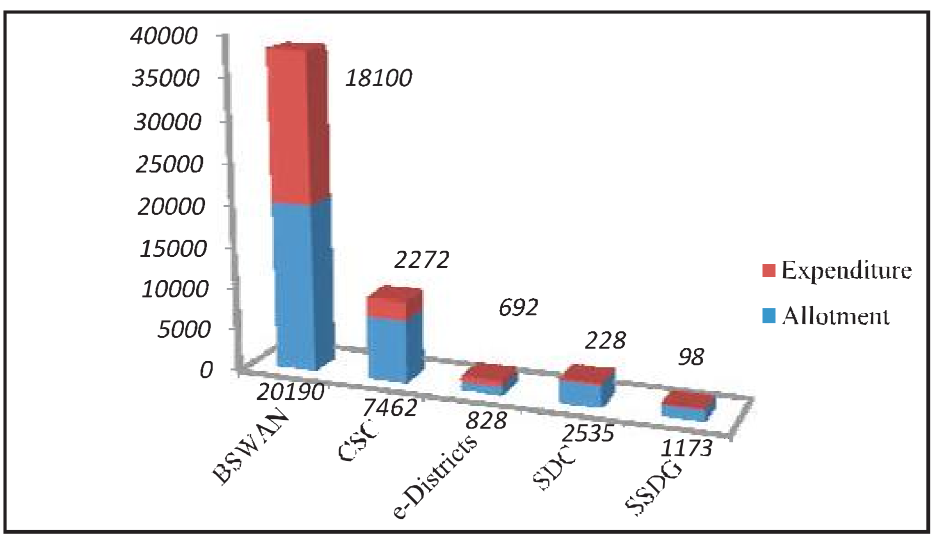


However in Bihar State Data Centre (SDC) and State Service Delivery Gateway (SSDG) were in process of being set up and e-District was rolled-out only in four districts as Pilot Project.

2.3.2 Financial information

The financial arrangements for NeGP were initiated in the State in 2006-07 and the available funds and expenditure on the above mentioned five components was ₹ 321.88 crore and ₹ 213.90 crore respectively indicating utilisation of only 66 *per cent* of the available funds during 2006-13. Further, the component-wise allotment and expenditure is given in the chart below:

Chart-2.3.2
Status of availability of funds and expenditure on NeGP in the State during 2006-13 (₹ in lakh)



(Source: Information given by SDA and DIT)

As is evident from the chart above BSWAN received 63 *per cent* of total available fund of NeGP while only 37 *per cent* of funds were allocated to the remaining four components. Further, utilisation of allotted funds was 90 *per cent* in BSWAN whereas the utilisation of allotted funds in respect of CSC, e-District, SDC and SSDG was 30 *per cent*, 84 *per cent*, nine *per cent* and eight *per cent* respectively. This indicated an unbalanced development of components of NeGP in the State.

2.3.3 Audit objective

The main audit objectives were to examine whether:

- The Core Infrastructure (SWAN) was planned and created in a co-ordinated manner to facilitate effective implementation of National e-Governance Plan;
- The support infrastructure (CSCs) was implemented to promote NeGP effectively and they were delivering services to citizen.

2.3.4 Audit criteria

The Performance Audit of NeGP was benchmarked against the criteria derived from the following sources:

- The guidelines issued by DEITY for implementation of NeGP.
- Request for Proposal (RFP) prepared by SDA.
- Agreements between GoB, BSEDC and Vendors for implementation of BSWAN and CSCs.
- Letters and Orders issued by DEITY/DIT, Government of Bihar from time to time.

2.3.5 Scope and methodology of audit

The performance audit on NeGP covered the activities during the period from 2006-13 under Bihar State Wide Area Network (BSWAN) and Common Service Centre (CSC) in the State and was conducted between August and October 2013. In course of performance audit, the records of Department of Information Technology (DIT), Government of Bihar (GoB) and State Designated Agency (SDA) i.e. Bihar State Electronic Development Corporation Limited (BSEDC Ltd.) were test checked. In order to explain the objective, methodology, coverage and focus of performance audit and to elicit the departmental views and concerns, an entry conference was held in August 2013. After completion of audit, an exit conference was held (December 2013) with the Principal Secretary of the Department in which audit findings were discussed. The result of exit conference has suitably been incorporated in the report.

Audit findings

As is evident from the financial information, the major portion of funds was provided to BSWAN and CSC in the State. Important components of the schemes like SDC and SSDG were not created. Support infrastructure like CSCs were yet to be established in all Panchayats of the State and user departments did not deliver services. The irregularities noticed in course of audit were discussed separately under both components in the succeeding paragraphs.

2.3.6 Bihar State Wide Area Network

2.3.6.1 Introduction

SWAN is an important element for building the core infrastructure for supporting e-Governance initiatives. Under NeGP, the SWAN scheme was proposed to connect the State Head Quarters (SHQ) with all District Head Quarters (DHQ) and Block Head Quarters (BHQ) with minimum two mbps leased line. The objective of the scheme was to create a secure Government network for the purpose of delivering Government to Government (G2G) and Government to Citizen (G2C) services.

SWAN would have one Point of Presence (POP) at State/ District/ Block Head Quarters with each PoP having a configurable router of Optical Fibre Cable (OFC) and wireless equipment to enable vertical and horizontal connectivity of two mbps. To facilitate inter-state connectivity, Intra-state SWAN gateway would be established at District and State Headquarters level. SWAN is envisaged as the converged backbone network for data, voice and video communications throughout the state and is expected to cater to the information communication requirements of all the departments.

SWAN has two components i.e. (i) Vertical Component and (ii) Horizontal Component. For the horizontal component, 20 horizontal offices at State and 10 horizontal offices at each district and five horizontal offices at each block level would be connected to these respective PoPs. There are two options for SWAN implementation (i) Public Private Partnership (PPP) Model (ii) NIC Model. DIT, GoB had chosen option-I for implementation of BSWAN.

2.3.6.2 Financial Information

The year-wise allotment and expenditure of this component is given in the table below:-

Table no.-2.3.1
Available fund and expenditure under BSWAN

(₹ in crore)

Year	BSWAN Allocation						Expenditure
	O.B	GoI	Interest	ACA	GoB	Total Fund available	
2006-07	0	31.81	0.47	Nil	17.05	49.33	0.05
2007-08	49.28	Nil	1.93	Nil	Nil	51.21	12.81
2008-09	38.40	Nil	1.51	5.97	24.72	70.60	14.02
2009-10	56.58	Nil	0.50	Nil	Nil	57.08	34.31
2010-11	22.77	22.04	0.45	Nil	9.00	54.26	39.54
2011-12	14.72	Nil	0.06	6.74	38.61	60.13	40.08
2012-13	20.05	22.23	Nil	Nil	18.81	61.09	40.20
Total		**76.08**	**4.92**	**12.71**	**108.19**		**181.01**

(Source: Statement provided by SDA and DIT)

As is evident from the table above, department could utilise ₹ 181.01 crore only out of the available fund of ₹ 201.90 crore received since inception of the

Rupees 5.72 crore diverted from BSWAN

scheme in the State. Scrutiny of records also disclosed that SDA had diverted ₹ 5.72 crore for the payment of electricity bills, advances to Patna Electric Supply Undertaking/District Magistrate, annual leasing charges to Rail tel etc. as indicated in ***Appendix-2.3.1***.

In reply the SDA stated that expenditure for BSWAN project was incurred from State ACA fund.

The reply of SDA was not acceptable as ACA fund was provided for payment of Bandwidth exclusively.

2.3.6.3 Loss of interest due to non-deposit of scheme funds in interest bearing accounts

As per Administrative Approval, the SDA was to immediately open a separate BSWAN project bank account in a scheduled bank and transfer the released fund to this designated account under intimation to Department of Information Technology, GoI. Any interest accrued on the said account was to be treated as credit to the guarantee to be adjusted towards future installment of the grant.

Interest amounting to ₹ 49.13 lakh could not be earned due to parking of fund in current account

During test check, it was observed that the SDA opened a current account and transferred the entire funds received from GoI and GoB share to this current account during December 2006 to September 2010. Thus, interest amounting to ₹ 49.13 lakh (***Appendix-2.3.2)*** could not be earned due to non-operation of savings account.

However, in September 2010 the SDA opened a savings bank account in the same bank and transferred the balance amount lying in current account and continued to earn interest w.e.f. September 2010.

In reply the SDA stated that as per the bank guideline, they were restricted from opening the savings account in the name of Government Department/ bodies/agencies and were dependent upon budgetary allocations for the performance of their functions. So, BSEDC could not open the savings account earlier before September 2010.

Reply is not acceptable as clause 2.1 of Bank guideline stipulated that Government Department/bodies/agencies in respect of grants/subsidies released for implementation of various programmes/schemes sponsored by Central Government/State Government could open savings bank account subject to production of an authorisation from the respective Central/State Government Departments.

2.3.7 Planning

The deficiencies noticed in planning, co-ordination and programme formulation (including implementation of support infrastructure) are discussed in succeeding paragraphs.

2.3.7.1 Delay in implementation of BSWAN Project

Department of Information Technology (DEITY), Government of India (GoI) had intimated (October 2006) a time schedule for implementation of BSWAN project in the State. Scrutiny of records of DIT and SDA revealed the following deficiencies:

- As per Administrative approval, the State would immediately constitute and notify State Level SWAN Project Implementation Committee within 15 working days of the receipt of this approval. Contrary to the above instruction, the State constituted (May 2007) a State Level SWAN Project Implementation Committee after delay of six months from the date of approval of GoI.

- The State would immediately identify the Bandwidth Provider for the SWAN and work out and formalise the bandwidth services agreement for minimum two mbps capacity within six weeks of the issue of the approval.

SLA with BSNL not signed as of October 2013

But, the GoB signed MoU with Bharat Sanchar Nigam Limited (BSNL) for providing Bandwidth after delay of nine months. Further, as per provision 1.3 of MoU, a Service Level Agreement (SLA) should be signed to enforce minimum level of performance and services. However, such agreement was not signed till date of performance audit (October 2013) and resultantly the SDA could not impose penalty for non-providing of network/link by BSNL, though the outage of average network availability was 15 *per cent* at DHQs and 42 *per cent* at BHQs during July 2010 to March 2013. Thus, due to inadequate percentage of average network availability, the objective of providing network availability uptime 99 *per cent* in prime business hour and 98 *per cent* in extended service hour, was defeated.

- According to guidelines of SWAN, the State had to select an appropriate agency (Service Provider) for outsourcing establishment, operation and maintenance of the network.

Scrutiny disclosed that Government selected (August 2008) M/s Tata Consultancy Services (M/s TCS) for the stated services after a gap of 21 months from the issue of administrative approval in October 2006, and 10 number of BHQs were yet to be commissioned.

On this being pointed out regarding delay in constitution of State Level SWAN Project Implementation Committee, MoU and SLA with BSNL, the SDA stated (December 2013) that the matter related to Department of IT, GoB. SDA further stated (December 2013) that BSNL had raised undiscounted invoice for the period 2012-14 due to expiry of MoU between GoB and BSNL bandwidth operator. In addition, SLA between GoB and BSNL could not be signed till date as Right of Way (ROW)[2] was not given to BSNL due to involvement of multiple department. However, SDA had requested BSNL to provide the discount for the period 2012-14 as Cabinet decision was already taken on issuance of ROW to BSNL.

The fact remained that intended benefit was inordinately delayed.

2.3.7.2 Irregular appointment of Consultant

Considering the technical nature of assignments under SWAN implementation and to maintain balance between cost and quality, the Consultant guideline of

[2] *The legal right established by usage or grant, to pass along a specific route through grounds or property belonging to another.*

SWAN suggested Quality and Cost Based Selection (QCBS) and Least Cost Selection method for selection of Consultant in the State.

Scrutiny of records regarding appointment of Consultant revealed that SDA had appointed (May 2007) M/s Bihar e-Governance Services and Technology Limited (M/s BeST) as Consultant without following any of the methods suggested in the Consultant guidelines. Thus, the benefit of best services providers and competitive rates could not be achieved in appointment of Consultant. However, a sum of ₹ 1.93 crore (out of ₹ 2.30 crore) was paid to M/s BeST as consultancy fee and pocket expenses till March 2013. The service level agreement in respect of terms, condition and quality for bandwidth was not signed with bandwidth provider till date of audit (October 2013). Resultantly the SDA could not impose penalty for non-providing of network/link by BSNL.

On this being pointed out SDA stated (December 2013) that project engagement letter was given to M/s BeST on the basis of exceptional case of single source selection as M/s BeST was constituted by signing (July 2006) MoU among Bihar Infrastructure Development Authority (BIDA), GoB, BSEDC and M/s Infrastructure Leasing & Financial Services (IL&FS) to create a mechanism for creation and maintenance of IT infrastructure for growth of the State.

The reply was not in consonance with the facts as M/s BeST was constituted in July 2006 after the issue of implementation guideline for SWAN in January 2006 and this could not be termed as an exceptional case.

2.3.7.3 Delay in appointment of Third Party Agency (TPA)

As per clause-2 of Request for Proposal (RFP) GoB should appoint TPA, which should monitor the BSWAN during implementation, commissioning and operation. The TPA should also conduct the Partial and Final acceptance test as per the technical requirement of the agreement and should issue the certificate of completion of SHQ, DHQs, BHQs and to all co-located as well as remote offices. The TPA was responsible for verification and validation of all invoices under the terms and conditions of the agreement and to give recommendations on the eligible payment. TPA was also responsible for performance audit. After successful testing by the TPA, a Final Acceptance Test (FAT) certificate would be issued by GoB to the service provider (M/s TCS). Further, as per instruction (January 2009) of DIT, GoI, the payment of service provider was linked with the quarterly reports of the TPA.

TPA was appointed after delay of one year and seven months

During test check it was observed that the SDA (BSEDC Ltd.) appointed TPA (M/s P.C.S. Technology Ltd) on April 2010 after delay of one year and seven months from the date of agreement with the service provider (M/s TCS). Thus, due to non-appointment of TPA on time, the payment was made to M/s TCS without verification of Quarterly Guaranteed Revenue (QGRs) (as discussed in paragraph number-2.3.8.2).

In reply, the SDA justified the delay stating (December 2013) that in condition of quick roll-out demand, it was initially thought to take the services of M/s BeST as TPA.

Reply was indicative of lackadaisical approach of SDA and was also contrary to the guidelines.

2.3.8 Implementation

2.3.8.1 (A) Non-configuration of Network Monitoring System (NMS)

As per Agreement and Request for Proposal for BSWAN, M/s TCS was to establish a Network Monitoring System (NMS) for monitoring and measurement of the services level parameters. It was to conform to the open network management standards such as Simple Network Management Protocol (SNMP) and Remote Monitoring features. The NMS was to monitor the status of the complete network infrastructure including device and link status of routers, switches and other critical SNMP enabled devices. This would help in pro-actively diagnosing and resolution of any technical hindrance for smoother BSWAN operations. NMS was also to provide reports for network availability, link utilisation, network device performance, server statistics and performance and Service Level Agreement (SLA) reports.

850 and 69 number of QGRs were generated and ₹ 9.23 crore paid without configuration of NMS with router

During test check it was noticed that 483 BHQ PoPs routers were configured to NMS between April 2009 to July 2013 and 850 numbers of QGRs were generated for 272 BHQ PoPs before configuration of the routers in NMS, while an amount of ₹ 6.34 crore was paid to M/s TCS without monitoring the network availability through NMS.

It was also noticed that 37 DHQ PoPs routers were configured to NMS between April 2009 to May 2009 and 69 number of QGRs were generated before configuration of the routers in NMS while an amount of ₹ 2.89 crore was paid to M/s TCS without monitoring the network availability through NMS.

Further, 469 PoPs out of 485 PoPs, switches were configured with NMS from June 2012 to May 2013 and 26 switches (including 10 uncommissioned PoPs) were not configured till date (October 2013). Due to non-configuration of switches with NMS, the SDA was not able to monitor the network availability to horizontal offices of the Government.

On being pointed out, the SDA stated (December 2013) that reply would be furnished shortly.

(B) Non-configuration of other network with BSWAN

As per section-5 (design requirement) and clause 2 (a) of RFP, M/s TCS was to design the Industry Standard Internet Protocol (IP) addressing scheme and Voice Dial Plan Scheme for the BSWAN. It was desired that the current IP addressing scheme at the state level network should be retained. However, if the Bidder felt that it needed to be modified to be in line with proposed IP addressing scheme, the bidder was to plan for any migration with minimal disruption in service and the network protocol to be used would be Industry Standard Internet Protocol (IP). The design was also to support Internet Protocol version-6 (IPv6) from day one. Further, as per Commissioning and Integration of requirements of project management of RFP, the SWAN operator was to provide support to BSWAN for integration of all existing/operational LAN and WAN links to provide wide access of network to BSWAN.

During test check it was observed that the BSWAN operator i.e. M/s TCS did not integrate BSWAN to other networks like NICNET[3] to provide wide access network to BSWAN. Hence, the facilities available with NICNET could not be availed by the departments.

SDA accepted the fact and stated that they were requesting GoB to decide timeline for implementation of IPv6 in the State of Bihar which would then be suffice for NICNET integration also.

(C) Non-configuration of backup connectivity (ISDN)

As per Technical requirements of RFP, he Integrated Services Digital Network (ISDN) Primary Rate Interface (PRI)/Basic Rate Interface (BRI) connectivity was the backup of the primary leased line links. An ISDN PRI/BRI line was to be installed and configured to router for established automatic fallback connection. The main advantage of ISDN links was quick call setup, which was required for high network availability. If the primary lease line fails, the network device would automatically sense the lease line failure and then dial the ISDN link to establish the backup connectivity from DHQ and BHQ to SHQ. As per RFP, M/s TCS had to install and commission the backup link for providing redundancy to primary lease line.

Back up line connectivity for network availability not configured with all PoPs

During test check it was noticed that M/s TCS did not connect/configure ISDN line from DHQ and BHQ to SHQ as backup link for network availability till October 2013. Due to non-configuration of ISDN PRI/BRI line, the department could not utilise the ISDN link as backup line and failed to achieve the target of 99.5 *per cent* and 99 *per cent* of network availability at DHQ and BHQ respectively. However, the network availability to DHQ from October 2010 to March 2013 was at an average of only 83 *per cent* while it was only 35 *per cent* to BHQ during July 2010 to March 2013.

On being pointed out, the SDA accepted the facts and stated (December 2013) that BSNL did not have ISDN PRI/BRI connection available at the majority of the BHQs as many of their exchanges did not have ISDN provision.

2.3.8.2 Issuance of Final Acceptance Test (FAT) without verification and conducting functionality test

As per Clause-1 of the agreement FAT shall consist of tests which can establish that:

i. supplies have been installed at a centre in accordance with the agreement;

ii. services are being provided at a centre in accordance with the agreement;

iii. documentation is in accordance with the agreement which is available at the centre; and

iv. the training has been provided in accordance with the agreement.

Further, as per Agreement and approved RFP for BSWAN, the FAT would be issued after the functional tests of BSWAN components, structure cabling, power cabling, the test to verify integrated functionality (data, voice and

[3] *Network of National Informatics Centre (NIC).*

video) and traffic handling capability of BSWAN as per schedule-1 of the agreement. The TPA would conduct audit of the process, plan and result of the acceptance test carried out by the network operator and issue certificate of completion of PoPs and the consultant (M/s BeST) would provide assistance to the State in acceptance testing process to be carried out before commissioning the network for actual use.

FAT issued to 484 PoPs without clearing the functionality test

During test check it was noticed that the SDA issued FAT to the vendor for 484 numbers of PoPs (out of 533 PoPs) without clearing the functionality test of all equipment which were mentioned in schedule-1 of the agreement. The function tests of all equipment were conducted by M/s BeST at PoPs level and they recommended that the FAT should be issued after the rectification of such defects detected during the functionality test and physical verification of the PoPs. But the SDA issued FAT to the service provider without rectification of defects and other recommendations of M/s BeST (***Appendix-2.3.3***). Further, M/s BeST recommended (March 2010) issuance of FAT to remaining 49 PoPs although BSNL link was not commissioned in eight PoPs. Hence, all the functionality tests of PoPs, as per schedule-1 of agreement with service provider (M/s TCS) were not possible and providing of the services were also not possible through these PoPs. In addition, the TPA reported (July 2010) that 384 PoPs were not ready for functioning of BSWAN while BSNL link was not commissioned in 88 PoPs. Despite these facts, SDA issued FAT and paid QGR (₹ 20.24 crore for the period October 2008 to March 2010) for all PoPs to M/s TCS including payment of ₹ 14.15 crore for non-functional 384 PoPs (***Appendix-2.3.4***).

Rupees 14.15 crore paid to M/s TCS for 384 non functional PoPs

Thus, due to issuance of FAT without verification and conducting functionality test, an un-authorised payment of ₹ 14.15 crore was made to M/S TCS.

On this being pointed out, the SDA stated (November 2013) that FAT was issued only after taking assurance from M/s TCS regarding repair of defects of minor nature within 30 days. The date of effect of the SLA monitoring and QGR payments was generally given 15 to 30 days after the issuance of FAT. It was also stated that majority of defects pointed out by M/s BeST pertained to infrastructure perspective and were minor in nature with no direct impact on operation of BSWAN PoPs.

The reply was contrary to the guidelines as TPA was responsible for issuance of the certificate of completion of PoPs, conducting the Partial and Final acceptance test and monitoring the BSWAN during implementation, commissioning and operation as per the technical requirement of the agreement, but it was appointed after issuance of FAT. Further, M/s BeST recommendations were not of minor nature in all cases as in many cases M/s BeST pointed out on issues related to routers, link failure and faulty DG sets, which had direct impact on operation of BSWAN. The SDA issued FAT to the vendors on the same day in many cases i.e on the date of recommendation for FAT. This indicated that the SDA issued FAT to the vendor hurriedly without ensuring functionality of all the equipment.

2.3.8.3 Payment without prescribed Network availability

To achieve the objective of SWAN, the State Designated Agency (SDA)/Government signed an agreement with M/s TCS to provide the network availability to SHQ-DHQ and DHQ-BHQ with 99.5 *per cent* and 99 *per cent* respectively during the Prime Business Hour[4] (PBH) and 95 *per cent* and 90 *per cent* respectively during Extended Service Hour[5] (ESH). In order to provide this service the SDA/Government agreed to pay ₹ 112137 per DHQ per quarter, ₹ 25383 per BHQ per quarter for maintenance charges and ₹ 49183 per BHQ as capital cost to M/s TCS on Quarterly basis as per schedule-3 of the agreement. Further, according to the agreement the maintenance charge were to be paid to the vendor for entire 24 hours.

During test check it was noticed that Government reduced (April 2009) the service hours to nine and seven hours for DHQ and BHQ respectively, but did not negotiate with M/s TCS to reduce the maintenance charges as per reduced service hour. Resultantly, the Government owned liability of ₹ 11.68 crore on account of excess payment of maintenance charges for the period from July 2010 to March 2013 as indicated in ***Appendix-2.3.5***. Further, the network availability records/data for the period October 2008 to June 2010 were not available on records.

However, the network availability from July 2010 was not up-to the mark as indicated in the table below:

Table-2.3.2

Report of network availability link in BHQ & DHQ

Link availability in BHQ (Period July 2010 to March 2013)		Link availability in DHQ (October 2010 to March 2013)	
Network availability in *per cent* per quarter	No of quarter	Network availability in *per cent* per quarter	No of quarter
0	419	0	-
1 to 25	1558	1 to 25	-
25 to 50	1678	25 to 50	-
50 to 75	1037	50 to 75	121
75 to 90	285	75 to 90	114
90 to 100	78	90 to 100	132

(Source: QGR supplied by TPA)

Rupees 3.12 crore paid against zero network availability in 419 number of quarters

It is clear from the above table that in only 78 and 132 quarters, the network availability was available above 90 *per cent* in BHQ and DHQ respectively. Further, the network availability shown in above table was only for nine hours[6] and seven hours[7] of PBH for DHQ and BHQ respectively, instead of 12 hours of PBH. Even in seven hours of network availability, the network availability were zero in 419 number of quarters of different PoPs and the Government created liability of capital cost and maintenance charges

[4] *PBH-8:00 hours to 20:00 hours.*
[5] *ESH-20:00 hours to 8:00 hours.*
[6] *9:00 AM to 6:00 PM*
[7] *10:00 AM to 5:00 PM*

amounting to ₹ 3.12 crore (₹ 2.06 crore[8] capital cost and ₹ 1.06 crore[9] maintenance charge) without using the hardware.

On this being pointed out, the SDA accepted the facts and stated that Government had reduced the service hours. Further, the SDA accepted the fact regarding poor network availability and stated (December 2013) that insufficient power availability was one of the biggest contributors towards the poor BSWAN network availability. Further it was also stated that on an average of 15 to 18 *per cent* network down time was contributed by the bandwidth service provider. Due to delay in finalisation of ROW to BSNL by GoB, the SLA could not be signed by the Department of IT, GoB, resulting into non-imposition of penalty on BSNL.

2.3.8.4 Non imposition of Liquidated Damages

(A) On delay in preparation of PoP site

According to agreement, liquidated damage was to be imposed on service provider for failure in providing the agreed services. Para 7.2 and 7.3 of the agreement stipulated that if the service provider failed to complete the Acceptance Test within the time for the reasons substantially attributable to the service provider, the Liquidated Damages (LD) would be a sum equivalent to 0.25 *per cent* of the QGR for each week or part of delay thereof, until actual delivery of performance. The maximum LD for the delay would not exceed 5 *per cent* of the QGR. If the delay continued beyond 18 weeks, such delay would constitute material breach of the terms of this agreement. In addition, all centres would be completed in quarterly basis including-site preparation, dispatch of networking hardware to the centre, implementation of the network, Partial Acceptance Testing and Final Acceptance Test within 12 months from the date of the agreement (schedule-10 of the agreement).

During test check it was noticed that the SDA did not LD impose amounting to ₹ 42.50 lakh LD on M/s TCS despite delayed completion of PoPs as given in the table below:

Table-2.3.3
Details of imposable LD

(Amount in ₹)

Sl No.	M/s BeST recomm-endation date	FAT issue date by SDA	No of PoPs	Centre should be completed	Delay in Week	Per centage of L.D.	Total QGR amount for one PoP (₹ 74567x20)	Total L.D[10]
1	2	3	4	5	6	7	8	9
1	08.09.2009	09.09.2009	40 BHQs	07.08.2009	4 week	1 (0.25x4)	1491340	596536
2	04.03.2010	25.03.2010	49 BHQs	07.08.2009	34 week	5	1491340	3653783
							Total	**4250319**

(Source: Documents as provided by BSEDC Ltd.)

8 *49183 x 419=₹ 20607677*
9 *25383 x 419=₹ 10635477*
10 *(1) 1 per cent of (40x1491340) (2) 5 per cent of (49x1491340)*

LD not deducted from M/s TCS for delay in preparation of PoP site

As per above table 40 BHQ in 2009 and 49 BHQ in 2010 were completed after delays of four and 34 weeks respectively. Further, the TPA, which was responsible for calculation of QGRs, reported in July 2010 that 384 PoPs were not ready for functioning of BSWAN. Hence, the SDA should have imposed LD amounting to ₹ 2.57 crore[11] which also constituted breach of the terms of the agreement.

In reply the SDA stated that 49 out of 495 BHQs sites were technically not fit from BSNL side due to non-feasibility of BSNL leased lines and due to unavailability of PoP rooms/non-feasibility of leased line by BSNL, commissioning of 88 BHQ PoPs were delayed.

Reply was not acceptable as all PoPs sites were already surveyed and accepted by SDA and the bidder. Further, as per schedule 11 of MSA, the site survey and preparation was the responsibility of the bidder and as per para 4.6 of MSA, the bidder was also responsible for coordination with BSNL for maintenance of bandwidth during the period of the agreement.

(B) On feeble network

As per Para 7.1 (schedule-14) of the agreement, liquidated damages were chargeable on service provider for feeble network availability.

LD amounting to ₹ 15.98 crore not deducted from M/s TCS for failure to provide prescribed network availability

During test check it was noticed that against prescribed network availability during PBH[12] with 99 *per cent* and ESH[13] with 90 *per cent*, only 9 hours[14] and 7 hours[15] of PBH was provided for DHQ and BHQ respectively. Even in nine and seven hours, the network availability was not as per norms. Hence, an amount of ₹ 20.90 crore should have been imposed as LD for non-providing of network availability to DHQ and BHQ. However, the SDA imposed LD amounting to ₹ 4.92 crore only which resulted in short recovery of LD amounting to ₹ 15.98 crore.

On this being pointed out the SDA stated that an amount of ₹ 11.63 crore would be deducted.

2.3.8.5 Loss due to non signing of agreement

MoU was signed (October 2007) between DIT, GoB and BSNL for providing bandwidth for BSWAN Project in Bihar for three years. Further, Service Level Agreement (SLA) was to be signed to elaborate the provisions of MoU and enforce minimum level of performance and services. As per clause 1.4 of MoU, BSNL was to ensure 99 *per cent* and 98 *per cent* uptime/availability of bandwidth on yearly basis at all levels throughout the State for the Managed Leased Line Network (Copper/ Fibre) and conventional circuits respectively. In addition, clause 2.1.1 and 2.1.2 of MoU, BSNL provided 74 *per cent*

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11 *LD @ of 5% on 321 PoPs (₹ 1491340x321x5%= ₹23936007) and @ 4% on 30 PoPs (Phase-7) (₹ 1491340x30x4%= ₹ 1789608) = ₹ 2.57 crore for delay preparation of PoP to 11 months (i.e.45 weeks) from the scheduled time (07.08.2009) as these 30 were also included in calculation @ one per cent while 33 included in calculation @five per cent in the table -3.*

12 *PBH-8:00 hours to 20:00 hours (12 hours)*

13 *ESH- 20:00 hours to 8:00 hours (12 hours)*

14 *9:00 AM to 6:00 PM*

15 *10:00 AM to 5:00 PM*

discount on long distance and 30 *per cent* discount on local leads[16] bandwidth connectivity for BSWAN.

BSNL did not allow discount of ₹ 10.89 crore on bandwidth charges due to non-signing of SLA

During test check it was observed that BSNL did not allow the discount on bandwidth charges with effect from April 2011 to March 2013 as SLA was not signed between BSNL and DIT. Thus, Government was deprived of the benefit of discount amounting to ₹ 10.89 crore[17] between the period April 2011 to March 2013.

In reply the SDA accepted the facts and stated (December 2013) that signing of agreement with BSNL was a matter completely related with Department of IT, GoB. It also added that BSNL had been requested to provide discount for the period 2012-13 and 2013-14 as Cabinet decision on issue of ROW to BSNL had already been taken.

2.3.8.6 Unauthorised payment to third party

As per clause 1.4 & 1.6 of MoU between GoB and BSNL, BSNL would provide bandwidth including laying and maintenance of optical fibre from local lead to BSNL exchange and BSNL exchange to BSWAN PoPs. Further, if required by the GoB, BSNL would also provide Bandwidth from PoPs to the horizontal office of the end user. In addition, as per clause 4.6 of the agreement, the service provider (M/s TCS) would take all necessary steps for restoration of Bandwidth in case of any problem and would be responsible for co-ordination and maintenance of the Bandwidth during the period of the agreement.

Unauthorised engagement and payment of ₹ 88.51 lakh to third party for link commencement and maintenance

During test check it was observed that though the BSNL and M/s TCS were responsible for providing network availability and maintenance of BSWAN network, the SDA engaged (November 2008) a third party (M/s Data Craft) for link commencement and maintenance of BSWAN network and paid ₹ 88.51 lakh to M/s Data Craft for the said work.

In reply the SDA stated (December 2013) that M/s Data Craft was engaged to provide end-to-end services for link commissioning and link maintenance for all GoB project as BSNL was definitely not very efficient in carrying out link maintenance work in a time bound manner.

The reply was contrary to the facts as there was no provision for engagement of third party for the same work (link maintenance) in the guidelines and the basis of judgment of BSNL's potential regarding the said work was also not furnished. Further, if the GoB had decided to outsource this work proportionate deduction in payment to BSNL/TCS should have been made.

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16 *MLLN and conventional circuits*

17 ***(For the year 2011-12)****Local lead A = ₹ 3621989 (30 per cent of ₹ 12073296 i.e bill amount) +Local lead B = ₹ 3336290 (30 per cent of ₹ 11120968 i.e bill amount) + Long Distance = ₹ 20733120 (74 per cent of ₹ 28017730 i.e bill amount) = ₹ 27691399*
(For the year 2012-13) *Local lead A = ₹ 5427546 (30 per cent of ₹ 18091819 i.e bill amount) +Local lead B = ₹ 3417023 (30 per cent of ₹ 11390075 i.e bill amount) +Long Distance = ₹ 72325081 (74 per cent of ₹ 97736596 i.e bill amount) = ₹ 81169650* ***Grand total= ₹ 108861049 (₹ 27691399+₹ 81169650).***

2.3.8.7 Non-execution of training programme

As per schedule-7 of agreement and clause-8 of Request For Proposal (RFP) for BSWAN, a training programme should be organised by service provider (M/s TCS) to train the personnel identified by the State. The training should cover system design, installation, configuration, set-up, upgrade administration testing management and maintenance of all equipment (hardware and software). The training should also cover the day-to-day maintenance management and operations related to routers, switches, servers, software and UPS.

The service provider was responsible for preparation of training roll out plan/training calendar. After the training programme, the feedback was to be taken from the participants to ascertain the level of training organised as per the Government's satisfaction. Further, as per clause-9 of RFP, the service provider had to properly handover the network to the network operation team (remote management) with all required documentations by September 2013 after the completion of training programme.

During test check it was noticed that neither the Government had identified the personnel for training nor M/s TCS had made the training roll-out plan/training calendar for training to the Government personnel. Thus, the objective of training to take over the network operation from M/s TCS to the Government by September 2013 was defeated. In addition, Government had not yet planned to take over the network operation.

In reply the SDA accepted the facts and stated (November 2013) that no person was deputed by GoB for day-to-day operations of BSWAN either at BHQ level or at the SHQ level.

2.3.9 Common Service Centres (CSC)

Introduction

The Common Service Centres (CSCs) are the strategic cornerstone of NeGP. The CSCs would provide high quality and cost-effective video, voice and data content and services in the arease of - Governance, education, health, telemedicine, entertainment as well as in other private services, CSCs would offer web-enabled e-Governance services in rural areas, including application forms, certificates, and utility payments such as electricity, telephone and water bills. All CSCs would have Broadband Internet enabled connectivity for unhindered implementation of the scheme.

2.3.9.1 Financial Information

The scheme was approved by the Government in September 2006 at an approved outlay of ₹ 80.85 crore (revised) over five years for providing support for establishing 8463 CSCs (revised) in 45098 census villages across the State.

The year-wise allotment and expenditure on this component is given in the table below:

Table-2.3.4

Status of allocation of funds and expenditure under CSC *(₹ in crore)*

Year	Opening balance	Allocation			Total fund available	Expenditure
		GoI	Interest/Tender Fee/Others	GoB		
2006-07	0	14.90	0.09	0	14.99	0.18
2007-08	14.81	0	1.24	0	16.05	0.01
2008-09	16.04	0	1.46	0	17.5	2.05
2009-10	15.45	0	0.93	14.90	31.28	0.01
2010-11	31.27	0	1.52	18.00	50.79	20.19
2011-12	30.60	0	3.34	6.41	40.35	0.12
2012-13	40.23	0	11.83	0	52.06	0.16
Total		**14.90**	**20.41**	**39.31**		**22.72**

Source: statement provided by SDA and DIT

As is evident from the table, only ₹ 22.72 crore (30 *per cent)* out of the available fund of ₹ 74.62[18] crore could be utilised during 2006-13.

2.3.9.2 Non Submission of Utilisation Certificate

As per Administrative Approval and clause 4.6 of CSC scheme Revenue Support Disbursement Process, second and subsequent installments of GoI's share was to be released subject to submission of the utilisation certificate to GoI.

Non submission of utilisation certificate amounting to ₹ 5.53 crore

It was observed that SDA had submitted utilisation certificate of ₹ 9.37 crore only against released share of ₹ 14.90 crore of GoI. Due to non submission of utilisation certificate amounting to ₹ 5.53 crore, second and subsequent installments were not released by GoI.

On this being pointed out, the SDA accepted (December 2013) the audit observation.

2.3.9.3 Loss of interest due to non-deposit of scheme funds in interest bearing accounts

As per administrative approval, the State Designated Agency would immediately open a separate CSC project bank account in a scheduled bank and transfer the released fund to this designated account under intimation to Department of Information Technology, GoI. Any interest accrued to the said account would have to be utilised for the purpose of the said Scheme and no diversion of the same would be allowed.

Interest amounting to ₹ 22.54 lakh could not be earned due to parking of fund in current account

During test check, it was observed that the SDA opened a current account and transferred the first installment of the GoI (DIT share) amounting ₹ 14.90 crore to this current account. Thus, interest amounting to ₹ 22.54 lakh ***(Appendix-2.3.6)*** could not be earned during the period December 2006 to August 2010. As per GoI instruction (April 2009) the additional two *per cent* administrative expenses was to be spent from the accrued interest of money that had been released to SDA for the CSC Scheme. However, the SDA opened (September 2010) a savings bank account and transferred the said amount into it.

On this being pointed out, SDA accepted the facts and stated that in the beginning of the project the SDA had little experience in handling GoI fund as

[18] *₹ 14.90 crore+ ₹ 20.41 crore + ₹ 39.31 crore = ₹ 74.62 crore*

CSC Project was the first NeGP Project and for taking appropriate action and informed decision, some minor delay took place.

2.3.10 Planning

The deficiencies noticed in planning, co-ordination and programme formulation are discussed in succeeding paragraphs.

2.3.10.1 Non-execution of Master Service Agreement

To establish 7516 CSCs in the State, DEITY accorded administrative approval in November 2006. Further, on request of GoB the number of CSCs was increased from 7516 to 8463 (all Panchayats of the State) in November 2007 by DEITY. The CSC scheme for the GoB was to be implemented by Bihar State Electronics Corporation Ltd. (SDA) through Master Service Agreement (MSA) with GoB and Service Centre Agencies (SCA) for establishing, operating, maintaining and managing CSCs. Further, as per clause 2.2 of MSA, it would continue, unless terminated earlier in accordance with the provisions, for a period of four years from the satisfactory completion of roll out of all the CSCs. The maximum period of completion of roll out of the CSC by the SCA was 12 months from the effective date of MSA. As per MSA the parties would continue to implement the scheme after expiry of the MSA on mutually agreed terms and conditions by executing a fresh MSA.

During test check it was noticed that MSA was executed up to March 2013 for only 7840 out of 8463 CSCs. In addition, fresh MSAs were not executed for 6303 out of 7840 CSCs despite expiry of agreement period of previous MSA.

MSA for 623 CSCs not signed

Thus, 623 panchayats were deprived from services of CSCs and the objective to establish CSC in each panchayats to provide utility services to the citizen of the State could not be achieved.

On this being pointed out the SDA accepted the facts and stated that a letter had been sent to SCAs regarding extension of CSC Schemes till March 2017 in place of fresh MSA.

The reply does not address the issue that MSA had not been signed for 623 CSCs till date.

2.3.10.2 Lack of G2C Service enablement plan

As per para 10.2 of guidelines of DEITY, the SDA/Nodal Department was to consider signing of MoU with the concerned departments to enable timely and structured delivery of Government services through CSCs in an integrated manner. As per para 13.3 of the guidelines, the revenue generated from delivery of e-Government services would be offset from the revenue support bid by the SCA. Further, as per para 14.1 of the guidelines, the revenue support was to be based on the availability of Government to Citizen (G2C) services. It was also recommended that the State would develop appropriate G2C service enablement plans, at least for key Government services. The technology architecture for the same including connectivity plans was to be formalised as far as possible to enable the SCAs to take a holistic view of the business environment.

MoU not signed among concerned department for delivery of Government services

During test check it was noticed that neither MoU was signed among concerned departments to enable a timely delivery of Government Services through the CSCs nor appropriate enablement plan was developed to provide G2C services. However, G2C Services were provided only in four[19] (e-District) out of 38 districts.

Thus, the main objective of CSC Scheme to provide G2C services could not be achieved and Government failed to generate revenue from CSCs which was to be offset from the revenue support payable to SCAs.

On this being pointed out, the SDA stated that in lieu of MOU with different departments, G2C services are being delivered in four - Districts. Photography of Indira Awas Yojna, MIS Data Entry for MNREGA and PDS coupon scanning work were being done.

Reply was not acceptable because no payment was made to CSCs/VLE for this work. Further, no reply in respect of loss of revenue was furnished.

2.3.10.3 Non-establishment of Special Purpose Vehicle (SPV) and State Anchor

A number of activities such as channeling Government support, national level content aggregation, monitoring of operations, etc. would need to be undertaken beyond the period of existence of the National Level Service Agency (NLSA). Some of these activities may need to continue in perpetuity, even after expiry of the period of guaranteed government support. Hence, in addition to the NLSA, a Special Purpose Vehicle (SPV) was intended to be established to perform these roles/tasks. The SPV would be set up during the initial implementation phase of the Scheme and would be an integral part of the CSC framework in perpetuity. The creation of SPV was essential and it would perform the following key roles:

- Lay down operating and financial disciplines within the CSC system;
- Provide a framework for collaborative decision making;
- Catalyse content aggregation on an on-Going basis; and
- Build a common "Identity" like a common logo, etc.

As per instructions issued (June 2010) by DEITY, the State Designated Agency and Government may consider engaging a State Anchor at the State level from the two *per cent* fund available under the administrative expenses of the CSC Scheme for supporting rollout and stabilisation of the CSCs.

SPV and State Anchor was not engaged

It was noticed that neither SPV nor State Anchor was engaged by the SDA/ State Government for the above mentioned work, though ample fund for administrative expenditure was available with SDA/State Government.

On this being pointed out, the SDA stated (December 2013) that SPV had been proposed to be set up and for the time being resource from central CSC-SPV was hired to monitor day-to-day activities.

The reply was not acceptable because the SPV was to be set up during the initial implementation phase of the Scheme.

[19] *Aurangabad, Gaya, Madhubani and Nalanda were selected as pilot project for implementation of e-districts.*

2.3.11 Implementation

2.3.11.1 Non-installation of Internet connection/ WiMAX by BSNL in CSCs

DEITY sanctioned (March 2009) ₹ 11.17 crore to GoB as Additional Central Assistance (cent *per cent* grant) under NeGP. The amount was transferred (March 2011) to BSNL, Bihar Circle, Patna through DIT, GoB for Internet connectivity by using DSL Broadband and WiMAX (World Wide Interoperability for Microwave Access) technology in 8463 CSCs for smooth implementation of CSCs. Utilisation Certificates (UC) of the said amount were also to be submitted by BSNL.

WiMaX in only 538 out of 8463 CSCs installed

During test check, it was observed that DSL Broadband and WiMAX technology was installed in only 538 out of 8463 CSCs and UC amounting to ₹ 11.17 crore were not submitted by BSNL (October 2013).

On this being pointed out the I.T Department stated that reply would be sent after receiving the current status of WiMAX through BSNL.

2.3.11.2 Non-finalisation of Revenue Support to SCAs

Clause 3.2(C) of MSA signed among DIT, SDA and SCAs stipulated that payment of the revenue support would be made by GoB/SDA to the SCA within 21 working days from the receipt of invoice by the GoB subject to adjustment for liquidated damages and set off against revenues generated out of Government Services through the CSCs and surplus payment (s) made, if any, during previous quarter(s).

It was observed in test check audit that MSAs were signed with three SCAs[20] for rolling out and implementation of CSCs. Further, the SDA had made ad-hoc payment (September 2013) of ₹13.28 crore as revenue support to the SCAs against claimed amount of ₹40.24 crore as indicated in the table below:-

Table-2.3.5

Detail of revenue support claimed by SCAs and paid by SDA (September 2013)

(₹ in crore)

Name of SCA	Revenue Support claimed (September 2013)	Revenue Support paid (September 2013)	Liability
M/s SREI	29.74	10.39	19.35
M/s SARK	10.48	2.89	7.59
M/s GNG	0.02	--	0.02
Total	**40.24**	**13.28**	**26.96**

As shown in the table above, liability of ₹ 26.96 crore was created due to non-finalisation of claims of SCAs by SDA despite availability of funds. Government of India had also raised concern on delay in release of revenue support to the SCAs and the SDA was asked to take steps to expedite release of revenue support as it was important to be proactive which was key to smooth and successful implementation of a public private partnership (PPP) project like the CSC Scheme.

[20] *M/s SREI SAHAJ-E VILLAGE Ltd., M/s SARK Systems India Ltd. (Vedavaag Systems Ltd.) and M/s GNG Ltd.*

On this being pointed out the SDA accepted the facts and stated (December 2013) that calculation of revenue support and final checking was under process.

2.3.11.3 Liquidated damage not imposed upon vendor

Para 2.2 of Master Service Agreement (MSA) states that the maximum period for completion of roll out of the CSCs by the SCA is six months from the effective date of MSA. Schedule-1-of MSA under the caption Service Level Metrics for roll-out, operations and payments states that no revenue support is to be granted during the delay period of roll-out of CSCs andl iquidated damages of ₹ 200 per CSC that has been delayed, per additional day of delay from the scheduled date is to be charged for liquidated damages for breach.

LD amounting to ₹ 2.43 crore not imposed for delay in roll-out of CSC

During performance audit, it was noticed that MSA was signed (January 2013) among GoB, SDA and M/s GNG Ltd. for Bhagalpur and Darbhanga Divisions. The completion date for rolling out 1537 CSCs[21] was July 2013. As per records/monthly progress reports provided by the SCA/SDA, only 78 out of 1537 CSCs were rolled out up to scheduled date. Hence, as per clause mentioned in SLA, liquidated damage amounting to ₹ 2.43 crore (up to September 2013) was to be imposed upon M/s GNG Ltd. However, SDA ignored the delay and did not impose LD ***(Appendix-2.3.7)***.

On this being pointed out SDA accepted the fact and stated (December 2013) that Liquidated damage was to be calculated on the demand made by SCA. The bill/invoice was being processed. However, no liquidated damage was recovered as on January 2014.

2.3.11.4 Online Monitoring Tools not installed in CSCs

As per instruction (September 2009) of DEITY, Online Monitoring Tool (OMT) was mandatorily to be installed for monitoring uptime and downtime of CSCs in order to ensure that the centres were functional and network services were available to serve the rural citizens in each CSC. This OMT would also to help the State Government/SDA to review the performance of roll out of CSCs. The report regarding actual uptime of CSCs could also have served the requirement of certification of CSCs which was essential criteria for revenue support for CSCs.

During test check it was noticed that OMTs were registered only in 6678 out of 7840 CSCs up to October 2013. Further, it was noticed that the SDA engaged (February 2012) a vendor M/s Bihar e-Governance Services and Technology Limited (M/s BeST) for physical verification of CSCs despite availability of OMT and paid ₹ five lakh as advance (February 2013).

Thus, due to non-installation of OMT the exact position of roll-out could not be ascertained and Uptime and Downtime of CSC could not also be ascertained.

On this being pointed out, the SDA accepted the facts and stated (December 2013) that installation of rest OMT at CSCs were under process and as per MSA Schedule-1, Sl No. 1 certification and physical verification was mandatory requirement.

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[21] *427 CSCs in Bhagalpur & 1110 in Darbhanga division of the State of Bihar*

The reply was not acceptable because physical verification is still incomplete as only 5000 CSCs out of 7840 CSCs have been physically verified (December 2013).

2.3.11.5 Non-Creation of DeGS and non-transfer of seed money

IT Department, GoB vide letter number[22] requested to constitute District e-Governance Society (DeGS) in all districts of Bihar. The society was to provide public utility and implement various programme of social sectors through CSCs. Further, GOI sanctioned (2011-2012) ₹ 3.20 crore to SDA for providing seed money[23] of ₹ 10 lakh each to all the District e-Governance Society.

Out of ₹ 3.20 crore only ₹ 50 lakh disbursed by SDA

During test check it was noticed that DeGS was constituted in only 18 out of 38 districts till date (October 2013), while State had committed to complete formation of society in all districts by the end of August 2013. It was further observed that only ₹ 50 lakh was disbursed for DeGS and remaining ₹ 2.70 crore was parked in the account of SDA.

Due to non-creation of DeGS and non-transfer of seed money in all the districts of Bihar, the objective to provide all Government services in an integrated manner at the door-step of the citizens at an affordable cost remained unfulfilled.

On this being pointed out the SDA stated that the constitution of DeGS was under process.

2.3.11.6 Payment not rendered to DeGS for implementation of CSC scheme

M/s Zoom Developers Pvt. Ltd. was selected as SCA for Darbhanga and Bhagalpur Division and MSA signed on October 2007. As per MSA, the SCA was entitled to receive revenue support for setting up/ operate and manage CSC or Vasudha Kendra. As the SCA was unable to meet the obligation of MSA, the agreement was terminated on 28 September 2010.

Department of IT, GoB instructed that DeGS was to act as intermediary Agency for operation/supervision/guidance of CSCs for which approval was received from GoI. As per letter[24] DeGS was to be paid ₹ 1125 and ₹ 1900 per month per CSC for Darbhanga and Bhagalpur Division respectively for intermediary period[25].

Rupees 4.79 crore was not remitted to DeGS by SDA

Audit observed that, payment due to DeGS for 413 CSCs for Bhagalpur Division at the rate of ₹ 1900 per month per CSC and at the rate of ₹ 1125 per month per CSC for 880 CSCs of Darbhanga Division for operation/ supervision/guidance of CSC amounting to ₹ 4.79 crore was not remitted to DeGS as indicated in table below:

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22 *Letter no 1131 dated December 2009 and 1142 dated October 2010*
23 *Money needed for starting a new project*
24 *Letter no 07/109/2011/10987/XI dated 28.11.2011*
25 *Period till new SCA was appointed on 28 September 2010 to 02 January 2013.*

Table-2.3.6
Statement showing details of non-payment to DeGS

(Amount in ₹)

Name of Division	No of CSC	At the rate of	No of month	Total Amount (in ₹)
Bhagalpur	413	1900	27	2,11,86,900
Darbhanga	880	1125	27	2,67,30,000
			Total	**4,79,16,900**

The amount meant for operation and management of CSC for rendering services to citizens was not paid to DeGS.

On this being pointed out the SDA accepted the facts and stated that appropriate amount due to all DeGS would be transferred.

2.3.11.7 Non-adherence of the responsibility by State Designated Agency

As per Para no. 2.4 of Request for Proposal (RFP), the State Designated Agency was responsible for the following works:

- to facilitate the co-ordination with the State Departments and appropriate officials to develop an implementation plan for delivery of e-Government services. The SDA would also coordinate and facilitate interaction with various internal departments.
- to co-ordinate the SWAN to implement the process with appropriate departments and ensure the connectivity for the CSC scheme. Where SWAN is not ready, the SDA in tandem with DIT and SCA would select the right telecom providers to connect the CSCs.
- to co-ordinate with BSNL for providing connectivity to the CSCs as per the Government of India's arrangement with BSNL, and
- to associate with the SPV, monitor the SCA business to calculate the precise revenue support for disbursement on a periodic basis.

During test check, it was noticed that the above mentioned responsibilities were not adhered to by the SDA which was essential for smooth implementation of CSC Scheme. Resultantly, CSC Scheme was badly hampered and G2C services were not stabilized through the CSC scheme. Further, only 538 out of 8463 CSCs were connected (September 2013) to internet even after advance payment of ₹ 11.17 crore to BSNL.

On this being pointed out, the SDA /Department accepted the facts and stated that initiatives had been taken in order to make project Go-Live in a most efficient and effective way.

2.3.12 Conclusion

The performance audit of Bihar State Wide Area Network and Common Service Centre under National e-Governance Plan revealed that objective of SWAN for making all Government services accessible to the common man in his locality through CSCs was not achieved. State Designated Agency (SDA) suffered a loss of ₹ 49.13 lakh due to non deposit of scheme funds in interest bearing accounts. State constituted a State Level SWAN Project Implementation Committee after delay of six months and signed

Memorandum of Understanding with Bharat Sanchar Nigam Limited for providing Bandwidth after delay of nine months from the date of approval of Government of India. The Service provider agency (M/s TCS) had neither configured Network Monitoring System/ Integrated Services Digital Network etc. nor integrated BSWAN to other networks like NICNET to provide wide access network to BSWAN. Further, payment was made to M/s TCS without prescribed network availability. Above all, neither Government had identified the personnel for training nor M/s TCS had made the training roll-out plan/training calendar for training to the Government personnel to take over the network operation from M/s TCS.

Similarly there was inordinate delay in rolling out of CSCs. SDA also suffered a loss of ₹ 22.54 lakh due to non deposit of scheme funds in interest bearing accounts. Some CSCs remained out of purview of scheme and fresh MSAs were not signed for extended period in most of the cases. Contrary to the guidelines of DIT, Government of India, MoU was not signed with concerned departments to enable a timely delivery of Government Services nor was appropriate enablement plan developed to provide G2C services to the citizen through the CSCs. In majority of CSCs internet/WiMAX was not installed by BSNL.

2.3.13 Recommendations

The Government should ensure that:

- Infrastructure of Bihar State Electronic Development Corporation Limited should be developed for proper monitoring of NeGP;
- Capacity Building programme should be strengthened for proper working of NeGP and smooth transition of the scheme; and
- Connectivity with State Data Centre should be ensured for all PoPs and CSCs.

WORKING OF A GOVERNMENT DEPARTMENT

2.4 Functioning of Co-operative Department

Executive summary

Introduction

The Co-operative Department, Government of Bihar provides agriculture credit, storage and support price of agriculture produces and insurance coverage of crops through Primary Agriculture Credit Societies as well as commercial banks to safeguard the rural economy of the State.

(Paragraph 2.4.1)

Planning

Improvement in planning of the Department was required as perspective plan and detailed action plan for implementation of its schemes and recovery of outstanding dues was yet to be done.

(Paragraph 2.4.6)

Financial Management

The financial management of Department was deficient as it could utilise 73 *per cent* of its available funds and 67 *per cent* of savings were surrendered on the last and penultimate day of the financial years. Further, cases of blockage of funds and non-submission of utilisation certificates were also noticed.

(Paragraph 2.4. 7 to 2.4.7.5)

Operational Management

The scheme implementation could not bring desired results in the State as excess payment of claims amounting to ₹ 152.59 crore for 178708.83 hectare unsown area was made to the farmers under National Agriculture Insurance Scheme during 2009-13.

(Paragraph 2.4. 8.1)

Due to non-appointment of Chief Executive Officers in District Central Co-operative Banks and non-generation of share of Co-operative Credit Structure, the Government of India's share of revival package amounting to ₹ 369.42 crore could not be received.

(Paragraph 2.4.8.2)

The loans given to Bihar State Co-operative Land Development Bank remained unrecovered as of December 2013.

(Paragraph 2.4. 8.4)

The achievement percentage in procurement of wheat has decreased from 98 to 35 *per cent* during 2008-09 to 2012-13.

(Paragraph 2.4.8.6)

Manpower Management, Monitoring and Internal Control

Existence of large numberv of acancies indicated improper manpower management in the Department. In addition, the audit coverage of the Co-operative Societies was merely between five to seven *per cent* during 2008-13.

(Paragraph 2.4.9, 2.4.10.1 & 2.4.10.2)

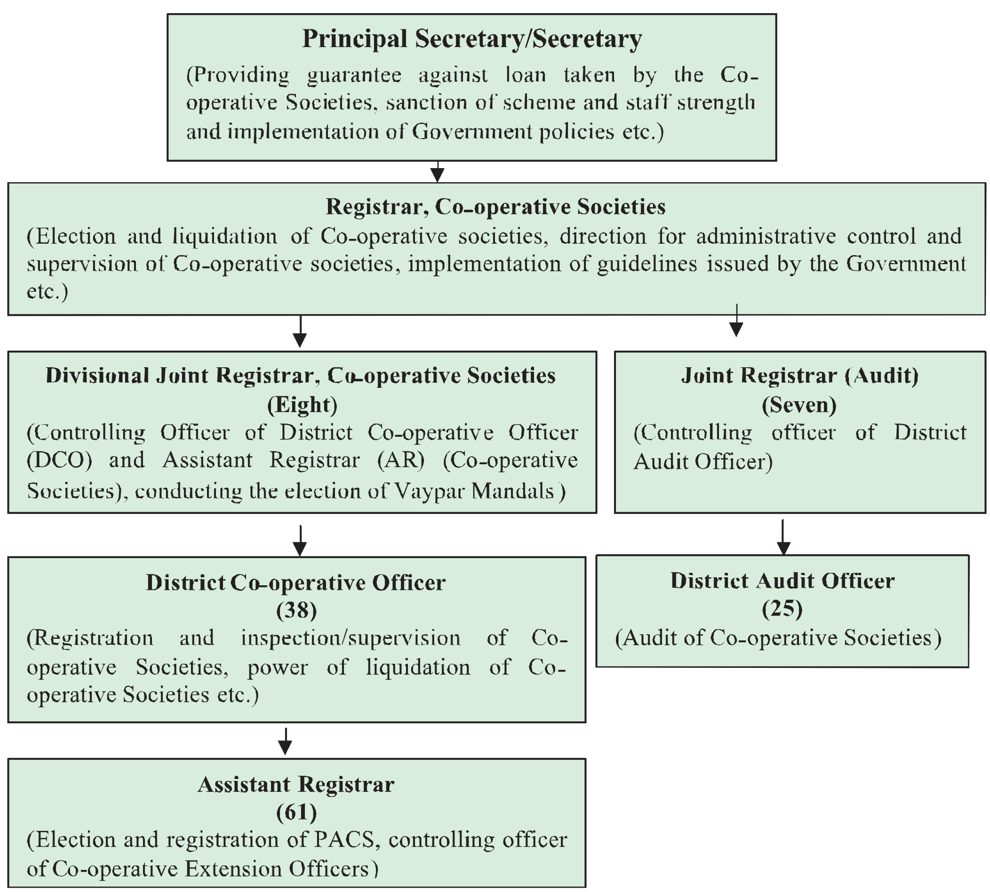
2.4.1 Introduction

The Co-operative Department (Department) provides agriculture credit by making arrangement of short term credit through co-operative credit structure, storage and support price of agriculture produces, through Primary Agriculture Credit Societies (PACS) and insurance coverage of crops through various insurance companies as well as commercial banks to safeguard the rural economy of the State. For effective catering to marketing needs of agriculture and allied sectors, the Bihar State Co-operative and Marketing Union (BISCOMAUN) is functioning at apex level where as 521 Vyapar Mandal Sahyog Samities (VMSS) and 8463 Primary Agriculture Credit Societies (PACS) are functioning at Block and Panchayat level respectively. The short term credit requirement is being provided by 22 District Central Co-operative Banks (DCCBs) and Bihar State Co-operative Bank Limited, Patna (BSCB) at apex level.

2.4.2 Organisational structure

The Department is headed by Principal Secretary and assisted by one Registrar, Co-operative societies at Directorate level for the control of implementation of programme in field entities. The organogram of the Department with their respective functions is given below:

Organogram of the Department



(Source: - Website of Co-operative Department)

2.4.3 Audit objectives

Audit objectives aimed to assess and evaluate whether:-

- the planning process of the Department was efficient and effective;
- the funds provided were adequate and the financial management was efficient;
- the implementation and execution of schemes were efficient, effective and economical;
- the human resource management was efficient and;
- effective monitoring system was in place and internal controls were adequate.

2.4.4 Audit criteria

The review on functioning of Co-operative Department was benchmarked against the criteria derived from the following sources:

- Bihar Co-operative Societies Act, 1935 and (Amendment) Act, 2008;
- The Bihar Self Supporting Co-operative Societies Act, 1996;
- Bihar Co-operative Societies Rules, 1959 and (Amendment) Rules, 2008;
- The Bihar Self Supporting Co-operative Societies Tribunal (Constitution and Procedure) Rules, 2002;
- Bihar Treasury Code, Bihar Budget Manual and Bihar Financial Rules; and
- Departmental instructions/ Circulars issued from time to time and guidelines of State and Centrally sponsored scheme i.e. Integrated Co-operative Development Project (ICDP).

2.4.5 Audit scope and methodology

A review of the working of the Co-operative Department for the period 2008-13 was conducted between June and September 2013. During audit, the records of the offices of Principal Secretary, Co-operative Department and Registrar of Co-operative Societies at Secretariat level, two[1] out of eight Joint Registrars of Co-operative Societies and 12[2] out of 38 District Co-operative Officers were test checked. The test checked districts were selected on the basis of Geographical Stratified Random Sampling Method. Records of 18[3] out of 23 Assistant Registrars of the selected districts were also test checked. Besides, information was also collected from District Central Co-operative

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[1] *(1) Patna Division, Patna (2) Magadh Division, Gaya*

[2] *(1) Araria (2) Aurangaba (3) Bhojpur (4) Gaya (5) Muzaffarpur (6) Patna(7) Purnia (8) Rohtas (9) Samastipur (10) Saran (11) Sheikhpura and (12)Vaishali.*

[3] *(1) Araria (2) Aurangaba (3) Ara (4) Chapra (5) Danapur (6)Gaya (7) Hajipur (8) Muzaffarpu (East) (9) Muzaffarpur (West) (10) Patna (11) Purnia (12)) Rosera (13) Samastipur (14) Sasaram (15) Sheikhpura (16) Sherghati (17) Sonepur and (18) Vikramganj*

Banks (DCCB), Monitoring Cell of Integrated Co-operative Development Project (ICDP) and Agriculture Insurance Company of India Limited (AIC). Out of total 10 schemes[4] running during the review period eight[5] were selected for audit scrutiny. An entry conference was held on 29 May 2013 with the Joint Secretary, Co-operative Department, Government of Bihar (GoB) wherein audit objectives, criteria, sample selection of entities and scope of audit was discussed. Further, exit conference was also held on 23 December 2013 with the Joint Secretary, Co-operative Department, GoB and the results of exit conference and the departmental replies have been suitably incorporated in the report.

Audit Findings

2.4.6 Planning

Annual plans formulated without any prespective plan for achievement of the objective in the long term

Proper planning is the key factor for any department to achieve the targeted goal as per vision of the State Government. The planning of a department should be drawn on the basis of a perspective plan duly incorporated with an action plan. However, the Department did not have any perspective plan for achievement of its objectives in the long term.

Scrutiny of records of Co-operative Department at Secretariat level revealed that five year plan as well as Annual Plan (AP) for implementation of schemes was prepared during 2008-13. However, following shortcomings were noticed in the APs of the Department:

- Altogether 10 schemes were proposed in APs with brief description only. The detailed action plan for implementation of these schemes was neither incorporated in the annual plans nor prepared separately.
- In 11th Five year plan, recovery of dues (loan) was one of the major policy thrust, but no action plan was prepared for the recovery of dues except setting the targets in APs. It was observed that only ₹17.23 crore (27 *per cent*) against the targeted recovery amount of ₹64.36 crore could be recovered during 2008-13 resulting in shortfall of ₹ 47.13 crore (73 *per cent*). Absence of detailed action plan linked with available human resources as discussed in para number-2.4.9 contributed to this short recovery.
- Under crop insurance scheme, the Department had earmarked fund of ₹ 83.88 crore during 2008-10 for Backward Classes (including minorities). Since the Department did not have any database of

[4] *State Schemes: (1)National Agriculture Insurance Scheme, (2) Weather based Crop Insurance Scheme, (3) Modified National Agriculture Insurance Scheme, (4) Training of departmental staff, (5) Margin Money for PACS, (6) Construction and repair of Godown, (7) Loans for purchase of paddy (8) Publicity for departmental work, (9) Grant for strengthening of short term Co-operative credit structure, and (10) Integrated Co-operative Development Project (Centrally Sponsored Scheme)*

[5] *(1)National Agriculture Insurance Scheme, (2) Weather based Crop Insurance Scheme, (3) Modified National Agriculture Insurance Scheme, (4) Training of departmental staff, (5) Construction and repair of Godown, (6) Loans for purchase of paddy (7) Grant for strengthening of short term Co-operative credit structure (8) Integrated Co-operative Development Project (Centrally Sponsored Scheme)*

targeted beneficiaries belonging to Backward Classes (including minorities), the utilization of ₹ 54.77 crore[6] out of earmarked fund for the intended purpose could not be ensured. However, during 2011-13 scheme was opened to all farmers irrespective of class and community but no funds were earmarked under the scheme.

During exit conference, Joint Secretary stated (December 2013) that database for backward class was not available and the same would be prepared after collecting the data from field offices.

- The Agri clinics were to be established under Integrated Co-operative Development Project (ICDP) launched in 2001 for providing the facilities to farmers such as soil testing at reasonable costs, irrigation water quality testing, testing of the inputs, fertility management to arrange suitable inputs, providing guidance for soil reclamation and related technical areas and providing training/demonstration/ education.

Agri clinics were established without ensuring the availability of technical staff for their operation

During test check of records of DCO, Saran (Chapra) it was found that ₹ 15.90 lakh were spent during 2008-13 on establishment of four Agri clinics in four Vyapar Mandals[7]. These Agri-clinics were constructed during March-June 2008. However, these remained non-functional since installation for want of technical staff. Thus, the objective of establishment of Agri clinic was not achieved.

Further, in Vaishali District, ₹ 4.70 lakh was transferred (October 2011) into special saving account of the PACS for establishing an Agri-clinic in Khesrahi PACS under Patepur Block. However, the work of establishment of Agri clinic was not started due to its non-feasibility and the fund was still lying in the PACS since October 2011.

The Department admitted (December 2013) that due to some practical difficulties these clinics were not being functioning successfully as of now and stated that Agri Clinics would be made successful with the help of Agriculture Department and its experts.

The reply of the Department indicated lack of planning as it spent funds for Agri-clinics without ensuring its operation after construction.

Thus, due to inadequate planning, most of the loan amount could not be recovered, Agri clinics remained non functional and the benefit derived out of the funds earmarked for crop insurance for Backward Classes including minorities could not be ascertained. Therefore, the planning of Department still needs improvement to deliver better results towards its objectives.

2.4.7 Financial Management

The Co-operative Department was receiving funds under various schemes of GoI and State Government such as ICDP, Rashtriya Krishi Vikas Yojana

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6 *Surrender ₹ 29.11 crore (2008-09 - ₹ 0.31 crore, 2009-10 - ₹ 28.80 crore)*

7 *(i) Majhi Vyapar Mandal, (ii) Ekma Vyapar Mandal, (iii) Dariyapur Vyapar Mandal, and (iv) Maraurha Vyapar Mandal*

(RKVY), crop insurance schemes, construction of godowns, loan for procurement for paddy, repayment of loan to BSCLDB and repayment of loan and interest of NCDC. Details of allocation, expenditure and surrender of the funds allocated to the Department during 2008-13 are given below:

Table-2.4.1
Details showing allocation, expenditure and surrender of funds during 2008-09 to 2012-13

(₹ in crore)

Year	Total Allocation			Expenditure			Surrender		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2008-09	291.45	89.30	380.75	255.97	85.25	341.22	35.48	4.07	39.55
2009-10	213.08	92.85	305.93	124.85	83.16	208.01	55.25	9.63	64.88
2010-11	580.98	89.32	670.3	373.51	83.16	456.67	205.60	6.21	211.81
2011-12	1222.97	66.94	1289.91	947.98	64.35	1012.33	273.44	2.29	275.73
2012-13	722.88	81.58	804.46	438.65	66.65	505.3	283.16	14.06	297.22
Total	**3031.36**	**419.99**	**3451.35**	**2140.96**	**382.57**	**2523.53**	**852.93**	**36.26**	**889.19**

(Source: Detailed Appropriation Accounts of the respective years of GoB compiled by Accountant General (Accounts & Entitlement), Bihar, Patna)

The financial management of Department was deficient as it could utilise 73 *per cent* of its available funds and 67 *per cent* of savings were surrendered on the last and penultimate day of the financial years

It is evident from the table that ₹ 852.93 crore out of ₹ 3031.36 crore under plan head and ₹ 36.26 crore out of ₹ 419.99 crore under non-plan head were surrendered during 2008-13.

On this being pointed out, Department confirmed (December 2013) the surrender amount as ₹ 541.89 crore and ₹ 17.34 crore in plan and non-plan head respectively as against actual surrender of ₹ 852.93 crore under plan and ₹ 36.26 crore under non-plan as per surrender statement submitted to AG (A&E) during 2008-13. During exit conference, Joint Secretary agreed to reconcile the differences in amount surrendered with the figures of Accountant General (A&E).

The irregularities noticed in financial management of the Department are discussed in succeeding paragraphs.

2.4.7.1 Non-utilisation of fund due to belated surrender

As per Rule 112 of the Bihar Budget Manual, spending departments are required to surrender the grants/appropriations or portions thereof to the Finance Department, GoB as and when savings are anticipated, without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at that time. No savings should be held in reserve for possible future excesses.

During test check of surrender reports submitted by the Department to AG (A & E), it was found that out of total surrender of ₹ 852.93 crore and ₹ 36.26 crore under plan and non-plan head respectively during 2008-13, funds amounting to ₹ 573.11 and ₹ 23.23 crore respectively were surrendered on the last and penultimate days of the financial years. Details are as under:

Table-2.4.2

Surrender of funds at the last and penultimate days of financial year

(₹ in crore)

Head of Accounts	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Plan	35.48	55.25[8]	205.60	260.69	16.09	**573.11**
Non-Plan	4.07	9.63	3.72	2.29	3.52	**23.23**

(Source: Surrender report of the Department for the years 2008-13)

It is evident from the table that financial discipline was not maintained while surrender of funds and funds were neither utilized for the purposes for which they were allotted nor were these made available for utilization by other needy departments.

The Department while admitting the facts attributed (December 2013) the reasons for surrender to deduction in provision under plan head by Planning and Development Department, delay in sanction of schemes, non-passing of bill by treasury and drawal of fund under non-plan head by field offices at the fag end of the financial year.

2.4.7.2 Blockage of fund

As per Rule 177 of Bihar Treasury Code[9], 2011, no money shall be drawn from the treasury in anticipation of demands or to prevent lapse of budget grants. If under special circumstance, money is drawn in advance under the orders of a competent authority, the unspent balance of the amount so drawn should be refunded to the treasury by short drawal in the next bill or with a challan at the earliest possible opportunity and in any case before the end of the financial year in which the amount is drawn.

The Agriculture Insurance Company of India Limited (AIC) implements the crop insurance schemes viz. National Agriculture Insurance Scheme (NAIS), Weather Based Crop Insurance Scheme, and Modified National Insurance Scheme. Under these schemes 50 *per cent* subsidy in premium is allowed in respect of marginal farmer to be shared equally by the GoI and State Government. Under NAIS, the claim payment beyond 100 *per cent* of premium was to be borne by the Government with contributions from the GoI and GoB on 50:50 basis.

During scrutiny of bank account and statements of schemes[10] at Secretariat level, it was noticed that State share of ₹ 1303.95 crore (2008-13) was drawn from treasury for payment of premium and compensation of crop insurance (premium ₹ 505. 34 crore and compensation ₹ 798.61 crore). Against that ₹ 977.32 crore (2008-13) was released to AIC (Agriculture Insurance Company of India Limited) for payment of premium and compensation and balance ₹ 355.30 crore (premium ₹ 220 crore, compensation ₹ 111 crore and

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8 ₹ 35.21crore on 30 March & ₹ 20.04crore on 31 March

9 Rule 177 of Bihar Treasury Code, 2011 erstwhile Rule 300 of Bihar Treasury Code, 1937.

10 National Agriculture Insurance Scheme, Weather based Crop Insurance Scheme and Modified National Agriculture Insurance Scheme

interest ₹ 24.30 crore) was kept in bank account in violation of Rule 177 of Bihar Treasury Code 2011. The details are shown in the following table:

Table-2.4.3
Statement of drawal and release of fund for premium and compensation of crop insurance

(₹ in crore)

Year	Opening Balance		Withdrawal from treasury		Fund released to AIC		Balance	
	Premium	Compen-sation	Premium	Compen-sation	Premium	Comp-ensation	Premium	Compe nsation
2008-09	4.83	-0.47	10.00	(209.05-0.47) =208.58	11.54	208.51	3.29	0.07
2009-10	3.29	0.07	54.00	103.00	49.93	20.77	7.36	82.30
2010-11	7.36	82.30	72.65	226.56	76.94	203.60	3.07	105.26
2011-12	3.07	105.26	238.74	260.00	138.20	179.27	103.61	185.99
2012-13	103.61	185.99	129.95	0.00	13.56	75.00	220.00	110.99
Total			**505.34**	**798.61**	**290.17**	**687.15**		

(Source: Information furnished by Department)

It was further observed that ₹ 115.46 crore pertaining to crop insurance premium and compensation for damage of crop under National Agriculture Insurance Scheme (NAIS) was retained in the bank account despite closure of scheme from the year 2012-13.

During exit conference, the Joint Secretary stated (December 2013) that there was a Cabinet decision to keep the amount in bank and spend as per requirement. It was also stated that the amount of interest would be surrendered.

The reply was indicative of the fact that the provisions of Bihar Treasury Code were not adhered to by the department.

2.4.7.3 Non-submission of utilisation certificate

According to the conditions mentioned in the sanction letters of the Department, Drawing and Disbursing Officers had to submit utilization certificate (UCs) to Accountant General (A&E), Bihar as well as the Department for the funds received under construction of godowns and for payment of loan to Bihar State Co-operative Land Development Bank (BSCLDB).

During test check of records of Co-operative Department, it was found that Registrar, Co-operative Societies had withdrawn ₹ 251.50 crore from treasury for construction of godowns and for payment of loan to Bihar State Co-operative Land Development Bank (BSCLDB) which was taken from NABARD in discharge of guarantee for payment of loan of BSCLDB in the event of their failure during 2008-13. However, UCs amounting to ₹ 201.90 crore were awaited as of October 2013 as detailed in Table 2.4.4:

Table-2.4.4
Status of utilization certificates

(₹ in crore)

Year	Drawal of amount	Utilisation Certificate submitted	Outstanding Utilisation certificate
2008-09	39.42	4.08	35.34
2009-10	18.72	Nil	18.72
2010-11	36.69	6.05	30.64
2011-12	13.10	8.47	4.63
2012-13	143.57	31.00	112.57
Total	**251.50**	**49.60**	**201.90**

(Source: Information received from Department)

On this being pointed out during exit conference (December 2013), the Joint Secretary stated that progress had been made in this regard and it would be made available to audit. It was also stated that correspondence was made for obtaining the UCs.

2.4.7.4 Non- realisation of audit fee

According to article 33 of Bihar Co-operative Societies Act, 1935 the Registrar shall audit or cause to be audited by some person (hereinafter referred to as the auditor) authorised by him by general or special order in writing in this behalf the accounts of every registered society once at least in very year. The Registrar may determine the sum to be paid by any society towards the cost of auditing its accounts under this section, and such sum shall be paid by the society in such manner as the Registrar may direct. Section 52 of the Act also envisaged the recovery of fee for audit as a public demand in any area in which the Bihar and Orissa Public Demands Recovery Act, 1914 was in force.

Scrutiny of records relating to recovery of audit fee as decided by the Registrar of Co-operative Societies however, revealed that ₹ 3.71 crore as audit fee pertaining to the period 2008-13 was lying unrecovered from Co-operative Societies as of March 2013 as per details given below:

Table-2.4.5
Status of target fixed for recovery of audit fee and actual recovery thereof

(₹ in crore)

Year	Progressive Target	Recovery	Percentage of recovery with reference to target fixed
2008-09	No target fixed	0.14	-
2009-10	3.88	0.17	4.38
2010-11	4.03	0.16	3.97
2011-12	4.12	0.27	6.55
2012-13	4.04	0.33	8.17
Total		**1.07**	

(Source: Information furnished by Department)

As shown in the table, the recovery of audit fee ranged between four and eight *per cent*. It was also observed that despite failure in recovery of audit fee, the certificate case was not filed against the defaulter societies in any of the test checked districts.

On this being pointed out the Department acknowledged the audit observation and stated (December 2013) that audit fee were not remitted by the Societies in time due to their poor financial conditions. During exit conference

(December 2013), the Joint Secretary also stated that progress had been made in this regard.

2.4.7.5 Unauthorised retention of funds under Integrated Co-operative Development Project (ICDP)

ICDP scheme was introduced in 1985-86 with the objective to develop PACS as multipurpose self-reliant entities, to develop allied sector cooperatives and to develop viable functional linkages among cooperatives. The project funding was to be done under two heads, loan for creation of infrastructure facilities and subsidy was to be provided for project implementation, cost of project preparation, man power development and training, monitoring and incentives on 50:50 basis by National Co-operative Development Corporation (NCDC) and GoB. The project-period under ICDP was five years.

As per Resolutions[11] of Co-operative Department, GoB, the Project Implementation Agency (PIA) was required to prepare a project closure report and to send it to NCDC, State Monitoring Cell ICDP, Registrar, Co-operative Societies, Bihar, Patna and Principal Secretary, Co-operative Department, GoB, Patna during last two months of completion of the projects. The unspent amount was also required to be remitted into treasury at the earliest under intimation to the Department.

Scrutiny of details of funds released by the State Government to PIA and financial statement provided by ICDP revealed that ₹ 65.41 crore was accorded for construction of 816 Godowns[12] with 100 MT capacity and ₹ 14.72 crore was allotted for meeting training, establishment costs and incentive expenses. Out of which 787 Godowns were constructed (96 *per cent*) at a cost of ₹ 63.52 crore and ₹ 13 crore was spent on training, establishment costs and incentive expenses. However, in violation of departmental resolution, unspent balance of ₹ 7.01crore (₹ 3.61 crore with PIA to meet establishment cost and ₹ 3.40 crore with the Societies[13] for construction of godown during 2001-12) was not remitted into treasury as of September 2013 even after completion of the project in 2012.

During exit conference, the Joint Secretary replied (December 2013) that the money would be remitted into the receipt head of treasury.

2.4.8 Operational management

Operational management provides assurance that tasks are being performed economically and efficiently to fulfill the department's objectives. During the year 2008-13, 10 schemes had been implemented by the Department and out of which eight schemes were scrutinized during review of the performance of the Co-operative Department. The shortcomings noticed during implementation of these schemes are discussed in succeeding paragraphs.

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[11] *Resolution no. 516 dated 21.3.2005 and 2379 dated 17.9.2003*

[12] *767 in PACS and 49 in Vyapar Mandals*

[13] *Gopalganj-₹ 0.19 crore, Madhubani- ₹ 1.83 crore, Gaya- ₹ 0.46 crore, Sitamarhi- ₹ 0.27 crore, Ara-₹ 0.35 crore, Chapra-₹ 0.20 crore and Siwan-₹ 0.10 crore.*

2.4.8.1 Agriculture Insurance

To cover comprehensive risk insurance for yield losses due to Non-Preventable Risks, National Agriculture Insurance Scheme (NAIS) was launched by GoI during 1999-2000. NAIS was being implemented by the Agriculture Insurance Company of India Limited (AIC). Under NAIS the claim payments beyond 100 *per cent* of premium were to be borne by the Government with contributions from the GoI and State Government on 50:50 basis. The Government may at their option also scrutinize/examine a claim falling within their risk liability. Department of Agriculture/Statistics/ district administration was to set up a District Level Monitoring Committee (DLMC) which was responsible for providing fortnightly reports of agriculture status with details of area sown, weather situation, past incidence stage of crop failure (if any) etc. to AIC. Under insurance of crops by the AIC, following facts were observed:-

- ***Excess payment of claim for unsown area***

Due to non-adherence of condition of guidelines, excess payment of claims amounting to ₹ 152.59 crore for 178708.83 hectare unsown area was made to the farmers during *Kharif* 2008, *Kharif* 2009 and *Rabi* 2008-09 seasons

As per guidelines of NAIS, insurance coverage was compulsory for all loanee farmers availing seasonal agriculture operation loans from financial institutions. Loan given for unsown areas were not to be covered as indemnity claims and were to be accepted only after the crop was sown in the event of crop failure.

During scrutiny of records of the Department and the data/information obtained from Agriculture Insurance Company of India Limited (AIC), it was observed that crop insurance claim for 381122.11 hectares amounting to ₹ 355.67 crore was paid in 75 blocks of 12[14] districts, during 2008-10 (*Kharif and Rabi*) without obtaining the details of sown area from DLMC. It was however observed from the data of Economics and Statistics Directorate and District Statistical Officers of concerned districts that actual sown area of these blocks was only 202413.28 hectares. Thus, due to non-adherence of condition of guidelines, excess payment of claims amounting to ₹ 152.59 crore (***Appendix -2.4.1***) for 178708.83 hectare unsown area was made to the farmers during *Kharif* 2008, *Kharif* 2009 and *Rabi* 2008-09 seasons. During 2011-13, payment for compensation was not made by the Government and it was paid by the AIC as compensation amount was within the premium.

During exit conference (December 2013), the Joint Secretary of the Department accepted that the figures of sown area were not available and claim payment for unsown area was wrong. He also assured further investigation in this regard.

- ***Low coverage of non-loanee farmers under NAIS***

As per operational modalities of the NAIS, all loanee farmers were to be covered under the scheme whereas it was optional for non-loanee farmers. However, increase in coverage of non-loanee farmers was under major policy thrust for Department in 11[th] five year plan of the State. Thus, the Department

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[14] *(i) Aurangabad, (ii) Begusarai, (iii) Bettiah, (iv) Bhojpur, (v) Buxar, (vi) Gopalganj, (vii) Jamui, (viii) Jehanabad, (ix) Khagaria, (x) Motihari (East Champaran), (xi) Muzaffarpur, and (xii) Siwan*

was required to increase the coverage both in the terms of farmers and crops insured. However, the coverage of non-loanee farmers under NAIS[15] during 2008-12 was as follows:

Table-2.4.6

Numbers of non-loanee farmers in NAIS

Season	Kharif	Rabi	Total
2008-09	47155	32417	**79572**
2009-10	192438	74556	**266994**
2010-11	341057	4347	**345404**
2011-12	9913	4448	**14361**

(Source: Agriculture Insurance Company of India)

As evident from the table above, involvement of non-loanee farmers has drastically decreased in 2011-12. Scrutiny further revealed that adequate publicity of scheme was not given. Thus, the objective under 11th Five Year Plan to increase the coverage of non-loanee farmers could not be achieved.

In reply the Department stated (December 2013) that in 2009-10, coverage of non-loanee farmers was test checked in four districts and irregularities were found which led to decrease in coverage of non-loanee farmers in later years.

Agriculture Credit

2.4.8.2 Non-release of committed liabilities (Central Share) by GoI

Due to non-adherence of conditions of MoU, committed funds of GoI amounting to ₹ 369.42 crore, could not be released and it affected the credit worthiness of the CCS

For revival and restructuring of rural Co-operative Credit Structure (CCS) a Memorandum of Understanding (MoU) was signed (March 2007) among Government of India, State Government and NABARD. As per the MoU, the release of financial assistance on behalf of Central Government would be subject to fulfillment of key benchmark activities as detailed below:

Benchmark Activities	Consequent Release of Financial Assistance from the GoI share
The State accepts the Package, issues consent letter and signs the Memorandum of Understanding (MoU) with the Central Government and NABARD.	Assistance for conduct of special audits and steps initiated for computerisation of the Cooperative Credit Structure (CCS) and Human Resource Development (HRD) initiatives.
Primary Agriculture Credit Societies (PACS), Central Co-operative Banks (CCBs) and State Co-operative Bank (StCB) sign agreements with respective District Level Implementation Committees and State Level Implementation Committees, the State promulgates the ordinance for amendment to the Bihar Cooperative Societies Act, 1935 as envisaged in paragraph 9 of this MoU, special audits are completed and the State releases its committed liabilities.	75 *per cent* of financial assistance for funding accumulated losses.

[15] NAIS was not implemented after 2012 (Kharif) and 2012-13 (Rabi)

Legislation amending the Bihar Co-operative Societies Act, 1935 or incorporating a special chapter enacted by the State, elections to the Board conducted wherever due, professionals are either elected or co-opted to the Board as per the fit and proper criteria as may be stipulated by RBI and appointment of professional Chief Executive Officers (CEOs) satisfying the qualifications as may be prescribed by RBI.	Balance 25 *per cent* of financial assistance for funding accumulated losses.

(Source: Information furnished by Department)

Scrutiny of records revealed that as per financial revival package, ₹ 843.53 crore were provisioned for strengthening and revival of PACSs, DCCBs and StCB in the State. However, the details of release of funds during 2008-11 under that package were as under:

Table-2.4.7

Fund release as per revival package

(₹ in crore)

Name of Co-operative Credit Structure	Total package sanctioned				Funds released during 2008-11			
	GoI	**GoB**	**CCS**	**Total**	**GoI**	**GoB**	**CCS**	**Total**
PACS	322.81	27.45	91.87	442.13	265.06	29.73	-	294.79
DCCB	272.82	18.24	69.73	360.79	-	15.47	-	15.47
StCB	38.85	0.68	1.08	40.61	-	-	-	-
Total	**634.48**	**46.37**	**162.68**	**843.53**	**265.06**	**45.20**	**-**	**310.26**

(Source: Information received from Department)

It is evident from the table that GoI had released ₹ 265.06 crore only against the sanction of ₹ 634.48 crore while CCS had not generated its share of funds. However, the State Government had released ₹ 45.20 crore out of State share of ₹ 46.37 crore.

On this being pointed out in audit, the Department stated (December 2013) that all benchmark activities were completed by 30 June 2011 but GoI released only ₹ 265.06 crore. It also stated that elections in Co-operative banks were delayed due to unavoidable reasons and now it was completed and process of appointment of CEOs was started and would be completed by March 2014.

The reply was not acceptable as the GoB did not release its own committed share (StCB-₹ 0.68 crore and DCCBs- ₹ 2.77 crore) besides, the appointment of CEOs in DCCBs was also not made according to the conditions of MoU which resulted in non-release of committed funds of GoI amounting to ₹ 369.42 crore. This affected the credit worthiness of the CCS as the GoI share was released to only 7452 PACS out of 8463 PACS.

It was further observed that the CCS could not maintain prescribed minimum CRAR[16] (Capital to Risk Weighted Asset Ratio) as required vide para 4.6 of revival package prescribed by Reserve Bank of India (RBI) and the Government had provided (September 2012) grant of ₹ 64.06 crore to four DCCBs namely Katihar, Purnia, Muzaffarpur and Munger-Jamui for maintaining its minimum CRAR.

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[16] *CRAR- Capital to Risk Weighted Asset Ratio: It is arrived at by dividing the capital of the bank with aggregated risk weighted assets for credit risk, marked risk and operational risk. The higher the CRAR of a bank the better capitalized it is.*

The department in its reply (September 2013) stated that the banks had to maintain prescribed four *per cent* CRAR otherwise the banking license of these banks were to be cancelled by the RBI. Hence to avoid the cancellation of banking operations the fund were released to the four DCCBs.

Thus, funds provided as grant to these DCCBs to avoid closing of operations by RBI resulted in additional financial burden on State exchequer.

2.4.8.3 Non-achievement of target of Kissan Credit Card (KCC)

Kissan Credit Card Scheme was launched in the year 1998-99 to provide need based and timely credit support to the farmers for their cultivation needs as well as non-farm activities in a cost effective manner. The State Level Banker's Committee in consultation with the Government and controlling heads of major Banks fixed targets for issuance of KCC.

The status of target and achievement of issuance of KCC for Co-operative Banks during 2008-13 as provided by State Level Bankers' Committee was as follows:

Table-2.4.8
Target and achievement of KCC

Year	Target	Achievement	Percentage of achievement
2008-09	160000	81725	51
2009-10	160000	69208	43
2010-11	160000	40021	25
2011-12	221711	34946	16
2012-13	221712	16492	7
Total	**923423**	**242392**	

(Source: Information received from State Level Bankers' Committee, Bihar)

It would be seen from the table that target for issuance of KCC was never achieved. The issuance of KCC was continuously decreasing during the last five years and ranged between 51 *per cent* and seven *per cent* of the target during 2008-13. Thus the objective to provide need based and timely credit support to the farmers for their cultivation needs was not achieved.

In reply it was stated (December 2013) that due to lack of infrastructure and paucity of fund in banks, KCC could not be issued. Further, during exit conference (December 2013), the Joint Secretary stated that action would be taken for its improvement.

- ***Unauthorised disbursement of KCC loan***

As per Government of Bihar Notification (March 1999), the KCC loan facility may be provided through Co-operative Banks to the non-defaulting farmer members of PACS within the cash credit limit of concerned farmers. For availing this facility, the farmers were required to apply in the proper format[17] to the chairman of PACS, who was to recommend it to the concerned bank. The banks were required to verify the application before issuing KCC loan.

[17] *A format for this purpose was to be printed and supplied by the Bihar State Co-operative Federation, Patna.*

The credit limit of the farmers was to be decided on the basis of various factors such as holding of fertile land[18], requirement of cash, fertilizer, seeds, pesticides etc.

The guiding principles for approval and payment of KCC loans were not adhered to by DCCB Purnia and KCC loans were distributed to even 13 deceased farmers

During 2012-13, it was seen in audit (November 2013) that KCC loan worth ₹ 1.92 crore was disbursed to 879 farmers by the District Central Co-operative Bank (DCCB), Gulabbagh Branch, Purnia. Out of 879 KCC issued to farmers by the bank, records of payment of KCC loan to 110 farmers were test checked and following facts were observed:-

- The application forms for KCC were to be sold by the bank and their sale records were to be maintained in KCC Application Register. It was observed from the KCC Application Register of the DCCB, Gulabbagh Branch, Purnia that not a single application form of KCC was sold by the bank since March 2009. Thus, the sanctioned KCCs from the bank were doubtful.
- As per directive[19] of the Department, the application forms of KCC were to be submitted in banks with recommendation of Chairman PACS. During course of audit it was observed that no records of application forms of KCC submitted were available in the bank.
- Further, 74 farmer members of Sindhiya Diwanganj PACS had been issued KCC loans worth ₹ 31.80 lakh. On this being pointed out in audit the Bank Manager of concerned branch replied that Sindhiya Diwanganj PACS was divided into Dimiya Chhatarjan PACS and Vyarpur PACS. However, during audit it was found that no such PACS (i.e. Sindhiya Diwanganj) was in existence since 2008-09.
- The applications of KCC were to be examined by the bank and forwarded to Board of Directors of bank headquarter. The bank headquarters had to sanction and return back the sanctioned applications to concerned branch of the bank.

  Scrutiny revealed that KCC loans were issued to 13 deceased farmers and later loan amount of ₹ 5.40 lakh disbursed was also withdrawn which indicated that the KCCs were issued and loan disbursed without proper scrutiny.
- Rupees 6.45 lakh was paid to 14 farmers whose names did not tally with the names scripted in cheques and ledger of the bank.
- The individual loan account was to be maintained by the bank after issuance of KCC with clear indication of the limit of the loan amount. In course of scrutiny it was also found that this was overlooked and five farmers got double payment.[20]

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18 *Holding of land was to be decided on the basis of certificate of Circle Officer, receipt of holding tax etc.*

19 *Co-operative Department's letter no-1707 dated 16.03.1999.*

20 *At the rate of ₹ 0.45 lakh to Mansoor Alam, Md. Arif, Md. Rafik, Sushil Kr. Biswash, Guru Dev Mahaldar = ₹ 2.25 lakh*

- The KCC loans were withdrawn through 27 cheque books (containing 20 foils each) which were not issued to any account holder by the bank.

  During course of scrutiny it was found that ₹ 49 lakh was withdrawn through the cheques not issued by the bank. Thus, case of withdrawal through these cheques by the bank was indicative of gross irregularity in the disbursement of KCC loans. The Bank Manager had confirmed that cheques by which amount were withdrawn were not entered in ledger.

During exit conference, the Joint Secretary stated (December 2013) that FIR had been lodged in this matter and Managing Director of the DCCB, Purnia was suspended (December 2013).

2.4.8.4 Non recovery of loan and interest from Bihar State Co-operative Land Development Bank (BSCLDB)

The Bihar State Co-operative Land Development Bank (BSCLDB) was registered under the Co-operative Societies Act to act as a financing institution for long term investment for agriculture development project. The prime objective of the bank was to provide long term credit facilities to the farmers. NABARD had granted loans and advances to BSCLDB by way of refinance or by way of subscription to the Special Development Debentures floated by BSCLDB in terms of General Refinance Agreement (March 1997) entered into between BSCLDB and NABARD.

Department could not recover the paid amount of loan from BSCLDB despite an agreement for repayment of loan amount with interest

During course of audit it was noticed that the State Government had issued guarantee for repayment of principal and payment of interest in case of default by BSCLDB and a tripartite agreement was executed (December 2001) among Government, NABARD and BSCLDB for repayment of loan taken by BSCLDB from NABARD. According to the agreement the BSCLDB had to repay the dues with interest[21] to NABARD according to a repayment schedule. However, BSCLDB did not adhere to the respective repayment schedules in making repayments to NABARD and Department had repaid an amount of ₹ 179.54 crore to NABARD during 2000-11 on behalf of BSCLDB. While sanctioning the amount the Department had put a condition on BSCLDB of charging 13 *per cent* interest on the amount paid on behalf of BSCLDB and penalty of 0.5 *per cent* for any default in timely repayment. However, the BSCLDB had not paid the loan amount to the Department. Thus, the total amount of ₹ 277.88 crore (Principal: ₹ 115.97 crore, Interest: ₹ 155.94 crore, Penalty: ₹ 5.97 crore) upto June 2013 was not recovered till December 2013. The Department had not taken any action against BSCLDB for defaulting in repayment.

During exit conference, the Joint Secretary stated (December 2013) that adequate steps were being taken for recovery.

Thus, it was evident that the funds worth ₹ 277.88 crore remained unrecovered from BSCLDB as of December 2013.

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[21] *Rates were to be decided by NABARD at the time of such drawal subject to maximum of 10 per cent*

2.4.8.5 Non-recovery of Government loan and interest

As per Article 13(A) of Bihar Co-operative Societies Act, 1935 the Department provides loan, share-capital and subsidy to Co-operative Societies to encourage and promote the co-operative movement in the State.

During scrutiny of records at Secretariat level it was observed that every year target for recovery of loan and interest thereon was fixed by the Registrar, Co-operative Societies. In case of non-recovery of Government dues, action as per Section 53 of Bihar Co-operative Societies Act, 1935 was to be taken against the defaulting societies. The year wise target and achievement of recovery were as under:

Table-2.4.9

Target and achievement of loan

Year	No. of districts	Target for recovery of loan (₹ in crore)			Achievement in recovery (₹ in crore)			Percentage of recovery	
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest
2008-09	30	18.22	22.06	40.28	1.95	0.13	2.08	10.7	0.6
2009-10	30	21.30	24.79	46.09	0.24	0.17	0.41	1.1	0.7
2010-11	34	21.62	27.58	49.20	0.68	0.10	0.78	3.1	0.4
2011-12	34	25.27	31.73	57.00	10.52	0.04	10.56	41.6	0.1
2012-13	33	27.32	37.04	64.36	3.38	0.02	3.40	12.4	0.1
				Total	**16.77**	**0.46**	**17.23**		

(Source: Information received from Department)

The percentage of recovery of loans given to Co-operative Societies were ranged between 1.1 and 42 *per cent* and as regards interest element was concerned it ranged between 0.1 and 0.7 *per cent*

As is evident from the table above ₹ 47.13[22] crore was due for recovery including interest and the recovery of loan (Principal). The percentage of recovery of principal ranged between 1.1 and 42 *per cent* and as regards interest element is concerned it ranged between 0.1 and 0.7 *per cent*.

In reply the Department stated (December 2013) that due to shortage of Co-operative Extension Officers recovery could not be made.

The fact however remained that not a single certificate case was filed against the defaulters. Thus, though the policy thrust of 11th Five Year Plan (2007-12) was to recover outstanding dues, there was no detailed action plan to achieve it.

Procurement of food grains

2.4.8.6 Procurement of wheat and paddy

In order to provide Minimum Support Price (MSP) to farmers the Co-operative Societies have been engaged for procurement of paddy and wheat. The responsibility of procurement in the State has been entrusted to PACS to provide MSP to farmers. The Bihar State Food Corporation was made nodal agency for procurement. The district-wise target was fixed for procurement by the Department. The achievement of the target of procurement of wheat and paddy is as detailed under:

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22 *Target ₹ 64.36 crore – Recovery ₹ 17.23 crore = ₹ 47.13 crore*

Table-2.4.10
Status of procurement of wheat and paddy

(Quantity in MT)

Year	Target for procurement of paddy	Achievement	Percentage of achievement	Target of the procurement for wheat	Achievement	Percentage of achievement
2008-09	490000.00	488390.57	100	250000	246251.03	98
2009-10	188390.00	503455.56	267	350000	91525.57	26
2010-11	500000.00	788230.80	158	450000	89685.22	20
2011-12	1500000.00	1707017.74	114	400000	209979.10	52
2012-13	2200000	1594018.75	72	1200000	415373.90	35

(Source: Information received from Department)

As is evident from the table, the percentage of procurement of paddy ranged between 72 and 267 *per cent* during 2008-13. It was also noticed that the achievement in target percentage dipped down to 72 *per cent* as compared to 114 *per cent* in 2011-12 with no reasons on record. However, the achievement percentage in procurement of wheat had shown an oscillating trend and it drastically declined from 98 *per cent* in 2008-09 to 35 *per cent* in 2012-13.

On this being pointed out (July-September 2013), the DCOs of selected districts stated that the farmers did not sell wheat to PACS due to higher market rates as compared to Minimum Support Price (MSP) fixed by the Government while Department attributed (December 2013) non-availability of funds to the non-achievement of targets.

The reply of the Department was not acceptable as the societies had to procure paddy and wheat through their own resources and credit memos.

2.4.9 Manpower management

There was acute shortage of Co-operative Extension Officers in the Department who were the main field functionaries so far as implementation of various schemes was concerned

Efficient functioning of a department depends upon the availability of requisite manpower and proper management of available manpower. It was however observed that major shortage in the sanctioned strength and men-in-position of officers and staff as of December 2013 at headquarters and field offices of the Department were as under:

Table-2.4.11
Status of sanctioned Strength and Men-in-Position as of December 2013

(a) Shortage at Headquarter

Name of post	Sanctioned strength	Men-in-position	Shortage of manpower	Percentage of shortfall
Deputy Registrar (Co-operative Societies)	31	17	14	45
Deputy Registrar (Audit)	8	0	8	100
Assistant	75	26	49	65

(b) Shortage at field offices

Name of post	Sanctioned strength	Men-in-position	Shortage of manpower	Percentage of shortfall
Joint Registrar (Audit)	8	0	8	100
Joint Registrar (Co-operative Societies)	16	2	14	87
District Co-operative Officer (CS) and Assistant Registrar (CS)	127	65	62	49

Co-operative Extension Officer	1431	260	1171	82
Sr. Audit Officer	210	121	89	42
Sub divisional Audit Officer	81	40	41	51
Auditor	419	0	419	100

(Source: Information received from Department)

As is evident from the table, the shortfall of manpower ranged between 42 and cent *per cent* in various categories[23]. There was acute shortage of Co-operative Extension Officers who were the main field functionaries so far as implementation of various schemes were concerned.

On this being pointed out, Department replied (December 2013) that efforts were being made to fill up different vacant posts.

2.4.10 Monitoring

Monitoring is an important component of an organization's management process, established to provide reasonable assurances that the functions of an organization are being carried out according to prescribed norms.

2.4.10.1 Inadequate monitoring

As per Rule 306-A of Bihar Treasury Code 1935, every controlling officer was required to inspect annually, the offices of each disbursing officer under him and submit a report.

The scrutiny of records of Department however revealed that the records regarding monitoring and inspection conducted by the controlling officers were not on records. Further, the instances of delayed surrender of funds by the Department and selected districts, blockage of funds, excess payment of claim of crop insurance due to non-exercise of checks in respect of claim proposals and gross irregularities in disbursement of KCC were indicative of inadequate monitoring of the Department. Moreover, seven test checked offices of Assistant Registrars also reported non-inspection of their offices by their drawing officers i.e. District Co-operative Officers.

On being asked, the department provided the existing system of monitoring only with copies of a few inspection reports. However, in the absence of monitoring details, the adequacy of monitoring could not be ascertained in audit.

2.4.11 Deficient internal control

Internal control is an important component of an organization's management process, established to provide a reasonable assurance that the operations are being carried out effectively and efficiently so as to achieve organizational objectives.

Department had a established internal control mechanism as Bihar Co-operative Societies Act, 1935 and Bihar Self Supporting Co-operative

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[23] *Shortage in Steno, Clerk, Driver and Peon category ranged between 21 and 63 per cent*

The audit of the co-operative societies ranged between five and seven *per cent* only due to acute shortage of audit staffs

Societies Act, 1996 stipulated the audit of Co-operative Societies every year to check the annual accounts and watch whether the societies were functioning as per rules, regulations set by the Department under different Acts. As per annual reports of 2008-09 to 2012-13 of the Co-operative Department the audit of different type of co-operative societies were conducted as under:

Table-2.4.12

Status of audit in co-operative societies

Year	Total no. of PACS	PACS Audited	Total no. of Vyapar Mandals	Vyapar Mandals audited	Other Co-operative Societies	Others audited	Total Co-operative Societies	Audited	Percent-age of audit
2008-09	8463	2030	376	67	26328	390	35167	2487	7
2009-10	8463	2327	391	31	27159	62	36013	2420	7
2010-11	8463	2046	391	13	27548	0	36402	2059	6
2011-12	8463	1939	521	11	27335	15	36319	1965	5
2012-13	8463	2248	521	21	27335	14	36319	2283	6

(Source: information received from Department)

It would be seen from above table that audit of the Co-operative Societies could not be conducted due to acute shortage of audit staffs as mentioned in table-2.4.11.

In reply the department stated that instructions were issued to the Co-operative Societies to complete the audit either by Auditors of Co-operative Department or by the Chartered Accountants as per revised Bihar Co-operative Societies Act, 1935 and Bihar Self Supporting Co-operative Societies Act, 1996.

Reply was indicative of the fact that the internal control of the Department was deficient.

2.4.12 Conclusion

Though Co-operative Department had promised a lot for the betterment of rural infrastructure in the State, deficient planning and weak financial management had marred the outcomes. Perspective plan and detailed action plan for implementation of its scheme were not prepared by the Department. It could not utilise the available fund optimally and funds were surrendered on last and penultimate day of the financial year. The implementation of schemes was marred with deficiencies like admission of excess claims for unsown areas and low coverage of crops for non-loanee farmers under insurance scheme (NAIS). Non-adherence of conditions of MoU deprived the State from GoI share of revival package. The achievement percentage in procurement of wheat decreased from 98 *per cent* in 2008-09 to 35 *per cent* in 2012-13 whereas in respect of paddy the achievement was ranged between 100 and 267 *per cent* during 2008-12 which was a commendable achievement. Existence of large number of vacancies indicated inadequate manpower management in the Department. The monitoring was inadequate. The internal control of Department was deficient as the Department failed to conduct the audit of Co-operative Societies as the audit merely ranged between five and seven *per cent* during 2008-13.

2.4.13 Recommendations

The Government should ensure that:

- the provision and release of funds should be based on actual requirement to avoid non-utilisation and ultimate surrender of the funds;
- the Manpower management should be strengthened; and
- efforts should be made to conduct the audit of Co-operative Societies in accordance with the prescribed rules and norms.

MINOR WATER RESOURCES DEPARTMENT

2.5 Long Paragraph on Execution of 3000 tube wells under RIDF Phase-XI

2.5.1 Introduction

The Rural Infrastructure Development Fund (RIDF) was set up by the Government of India in 1995-96 for financing ongoing rural infrastructure projects in irrigation sector of the States through National Bank for Agriculture and Rural Development (NABARD). The projects so supported were public irrigation projects, which were incomplete due to inadequate budgetary resources. Such projects were also having long gestation periods and as there were no cash flows, repayment were to be met out of the State budgetary supports.

The main objective of the Minor Water Resources Department (MWRD) Government of Bihar (GoB) is to create irrigation potential in a short span of time with lesser cost by using the available water sources and to properly utilize the created irrigation potential. The surface and ground water irrigation schemes having command area up to 2000 hectares comes under the MWRD. There are 28 Tube Well Divisions functioning under MWRD for implementation of various tube well schemes.

The MWRD accorded Administrative Approval (March 2006) for construction of 3000 numbers of State Tube wells (STWs) under RIDF phase - XI[1] at an estimated cost of ₹ 166.22 crore[2]. NABARD sanctioned loan amount equivalent to 95 *per cent* of the total estimated cost and the balance amount was to be provided as State share (five *per cent*). The objective of the scheme was to create additional irrigation potential of 120000 hectares (40 hectares per tube well) to enhance the crops production. Seventy five *per cent* of these tube wells were to be energised through Bihar State Electricity Board (BSEB) and remaining 25 *per cent* by Diesel Generator sets according to requirement. After completion of the project the tube wells were to be handed over to the Water Users Associations (WUAs) for its operation and maintenance after signing the Memorandum of Understanding (MoU) / a tripartite agreement among the Department, Panchayats and WUAs. Further, 90 *per cent* of water rate realised by the WUAs was to be utilised for operation and maintenance of these tube wells and remaining 10 *per cent* was to be deposited into treasury.

Implementation of the scheme was test checked by audit between May and August 2013 covering RIDF Phase XI of the MWRD. Audit of 10[3] out of 28 Tube Well Divisions of MWRD Bihar was conducted to assess whether the execution of tube well was done efficiently, economically and effectively as per provision contained in relevant financial rules, regulation, circulars and

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[1] *Funds were provided under RIDF (phase-XI) to Water Resources, Minor Water Resources, Road Construction and Health Department, GoB.*

[2] *NABARD accorded sanction for ₹ 166.20 crore in which ₹ 157.89 was to be provided by NABARD as Loan and ₹ 8.31 was to be contributed by the State Government.*

[3] *Ara, Begusarai, Bihar Sharif, Bihta, Gaya, Madhubani, Motihari, Purnea, Samastipur and Siwan*

departmental orders applicable to/ issued by GoB and also in General and Special terms and conditions of NABARD.

2.5.2 Funding of the RIDF Phase-XI for execution of tube well

Fund for execution under RIDF Phase-XI was released by Finance Department through Budget provision on the basis of proposal from MWRD. After getting the fund, the Department incurred expenditure on the execution of the scheme and sent the Statement of Expenditure for reimbursement to NABARD. NABARD in turn reimbursed 95 *per cent* of SOE amount as loan. Thus, expenditure was reimbursed in form of loan on a monthly basis on submission of SOE. The loan amount was to be repaid in equal annual installments within seven years from the date of drawal of the loan including a grace period of two years at the interest rate of 6.5 *per cent*[4] per annum. A detail of the funding pattern for the scheme is given in ***Appendix-2.5.1.***

Audit scrutiny revealed that MWRD (GoB) had spent ₹ 161.67 crore as of March 2013 for construction of 2917 tube wells and submitted (March 2012) reimbursement claim of ₹ 156.82 crore to NABARD as the Scheme was closed in March 2012. In turn, NABARD had to reimburse 95 *per cent* of the reimbursement claim amounting to ₹ 148.98 crore. But NABARD reimbursed ₹ 143.43 crore and curtailed ₹ 5.55 crore as inadmissible claims during 2006-12. The details of expenditure and reimbursement for 2006-13 are given in **Table -2.5.1** below.

Table-2.5.1

Expenditure of scheme and reimbursement by NABARD

(₹ in crore)

Year	Expenditure	Amount reimbursed by NABARD
2006-07	33.34	39.29*
2007-08	62.17	29.40
2008-09	28.49	36.42
2009-10	23.32	24.56
2010-11	05.67	7.95
2011-12	07.30	1.88
2012-13	01.38	3.93
Total	**161.67**	**143.43**

(Source: Minor Water Resources Department and NABARD)

* *The amount also included mobilisation advance of ₹14.21 crore given in 2005-06.*

As NABARD had reimbursed ₹ 143.43 crore, Department had to bear the extra burden of ₹ 5.55 crore out of State Plan funds. However, the Department did not have details of inadmissible claims.

2.5.3 Audit findings

The Department had accorded (March 2006) administrative approval of ₹ 166.22 crore for construction of 3000 tube wells under RIDF phase XI.

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[4] *The rate of interest was revised to 7.5 per cent during 2012-13.*

According to terms and conditions of NABARD, the projects sanctioned under RIDF should be completed within shortest possible time and not later than the stipulated period (March 2008) which was later extended up to March 2012 with the approval of NABARD.

Scrutiny of records of MWRD revealed that against the total numbers of 3000 tube wells the Department had taken up the construction of 2917 tube wells. The Department did not take up 83 tube wells despite sanction of the funds for them. The Department did not assign any reason for not taking up the execution of 83 tube wells. Irregularities noticed pertaining to execution of the scheme is discussed in succeeding paragraph.

2.5.3.1 Execution of tube wells without conducting resistivity test

The Department had circulated (June 2006) a directive to utilise the services of Hydrologist of Directorate of Ground Water, Department of Minor Irrigation to assess the potentiality of the ground water through Resistivity Test to avoid any failure.

Scrutiny of records of the Department disclosed that services of Hydrologist was not taken prior to drilling and development works and all the three agreements were entered into against these sites. Out of a total number of 2917 tube well sites the resistivity test was got done at only 76 sites. It was however noticed in three divisions[5] that, a total number of 58 sites were found technically unfit due to hard rock and hilly area during course of execution and the execution was stopped.

Thus, had the services of Hydrologist been utilised, the expenditure of ₹ 0.52 crore incurred on these sites could have been avoided.

2.5.3.2 Construction of tube wells

The Department has taken up only 2917 tube wells out of 3000 tube wells. It was found that only 880 tube wells (30 *per cent*) were in running condition (complete and energised). It was also found that 70 tube wells were abandoned and removed from the progress report of concerned divisions (May 2013).

Scrutiny of the monthly progress report and the actual reimbursement claim (May 2013) sent by all 28 divisions revealed that 968 tube wells were incomplete[6] due to non-lowering of motor pump, incomplete civil works, and incomplete distribution system etc. Further, it was found that 999 completed tube wells were non functional as they were yet to be energised. Thus a total number 1967 tube wells[7] remained incomplete despite expenditure of ₹ 106.59 crore Further, it was observed that 70 tube wells were abandoned and excluded from the progress reports by the divisions on which a total amount of ₹ 1.25 crore was spent.

Thus, an amount of ₹ 107.84 crore spent on incomplete and abandoned tube wells remained unfruitful.

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5 *(i) Jehanabad, (ii) Munger & (iii) Nawadah.*

6 *Due to non-completion civil works, non-installation of surge tank and non- lowering of motor pump.*

7 *999 due to non-energisation + 968 due to non-lowering of motor pumps, non-installation of Surge Tank and non completion of civil works.*

Further, it was found that in the test checked divisions, construction of 1113 tube wells were taken up against sanctioned 1144 tube wells and the divisions had paid energisation charges of ₹ 13.12 crore to BSEB for 962 tube wells. The details of test checked divisions are given in table 2.5.2 below:

Table-2.5.2

Status of tube wells in test-checked divisions

Name of Divisions	Total nos. taken up	No. of working tube wells	No. of incomplete tube wells[8]	Payment made to BSEB for number of tube wells	Amount paid to BSEB (₹ in lakh)
Ara	106	44	62	106	106.00
Begusarai	95*	45	50	93	93.00
Bihar Sharif	116	72	44	66	111.91
Bihta	79	27	52	79	120.61
Gaya	68	15	53	46	46.00
Madhubani	100	22	78	95	96.72
Motihari	123	12	111	123	177.88
Purnea	200	77	123	128	249.01
Samastipur	128	62	66	128	128.00
Siwan	98	0	98	98	183.31
Total	**1113**	**376**	**737**	**962**	**1312.44**

(Source: Data furnished by division)

**Note- One tube well was reported as washed out by Begusarai Division.*

As is evident from the table above, 66[9] *per cent* of tube wells were incomplete/non-functional in the test checked divisions. BSEB had energised only 508 tube wells out of which 376 tube wells were in running condition. The balance 132 tube wells were non functional due to electrical and mechanical faults after energisation. The faults were not rectified till May 2013.

On this being pointed out, the Project Co-ordinator confirmed (October 2013) that the tube wells were incomplete due to incomplete pump house and distribution system, electrical fault and non-energisation of tube wells. However, the Project Co-ordinator assured that, after the completion of energisation of rest of tube wells by the Bihar State Power Holding Company Limited, all tube wells would be made functional.

The reply was not satisfactory as the RIDF–XI was closed in March 2012 and resultantly the Department would have to bear the cost escalation from the State fund. However, the Department could not utilize the loan sanctioned by NABARD timely and effectively.

2.5.3.3 Deficient execution of agreement

According to the conditions of tendering of NABARD, the Government had to incorporate a clause in the tender that the contractors/ firms would be

[8] *Due to non-energisation, non lowering of motor pump, non-installation of surge tank and non-completion of civil works.*

[9] *737(66 per cent) incomplete tube wells out of total 1113 STWs taken up.*

responsible for the defect liability period[10] preferably for three years and in no case less than two years.

Scrutiny of test checked divisions revealed that no such clause was incorporated in the contract conditions of works and in five test-checked divisions[11], 28 tube wells failed due to filling up with stones and bricks after incurring an expenditure of ₹ 1.66 crore . Thus, in absence of defect liability clause, divisions could not get the tube wells rectified from the contractors and incurred expenditure amounting to ₹ 1.66 crore remained infructous.

The concerned Executive Engineers (EEs) assured (June 2013) that these tube wells would be rectified.

The reply was not acceptable as the concerned agencies were not liable to do rectification work in absence of the defect liability clause in the relevant agreements. As such even rectification work would put additional burden on the department.

2.5.3.4 Non-execution of agreement with BSEB

As per Rule 208 (VI) of Bihar Financial Rules (BFR) an execution of contract Agreement should be done before commencement of the work. Scrutiny revealed that in contravention of above mentioned rule the department did not enter into any contract with BSEB for energisation of tube wells before commencement of the work. In addition, the consent of BSEB regarding the cost of energisation of tube wells was also not taken by the Department. However, BSEB accepted the fund given by MWRD as it was a departmental work and utilised the same for energisation of tube wells. It was however observed that the Department, in its model estimate of 3000 tube wells, *ex-parte* provisioned ₹ 99397 *per* tube well as cost of energisation in December 2004 and accordingly the divisions paid the energisation cost amounting to ₹ 30.35 crore to BSEB (April 2008 to June 2102). Later, BSEB demanded ₹ 108.62 crore for energisation of 2741 tube wells at the rate of ₹ 3.96 lakh per tube well (March 2013). Accordingly the Department paid the balance amount of ₹ 78.60 crore (September 2013) on the basis of revised administrative approval of ₹ 235.65 crore (June 2013).

Thus, absence of agreement between Department and BSEB resulted in delay and escalation of energisation cost of ₹ 2.96 lakh for each tube well.

2.5.3.5 Non-accountal of amount paid for energisation to BSEB

During course of scrutiny, we observed that an amount of ₹ 30.35 crore was paid to BSEB for energisation of 2917 tube wells at the rate of ₹ 99397 per tube well. However, the Chairman and Managing Director of Bihar State Power Holding Corporation Limited (BSPHCL) (March 2013) and the Secretary, BSEB (July 2012) acknowledged receipt of only ₹ 27.68 crore. Further, the payment of ₹ 30.35 crore was even confirmed by the money receipts available with the Divisions. This clearly showed that while the

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10 *A defect liability period is a set period of time after a construction project has been completed during which a contractor has the right to return to site to remedy defects.*

11 *(i) Ara (₹16.38 lakh), (ii) Begusarai (₹10.13 lakh), (iii) Bihta (₹28.70 lakh), (iv) Purnea (₹69.83lakh) and (v) Samastipur (₹41.24 lakh)*

department failed to cross check the amount paid by the divisions on their own, it also failed to put a system in place. Thus, there was non-accountal of ₹ 2.67 crore which was not brought to the notice of BSEB too.

2.5.3.6 Amount parked with BSEB

In test checked divisions, the concerned EEs had transferred ₹ 13.12 crore to BSEB for energisation of 962 tube wells (May 2008 to June 2012) whereas, BSEB had energised only 508 tube wells (May 2013). We observed in scrutiny that on one side Government had been paying interest against the loan drawn from NABARD, on the another side the funds amounting to ₹ 8.04 crore meant for energisation of remaining 454 tube wells remained parked with BSEB from the period ranging between 11 and 61 months.

On this being pointed out the concerned EEs replied that reminders had already been issued to BSEB for energisation of tube wells and again reminder would be issued (June 2013).

2.5.4 Non-realisation of revenue

As per Departments' circular (August 2002) and special terms and conditions of NABARD, the tube wells were to be handed over to the Water User Associations (WUAs) comprising of the concerned Executive Engineer (First Party), *Mukhiya* of *Gram Panchayat/Prakhand Pramukh* of *Panchayat Samiti* (Second Party) and the *Krishak Sangathan* of the related command area (Third Party) after signing of Memorandum of Understanding (MoU).

The WUAs had to collect revenue for supply of water to farmers for irrigation purposes at the minimum rate ***(Appendix–2.5.2)*** fixed by the Government. Further, the WUAs had to maintain the revenue records and spend 90 *per cent* of the revenue collected on the maintenance of the schemes while, remaining 10 *per cent* was to be remitted into the treasury.

Scrutiny revealed that an amount of ₹ 161.67 crore was spent on execution of 2917 tube wells under RIDF Phase-XI. Out of these 2917 tube wells, 880 tube wells were in running condition (May 2013) from which a total irrigation potential of 35200 hectares[12] was to be created, against which only 683.05 hectare (two *per cent*) irrigation potential could be created.

We observed that only two divisions[13] had handed over 75 tube wells (nine *per cent* of 880 running tube wells) to the WUAs; the rest eight test checked divisions did not handover the tube wells to WUAs (May 2013). Further, it was noticed that the WUAs of these 75 tube wells neither had details of created additional irrigation potential nor collected any revenue.

On this being pointed out the concerned EEs expressed (June 2013) ignorance about the revenue collection and stated that due to non energisation, the tube wells could not be handed over to WUAs.

Thus, the intended objective of the scheme to create additional irrigation potential at the rate of 40 hectares per tube well could not be achieved

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[12] *At the rate of 40 hectare per tube well*
[13] *(i) Begusarai -13 and (ii) Samastipur – 62.*

(May 2013) either from 880 running tube wells or from 75 tube wells handed over to the WUAs.

2.5.5 Monitoring

The monitoring of the scheme was to be done by the office of the Project Coordinator. However no monitoring was done in respect of total payments made by all divisions to BSEB for energisation of tube wells and records of compilation of the amount paid were also not maintained. Further there was no information in connection with total number of completed tube wells handed over to the WUAs. No team was ever constituted to verify the abandoned tube wells also. On the other hand there was no information, details or justification with the Department regarding the curtailment in the reimbursement claims by NABARD. Thus, there was a lack of monitoring by the office of the Project Co-ordinator and the Department.

2.5.6 Conclusion

The implementation of RIDF Phase XI was badly affected due to lackadaisical approach of Department and absence of agreement for energisation of completed tube wells between Bihar State Electricity Board and the Department. The agreements of execution did not contain defect liability clause, though required under conditions of NABARD which resulted in infructous expenditure amounting to ₹1.66 crore. The energisation cost amounting to ₹ 8.04 crore remained parked with BSEB since May 2008. Above all, neither the revenue was collected from the handed over tube wells to the WUAs nor the estimated irrigation potential was achieved even in cases of running tube wells. Thus, the intended objective to increase the rural infrastructure by creating additional irrigation potential in the State could not be achieved.

ENVIRONMENT AND FOREST DEPARTMENT

2.6 Long Paragraph on Rehabilitation of Degraded Forest (RDF)

2.6.1 Introduction.

The State of Bihar has total 6473 Sq Km of forest land out of which 231 sq Km was dense forest and 6242 Sq Km is degraded forest land. With a view to regenerating degraded forests, protecting and conserving natural resources, checking loss of biodiversity and developing water resources, Government of India and Government of Bihar have been providing funds for Rehabilitation of Degraded Forests (RDF).

The Environment and Forest Department (Department), Government of Bihar (GoB) was responsible for implementation of RDF scheme and management of forests in the State as detailed in ***Appendix-2.6.1***. In November 1990, the Department had passed a resolution[1] to enhance the forest cover by way of plantations in the degraded forests involving local people. Later, the scheme was reviewed by the Department in December 2000 to expand the forest areas of the State.

The implementation of RDF in State was reviewed by Audit between May to September 2013 covering the period 2008-13 with a view to assessing the efficacy and effectiveness of the scheme regarding financial management, planning, implementation and monitoring of the scheme in the State.

The audit involved the examination of records maintained by the office of the Principal Chief Conservator of Forests (PCCF) at headquarter level and five[2] out of 10[3] Forest Divisions where funds for implementation of Rehabilitation of Degraded Forest scheme were provided.

2.6.2 Financial management of Rehabilitation of Degraded Forest

Funds for implementation of RDF was provided through State Plan, State Compensatory Afforestation Fund Management and Planning Authority (State CAMPA) *Van Evam Vanya Prani Sanrakshan Kosh* (Durgawati Project Fund), Grant from XII and XIII Finance Commission, Rastriya Sam Vikash Yojna (RSVY) and Centrally Sponsored Scheme i.e. National Afforestation Plan (NAP). The details of status of Provision, Expenditure and Surrenders/Savings of scheme-wise funds under above mentioned sources are given in ***Appendix-2.6.2*** and consolidated figure from all sources of funds of RDF in table below:

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1 vide no. 54/90-5244; dated 09.11.1990

2 (i) Banka (ii) Gaya (iii) Kaimur (iv) Munger and (v) Nawada

3 (i) Araria (ii)Aurangabad (iii)Banka (iv)Gaya (v)Jamui (vi)Kaimur (vii)Munger (viii)Nawada(ix) Purnea and (x) Rohtas out of 22 Forest Divisions of the State.

Table-2.6.1
Status of Provision, Expenditure, Surrender and Saving of funds earmarked for RDF plantations in the State

(₹ in crore)

Year	Provision	Expenditure	Surrender	Savings
2008-09	37.38	29.96	7.42	--
2009-10	31.06	27.62	3.44	--
2010-11	45.48	41.61	2.76	1.11
2011-12	48.12	43.78	2.63	1.71
2012-13	109.18	80.90	8.80	--
Total	**271.22**	**223.87***	**25.05**	**2.82**

(Source: - Information provided by PCCF, Bihar)
** Expenditure of ₹ 19.48 crore pertaining to 2012-13 was not included in expenditure report in respect of State CAMPA and Durgawati Project Fund as it was not furnished by the PCCF, Bihar.*

There were persistent surrenders of funds meant for plantations and RDF in the State

It would be seen from the table that there were persistent surrenders in overall funds meant for plantations and RDF in the State. Further, under State plan funds amounting to ₹ 120.18 crore for RDF during 2008-13, the Department could utilize only ₹ 108.80 crore as there was no planning for RDF in the State ***(Appendix-2.6.2 A)***.

In reply (November 2013), the Additional Secretary, Environment and Forest Department while accepting the facts, attributed the surrender of funds to local adverse and unprecedented situations. It was further stated that due to practical difficulty like Naxal problem in execution of RDF in four out of five test checked divisions affected the plantation schemes. However, the fact remained that department sought funds without preparation of detailed action plan and without taking the practical difficulties into consideration.

2.6.2.1 Delayed release of fund under National Afforestation Programme

As per Operational Guidelines of National Afforestation Programme (NAP) (December 2009), 50 *per cent* of the approved cost of the Annual Plan of Operation[4] of the State/UT under the scheme would be released by National Afforestation and Eco-Development Board (NAEB) to the State Forest Development Agency (SFDA) as first installment at the commencement of the financial year, preferably by 30 April, without waiting for Utilisation Certificate (UC) and progress report of the previous year in order to match the timing of plantation activities. Further, the second and final installment was to be released after receipt of UCs showing at least 50 *per cent* expenditure of the previous grants, the Annual Progress Report of previous financial year, the Quarterly Progress Reports of the periods ending 31 March of the previous financial year and the quarter immediately preceding the release of the second installment or 30 September whichever was earlier.

RDF plantation works curtailed due to delayed release of funds by NAEB

Scrutiny of records of selected forest divisions revealed that NAEB released fund to SFDA with delay ranging between five and 10 months during 2010-13[5] and SFDA also delayed the release of funds to Forest Development

[4] *Schemes planned for a particular year*
[5] *As the State Forest Development Agency, Bihar came into existence from March 2011. Prior to 2010-13, fund was released to the Forest Development Agencies directly from the NAEB.*

Agencies (FDAs) ranging between one and five months (***Appendix-2.6.3***). We therefore, observed that due to delay in release of funds from NAEB[6], maintenance, completion and advance works of plantation in concerned Forest Development Agencies was carried out only in 37975 hectare as against the target of 43575 hectare in four test check divisions (Banka, Gaya, Munger and Nawada) as shown in the table below:

Table-2.6.2

Status of targets and achievements of NAP in four out of five test checked forest divisions

(area in hectare)

Year	Target	Achievement	Shortfall
2008-09	7350	7050	300
2009-10	9700	9250	450
2010-11	8550	7325	1225
2011-12	10225	7550	2675
2012-13	7750	6800	950
Total	**43575**	**37975**	**5600**

(Source: Information furnished by Forest Divisions)

It was further observed that NAP funds in Forest Division, Kaimur were never released by NAEB during 2008-13 due to non-submission of UCs of previous funds in time.

Thus, RDF plantation under NAP funds were not executed in Kaimur while it was curtailed in other test checked divisions. However, reply from the department was yet to be received.

2.6.3 Planning

Adequate planning is the key factor for effective implementation of any scheme. The deficiencies observed in planning of RDF are discussed below:

- According to National Working Plan Code (2004), all forests were to be managed under the prescription of a working plan/schemes prepared on the basis of principles of sustainable forest management and the working plan was generally needed to be prepared / revised every 10 years.

  Scrutiny of records of test checked divisions revealed that none of the divisions had working plans. The status of preparation of working plan in test checked divisions are given below:

Table-2.6.3

Status of working plan in test checked forest divisions

DFO, Banka	Previous Working Plan upto 2007 had expired and Draft Working Plan was under approval.
DFO, Gaya	Previous Working Plan upto 2000 had expired and Draft Working Plan was under approval.
DFO, Kaimur	Previous Working Plan upto 2003 had expired and Draft Working Plan was under approval.
DFO, Munger	Previous Working Plan upto 2003 had expired and Draft Working Plan was under approval.
DFO, Nawada	Working Plan for 2010-12 was under approval.

(Source: Information received from forest divisions)

- The planning of implementation of RDF scheme starts with identification of degraded forest land and inclusion of various schemes for rehabilitation of degraded forests in a working plan. However, in

[6] *National Afforestation & Eco-Development Board, Delhi.*

course of scrutiny it was observed that department did not prepare specific plans for RDF in the State.

- It was further observed that 174 out of 369 Joint Forest Management Committees (JFMCs)[7] responsible for micro level planning under National Afforestation Programme were not functioning in test checked forest divisions (***Appendix-2.6.4***).

Thus, in absence of proper planning, the department could achieve only 7.27 *per cent* forest cover up to 2011[8] against the target of 20 *per cent* set in XIth five year plan (2007-12) and revised as 15 *per cent* in XIIth five year plan (2012-17) with nominal increase of 0.04 *per cent* from the forest cover of 2007, despite execution of other afforestation schemes[9] along with RDF in the State.

In reply (November 2013), the Additional Principal Chief Conservator of Forests (Development) accepted that there was no planning of RDF during 2007-12. Further, the department while accepting the facts about non-preparation of working plan by divisions, denied (November 2013) its adverse impact on execution of scheme. It was also added that schemes were prepared and executed according to available funds.

The reply was indicative of inadequate planning and owing to this, 96 *per cent* of the forest land was still under degraded forest land in the State and department had to reduce the target of forest cover from 20 to 15 *per cent* during XIIth Five Year Plan.

2.6.4 Execution of RDF schemes

Irregularities noticed during scrutiny of records relating to execution of RDF schemes are discussed in succeeding paragraphs.

2.6.4.1 Shortfall in plantations

In order to achieve the desired forest cover in the State, the department had to ensure maximum plantations in degraded forest land available. The shortfalls in plantations noticed in course of scrutiny are discussed below:-

- ***Shortfall in plantation from NAP funds***

Scrutiny of test checked two out of five forest divisions revealed that the targeted plantations of RDF were not done as mentioned in the **Table-2.6.4** below:

7 *According to National Afforestation Programme (2002), JFMC will be the implementing agency at the village level for preparation of micro plans, choice of species to be planted suggesting physical and financial targets, to propose entry point activities and awareness programmes etc.*

8 *Report of Forest Survey of India for year 2013 was yet to be published*

9 *Green belt plantation, linear plantation, Gabion plantation, Compensatory Afforestation under State CAMPA, Nahar tat farm and Path tat farm etc.*

Table-2.6.4
Shortfall in plantations from NAP funds

Name of DFOs	Year	Target of plantation in area (in hectare) /no. of plants	Achievement of plantation in area (in hectare)/no. of plants	Shortfall in area (in hectare)/no. of plants
Nawada	2008-09	550[10]/425000	200/85000	350/340000
	2011-12	750[11]/640000	Nil	750/640000
Gaya	2011-12	1150[12]/947500	750/666250	400/281250
Total		**2450/2012500**	**950/751250**	**1500/1261250**

(Source: Information furnished by divisions)

As shown in the table above, forest divisions, Nawada and Gaya could execute plantation in only 950 out of 2450 hectare targeted area of forest land during 2008-09 and 2011-12. This resulted into shortfall in number of plantation (1261250 plants) up to 37 *per cent*. However, no shortfall was noticed in other test checked divisions during the period 2008-13.

Our scrutiny revealed that shortfall in plantation occurred due to delayed receipt of NAP funds to the divisions.

In reply (November 2013), department also attributed the scarcity of fund to the cause of poor implementation of schemes from NAP.

- ***Shortfall in plantation out of State Plan funds***

It was noticed that there was also shortfall in the plantations executed out of State Plan funds as given in the table below:-

Table-2.6.5

Shortfall in plantations out of State Plan funds

Name of DFOs	Year	Target of plantation in area (in hectare) /no. of plants	Achievement of plantation in area (in hectare)/no. of plants	Shortfall in area (in hectare)/ no. of plants
Nawada	2008-09	225[13]/397500	175/347500	50/50000
Munger	2008-09	225[14]/375000	185/275000	40/100000
Total		**450/772500**	**360/622500**	**90/150000**

(Source: Information furnished by divisions)

As is evident from the **Table-2.6.5**, forest divisions, Nawada and Munger had executed plantation in 360 hectare only as against the target of 450 hectare. This resulted in shortfall of 19.41 *per cent* in number of plantations (150000 plants) during the period 2008-09 while in remaining years targets were achieved by these divisions. Further, no shortfall was noticed in other divisions during the period 2008-13.

[10] *200 hectare @200plants/hectare and 350 hectare@1100 plants/hectare*

[11] *100 hectare@200 plants/hectare, 450 hectare @1100 plants/hectare and 200 hectare @625 plants/hectare.*

[12] *300 hectare@200 plants/hectare,750 hectare @1100 plants/hectare and100 hectare @625 plants/hectare*

[13] *115 hectare @2500 plants/hectare and 110 hectare @ 1000 plants/ hectare*

[14] *125 hectare @1000 plants/hectare and 100 hectare @ 2500 plants/hectare*

- ***Shortfall in target of plantation of Krishi Road Map 2012-17***

According to Krishi Road Map 2012-17 of the State, the department had to execute plantation work in 175 Sq Km during 2012-13. However, scrutiny of records revealed that the department could execute plantation in only 143.40 Sq km and there was a shortfall of 31.60 Sq km in plantation area during the first implementation year of Krishi Road Map.

On this being pointed out the department replied (November 2013) that the work in Nawada was postponed due to naxal problems while the target in Munger was not achieved due to arrest (April 2009) of the then Ranger of Forests (ROF). Thereafter ROF, Malayapur, Munger Forest Division was in dual charge of the said Range. However, ROF had been posted since December 2012.

However, the fact remained that the targets of plantation were not achieved in absence of detailed action plan and thus desired rehabilitation of degraded forests could not be achieved.

2.6.4.2 Failed plantations

The Principal Chief Conservator of Forest (PCCF), Bihar had fixed (February 2005) parameters of survival of plants as 80 *per cent* for the first and second year and 60 *per cent* for the third year of plantation.

During test check of the records of Gaya division it was observed that 6.05 Sq Km of degraded forest land at 12 locations[15] pertaining to different ROFs/ JFMCs were rehabilitated by 880320 no. of plants during plantation year 2009-12 after incurring an expenditure of ₹ 2.02 crore up to March 2013. Further, scrutiny of records revealed that the survival percentage of plantations ranged between 25 and 70 *per cent* which was below the survival norms. Thus, the expenditure incurred on failed plantation (Dead plants) amounting to ₹ 45.48 lakh proved wasteful (***Appendix-2.6.5***).

On this being pointed out, DFO, Gaya attributed low rainfall, continuous draught spell and non-availability of fencing during plantation period as major reasons for low survival percentage in the plantations.

The reply was not in consonance with facts as the average rainfall in Gaya district ranged between 92.49 mm to 87.91 mm during 2008 to 2012 and protection of plants was to be done under the maintenance works of the plantations.

2.6.4.3 Non-execution of Compensatory Afforestation

As per Forest (Conservation) Act, 1980, Compensatory Afforestation (CA) may be raised over degraded forest land twice to extent of the forest area being diverted and the user agency has to deposit the amount of compensatory afforestation with the State Government. To execute Compensatory Afforestation in the State, the State CAMPA was constituted in Bihar in January 2010.

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[15] *(i) Alakhdiha-82ha. (ii) Barandi-88ha. (iii) Chiriyawan-29.32ha .(iv) Delho-50 ha. (v)Doath-50ha. (vi)Gobardhanpur-50ha (vii) Jamanganj-50ha (viii)Jamanganj/Sultanpur-50ha (ix)Kaual-50ha (x)Khajurain-50ha (xi)Orwadohar-5.6ha (xii) Pasewa,Yamuna-50ha.*

Scrutiny of records revealed that Government of India (GoI) had granted permission for diversion of 17.78 Sq Km forest land for non-forest use in 89 cases. However, it was observed that plantation in 15 cases involving 2.12 Sq Km of forest land was not taken up as of March 2013 though the user agencies had deposited ₹ 4.15 crore for CA. In addition, 20821 no. of trees were also removed during diversion of the same forest land (***Appendix-2.6.6***).

On this being pointed out, the Assistant Conservator of Forests (ACF), State CAMPA stated (November 2013) that 13 out of 15 projects for compensatory afforestation were being included in Annual Plan of Operation (APO) 2013-14. For the remaining two cases, it was also stated that the cases were not included in APO owing to non-completion of work by the user agencies.

The reply was not acceptable as delay in CA despite availability of funds indicated lackadaisical approach towards plantation.

2.6.5 Monitoring

Effective monitoring was the key factor to achieve the objectives and timely/periodic inspection by senior officers serves as a vital tool of control mechanism. The irregularities noticed under monitoring are discussed in succeeding paragraphs:

2.6.5.1 Non-maintenance of records of previous plantations

According to Working Plan Code (2004), assessment of natural resources was an essential and integral component of working plan and past performance was to be evaluated for finalisation of future management. Further, a summary of important trees and other species available in the area with their floristic composition and condition (age, class, health and quality) was to be kept on record.

During scrutiny of records in test checked forest divisions, we observed that divisions did not evaluate their past performances as there was no system in place in the department for maintaining the records of more than five years old plantations like survival, felling and cutting etc.

On this being pointed out (September 2013) regarding survival details of more than five years old plantations, the DFOs of Forest Divisions assured (September 2013) that it would be maintained in future and would be shown to audit.

The department accepted (November 2013) that there was no provision of maintenance of records of more than five year old plantations.

The reply was contrary to the facts as department itself had directed (November 2000) all concerned to report the physical status of five, seven and 10 years old plantations.

Thus, the details of survival of earlier plantations i.e. Plantations prior to five years of RDF could not be ascertained in audit.

2.6.5.2 Inadequate monitoring

The Principal Chief Conservator of Forests had circulated (April 2006) parameters for monitoring at different level. According to the circular, Forest Range Officers had to monitor cent *per cent* plantation while Assistant Conservator of Forests (ACF), Divisional Forest Officer (DFOs), Conservator of Forests (CF) and Regional Chief Conservator of Forest (RCCF) had to monitor 40, 20, 10 and 5 *per cent* of plantations respectively.

According to "*Vanropan Padhati Pustika-1999*", every Forest Range Office was required to maintain a plantation Journal, recording operations from survey and demarcation to plantation weeding, hoeing and survival of plants. Similarly the Divisional Forest Officer was required to maintain separate register for each plantation site and recording each activities carried out.

Scrutiny of 47 out of 110 plantation journals furnished by the test checked divisions disclosed that the Forest Range Officers had monitored only 26 *per cent* plantations. Moreover, ACFs and DFOs had not monitored the plantations in Kaimur and Gaya while CF and RCCF had not monitored plantations in Munger, Gaya and Nawada Forest Divisions ***(Appendix-2.6.7)***. It was further observed that the information about the species of saplings planted, their year-wise survival report, inspection details etc. were also not filled in the plantation journals.

On this being pointed out, the department stated (November 2013) that instruction was issued (December 2012) for making necessary entries in plantation journals.

The reply was not acceptable as plantation journals were required to be maintained by the divisions with each and every activities of plantation works carried out by the divisions.

2.6.6 Impact evaluation

The rehabilitation of degraded forests was aimed not only to protect natural resources but checking land degradation and development of water resources were also among the objectives of the scheme.

A comparision of the average rain fall and ground water level[16] in the selected districts during 2008-12 is detailed in the table below:

Table-2.6.6
Environmental impacts in selected districts

Name of divisions	Average Rainfall of district (in mm)		Ground water level below Ground level in August (in metre)	
	2008	2012	2008	2012
Bhagalpur (Banka)	89.18	64.36	1.93	3.38
Gaya	92.49	87.91	4.59	4.80
Kaimur	80.88*	90.47	2.88	NA
Munger	NA	90.14	2.55	11.50
Nawada	110.68*	88.48	1.96	2.89

(Source: Data of Meteorological Department, GoI and Central Ground Water Board , Patna)

** These are the average figures of 2009 as the figures of 2008 were not available.*

16 *The data were taken from Barhat for Banka, Khijarsarai for Gaya, Mohania for Kaimur, Purabsarai for Munger and Akbarpur for Nawada.*

It would be seen from above table that the average rainfall was decreasing and ground water level was dipping in the test checked divisions during 2008-12. Further, according to "*Aranyashree*"[17], existence of 86 *per cent* endangered birds and mammals and 88 *per cent of* amphibians was being affected due to degradation of forests in the State.

The Department's views regarding audit observation was not received so far.

2.6.7 Conclusion

There were persistent surrenders in overall funds meant for plantations in the State as well as funds in test checked divisions of Rehabilitation of Degraded Forest. The department did not have planning (from village level to apex level) for preparation and implementation for Rehabilitation of Degraded Forest schemes as working plan was not prepared either at the Joint Forest Management Committees level or at divisional level. The RDF plantation was affected due to delay in receipt of funds, low survival of plantation and non-execution of compensatory afforestation. The records of more than five years old plantations were not being maintained. The monitoring of plantations was deficient resulting in inadequate rehabilitation of degraded forests.

17 *Authorised magazine of the Environment and Forest Department, GoB.*

CHAPTER -III

COMPLIANCE AUDIT

CHAPTER III
COMPLIANCE AUDIT

Compliance audit of the Government departments, their field formations as well as that of autonomous bodies brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under the broad objective heads.

3.1 Non-compliance with the rules

For sound financial administration and effective financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, *vis-à-vis* loss to the Government, but also helps in maintaining good financial discipline. Some of the significant audit findings on non-compliance with rules and regulations, leading to loss to the Government, are as under:

SOCIAL SECTOR

HUMAN RESOURCES DEVELOPMENT DEPARTMENT

3.1.1 Loss of interest

Imprudent and invigilant financial management in Bihar Intermediate Education Council while investing its funds in bank led to loss of interest amounting to ₹ 52.13 lakh.

Section 29(4) (e) of the Bihar Intermediate Education Council (BIEC) (Council) Act, 1992 stipulates that the Finance Committee of the Council would advise them on problems affecting the finance of the Council.

Scrutiny (January 2013) of the records of the BIEC, Patna revealed that during 2007-12 the Council had huge surplus fund[1] in almost all the years. However, audit scrutiny revealed that in the absence of any investment policy, BIEC suffered a loss of interest amounting to ₹ 52.13 lakh due to investment below prevailing rate, premature encashment of investment and blockage of fund.

Following are the cases where BIEC's imprudent decision and non-maintenance of financial records led to loss of interest:

- There were two proposals offered (October 2009) by the Allahabad Bank for investment of ₹ 11.20 crore. The first was at the rate of seven *per cent* for investment up to ₹ one crore each and another was at the rate of 5.75 *per cent* for investment exceeding ₹ one crore. BIEC however opted for the second, lesser beneficial proposal. Thus, the

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1 *(₹ in crore)*

Year	Receipt	Expenditure	Surplus
2007-08	39.67	17.14	23.53
2008-09	66.91	34.61	32.30
2009-10	69.02	29.32	39.70
2010-11	63.27	35.14	28.13
2011-12	75.20	42.05	33.15

imprudent decision of investment caused loss of interest amounting to ₹ 14.66[2] lakh.

- A sum of ₹ two crore out of General Fund was invested in Fixed Deposit Receipt (FDR)[3] with the Union Bank of India on 26 September 2008 for one year (upto 26 September 2009) involving maturity value ₹ 2,22,92,425.00. The investment was pre-maturely encashed on 26 July 2009, just two months prior to its maturity date despite availability of sufficient fund[4] lying in the current accounts. No reasons were found on record to justify premature encashment. As a result the Council sustained a loss of ₹ 10.12 lakh.
- The Council had maintained three accounts[5] with Allahabad Bank which became inoperative (May 2007) and three new accounts[6] were opened (May 2007) in place of old accounts but the balance lying with the old accounts of ₹ 53.74 lakh[7] was neither transferred to new accounts nor the old accounts were closed and balance was blocked for more than five years (July 2007 to January 2013). Had the available amount been invested in fixed deposit, the Council would have earned interest of ₹ 27.35 lakh at prevailing rate[8] of interest for fixed deposits (***Appendix 3.1***).

On this being pointed out in audit, the Council took up the matter with the concerned bank (17 January 2013) and at the instance of audit, the balance amount of ₹ 53.74 lakh lying in the old accounts was drawn and converted into FDs[9] (21 January 2013).

The matter was reported to the Council (May 2013 and July 2013). The Council replied (June 2013) that the matter had been taken up with the bank to get the loss compensated.

The reply is not acceptable as despite issue of several letters to the concerned banks, the amount was not refunded till date (November 2013). In the case of premature encashment, the bank replied to BIEC that there was no lapse in calculation on premature encashment while in the case of fund lying in the inoperative accounts, the bank disclaimed its responsibility.

Thus, due to imprudent financial management of surplus fund of ₹ 13.74 crore[10], non maintenance of key financial records and indifferent attitude of the

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2 *Principal-₹ 112005511, Rate=7 per cent per annum, Time=4 quarters*
$A=P(1+R/100)^T$=₹ $112005511(1+7/400)^4$=₹ 120054118
Bank credited principal with interest (at the rate of 5.75 per cent per annum)= ₹ 118588033. Thus, Loss=₹ 120054118-₹ 118588033 =₹ 1466085

3 *FDR No. 266502, dated: 26.09.2008*

4 *₹ 2.02 crore (CA-9: ₹ 57.95 lakh, CA-8:₹ 32.92 lakh, CA-13:₹ 20.67 lakh, CA-6353: ₹ 90.19 lakh)*

5 *Current A/c numbers-08, 13 and 14*

6 *Current A/c numbers - 17, 18 and 19*

7 *CA 8-₹ 32.92 lakh, CA13-₹ 20.67 lakh, CA14-₹ 0.15 lakh*

8 *Prevailing rate- 9 per cent per annum*

9 *FDR No.-50141327365, 50141327387, 50141327401*

10 *₹ 11.20 crore +₹ 2 crore+₹ 0.54 crore*

executive, the Council had been deprived of earning interest amounting to ₹ 52.13 lakh[11].

The matter has been reported to the Government (June 2013 and August 2013); their reply is awaited (December 2013).

FOOD AND CONSUMER PROTECTION DEPARTMENT

3.1.2 Irregularities in procurement of paddy and loss to the Government

Procurement of paddy amounting to ₹ 2.37 crore against tampered documents and irregular land rent receipts defeated the very objective of providing minimum support price to bonafide farmers. Further due to non-delivery of 25.58 lakh quintal of Customed Milled Rice against 2.14 crore quintal of paddy released to the millers in advance resulted in loss of ₹ 433.94 crore to the Government.

The Co-operative Department, Government of Bihar (GoB) vide a notification[12] (December 2011) decided to procure paddy from purchase centres of Primary Agriculture Credit Co-operative Society[13] (PACCS) and purchase centres of Bihar State Food and Civil Supplies Corporation[14] (BSFC) for the year 2011-12 with the aim to provide Minimum Support Price[15] (MSP) to the bonafide farmers. The paddy was to be procured through BSFC/PACCS from farmers between 15 November 2011 and 30 April 2012 and the Customed Milled Rice (CMR) was to be delivered by millers to Food Corporation of India (FCI) between 15 November 2011 and 15 October 2012. The BSFC was declared the nodal agency for procurement of paddy under overall monitoring and supervision by the Deputy Development Commissioner (DDC) in the district.

(A) Procurement of paddy against tampered document and irregular land rent receipts

As per the additional guidelines issued (November 2010) by the Managing Director (MD), BSFC, the District Manager/ Procurement-purchase in-charge of the respective centres were required to procure paddy after proper scrutiny of land records (*khatiyan*) of the farmers, assessment of their land area and proportionate paddy produce quantity as per local parameters[16] apart from maintaining these records in detail in the purchase register.

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11 *₹ 52.13 lakh (₹ 14.66+₹ 10.12+₹ 27.35 lakh)*

12 *Co-operative Department , Government of Bihar circular letter No. 5981 dated 07 December 2011*

13 *It is a Co-operative Society under short term Co-operative Credit Structure Committee constituted in each panchayat of the State. It comprises of local farmers without any Government nominee in the managing committee. It provides short term loans apart from fertiliser, seeds, agri-equipment, germicides etc. to the farmers. Through PACCS wheat and paddy are procured from farmer after providing the Minimum Support Price fixed by the Government.*

14 *BSFC had been made nodal agency for the procurement of paddy during 2011-12.*

15 *The Minimum Support Price of paddy was fixed (December 2011) at ₹ 1080 per quintal and that of CMR at ₹ 1903.13 per quintal.*

16 *It was based on the average yield of paddy in that region/district which ranged between 18 and 25 Quintal/acre in the State of Bihar for the year 2011-2012*

A test check of the records of BSFC and PACCSs of Chenari Block in Rohtas district disclosed (December 2012) that BSFC and PACCs procured 24994.4 quintal of paddy during the year 2011-12, out of which 16245.4 quintal of paddy amounting to ₹ 1.75 crore was procured on fake[17], (₹ 1.10 crore) fabricated[18] (₹ 0.20 crore) and irregular[19] (₹ 0.45 crore) land rent receipt ***(Appendix 3.2)***.

Similarly, test check of records (December 2012) of District Co-operative Officer (DCO) and State Food Corporation, Kaimur pertaining to Kudra block revealed procurement of 5782 quintal of paddy by the PACCSs amounting to ₹ 62.45 lakh on false/fake[20] land rent receipts ***(Appendix 3.3)***.

On this being pointed out (December 2012), the Circle Officer[21], Chenari stated that the documents relating to purchase of paddy were not produced to his office and the whole responsibility vested with the In-charge of Purchase Centre. In case of PACCSs he stated that the irregularities noticed had been forwarded to the concerned revenue official (*Karmachari*). On the other hand the DCO, Kaimur (Bhabhua) stated (December 2012) that the report of the matter, after getting it investigated by the Circle Officer, Kudra, would be duly communicated to the audit.

No communication had been received till date (December 2013) from DCO, Kaimur. The overall responsibility of monitoring and supervision of the entire process vested with the Deputy Development Commissioner.

Thus, the very purpose of the Government order (December 2011) to benefit the bonafide farmers by providing the minimum support price to them against procurement of paddy was defeated due to lack of due diligence including monitoring and supervision by the designated officials which resulted in procurement of paddy against false and tampered documents amounting to ₹ 2.37[22] crore.

(B) Loss to the Government

For milling of procured paddy an agreement was to be executed between BSFC and the rice miller on the format prescribed by the Managing Director, BSFC. As per Clause-2 of the agreement the millers were to deliver CMR in advance to the Food Corporation of India (FCI) and after delivery of advance rice, the proportionate quantity (100 units of paddy against 67 units of CMR) of paddy was to be issued to the millers by BSFC. An officer on special duty was also to be deputed for monitoring, evaluation and inspection of the process to ensure and expedite the process vide order (January 2012) of the Principal Secretary, Food and Consumer Protection Department (FCPD), GoB.

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17 *The Fake cases were those cases whose details of land/land receipts did not feature in Register II.*

18 *Fabricated were those cases where-in the figures of land records had been fabricated/manipulated.*

19 *Irregular cases were cases of double receipt on same land receipt and the land was not related to PACCSs shown associated with.*

20 *Since the land rent receipts of different farmers bore the same number which was not possible.*

21 *A Circle Officer of Department of Revenue is responsible for maintaining land records.*

22 *₹ 1.75 crore +₹ 0.62 crore= ₹ 2.37 crore*

Scrutiny of records (December 2012) of BSFC and the millers under District Administration, Rohtas and information collected (between May and September 2013) from seven[23] other districts disclosed that agreements were executed (January to March 2012) between 451 millers and the respective BSFCs. However, in gross violation and contrary to the provision under Clause-2 of the agreement, the BSFCs, without ensuring the receipt of proportionate quantity[24] of CMR (37.09 lakh quintal) in advance by FCI from the millers, released 55.37 lakh quintal of paddy to the rice millers in advance after taking a security deposit of ₹ 50,000 from each miller. It was further observed that only 28 lakh quintal of CMR had been delivered by the millers to FCI while the remaining 9.09 lakh quintals (24.50 *per cent*) of CMR amounting to ₹ 173.18 crore ***(Appendix 3.4)*** was yet to be delivered to FCI by 212 defaulting millers as of 30 April 2013, despite the extensions granted by the Department upto 30 April 2013 for the delivery of CMR to FCI. Meanwhile, the season for procurement of paddy for the year 2012-13 had already started[25] and was nearing completion (October 2013).

In reply the District Manager, BSFC, Rohtas stated (May 2013) that certificate cases against 78 rice millers and FIRs against 12 rice millers had been lodged as of date involving recoverable amount of ₹ 73.30 crore. The District Manager, Motihari also conveyed (July 2013) the same actions having been taken against the four and two rice millers respectively. While the District Manager, Jamui affirmed (May 2013) booking of the lone defaulting rice miller under PDR Act, the District Manager, Buxar communicated (September 2013) institution of certificate cases against all the 95 defaulting rice millers besides lodging of FIRs against the three millers.

Further, the pan-Bihar information gathered (November 2013) from the head office of Chief Procurement Officer, BSFC revealed that altogether 2.14 crore quintal of paddy was released to the rice millers in 38 districts in the State during 2011-12. However, against the required delivery of 1.44 crore quintal of CMR to the FCI by the rice millers, the latter had delivered only 1.18 crore quintal of CMR to FCI while 25.58 lakh quintal of CMR valuing ₹ 486.79 crore were yet to be delivered by the 540 defaulting rice millers. Against this, FIRs against 110 rice millers and certificate cases against 373 millers had been lodged and ₹ 52.85 crore had been reportedly recovered from the defaulting millers.

Thus as is evident, while BSFC failed to adhere to the prescribed provisions under the agreement clause and Department's notification, it also failed to enforce necessary controls and checks stipulated thereagainst. This led to the release of 2.14 crore quintal of paddy to the rice millers in advance and non-delivery of 25.58 lakh quintal of CMR to the FCI, which resulted in wanton loss of ₹ 433.94 crore to the Government.

The matter was referred to the Government (June 2013) and subsequent reminder issued (August 2013); the matter was again referred to the

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[23] *Bhagalpur, Buxar, Jamui, Khagaria, Motihari, Sheikhpura and Supaul*

[24] *37.09 lakh quintal rice i.e. 67 per cent of 55.37 lakh quintal paddy.*

[25] *The procurement of paddy was to be carried between 15 November 2012 and 30 April 2013 and Customed Milled Rice (CMR) was to be supplied between 15 November 2012 and 31 October 2013.*

Government in October 2013. Their reply is yet to be received (December 2013).

ECONOMIC SECTOR

WATER RESOURCES DEPARTMENT AND MINOR WATER RESOURCES DEPARTMENT

3.1.3 Loss of revenue

Due to non-preparation of *Khatian*, non-raising of demand and resultantly non-recovery of water rates from the beneficiaries by the five divisions, the State Exchequer suffered revenue loss of ₹ 1.32 crore during 2009-12.

As per Rule 3.4 of the Bihar Irrigation, Flood Management and Drainage Rules, 2003 read with the Water Resources Department's order (July 2012), the preparation of the Statement of Land irrigated (*Sudkar*[26]), cultivator-wise measurement (*Khesra*[27]) and ownerwise detail of land (*Khatian*[28]) was to be completed[29] yearly for recovery of water rates and raising demands thereagainst from the beneficiaries to whom water is supplied for irrigation purpose.

As such, for assured irrigable command area, a permanent *Khatian* was to be prepared by *Ziladar*/Junior Engineer (JE) in-charge with the help of *Amin*. Subsequently on the basis of *Khesra* and details of irrigated land maintained by the division, *Sudkar* was to be prepared for the land to which water was supplied. On the basis of *Sudkar* and *Khatian* so prepared, the demand statement was to be raised and executed by the division for recovery of water rates. Further the Executive Engineer (EE) and the SE were required to conduct sample checks through surprise inspection of *Sudkar* to ensure that no area where irrigation was provided, was left un-accounted in the *Sudkar*.

A test check of statements and records of irrigated lands in the offices of the EE, Tirhut Canal Division Motihari and Bettiah, Saran Canal Division, Chapra, Minor Irrigation Division, Gaya and Irrigation Division, Baunshi revealed that 150770.60 hectares of *Kharif* crops and *Rabi* crops was irrigated under these divisions during the year 2009-10 to 2011-12. It was however, observed that *Khatian* was prepared for only 95463.49 hectares while no *Khatian* was prepared for 55307.10 hectares.

As such the demand of water rates amounting to ₹1.32 crore was not raised by the concerned departments through their respective divisions for irrigating *Kharif* and *Rabi* crops which led to loss of revenue to that extent during 2009-12 (***Appendix 3.5 & 3.6***).

In reply, all the five concerned EEs stated (December 2012 to May 2013) that due to shortage of staff, *Khatian* for whole irrigated land was not prepared. The replies were not acceptable as *Khatian* was to be prepared by the JE incharge with the help of Amins under the overall supervision of EEs and the concerned SEs were to ensure that no irrigated land was left unaccounted for and its *Sudkar*

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26 *Sudkar: Detail of irrigated land*

27 *Khesra: Owner wise particulars of irrigated land*

28 *Khatian : Owner-wise detail of land*

29 *By 30 November for Kharif, 30 April for Rabi and 15 June for hot weather crops by the Irrigation Department*

accordingly prepared. Further, the availability of JEs in all the divisions indicated that the concerned EEs did not make sincere attempt for preparing the *Khatian* completely and raise the demands for realisation of water rates. Thus, due to apathy of the departments, the State exchequer had to incur revenue loss to the tune of ₹ 1.32 crore.

The matter had been reported to the Government (May and August 2013); their reply has not been received December 2013.

INDUSTRIES DEPARTMENT

3.1.4 Loss of Interest

Due to non-adherence of the guidelines in vogue prior to revised direction regarding operation of funds, the department suffered loss of interest to the tune of ₹ 4.64 crore due to keeping of land-bank fund in non-interest bearing account by the concerned District Land Acquisition Officers.

As envisaged in para 1.2 (vii) of Bihar Industrial Incentive Policy (BIIP), 2006, the Industry Department (Department), Government of Bihar (GoB) constituted (July 2006) a land bank with a corpus/revolving fund kept under the control of Infrastructure Development Authority (IDA) to meet the requirement of land for industries and development schemes. However, the department vide Resolution in March 2011 issued guidelines after five years regarding the process of acquisition and disposal of land along with administration and control of the fund. As per the guidelines, the fund released by the IDA to districts was to be maintained project-wise by the concerned districts in the interest bearing accounts in nationalised banks and the interest accrued on these deposits were to form the part of the land bank scheme.

Test check of the records (October 2012) of the office of the Director of Industries (DI), Department of Industry GoB, Patna and information collected (March 2013) from Managing Director, IDA and the three District Land Acquisition Offices (DLAO) (Patna, Vaishali and Gaya) revealed that out of ₹ 1119.81 crore made available (2006-13) to IDA under land bank scheme, the IDA released ₹ 1119.15 crore ***(Appendix 3.7)*** to the concerned District Magistrates including Bihar Industrial Area Development Authorities (BIADAs). Of this, the three DLAOs (Patna, Vaishali and Gaya) received a total fund of ₹ 351.95 crore for Land Acquisition (LA) under various schemes proposed during 2006-11. The three DLAOs, in violation of guidelines, kept the funds in current accounts,[30] incurred an expenditure of ₹ 235.97 crore on acquisition of land under various schemes during April 2011 to March 2012, and further retained the balance amount of ₹ 115.98 crore in their respective current accounts. This led to loss of interest amounting to ₹ 4.64 crore as of March 2012 ***(Appendix 3.8)***.

On this being pointed out (November 2012) the Director of Industries, Industries Department replied (November 2012) that permanent

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[30] *Patna:- (1) Madhya Gramin Bank, Kankar Bagh, Patna – C/A-380 (2) Axis Bank, Dak Bunglow, Patna- C/A-912020040149714*
Vaishali :- (1) Allahabad Bank, Hajipur- C/A- 1187
Gaya:-(1) Punjab National Bank, AP Colony, Gaya.

guidelines/instructions for keeping fund in particular account was not issued by the Government.

The reply of the Director of Industries was not acceptable as instructions regarding keeping of funds in interest bearing accounts of nationalised bank were already given in the department's guideline (March 2011).

However, the Principal Secretary in his reply (November 2013) stated that as per direction issued (March 2012) by the Finance Department, Bihar, Patna, all the operational banks accounts in the nationalised banks had to be closed and the amounts along with the interest accrued thereupon were to be deposited in the respective Personal Deposit Account (PDA), to be opened in the respective treasuries.

Thus, due to lackadaisical attitude and apathy of the department towards implementation, monitoring and financial control of land bank scheme under BIIP, the Government suffered loss to the tune of ₹ 4.64 crore owing to non-earning of interest on scheme fund.

3.2 Audit against propriety/Excess/Wasteful/Infructuous expenditure

Authorisation of expenditure from public funds is to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit has detected instances of impropriety, extra and infructuous expenditure, some of which are mentioned below:

SOCIAL SECTOR

HEALTH DEPARTMENT

3.2.1 Excess payment

Due to execution of agreement without specifying the area to be cleaned, inadequate monitoring and making payment to the agency without proper verification resulted in excess payment of ₹ 70.78 lakh to the agency leading to loss to the Government.

In order to provide outsourcing services for cleanliness inside the building and inside the premises of Guru Govind Singh Hospital (GGSH), Patna City, the District Health Society (DHS), Patna, after finalising the tender (March 2007), issued work order (April 2007), to an agency[31] at the rate of ₹ 0.07/sqm/per day for cleaning inside the building and ₹ 2950 per month for cleaning premises respectively. As per the work order all payments to the outsourced agency were to be made by the Doctor-in-charge of the hospital. Further, as per DHS directives (May 2006), the Deputy Superintendent (DS) of the hospital was required to depute a staff who would verify the payment and would be held directly responsible for the monitoring and supervision of all outsourced facilities.

[31] *Karpi Grameen Samanwaya Samiti, Arwal.(NGO)*

Scrutiny of the records (April 2012) relating to cleanliness inside the building and inside the premises of GGSH, however, revealed the following:

(i) Neither DHS executed any agreement with the agency while placing the first work order (April 2007) nor specified the area to be covered. Later, the DHS executed agreement with the agency in August 2010 after three years and that too without specifying the area of Hospital establishment which would be subjected to cleanliness.

(ii) Audit scrutiny of records[32] revealed that the total area of hospital premises was 212165.10 sq.m which included the residential quarters area (134565.34 sq.m) and a T.B. Centre (1019.55sq.m), not coming under the jurisdiction of GGSH establishment. Thus, the net effective area subject to cleanliness worked out to 76580.21[33] sq.m only.

(iii) It was further observed that the net area for cleanliness was further reduced to 50032.27sq.m w.e.f. July 2010 as children ward cum medicine store (9217.65 sq.m) was handed over to Building Construction Department (BCD) for renovation and the Delivery ward (17330.29 sq.m) was closed after July 2010.

(iv) However the agency claimed charges for the entire area (212165.10 sq.m) since 13 April 2007 till May 2011 against which payment of ₹ 1.17crore was made to it by the hospital till May 2011 resulting in excess payment of ₹ 70.78 lakh on account of cleanliness of 76580.21 sq.m area of October 2013.

Thus, an inadmissible and excess payment of ₹ 70.78[34] lakh was made to the agency during April 2007 to May 2011 ***(Appendix 3.9)***.

On this being pointed out (April 2012), the DS, GGSH stated (April 2012) that after verification of the records, the excess amount paid would be recovered and punitive action would be taken against the guilty officials as per the orders of the higher officers. The Civil-Surgeon-cum-Member Secretary, DHS, Patna accepted (June 2012) the fact of placing the first work order to the outsourcing agency in April 2007 and executing the agreement with it in the subsequent year (August 2010). Later the Dy. Superintendent, GGHS also accepted (June 2012) the fact of excess payment for the cleanliness of the hospital area to the agency. It also confirmed that no punitive action had been taken and the excess amount paid to the agency was yet to be recovered (October 2013).

Thus, execution of agreement without specifying the area to be cleaned, inadequate monitoring and making payment to the agency without proper verification resulted in excess payment of ₹ 70.78 lakh to the agency leading to loss to the Government.

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32 *Measurement report of Building Division Guljarbagh, Patna City, the reply submitted by Dy. Superintendent, Guru Govind Singh Hospital, Patna City and a letter issued (June 2012) to the Principal Secretary, Health Department by DS, GGSH*

33 *Total area involved inside the building: 48529.68 sq.m (Main building), 17330.29 sq.m (Delivery ward), 9217.65 sq.m (Children ward & Medicine store), 712.00 sq.m. (Kitchen house), 790.59 sq.m (Maternal child welfare centre)= 76580.21 sq.m.*

34 *Total payment made to agency - Total admissible payment = Excess payment (₹ 116.64 lakh – ₹ 45.86 lakh = ₹ 70.78 lakh)*

The matter had been reported to the Government (May 2013) and reminders were issued (August 2013 & October 2013); their reply has not been received (December 2013).

3.2.2 Avoidable and excess expenditure

Non-adherence of provision of Bihar Financial Rules 2005, violation of Operational Guidelines of Financial Management and non-enforcement of strict economy while incurring expenditure led to avoidable and excess expenditure of ₹ 1.20 crore.

Rule 442 of Bihar Financial Rules (BFR) 2005 provides that as a normal policy no Government property is to be insured and no expenditure should be incurred thereagainst without the prior consent of the Finance Department. Further, Rule 146 of Motor Vehicles Act (MV Act) 1988 provides that no person shall use (including Central Government/State Government connected with commercial enterprises) a motor vehicle in a public place unless having a policy of insurance complying third party risk. Thus, the third party insurance was mandatory for such Government vehicles including the ambulances plying for commercial activities. Also, as per Clause 5.5.3 of Operational Guidelines of Financial Management issued (January 2012) by Ministry of Health and Family Welfare, Government of India, the State Health Society, Bihar (SHSB) was required to show the purchased ambulances as transferred to the Health Department entities[35] in its Asset Register and further tracking of the life of the asset (ambulance) was not required by SHSB. As such, the role of SHSB was restricted only to purchase the ambulances and transferring the same to their designated units.

Test check of records (November 2012) of SHSB, Patna disclosed that the SHSB decided (July 2011) to procure ambulances on DGS&D based model rates for extension of Health services and to provide free-of-cost ambulance facility to pregnant women and infants in the State.

Accordingly, quotations were called for (September and October 2011) and SHSB purchased (September and October 2011) 484 number of ambulances from two agencies[36] at the total cost of ₹ 35.70 crore including DGS&D rates of units, their insurance, road tax and registration charges. The total amount paid (September and December 2011) to the agencies against insurance was ₹ 80.66 lakh[37] which included third party insurance premium of ₹ 10.34 lakh.[38] Since, the vehicles purchased by the SHSB were liable for insurance against third party risk only, insuring the vehicles with comprehensive insurance premium led to avoidable expenditure of ₹ 70.32 lakh[39] against insurance charges.

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35 *Office of Health and Family Welfare/Family Welfare Stores/CMDs/PHCs/CHCs etc.*

36 *Pramod Motors for Force Traveller (144 units) and Maurya Motors for Tata Winger (340 Units).*

37 *Comprehensive insurance premium of 340 Nos of TATA Winger @ ₹ 17500/unit = ₹ 5950000 and Comprehensive insurance premium of 144 Nos of Force Traveller @ ₹ 14690/unit = ₹ 2115360. Total premium paid (₹5950000 + ₹ 2115360) = ₹ 8065360*

38 *Third party insurance premium cost of 340 nos of TATA Winger @ ₹ 2178/unit = ₹ 740520 and third party insurance premium of 144 Nos of Force Traveller @ ₹ 2035/unit = ₹ 293040. Total premium paid (₹740520 + ₹ 293040) = ₹1033560*

39 *Difference = ₹ 8065360 - ₹ 1033560 = ₹ 7031800.00*

Further, scrutiny disclosed that the SHSB paid ₹ 63.16 lakh[40] to the agencies for the road tax and registration charges against the aforementioned vehicles. The total admissible amount as per the rate of District Transport Office Patna was ₹ 13.06 lakh[41] only. As such, the SHSB provided undue benefit to the agencies by paying ₹ 50.10 lakh in excess on account of road tax and registration charges of the said vehicles.

Thus, avoidable expenditure of ₹ 70.32 lakh and excess payment of ₹ 50.10 lakh was made to the agencies on account of inadmissible comprehensive insurances and road tax, registration charges respectively on 484 ambulances.

In reply, SHSB stated (November 2012) that the supply contract of ambulances was awarded on packaged rate owing to time constraint. The SHSB further stated (August 2013) that the Finance department, Government of Bihar had explicitly clarified (February 2013) that the SHSB could not be treated as Government/ State Transport Authority for the purpose of exemption from insurance within the ambit of Rule 146(3) of Motor Vehicles Act, 1988. That, the insurance and registration of vehicles had been done in light of directions received from the Finance Department (February 2013) and there had been no excess payment on account of road taxes and registration charges. The service charges were still to be paid to the agency. The reply further stated that ambulances were normally operated during contingent, emergent and natural disaster's periods making them prone to the accidents. Through comprehensive insurance the accidented /damaged vehicles could be immediately repaired, set right and pressed into services. Recently, a compensation of ₹ 3.67 lakh had been received from the insurance company due to comprehensive insurance. As such the question of recovery of amount comprehensive insurance, which also had the approval of the 13th Governing Board meeting, did not arise.

The reasons given are not plausible in view of the following:

- As per Rule 146 of MVAct, 1988 only third party insurance was mandatory for any vehicle including the Government vehicles engaged in Commercial activities, to ply on the road. The Finance department also never asked the SHSB to go for comprehensive insurance. Moreover, the ambulances purchased by the SHSB were to ultimately become the assets[42] of Health Department, Government of Bihar.
- Reply was silent on allowing higher rates of road taxes and registration charges of vehicles. It also indicated that the department did not exercise due diligence in examining the package offer.

Thus, adoption of option for comprehensive insurance instead of third-party insurance and payment of road taxes and registration charges of vehicles on

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40 *340 Nos of TATA Winger @ ₹15400 = 5236000.00 and 144 Nos of Force Traveller at the rate of ₹ 7500 = ₹ 1080000.00. Total paid to the agency (5236000+1080000) =₹ 6316000.00*

41 *340 Nos of TATA Winger @ ₹3153(road tax- ₹2353 + registration ₹ 800) = ₹ 1072020.00 and 144 Nos of Force Traveller @ ₹ 1627(road tax ₹ 827+registration ₹ 800) = ₹ 234288.00. Total paid to the (agency ₹1072020+ ₹ 234288) =₹ 1306308.00*

42 *As per Clause 5.5.3 of Operational Guidelines of Financial Management, issued by Ministry of Health and Family Welfare, GoI.*

package rates against the actual admissible amount led to excess expenditure of ₹ 1.20[43] crore.

The matter was referred to the Government (June, 2013) and subsequent reminder issued (August 2013); their reply is yet to be received (December 2013).

ECONOMIC SECTOR

ROAD CONSTRUCTION DEPARTMENT

3.2.3 Unfruitful expenditure on incomplete road works

Initiation of work without finalisation of alignment and prior land acquisition by the department resulted in abandoning of work mid-way by the contractor leading to unfruitful expenditure on incomplete works amounting to ₹ 2.54 crore.

As per Resolution no.948 (July, 1986) of Cabinet Secretariat and Coordination Department (Confidential), a proper survey and site verification was mandatory before preparation of all estimate and the process of tender disposal should be done only after the technical sanction is accorded for that work, allotment of fund is ensured, and land acquisition, wherever required, is completed.

During test check of records of the Executive Engineer, Road Construction Division (EE, RCD), Patna City, we observed that the work of widening and strengthening of Agam Kuan Kamaldah Road[44] (length 2434m), administratively approved (AA) (October, 2007) and technically sanctioned (TS) (May 2008) for ₹ 7.69 crore (TS revised in October, 2011 for ₹ 9.21[45] crore) was awarded (July 2008) to an agency[46] at ₹ 4.67 crore for completion within 15 months from the date of commencement of work.

Scrutiny further revealed that initially there was provision of ₹ 3.16 crore only for Land Acquisition (LA) in the original TS (May 2008). However, the Department failed to finalise the alignment of road and the total area of land required for LA. It also did not notify the exact length of road either in the Notice Inviting Tender or in the agreement. With the change of alignment, the length of the road[47] and LA area[48] kept changing and the Land Acquisition Officer (LAO) continued to send revised proposals[49] for fund allotment to the Division/Department. The Department allowed the work to be started (July 2008) without acquisition of land. This resulted in mid-way stoppage of work by the contractor in August 2010. The LA process was still not complete as of November 2013.

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43 *₹ 6316000-₹ 1306308 =₹ 5009692.00+₹ 70.32 lakh=₹ 120.42 lakh or ₹ 1.20 crore*

44 *The road comprised of two sections -(a) Link road of length 810 m approx.*
(b) From Jain Mandir to NH-30; length 1624 m; Total length: 2434m or 2.434 Km.

45 *Total sanction (Revised): ₹ 9.21 crore (for road works: ₹ 4.431 crore; and for land acquisition: ₹ 4.78 crore.*

46 *M/s Bansidhar Construction Pvt. Ltd., Patila, Maner, Patna*

47 *2.005 km originally to 3.43 km in 2008 to 2.434 km*

48 *11.15 acre originally to 8.64 acre in 2008; 10.758 acre in May 2009; 4.78 acre in July 2012 and 1.26 acre (only private. Land) in August 2012.*

49 *₹ 3.16 crore originally in Technical Sanction (TS); ₹ 39.23 crore in May 2009; ₹ 26.74 crore in May 2011; ₹ 36.97 crore in July 2012 to ₹ 22.34 crore in August 2012.*

Moreover, the item wise works executed as per project completion report (May 2012) of incomplete work, as detailed in ***Appendix 3.10***, also revealed completion of work upto black topping level in merely 286 m out of the 810 m stretch, while no bituminous work was found executed in another stretch (1624 m) of road. Thus, no stretch of road, executed up to black topping level in any single kilometre, could be opened to traffic. Resultantly the expenditure of ₹ 2.54 crore ***(Appendix 3.11)*** incurred on whole quantum of work was rendered unfruitful on incomplete road works.

Further, the Bihar Public Works Department Code Vol.I Annexure A-10 provided that work should be completed with all items in limited length instead of earthwork and metal work in full length of road. Clause 17 of the Notice inviting tender (NIT) also stipulated that all the payments would be made only after completion of black topping/SDBC[50] work. Till then the claim of contractor would not be acceptable.

It was however observed that the department, instead of making payment for the stretch completed up to black topping/SDBC level (0.286km), allowed payment for the whole quantum of work executed by the contractor amounting to ₹ 2.54 crore ***(Appendix 3.11)***.

The EE, in reply, stated (December, 2012) that the road was constructed in available land up to 1600 metre and had been opened to traffic. Hence the question of unfruitful expenditure did not arise.

Reply was not acceptable as the execution of work suffered from several deficiencies right from estimation of work by the Department without proper survey, site verification or affixation of road alignment to commencement of work without required land acquisition, which was also in violation of conditions stipulated in Cabinet Secretariat and Coordination Department (Confidential) Resolution (no.948 of July, 1986). Even the latest proposal of LAO for acquisition of private land (1.267 acre) amounting to ₹ 22.34 crore was forwarded by the EE to the Government in August 2012 after a delay of 54 months[51] for according AA. Further the contention of EE that the road was constructed up to 1600 metre and was opened to traffic was also not acceptable in the absence of completion of bituminous work in entire stretch of road since the black topping work (SDBC) was done in merely 0.286 km. While this reflected the lackadaisical attitude of the Department towards execution of road work, it also failed to provide the intended benefit to the populace as envisaged in the scheme. Thus, the expenditure of ₹ 2.54 crore was rendered unfruitful on incomplete road works.

The matter was referred to the Government (June, 2013) and subsequent reminder issued (August 2013); their reply is yet to be received (December 2013).

50 *Semi Dense Bituminous Concrete.*

51 *Since date of award of work in August 2008.*

WATER RESOURCES DEPARTMENT

3.2.4 Wasteful expenditure

Due to non-adherence to the approved specification of GFCC and lackadaisical attitude towards the timely initiation of execution, the Department had to incur wasteful expenditure of ₹ 5.79 crore on washed away bed bars. Besides the intended objective of curbing/restricting the damage owing to recurring flood could not be achieved.

As per para 4.6 of Flood Management Programme (FMP), the State Government, while submitting a new proposal to Ganga Flood Control Commission (GFCC), Government of India (GoI), shall ensure acquisition of land required under the scheme alongwith a certificate to this effect.

A test check of records (December 2011) of the Executive Engineer, Flood and Drainage Division (EE, FDD), Lalganj revealed that anti-erosion work *i.e.* Flood Protection Work between five and six miles of Paharpur Manorath at Tirhut embankment of Gandak river, administratively approved (AA) (March 2010) for ₹ 7.59 crore and technically sanctioned for ₹ 7.58 crore, was awarded (April 2010) to an agency[52] for completion by May 2010 at a total cost of ₹ 7.99 crore. The work involved construction of one boulder spur[53] and sixteen boulder bed bars[54] at the specified site and was approved by Technical Advisory Committee (TAC) in October 2009 and by GFCC, GoI in February 2010.

Scrutiny of records further revealed that the Department, without initiating any land acquisition process, asked (April 2010) the contractor to start the work. This resulted in public protest by the affected farmers. Subsequently the EE, FDD, Lalganj changed the specification and site of the work and proposed construction of 25 bed bars which included nine boulder bed bars in place of the boulder spur within the same estimate. The EE got the work started (May 2010) on the telephonic directions (May 2010) received by the Chief Engineer, WRD, Muzaffarpur. The latter, however, intimated the matter to Engineer-in-Chief (North), WRD, Patna and asked for his approval. Meanwhile, the Joint Secretary, WRD, accorded (May 2010) the approval to the revised work in anticipation of its approval from GFCC. However, the work with revised specification was neither technically sanctioned by TAC nor was approved by the GFCC, GoI till March 2013. Even the Empowered Committee, GoI turned down the proposal (March 2013). In the mean time the works were completed in September 2010 after incurring a total expenditure of ₹8.04 crore.

It was further observed that out of 25 bed bars constructed without any spur, 18 bed bars, constructed at a cost of ₹ 5.79 crore, were outflanked (washed away) during the flood (August-September of 2011). The EE, FDD Lalganj admitted (December 2011) that after the objection was raised by the public, boulder spur could not be constructed.

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52 *M/s Lalbabu Singh.*

53 *Spurs are relatively bigger structure constructed deep inside a river (200-250m) to protect the bank by repelling the direction of flow of river and deflecting its current away from the embankment.*

54 *Bed bars are constructed normally in medium and small rivers due to its effectiveness in checking erosion as well as deflecting the current from the bank. The length of bed-bar normally remains 10-15m with one-third of bed bar embedded in the bank.*

However, the department in its reply (September 2013) stated that though the State Government, as per para 4.6 of FMP, was responsible for arranging lands and funds for acquisition of land, it did not insist that in the event of the land not arranged in other circumstances, the scope of work as per site condition could not be changed. Also the completion of land acquisition process required a minimum of 280 days. As such, the LA process would not have been completed within three months. It further stated that "generally lands are arranged with understanding with land owners and works are executed". However, in the instant case, owing to reluctance and agitation by the local people and less execution period, the scope of the work was changed (April 2010) under intimation to the GFCC. Hence, the expenditure was legitimate, necessary and could not be treated as wasteful expenditure.

The reply is not acceptable as the 'flood protection work' required advance planning followed by scrupulous execution of work within the prescribed time frame to provide lasting solution to a recurring problem. However, the Department, in contravention of para 4.6 of FMP Guidelines, awarded the work to contractor in April 2010 for completion by May 2010 without ensuring acquisition of the land. Further, the execution of work on changed specifications was not got technically approved by the TAC and neither the Empowered Committee of GoI nor the GFCC allowed it.

Thus, due to non-adherence to the approved specification of GFCC, GoI *i.e.* construction of boulder spur along with the bed bars, and lackadaisical attitude towards the timely initiation of execution, the Department incurred wasteful expenditure of ₹ 5.79 crore on washed-away bed bars. Besides the intended objective of curbing/restricting the damage owing to recurring flood could not be achieved.

3.3 Irregular/Avoidable/Unjustified expenditure

An expenditure is deemed as irregular if there is a deviation, wilful or otherwise, from the rules and norms prescribed by a competent authority, while incurring the same since this is indicative of lack of effective monitoring by the executive. This, in turn, leads to avoidable/unjustified expenditure. A few cases of such irregularities are discussed below:

SOCIAL SECTOR

SOCIAL WELFARE DEPARTMENT

3.3.1 Irregular purchase

Violation of Government order and approval of higher rate by District Magistrate led to irregularties in purchase of equipment worth ₹ 98.76 lakh and excess payment of ₹ 15.36 lakh.

The Mukhya Mantri Samarthya Yojna (MMSY) was designed in 2007-08 to facilitate the physical, psychological and social rehabilitation of disabled persons. The scheme envisaged provision of special equipment and artificial limbs such as hearing aids, tricycle, crutch-axilla calipers and similar aids to the beneficiaries (handicapped) through Social Welfare Department (Department).

The Department allotted ₹ 1.60 crore[55] to Assistant Director (AD), District Social Security Cell (DSSC), Patna during 2007-12 with the special mention that the concerned District Magistrate (DM) would purchase special equipment and artificial limbs after making formal request to Artificial Limbs Manufacturing Corporation of India (ALIMCO), Kanpur, a Government of India enterprise under the Ministry of Social Justice.

Test check of records of AD, DSSC, Patna revealed (February 2013) that AD requested (March 2008) ALIMCO for cost estimate of proposed aids and appliances. The same was sent (March 2008) by ALIMCO. ALIMCO also offered three *per cent* discount on 100 *per cent* advance payment. But the DM did not place any order for supply of equipment on ALIMCO.

Scrutiny further revealed that the DM, Patna invited (October 2008) short tender notice for purchase of the equipment. A purchase committee under the chairmanship of Deputy Development Commissioner was constituted (December 2008) to purchase special equipment for disabled persons in which M/s Gulab Smriti Viklang Rehabilitation Centre (GSVRC)[56], Patna was found technically sound and subsequently purchase order was issued (January 2009) to it. It was however observed that the rate of GSVRC was much higher than that of ALIMCO, especially in respect of wheel chairs and tricycles. The firm supplied the equipment and submitted the bills (February 2009) against which ₹ 7.35 lakh was paid in 2007-08. It was further observed that the DM, Patna had purchased equipment worth ₹ 91.41 lakh during 2008-09 to 2011-12 from GSVRC without inviting tender.

Thus, violation of the Government order and acceptance of higher rate led to irregular purchase of equipment worth ₹ 98.76 lakh and excess payment of ₹ 15.36 lakh (***Appendix 3.12***) leading to loss to the Government.

On this being pointed out (February 2013) the AD, DSSC stated (February 2013) that the matter would be examined and intimated to audit.

Thus, incurring expenditure on purchase of equipment from other than the designated agency was irregular. However, the Department had constituted an enquiry committee (September 2013).

The matter has been reported to the Government (May 2013) and reminder letters were issued (July 2013 and October 2013) but their reply is awaited.

ECONOMIC SECTOR

ROAD CONSTRUCTION DEPARTMENT

3.3.2 Execution of road work on lower specifications

Due to imprudent decision taken by the department in getting the residual bituminous work executed in 2012 on lower specification based on traffic census of 2007, led to substandard execution of work worth ₹ 2.51 crore.

Rule 9 of Bihar Financial Rules (BFR) stipulates that every Government servant incurring or authorising expenditure from public funds should be guided by high

[55] *2007-08 : ₹ 35.00 lakh + 2008-09: ₹ 33.00 lakh + 2009-10: ₹ 33.00 lakh +2010-11: ₹ 33.00 lakh + 2011-12: ₹ 26.40 lakh =* ₹ ***160.40 lak*h or ₹ 1.60 crore**

[56] *GSVRC was a private body registered with the Commercial Tax Department, GoB having BST TIN (VAT) no. 10131990006 and also registered under Societies Registration Act XXI of 1860 as mentioned in the bill submitted by the Agency.*

standards of financial propriety and is expected to exercise the same vigilance while incurring expenditure from public moneys as a person of ordinary prudence would exercise in respect of his own expenditure.

A simultaneous test check (June 2013) of records of two road works of adjacent stretches (km 167 to 180 and km 181 to 190), falling in the same alignment and being parts of the same road (NH-80) under the jurisdiction of the Executive Engineer (EE), National Highways (NH) Division, Bhagalpur revealed that the work of widening and strengthening of road, based on traffic census[57] of September 2007, from km 167 to 180 of NH-80 was awarded[58] (June 2009) to an agency[59] at ₹ 12.86 crore for completion by September 2010. The work included provisioning of 75mm bituminous crust thickness of 50 mm Bituminous Macadum (BM) and 25 mm Semi Dense Bituminous Concrete (SDBC) apart from 300 mm Granular Sub Base (GSB) and 250 mm Granular Base (GB).

The pavement design i.e thickness of individual road layers were affixed and calculated on the basis of Traffic Census of September 2007. The work was later rescinded (September 2011) by the EE due to delay in execution of work and non-compliance of work schedule by the contractor. By that time, the contractor was paid ₹ 6.30 crore (49 *per cent*) through 15 running account (R/A) bills.

The Division, in the meantime had executed (March 2011) agreement for the work of strengthening of adjacent stretch from km 181 to 190 on the same NH-80 with another agency (M/S S&P Infrastructure New Delhi) vide SBD agreement[60] for execution of work with enhanced specifications by increasing the bituminous crust thickness from 75 mm (in the previous one) to 200 mm by provisioning 50 mm Bituminous Concrete (BC) over 150 mm Dense Bituminous Macadum (DBM) layer, while the GSB and GB layer remained the same. The change in design and specification was necessitated due to manifold increase in traffic density as per Traffic Census[61] of June 2009 owing to plying of heavy vehicles from Mirzachowki mines, located at km 190 of NH-80. Also, there was no lateral road between km 167 to 190.

Audit, however, observed that the balance work of widening and strengthening of road at km 167 to 180 of NH - 80 was awarded[62] (July 2012) to the same agency for ₹ 8.60 crore with the old specification of 75 mm crust thickness for completion by July 2013. The agency had been paid ₹ 6.65 crore *(77 per cent)* through five running account bills (May 2013) which included executed bituminous works amounting to ₹ 2.51 crore ***(Appendix 3.13)***.

The decision to award the balance work (from Km 167-180) in July 2012 on the basis of Traffic Census 2007 instead of Traffic Census 2009 was imprudent which made the work vulnerable owing to increased traffic load. A joint

[57] *Design traffic = 507*
[58] *2 SBD km/09-10*
[59] *M/S D.K Engineering and consultants.*
[60] *No. 1 SBD(m)/10-11*
[61] *Design traffic = 1581*
[62] *Vide SBD agreement (3SBD (M)/12-13)*

physical verification[63] by Audit also revealed (June 2013) that bituminous crust in km 167 to 180 was damaged at several locations and several pots had developed on the road. On the other hand, the bituminous layer in km 181 to 190 was intact and in good condition and was sustaining the heavy traffic despite its completion in December 2011.

Km 167 of NH 80 *Km 184 of NH 80*

In reply, the EE stated (July 2013) that the present status of road was same as was on the day of audit (June 2013). In his compliance report to audit's observation (August 2013) endorsed to the Deputy Secretary, RCD, he had specifically mentioned that the facts and points raised in audit were acceptable and in light of suggestions and recommendations of audit, the department had taken decision to get the revised estimate approved from MORTH after designing the crust on the basis of recent traffic census, the process of which was underway.

Thus, the imprudent decision taken by the department in getting the residual bituminous work executed in 2012 on lower specification based on traffic census of 2007, led to substandard execution of work worth ₹ 2.51 crore apart from denial of intended objective to the beneficiaries.

The matter was referred to the State Government (July 2013) and subsequent reminder issued in August 2013; their reply had not been received (December 2013).

BUILDING CONSTRUCTION DEPARTMENT

3.3.3 Irregular payment

The irregular allowance of price neutralisation in execution of the works under Centrally Sponsored Scheme, though prescribed only for State funded works, resulted in extra burden on the State exchequer amounting to ₹ 62.27 lakh.

As per clause 7 of Building Construction Department's Resolution (July 2008), price neutralization for increase/decrease of price of steel and cement in case of work in progress under F_2 agreement would be payable in the manner prescribed in the Clause 10 CA/10 CC of Standard Bid Document (SBD), and it would be applicable only in the work executed under State Fund.

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63 *With Assistant Engineer and Junior Engineers of NH Division, Bhagalpur on 29th June 2013.*

A test check of records (February 2013) of the Executive Engineer (EE), Building Construction Division, Jehanabad revealed that the work of construction of District Jail Building, Kako, Jehanabad was taken up under "Prison Reforms Scheme", a centrally sponsored scheme of the year 2003-04 funded in the ratio of 75:25 between Government of India (GoI) and Government of Bihar (GoB) respectively. The project was accorded (September 2004) administrative approval for ₹ 9.50[64] crore by the Home Department (revised to ₹ 18.38[65] crore by the BCD in March 2011) and technical sanction (June 2006) for ₹ 9.82 crore (revised to ₹ 11.04 crore in July 2009) by the Chief Engineer (Design), BCD, GoB. The work was allotted (July 2006) to M/S Ramiya Construction Private Limited. An agreement was executed (February 2007) for ₹ 7.51 crore with the agency for completion of work by June 2008.

Scrutiny further revealed that the construction work was completed (December 2012) after a lapse of two and half years from the extended date of completion (i.e. upto March 2010). It was however observed that the sanction of extra cost of steel and cement for ₹ 1.32 crore towards price neutralization had been accorded (June 2009) in the technical sanction of the work itself. A total payment of ₹ Eight crore (including extra cost of steel and cement: ₹ 83.03 lakh) was made (December 2012) to the agency through 15th and final account bill **(*Appendix 3.14*).** Of the extra cost of ₹ 83.03 lakh paid towards price neutralization, ₹ 62.27[66] lakh, being 75 *per cent* (of ₹ 83.03 lakh), pertained to the central share. Since the price neutralization on works-in-progress under F_2 agreement was to be effected only upon the works funded by the State Government as per the BCD's Resolution (July 2008), and there was no instruction especially laid down for provisioning price neutralization for GoI funded part of work, the payment of ₹ 62.27 lakh was irregular and inadmissible *vis-à-vis* loss to the Government apart from extra expenditure from the State fund to that extent.

On this being pointed out, the Deputy Secretary, BCD, GoB in his reply (August 2013) stated that payment towards extra cost of steel and cement had been made in accordance with BCD's Resolution (No. 5633(B) dated 17 July 2008), which also had the concurrence of Law and Finance Departments, Government of Bihar, and as per SBD norms. The BCD, considering all facts and aspects, had allowed provisioning of price neutralization for cement and steel as per SBD's norms. Since then the department had been able to complete many projects. Had this decision not been taken, the works would have been left incompleted and revision of schemes would have created extra burden on the department. Further the reply mentioned that the resolution itself had clarified that the provision of price neutralization was applicable only to those schemes which got completed within the stipulated time period. As such the payments made were not irregular and admissible as per norms of SBD of BCD. The Engineer-in-Chief-cum-Additional Commissioner-cum-Special Secretary, BCD, GoB also stated (January 2014) that the price neutralization on cement and steel on the works being executed under centrally sponsored/State plan scheme were being incurred out of State fund. As such, any action calling for additional fund from GoI was not required.

64 *This included ₹ 1.43 crore for land acquisition.*

65 *This included ₹ 1.43 crore for land acquisition.*

66 *75 per cent extra cost of ₹ 83.03 lakh i.e. central share= ₹ 62.27 lakh*

The reply of Engineer-in-Chief-cum-Additional Commissioner-cum-Special Secretary was not acceptable as Clause 7 of the BCD's Resolution stipulated that the payment of price neutralisation was applicable on the State funded works only. Also, the Deputy Secretary, BCD had contended that "the payment of price neutralisation was admissible to those schemes which got completed within stipulated time period". However, in the instant case the payment towards price neutralisation was made despite delay in completion of work by 33 months in December 2012 after grant of time extension upto 30 March 2010 only.

Thus, the irregular allowance of price neutralisation in execution of the works under Centrally Sponsored Scheme, though prescribed only for State funded works, resulted in extra burden on the State exchequer owing to irregular payment of differential amount of the central share of the apportioned amount of ₹ 62.27 lakh from the State funds.

MINOR WATER RESOURCES DEPARTMENT

3.3.4 Avoidable payment

Failure of the department to ascertain the actual liabilities through joint physical verification of STWs before making the payment of outstanding electricity bills to BSEB resulted in avoidable payment of ₹ 37.51 crore against 548 non-functional STWs.

Minor Water Resources Department (MWRD), Government of Bihar allotted[67] ₹ 313.65 crore to the Under Secretary (US), MWRD, Patna for payment of outstanding electricity bills of State Tube Wells (STWs) to Bihar State Electricity Board (BSEB) during 2010-11. The allotment letters also stipulated, among others, that the payment was to be made against functional STWs of current financial year (2010-11) and for outstanding energy bills of only those STWs which were jointly physically verified by the officers of BSEB and the concerned STW divisions.

Test check (December 2011 to July 2012) of records of 14 divisions of MWRD revealed that the BSEB raised (May 2010) outstanding electricity bills amounting to ₹ 319.69 crore to MWRD for payment. Subsequently the US, MWRD, Patna made centralised payment of ₹ 313.65 crore to BSEB between July 2010 to March 2011 on the basis of the bills.

Subsequent scrutiny of consumer-wise utilisation of energy dues of MWRD revealed that the centralised payment included ₹ 169.34 crore against 2512 STWs in the test checked districts. This further included ₹ 37.51 crore towards payment made against 548 STWs which were non-functional due to electrical, mechanical and joint faults for one to more than 20 years. It was also observed that joint physical verification/certifications was not made in any of the test-checked districts before making payment ***(Appendix 3.15).*** On this being pointed out (December 2011 to July 2012), all the Executive Engineers of 14 divisions stated that the payments were made centrally by the department and

[67] *₹ 25.00 crore (vide Lt. No. MI/Budget(NP) TW Electricity- 28/06-13 dated 30 June 2010) + ₹ 60.00 crore (vide Lt. No. 38 dated 27 August 2010) + ₹ 228.65 crore (vide Lt. No. 114 dated 24 March 2011)=₹* ***313.65 crore***

steps for disconnection of the break down STWs were being taken. Even the Secretary, MWRD, in his reply (July 2013), corroborated the fact of centralised payment against the outstanding electricity bills. He also acknowledged about the special condition mentioned in the allotment order regarding conducting of joint physical verification of STWs, whose electricity bills were in arrear, before making payment thereagainst. He further stated that the concerned EE and SE had been issued show cause notices to explain the circumstances under which payments against non-functional tube wells were made. And lastly, he asserted that the matter would be taken up with the Bihar State Power Holding Company (BSPHC), formerly known as BSEB, for the adjustment of bills apart from putting up a system in place to prevent such recurrences.

Thus, failure of the department to ascertain the actual liabilities through joint physical verification of STWs before making the payment of outstanding electricity bills to BSEB resulted in avoidable payment of ₹ 37.51 crore against 548 non-functional STWs. The department needs to maintain data base of the STWs of the State and monitor their functioning.

The matter was further reported to Government (November 2013) seeking appraisal regarding adjustment of electricity bills with BSPHC; their reply has not been received (December 2013).

Patna **(P. K. SINGH)**

The **Accountant General (Audit), Bihar**

Countersigned

New Delhi **(SHASHI KANT SHARMA)**

The **Comptroller and Auditor General of India**

APPENDICES

APPENDIX-1.1

(Refer: Paragraph –1.7.1.; Page - 8)

Statement showing year-wise break-up of outstanding Inspection Reports and paragraphs

Sl. No.	Name of Department	2006-2007		2007-2008		2008-2009		2009-10		2010-11		2011-12		2012-13		Total	
		IR	Para	IR	Para	IR	Para	IR	Para	IR	Para	IR	Para	IR	Para	IR	Para
1.	Rural Development	168	1426	106	821	177	1483	214	1489	146	888	17	121	22	185	850	6413
2.	Welfare	34	173	36	110	85	289	41	187	38	160	30	126	83	464	347	1509
3.	Finance	5	17	10	39	14	44	2	6	8	17	0	0	5	40	44	163
4.	Urban Development	0	0	1	7	0	0	0	0	1	4	0	0	0	0	2	11
5.	Labour Development	5	12	10	22	1	4	9	45	3	6	1	2	21	92	50	183
6.	Planning and Development	1	5	0	0	12	33	0	0	1	4	0	0	2	9	16	51
7.	Information and Public Relation	3	13	1	2	0	0	0	0	0	0	0	0	3	13	07	28
8.	Panchayati Raj	1	6	12	35	0	0	0	0	0	0	0	0	0	0	13	41
9.	Health	44	125	65	271	60	237	120	353	164	663	13	64	210	1080	676	2793
10.	Home	48	159	73	134	62	101	43	144	51	175	2	11	20	148	299	872
11.	Education	77	475	66	392	44	320	50	329	46	221	11	55	79	631	373	2423
12.	Agriculture	22	59	22	103	28	113	44	193	50	157	18	107	15	86	199	818
13.	Industry	11	49	10	45	2	13	0	0	5	23	2	14	0	0	30	144
14.	Law	11	22	5	21	11	31	4	9	3	10	0	0	8	135	42	228
15.	Animal Husbandry	31	73	9	25	14	38	28	84	18	59	2	5	6	40	108	324
16.	Co-operative	16	45	13	31	9	27	4	14	1	3	0	0	0	0	43	120
17.	Fishery	0	0	7	21	4	4	5	20	6	16	1	4	0	0	23	65
18.	Tourism	0	0	1	4	1	6	0	0	1	6	0	0	0	0	03	16
19.	DRDA, State Autonomous Body	9	92	15	164	22	186	22	164	20	194	9	90	9	96	106	986
20.	Road Construction	40	242	21	119	56	310	44	262	28	176	8	67	16	125	213	1301

Sl. No.	Name of Department	2006-2007		2007-2008		2008-2009		2009-10		2010-11		2011-12		2012-13		Total	
		IR	**Para**	**IR**	**Para**	**IR**	**Para**	**IR**	**Para**	**IR**	**Para**	**IR**	**Para**	**IR**	**Para**	**IR**	**Para**
21.	Building Construction	37	257	31	169	48	363	43	258	33	219	9	49	6	43	207	1358
22.	Public Health Engineering	35	180	19	63	53	312	45	239	32	209	7	61	15	133	2069	1197
23.	Water Resources	58	477	48	280	104	533	97	544	45	223	19	130	33	290	404	2477
24.	Rural Works	39	160	37	260	40	284	66	357	43	289	17	154	7	74	249	1578
25.	National Highways	14	58	21	101	20	136	19	105	17	110	1	8	2	19	94	537
26.	Forest	16	102	11	65	22	158	17	69	12	74	7	49	6	39	91	556
27.	Forest Receipt	16	67	17	65	14	39	12	34	8	22	0	0	0	0	67	227
28.	Minor Irrigation and Tube well	25	128	23	100	23	140	39	233	29	193	14	101	18	119	171	1014
29.	Irrigation Receipt	11	51	16	56	15	100	12	59	16	80	0	0	0	0	70	346
30.	Cabinet Secretariat	1	2	4	14	1	4	2	9	3	14	1	10	3	39	15	92
31.	Election	17	165	6	39	8	35	12	58	8	26	0	0	3	16	54	339
32.	Parliamentary Affairs	2	30	0	0	0	0	0	0	0	0	0	0	2	42	04	72
33.	General Administration	32	221	28	200	33	200	32	179	20	96	2	14	8	96	155	1006
34.	Vigilance	1	7	0	0	0	0	0	0	0	0	0	0	0	0	01	07
35.	Disaster Management	0	0	0	0	0	0	0	0	2	7	0	0	0	0	02	07
36.	Art, Youth & Culture	9	40	2	4	2	9	0	0	3	6	0	0	1	7	17	66
37.	Science and Technology	4	18	11	40	1	6	1	3	1	1	0	0	0	0	18	68
38.	Food and Consumer Protection	0	0	0	0	0	0	0	0	1	6	0	0	0	0	01	06
	TOTAL	**843**	**4956**	**757**	**3822**	**986**	**5558**	**1027**	**5446**	**863**	**4357**	**191**	**1242**	**603**	**4061**	**5270**	**29442**

APPENDIX-1.2

(Refer: Paragraph –1.7.2; Page - 9)

Department-wise details of non-submission of Action Taken Notes as on 31 March 2013

Sl. no.	Department	2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		2010-11		Total	
		Review	Para	Review	Para	Review	Para	Review	Para	Review	Para	Review	Para	Review	Para	Review	Para	Review	Para
1	Health	00	00	00	02	00	00	00	00	00	00	00	00	00	00	00	00	00	02
2	Human Resources	00	00	00	00	00	00	00	00	00	00	00	00	01	00	00	00	01	00
3	Rural Development	00	00	00	00	00	00	00	01	00	00	00	00	00	00	00	00	00	01
4	Agriculture	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	01	00	01
5	Industry	00	00	00	00	00	01	00	00	00	00	00	00	00	00	00	00	00	01
6	Energy	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
7	Home	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
8	Water Resources	00	00	01	01	00	01	00	01	00	01	00	00	00	00	00	01	01	05
9	Minor Irrigation	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	02	00	02
10	Building Construction	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
11	Road Construction	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	08	00	08
12	Public Health Engineering	00	00	00	00	00	00	00	00	00	00	00	00	01	01	00	01	01	02
13	Revenue and Land Reforms	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
14	Welfare	00	00	00	00	00	00	00	01	00	00	00	00	00	00	00	00	00	01
15	Forest & Environment	00	00	00	00	01	00	00	02	00	00	00	01	00	00	00	00	01	03
16	Animal Husbandry	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
17	Local Body	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00

Sl. no.	Department	2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		2010-11		Total	
		Review	Para	Review	Para	Review	Para	Review	Para	Review	Para	Review	Para	Review	Para	Review	Para	Review	Para
18	Urban Development	00	00	00	02	00	00	00	00	00	00	00	00	00	00	00	00	00	02
19	Labour Employment and Training	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
20	Vidhan Mandal	00	00	00	00	00	00	00	01	00	00	00	00	00	00	00	00	00	01
21	Cabinet Sectt.	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
22	Law	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
23	Disaster Management	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
24	Planning & Dev.	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
25	Finance	00	00	00	00	00	00	00	00	00	00	00	00	00	00`	00	00	00	00
26	Rural Works	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	03	00	03
27	Panchayati Raj	00	00	01	01	00	00	00	00	00	00	00	00	00	00	00	00	01	01
	Total	**00**	**00**	**02**	**06**	**01**	**02**	**00**	**06**	**00**	**01**	**00**	**01**	**02**	**01**	**00**	**16**	**05**	**33**

APPENDIX-1.3

(Refer: Paragraph – 1.7.3; Page - 9)

Status of Action Taken Notes on the recommendation of the PAC

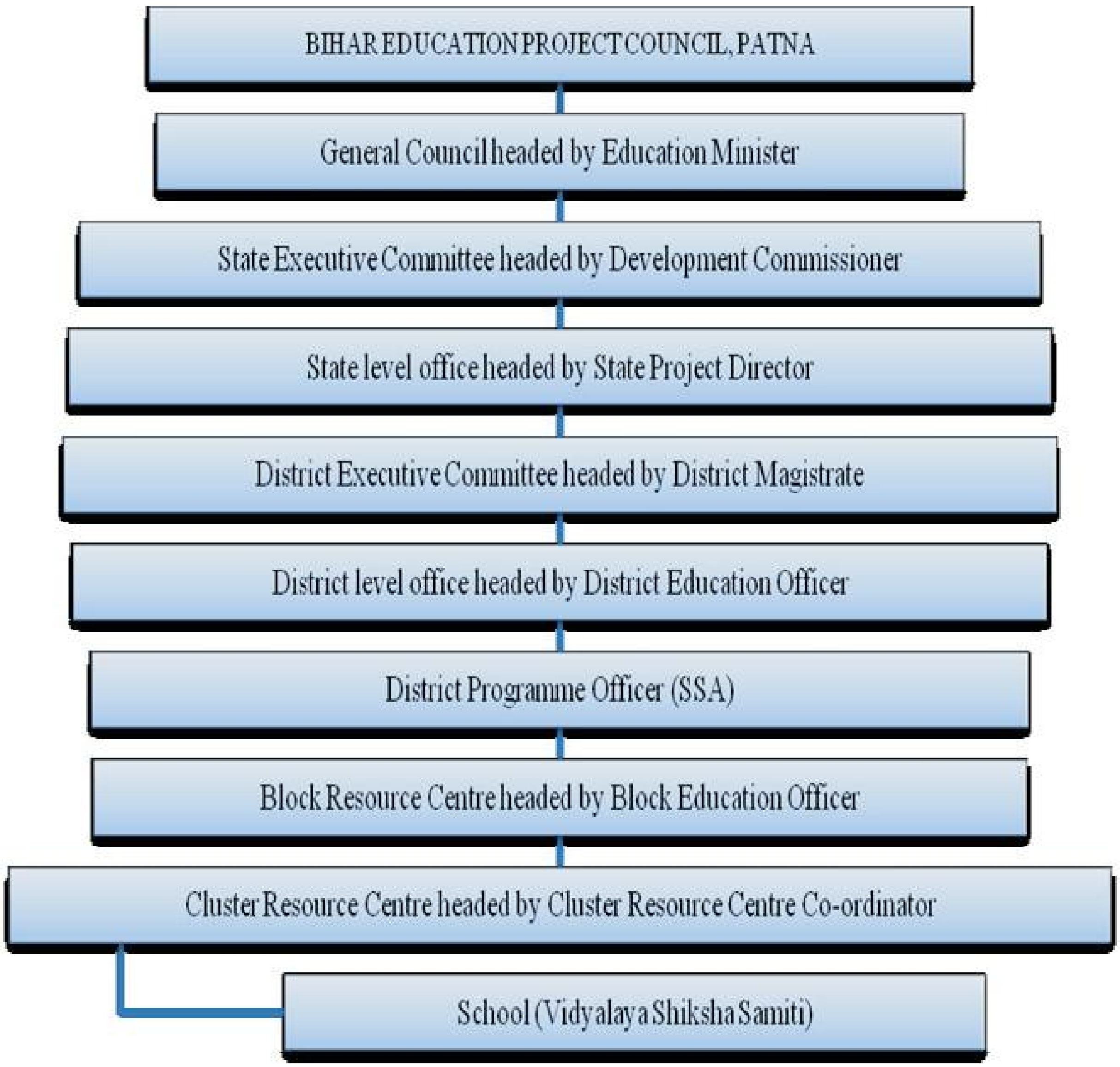
Sl. No.	Name of Department	P.A.C. Report No.	Number of Paras on which ATNs by department not furnished
1.	Rural Development Department	326[1], 357, 446	32
2.	Rural Works Department	414, 473,	14
3.	Road Construction Department	347, 369, 370, 430, 471, 481	43
4.	Labour & Employment Department	388, 475	02
5.	Science & Technology Department	396	03
6.	Urban Development Department	406, 447	08
7.	Public Health Engineering Department	348, 426, 453	12
8.	Finance Department	386, 461	05
9.	Health Department	335, 399, 464, 477, 479	58
10.	Panchayati Raj Department	451	02
11.	Energy Department	339	02
12.	Environment & Forest Department	384	01
13.	Home Department	334, 397, 419, 480,	15
14.	Agriculture Department	346, 421, 422, 469	16
15.	Co-operative Department	351, 465, 428	07
16.	Education Department	358, 359, 379, 389, 390, 394, 395, 411, 417, 420, 455, 456, 457, 470	73
17.	Animal & Fisheries Resources Department	415, 445, 484	19
18.	Relief & Rehabilitation Department	398, 400	09
19.	Water Resources Department	323, 367, 368, 374, 377, 378, 474	17
20.	Minor Irrigation Department	352, 416, 450	16
21.	Welfare Department	387	06
22.	Planning & Development Department	466	02
23.	Revenue & Land Reforms Department	454, 463, 467, 472	06
24.	Personnel & Administrative Reforms Department	459	01
25.	Cabinet Secretariat Department	460	01
26.	Food, Civil Supplies & Commerce Department	391, 448	04
27.	Institutional Finance & Programme Implementation Department	392	06
28.	Industry Department	438, 488	12
29.	Building Construction Department	429, 485	12
30.	Civil Aviation Department	425	04
		Total	**408**

1 *326 – 08.11.2000 (Laid on 08.11.2000 in Bihar Vidhan Sabha)*

APPENDIX-2.1.1

(Refer: Paragraph-2.1.2 ; Page -12)

Organisational structure of implementation of SSA in Bihar



(Source : Information furnished by BEPC)

APPENDIX-2.1.2

(Refer: Paragraph-2.1.6.2 ; Page -15)

Statement showing Financial Target and Achievement thereagainst during 2008-13 in test checked districts

(₹ in crore)

Sl. No.	Interventions / programmes	2008-09		2009-10		2010-11		2011-12		2012-13		Total (2008-13)		Percentage
		T	A	T	A	T	A	T	A	T	A	T	A	
	Major interventions in which achievements were less than 50 *per cent*													
1	CAL in UPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	0.07	**6.00**	**0.07**	**1.25**
2	Block Resource Centre	1.84	0.80	1.45	0.62	10.82	1.99	22.72	2.87	12.63	1.97	**49.46**	**8.26**	**16.70**
3	Teachers Training	30.42	8.04	32.25	8.22	22.19	8.25	34.01	9.85	48.95	14.86	**167.82**	**49.23**	**29.33**
4	Interventions for out-of-schools children	100.77	47.27	47.53	31.28	118.44	43.86	253.92	56.00	159.15	30.73	**679.82**	**209.13**	**30.76**
5	Cluster Resource Centres	4.17	1.38	3.51	1.46	10.95	4.05	17.73	3.78	12.74	4.68	**49.10**	**15.35**	**31.26**
6	Teaching Learning Equipment	12.67	5.65	12.74	6.05	9.94	3.60	6.50	0.36	6.03	1.39	**47.88**	**17.05**	**35.61**
7	Research & Evaluation	3.88	1.96	4.00	2.60	4.11	2.62	4.61	0.08	3.89	0.21	**20.50**	**7.46**	**36.39**
8	Civil works	485.34	252.47	604.04	229.34	1121.92	550.87	1924.94	505.59	1488.07	690.25	**5624.30**	**2228.52**	**39.62**
9	Library in schools	0.00	0.00	0.00	0.00	0.00	0.00	6.33	4.65	8.55	1.27	**14.88**	**5.92**	**39.80**
10	Community Training	0.82	0.49	0.83	0.34	2.46	0.26	10.26	3.70	15.76	7.80	**30.12**	**12.58**	**41.78**
11	Interventions for CWSN (IED)	6.02	2.27	6.22	3.09	16.88	7.31	28.40	12.77	28.48	13.16	**86.00**	**38.59**	**44.87**
12	Innovative Activity	7.64	3.49	11.98	5.85	12.00	4.96	12.00	3.82	6.00	4.25	**49.62**	**22.37**	**45.09**
13	**NPEGEL**	14.35	5.50	11.03	4.70	10.43	3.99	20.68	4.28	20.04	7.48	**76.53**	**25.95**	**33.91**
14	**KGBV**	79.00	23.79	56.15	24.78	55.32	25.03	92.85	30.43	85.48	31.35	**368.79**	**135.38**	**36.71**
	Major interventions in which achievements were more than 50 *per cent*													
1	Uniform	0.00	0.00	0.00	0.00	93.17	26.01	101.16	20.31	254.88	193.02	**449.21**	**239.35**	**53.28**
2	Special training	0.00	0.00	0.00	0.00	5.51	4.85	3.04	0.00	0.00	0.00	**8.54**	**4.85**	**56.75**
3	Furniture for Govt. PS & UPS +Library	0.00	0.00	1.63	1.39	11.68	6.25	0.00	0.00	0.00	0.00	**13.31**	**7.63**	**57.35**
4	Teachers salary	349.48	298.93	506.41	324.86	725.98	493.51	1166.15	605.17	1432.63	748.49	**4180.65**	**2470.96**	**59.10**
5	Maintenance Grant	19.71	12.45	19.93	12.75	14.28	13.06	15.27	10.69	17.41	14.79	**86.60**	**63.73**	**73.60**
6	Remedial Teaching	15.90	11.81	6.80	5.38	0.00	0.00	0.00	0.00	0.00	0.00	**22.70**	**17.19**	**75.72**
7	School Grant	19.77	18.18	20.12	18.57	20.86	19.15	21.52	16.44	21.81	20.53	**104.08**	**92.88**	**89.24**
8	Teachers Grant	6.06	5.27	6.05	5.80	5.96	5.58	6.48	4.95	6.50	6.17	**31.05**	**27.77**	**89.42**
	Grand Total	**1157.83**	**699.74**	**1352.66**	**687.07**	**2272.91**	**1225.22**	**3748.56**	**1295.72**	**3634.99**	**1792.50**	**12166.96**	**5700.24**	**46.85**

(T-Target & A-Achievement)

(Source: Records of districts)

APPENDIX-2.1.3

(Refer: Paragraph-2.1.7.1; Page- 17)

Statement showing delayed release of grants to schools during 2008-13

(₹ in crore)

Sl. No.	District	2008-09		2009-10		2010-11		2011-12		2012-13		Total
		Month of release	Amount	Month of release	Amount	Month of release	Amount	Month of release	Amount	Month of release	Amount	
1	Patna	Aug-08	2.97	Oct-09	4.75	Jun-10	0.00	Jul-11	3.30	Jul-12 to Oct-12	2.93	13.95
2	Khagaria	Jul-08 to Jan-09	1.40	Jun-09 to Jul-09	0.07	Sep-10 to Mar-11	1.54	Feb-09 to Jan-12	1.23	Sep-12 to Mar-13	1.70	5.94
3	Madhubani	Oct-08 to Dec-08	3.83	Nov-09 to Dec-09	2.77	Jun-10	0.00	Aug-11	2.79	Nov-12	4.56	13.95
4	Saharsa	NA	0.00	NA	0.00	NA	0.00	Oct-11	1.84	NA	0.00	1.84
5	Muzaffarpur	Aug-08 to Mar-09	4.79	Sep-09 to Oct-09	4.82	May-10 to Jan-11	0.16	Dec-11 to Jan-12	1.19	May-12 to Feb-13	5.18	16.14
6	Nawada	Oct-08	1.98	Nov-09 to Jan-10	2.27	Jun-10 to Oct-10	0.05	Oct-11	2.31	Oct-12	2.55	9.16
7	Sitamarhi	NA	0.00	NA	0.00	NA	0.00	Dec-11 to Mar-12	0.82	Nov-12 to Mar-13	0.15	0.97
8	Saran	Oct-08 to Mar-09	3.15	Sep-09 to Oct-09	3.53	May-10	0.00	Jan-12	4.27	Nov-12	4.28	15.23
9	Kishanganj	Dec-08	1.56	Sep-09	1.72	Jul-10	1.90	Dec-11	2.06	Dec-12	2.53	9.77
10	Bhagalpur	Sep-08	1.20	Sep-09 to Feb-10	1.20	Aug-10 to Mar-11	1.75	Nov-11 to Feb-12	2.73	Oct-12	0.16	7.04
11	Gaya	NA	0.00	Oct-09 to Mar-10	2.78	Oct-10 to Feb-11	2.14	Nov-11 to Feb-12	2.60	Oct-12 to Feb-13	2.93	10.45
12	Rohtas	Sep-08	2.96	Oct-09 to Mar-10	3.00	Sep-10 to Mar-11	2.88	Aug-11 to Sep-11	3.20	Oct-12 to Mar-13	3.44	15.48
	Total		**23.84**		**26.91**		**10.42**		**28.34**		**30.41**	**119.92**

(Source: Records of test-checked DPOs)

APPENDIX-2.1.4

(Refer: Paragraph-2.1.7.3; Page-18)

Statement showing demand draft/cheques received from schools but not deposited into bank

(A) Validity expired cheques/demand drafts

Sl. No	Name of Districts	Name of schools	Purpose	Draft / Cheque No	Date	Amount in ₹
1.	Patna	PS Budha colony,Harizan Tola	Civil work	Ch-91795	22.04.2009	482600.00
2.		Urdu PS PirBais	Do	Ch-000010	26.06.2012	597000.00
3.		Rajkiya Kanya MS Shastri Nagar Patna	Do	Ch-200375	19.11.2011	86000.00
4.	Khagaria	P.S. Dharari, Khagaria	Do	Ch-51122	10.10.2009	632000.00
5.		M.S. Garhiya, Chautham	Do	Ch-344980	31.08.2012	150000.00
6.	Muzaffarpur	PS Atrar (Hindi), Aurai	Do	DD-007765	13.08.2012	53990.00
7.		UMS RatwaraChandanSaraiya	Do	Ch-543104	17.12.2012	53000.00
8.		PS Kumhrapakar Urdu, Muraul	VSS grant	DD-054252	1.03.2012	8000.00
9.		(------------NA--------------)	Do	DD-358914	3.02.2012	25000.00
10.		PS NankarTola, BhootaneBochahan	Do	DD-394455	12.08.2011	7000.00
11.		PS Borbara, Bochahan	Do	DD-671087	19.08.2011	1500.00
12.		PS ShivpurBrahmsthanSaraiya	Do	Ch-277012	20.06.2011	7000.00
13.		(------------NA---------------)	NA	DD-923471	15.03.2010	828500.00
14.		Do	NA	DD-776384	16.02.2010	614953.00
15.		Do	NA	DD-287861	19.08.2010	500000.00
16.		NPS Raghopur, Gayghat	VSS grant	DD-242226	16.08.2010	5000.00
17.		NPS Kalyani, Gayghat	Do	DD-918032	27.08.2010	5000.00
18.		UMS Najirpur, Mushari	Civil work	DD-376571	21.09.2010	515000.00
19.		PS Phulwariya, Motipur	Do	DD-354245	7.08.2011	532162.00
20.		UMS Sadhanpura, Yamuna RaiKeTola	Do	DD-016874	4.09.2010	455301.00
21.		UMS KulesharaDih, Sakara	Do	DD-015173	26.07.2012	485045.00
22.		MS Amar Shikshalya Home For The Homeless Nagar Area	Do	DD-887836	2.08.2011	711869.00
23.		Urdu Kanya MS Chandwara, Morkari	Do	DD-771750	10.08.2011	680000.00
24.		Do	Do	DD-280311	24.08.2011	30508.00
25.		UMS BishunpurGidha Hindi, Kudhani	Do	DD-930154	27.08.2012	923808.00
26.		UMS Kulesharadih, Sakara	Do	DD-015172	26.07.2012	546124.00
27.	Madhubani	MS Bangama (Girl), Laukahi	Do	DD-280291	3.12.2012	1143500.00
28.		PS Mak, Madhepur, Madhepur	Do	Ch-434550	18.12.2012	45750.00
29.		NPS, Kauahi, Babubarhi	Do	Ch-431427	30.04.2012	48750.00
30.		PS Dullipatti, Jainagar	Do	Ch-088735	3.08.2012	20114.00
31.		P. Mak, KanhauliDih, Khajauli	Do	DD-777369	3.10.2012	15000.00
32.	Rohtas	Urdu P.S. Lerua	NA	Ch-654990	06.03.2010	20000.00
	Total					**10229474.00**

(B) Other cheques/demand drafts

Sl. No	Name of Districts	Name of schools	Purpose	Draft / Cheque No	Date	Amount in ₹
1.	Patna	PS Korhar, Bihata	VSS grant	DD-559134	21.03.2013	5000.00
2.		PS Bhelura Rampur, Naubatpur	VSS grant	Ch-900556	19.03.2013	5000.00
3.	Madhubani	MS, Mohanbadhian, Pandaul	Civil work	DD-327931	18.05.2013	384999.00
4.		PS, Ramidpur DusadhTol, Khajali	Do	DD-901236126	20.05.2013	871200.00
5.		UMS Harna Urdu, Andhra Thadi	Do	DD-401793	7.05.2013	700000.00
			Do	DD0-401792	7.05.2013	64035.00
6.		PS Kasitol, Chatra, Khajauli	Do	DD-123479	15.05.2013	606000.00
			Do	DD-123478	15.05.2013	19000.00
7.		PS Sahorba, Babubarhi	Do	DD-402314	22.03.2013	877005.00
8.		PS Mahinathpur, Jhanjharpur	Do	DD-656805	22.02.2013	60000.00
9.		NPS, Mainahi, Ghoghardiha	Civil work	DD-111948	5.04.2013	7414.00
10.		NPS, Mainahi, Ghoghardiha	Do	DD-111946	5.04.2013	93005.00
11.		NPS, Mainahi, Ghoghardiha	Do	DD-111947	5.04.2013	48750.00
12.		NPS, Mainahi, Ghoghardiha	Do	DD-111945	5.04.2013	534000.00
13.		NPS, Babhangama, Bisfi	Do	DD-484612	15.03.2013	736000.00
14.		PS, Rasidpur, Dushadhtol, Khajauli	Do	DD-123613	20.05.2013	45750.00
15.		UMS, Kolhua, Andhra thadi	Do	DD-401692	20.03.2013	649125.00
16.		UMS, Marukhiya, Andhra thadi	Do	DD-401788	07.05.2013	1885500.00
			Do	DD-401810	15.05.2013	28000.00
17.	Rohtas	P.S.Panapur, Nasriganj	Do	DD-500135	24.05.2013	1089225.00
18.		P.S. Saraiya, Chenari	Do	Ch-001237	31.05.2013	422290.00
	Total					**9131298.00**

Grand Total (A+B) =19360772.00

(Source: Records of test-checked DPOs)

APPENDIX-2.1.5

(Refer: Paragraph-2.1.8.4; Page - 24)

Statement showing OOSC shown as admitted but actually not enrolled/ attended the regular school

Name of districts	Name of UK	Audit observations
Kishanganj	UK, U.M.S. Belpokhar	UK provided list of 44 OOSC as mainstreamed and admitted in U.M.S. Belpokhar on 15.5.12. But as per admission register of this school, no such children were found admitted during the said period.
	Utpreran Kendra, U. M. S. Balanagar	UK submitted certificate for 50 OOSC as mainstreamed and had shown 21 as admitted in U.M.S. Himmatnagar on 11.5.12 to 16.5.12 but no such student was found enrolled during the said period.
Madhubani	Hira Seva Sansthan	UKs submitted list of 50 students enrolled in four schools. Of which, 18 students were shown as admitted on 7.10.2011 in class V of P.S. Bhutaha and Girls M.S. Bangama in contravention of UKs guideline to admit them in class VI.
	M.S.Tulapatganj	This centre submitted list of 100 OOSC enrolled in three schools. Out of 100 OOSC, of these name of school was not mentioned against three OOSC and of remaining 97 student, 50 were shown as admitted in M.S. Tulapatganj on 10.9.2012, 11.9.2012 and 13.9.2012 but scrutiny of admission register of this school disclosed that 23 such students were not found enrolled during the same period.
Rohtas	M.S.Kuchila, Kochas	This centre provided list of 30 OOSC mainstreamed during 2008-09. Of these, 16 students (P. S. Chitauni on 4.2.2009: 2 and P.S. Barhutikala on 6.1.2009: 14) were shown as admitted in class-V in contravention of UKs guideline to admit them in class VI.
	M.S. Barun, Suryapura	This centre provided list of 56 OOSC mainstreamed and admitted in M. S. Barun on 25.1.2010 but as per admission register of this school, no such student was found enrolled during this period. Further, centre provided list of 55 students admitted on 8.3.2011 in four schools. Test checked of admission register of two schools (UMS, Lakhanpura: 23 and UMS, Aliganj: 11), such students were not found admitted in these schools during this period.

(Source : records of test-checked DPOs and schools)

APPENDIX-2.1.6

(Refer: Paragraph- 2.1.8.7; Page - 31)

Statement showing school maintenance grant paid in excess of norms and also to landless schools

(A) Excess payment of school maintenance grant

(₹ in lakh)

Name of district	Year	No. of schools	Maximum admissible amount per school	Amount actually paid per school	Payment of excess rate per school	Excess payment (6-5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Muzaffarpur	2008-09	301	0.10	0.15	0.05	15.05
	2009-10	268	0.10	0.15	0.05	13.40
	2010-11	108	0.10	0.15	0.05	5.40
	2011-12	39	0.10	0.15	0.05	1.95
	2012-13	440	0.10	0.15	0.05	22.00
Saran	2008-09	209	0.10	0.12	0.02	4.18
	2009-10	758	0.10	0.12	0.02	15.16
	2010-11	63	0.10	0.12	0.02	1.26
Kishanganj	2008-09	206	0.10	0.15	0.05	10.30
Gaya	2012-13	11	0.10	0.15	0.05	0.55
		02	0.10	0.12	0.02	0.04
Madhubani	2011-12	72	0.10	.0.12	0.02	1.44
	Total					**90.73**

(B) School maintenance grant paid to buildingless school

(₹ in lakh)

Name of district	Year	No. of schools	Amount paid
Khagaria	2009-12	08	0.40
Saharsa	2012-13	06	0.30
Kishanganj	2012-13	02	0.20
Sitamarhi	2012-13	04	0.20
Nawada	2008-13	27	1.85
Muzaffarpur	2009-11	11	0.70
Madhubani	2011-13	107	7.15
Saran	2008-13	42	2.86
Gaya	2012-13	33	1.65
Rohtas	2008-13	60	3.80
	Total	**300**	**19.11**

(Source : Records of test-checked DPOs)

APPENDIX-2.1.7

(Refer: Paragraph- 2.1.8.14; Page - 38)

Statement showing short commings noticed in functioning of KGBV

Sl. No.	Name of district	Name of KGBV	Points noticed
1	Saharsa	(1)Salakhua	Against enrolment of 100 girls, only 41 girls were present. Of them, six were regular school going girls. Functioning in a private building having three rooms which were dark, without ventilation, congested and without boundary wall.
		(2)Sonbarsa	Only five girls were present against enrolment of 98 girls. Just before taking admission in this KGBV, all these five girls were already a student of regular schools. Bedding materials like Gadda, Pillow, bed sheets, Mosquito net etc. were not provided and only 39 cots were available.
2.	Bhagalpur	(3)Sanhaulla	Against enrolment of 100, only 97 girls were present. 18 girls were already studying in regular school before admission in KGBV.
		(4)Nathnagar	Functioning in under construction building and two regular school going girls were also found enrolled.
		(5)Kahalgaon	Functioning only in two rooms of school building which was hardly able to accommodate 40 cots though total enrolment was 100. Amenities like separate bathrooms, toilets, and boundary wall etc. were not available. No night guard was posted. Besides, 35 enrolled girls were regular school going girls.
3	Sitamarhi	(6)Runisaidpur	Functioning in three rooms of school building and only 43cots were available against the enrolment of 100. Rooms were dark, congested and lacked basic amenities.
		(7)Bariyarpur	Six regular school Going girls were found enrolled.
		(8)Nanpur	All the 70 enrolled girls were found to be regular school going girls.
4.	Patna	(9)Dhanarua	Against enrolment of 71, only 58 girls were present at the time of inspection. Running in private building having no door, broken windows and damaged roof making environment quite unsafe for residential school. Besides, all the gaddas, bed sheets, cots were found damaged.
		(10)Fatuaha and (11)Sampatchak	Both the KGBV were found closed without any order of competent authority.
5.	Kishangaj	(12)Kishanganj (R)	79 girls were present against 90 girls enrolled. Night guard was also absent.
		(13)Kishanganj (U)	Out of 100 enrolled girls five were found below the age of 10 years. Admission had been taken on the basis of willingness of parents/ guardians of girls. No identified list had been provided.
		(14)Pothia	Toilets and bathrooms were broken. Girls were sleeping on floor by using bed sheets only.
		(15)Kochadhaman	Due to excessive iron, water was not safe for drinking. Only 60 cots, 40 mattresses were available but no pillow, mosquito net and weighing machine etc. was available.

Sl. No.	Name of district	Name of KGBV	Points noticed
6.	Nawada	(16)Warisaliganj	In the case of illness of girls no medical facilities had been provided by KGBV. Admission had been taken on the basis of TC of previous schools.
		(17)Nawada	Five girls were below 10 years of age. Only two bed rooms, 50 cots and blankets were available. Neither full time teacher nor guard was posted. First-Aid box, health card, monthly academic progress report, photograph of enrolled girls and group insurance of girls were not available.
		(18)Nardiganj	Two girls were below the age of 11 years and admission had been taken on the basis of willingness of parents. Of 100 girls only 3 bed rooms, 32 cots, 40 mattresses, 55 pillows, were available. No mosquito net was found useable.
7.	Madhubani	(19)Rahika	In admission register category of girls were not mentioned. 23 enrolled girls were found to be regular school going girls.
8	Muzaffarpur	(20)Sahebganj	Against enrollment of 81 girls, only 67 girls were present. Only 30 cots were available. Doors of two rooms and toilets were found broken. Besides, of available five rooms, one room was damaged.
		(21)Kurhani	Functioning in two rooms of MS Chadua, Kurhani.Windows and doors were broken, roofs were damaged. No boundary wall and health card was found. Infrastructure facility was quite insufficient for a residential school. Against enrollment of 55 girls, 47 were present. During the year 2013-14, eight girls were found to be regular schools going girls. Seven enrolled girls had returned to their homes due to lack of security.
		(22)Motipur	Out of 87 enrolled girls, 33 were regular school going girls. No arrangement of sufficient drinking water facility. Only 30 cots were available.
9	Khagaria	(23)Khagaria sadar	Functioning in 2 rooms of a middle school. Against enrolment of 58 girls, only 28 girls were present. Seven girls were found to be regular school going girls. Health cards and photographs of enrolled girls were not available. Only 17 cots, 25 torn pillows and 20 mattresses were available.
		(24) Chautham	Against enrolment of 100, 73 were present. 16 girls were found regular school going girls. Three toilets and seven bathrooms without door were available. Besides, health cards, photographs of girls were not found.
		(25)Gogari	Functioning in 2 rooms of middle school. This KGBV was remained close since 01-04-2013 to 17-06-2013. Against enrolment of 30 girls, 18 girls were found present. Of them, eight girls were found to be regular school going girls. Health cards as well as photographs and group insurance of girls were not available.
10	Saran	(26) Isuapur	Against enrolment of 56 girls, 38 were present. Of them, seven girls were below the age of 11 years. Neither warden nor any teacher was posted since 21.03.2013.
		(27) Ekma	Functioning in a single hall of BRC building. Against 77 enrolments, only 20 girls were present. Health card, display of food menu, photographs

Sl. No.	Name of district	Name of KGBV	Points noticed
			of enrolled girls and group insurance of girls were not found. In absence of cot, girls were sleeping on the floor. Ten girls were found regular school going girls.
		(28) Riwilganj	Against 53 enrolled girls, 18 were found regular school going girls. This KGBV was closed since 28.07.2012.
11	Rohtas	(29) Suryapura	During physical verification, only 57 girls were found present against enrolment of 100. 31 number of regular school Going girls were given admission in KGBV. Basic amenities like *chowki, gadda* etc. were insufficient. Medical cards and group insurances were not provided.
		(30) Kochas	54 girls were found accommodated in single room of BRC buildings. All enrolled girls were regular school going girls.
		(31) Rohtas	Against enrolment of 100, only 86 girls were present. 12 regular school Going girls were given admission in KGBV.
		(32) Karakat	60 girls were accommodated in a single room of BRC building. Entry of male members were not restricted in the hostel campus (BRC) and no night guard was posted.
12	Gaya	(33) Bodh Gaya	19 enrolled girls were regular school going girls.
		(34) Goraru	14 enrolled girls were regular school going girls.
		(35) Dumaria	9 enrolled girls were regular school going girls.
		(36) Mohra	20 enrolled girls were regular school going girls.

(Source: Records of test-checked KGBVs)

APPENDIX-2.1.8

(Refer : Paragraph- 2.1.9; Page - 40)

Statement showing sanctioned strength and men-in-position of Teachers and officials in test checked districts

Name of post	Sanctioned strength	Men-in-position	Vacancy
Teachers (Primary and upper primary)	**210938**	**125856**	**85082 (40)**
SSA Management Officials			
District Programme Officer	12	12	0
Additional District Programme Co-ordinator	15	6	9
Executive Engineer	12	3	9
Assistant Engineer	24	12	12
Junior Engineer	167	55	112
Assistant Programme Officer	58	19	39
Accounts Officer	12	8	4
Assistant Computer Programmer	12	10	2
Assistant Resource Person	60	46	14
Accountant	13	11	2
Accounts Assistant	24	7	17
Data Entry Operator	24	6	18
Block Resource Person (BRP)	681	193	488
Accountant cum Data Entry Operator for BRCs	195	88	107
Cluster Resource Centre Co-ordinator	2199	557	1642
Others	471	131	340
Total	**3979**	**1164**	**2815 (71)**

(Source:Furnished by test checked DPOs)

APPENDIX-2.2.1

(Refer: Paragraph 2.2.7; Page - 51)

Allotment, expenditure and unspent balance in 13 test checked districts (RKVY)

(₹ in lakh)

District	Year	Allotment	Expenditure	Unspent Balance	Percentage of (5) to (3)
(1)	(2)	(3)	(4)	(5)	(6)
Bhojpur	2008-09	375.70	342.00	33.70	
	2009-10	247.28	242.28	5.00	
	2010-11	480.63	462.09	18.54	
	2011-12	974.81	873.57	101.24	
	2012-13	1259.08	1071.36	187.72	
	Total	**3337.50**	**2991.30**	**346.20**	**10.37**
Gaya	2008-09	366.03	359.33	6.70	
	2009-10	346.61	306.60	40.01	
	2010-11	1413.80	1083.51	330.29	
	2011-12	2195.96	1872.93	323.03	
	2012-13	1576.81	1498.63	78.18	
	Total	**5899.21**	**5121.00**	**778.21**	**13.19**
Gopalganj	2008-09	256.83	256.71	0.12	
	2009-10	239.43	236.03	3.40	
	2010-11	685.58	504.10	181.48	
	2011-12	967.99	842.89	125.10	
	2012-13	1283.84	1031.08	252.76	
	Total	**3433.67**	**2870.81**	**562.86**	**16.39**
Kishanganj	2008-09	117.47	69.87	47.60	
	2009-10	134.22	100.05	34.17	
	2010-11	253.94	144.46	109.48	
	2011-12	366.01	276.69	89.32	
	2012-13	2150.68	1651.03	499.65	
	Total	**3022.32**	**2242.10**	**780.22**	**25.82**
Madhubani	2008-09	2.07	2.06	0.01	
	2009-10	21.96	15.86	6.10	
	2010-11	1258.85	1070.40	188.45	
	2011-12	945.65	925.35	20.30	
	2012-13	2121.99	1624.77	497.22	
	Total	**4350.52**	**3638.44**	**712.08**	**16.37**
Motihari	2011-12	831.70	647.53	184.17	
	2012-13	2351.22	1852.61	498.61	
	Total	**3182.92**	**2500.14**	**682.78**	**21.45**
Muzaffarpur	2008-09	230.93	205.24	25.69	
	2009-10	308.98	286.61	22.37	

	2010-11	450.95	335.29	115.66	
	2011-12	1596.59	1493.64	102.95	
	2012-13	2533.25	2367.60	165.65	
	Total	**5120.70**	**4688.38**	**432.32**	**8.44**
Nalanda	2008-09	59.94	53.93	6.01	
	2009-10	256.47	255.36	1.11	
	2010-11	570.92	513.14	57.78	
	2011-12	3841.27	3412.02	429.25	
	2012-13	4752.02	4668.95	83.07	
	Total	**9480.62**	**8903.40**	**577.22**	**6.09**
Patna	2008-09	325.46	325.46	0.00	
	2009-10	275.55	275.55	0.00	
	2010-11	397.19	397.19	0.00	
	2011-12	2030.91	2035.45	-4.54	
	2012-13	6325.41	6191.34	134.07	
	Total	**9354.52**	**9224.99**	**129.53**	**1.38**
Purnea	2008-09	52.15	49.22	2.93	
	2009-10	553.13	513.17	39.96	
	2010-11	336.58	247.12	89.46	
	2011-12	601.80	476.37	125.43	
	2012-13	1027.15	1008.15	19.00	
	Total	**2570.81**	**2294.03**	**276.78**	**10.77**
Rohtas	2008-09	237.87	237.86	0.01	
	2009-10	55.70	56.10	-0.40	
	2010-11	1061.09	869.19	191.90	
	2011-12	1588.08	1369.99	218.09	
	2012-13	2630.44	2261.52	368.92	
	Total	**5573.18**	**4794.66**	**778.52**	**13.97**
Samastipur	2008-09	67.27	56.87	10.40	
	2009-10	363.45	343.45	20.00	
	2010-11	648.34	579.50	68.84	
	2011-12	1092.27	840.28	251.99	
	2012-13	2603.45	2371.83	231.62	
	Total	**4774.78**	**4191.93**	**582.85**	**12.21**
Sitamarhi	2008-09	239.71	237.03	2.68	
	2009-10	186.54	183.61	2.93	
	2010-11	1004.14	844.60	159.54	
	2011-12	978.93	866.62	112.31	
	2012-13	1990.02	1560.34	429.68	
	Total	**4399.34**	**3692.20**	**707.14**	**16.07**
	Grand Total	**64500.09**	**57153.38**	**7346.71**	**11.39**

APPENDIX-2.2.2

(Refer: Paragraph 2.2.8; Page - 54)

The details of components for implementation of RKVY

Sl.No.	Name of component
1	Integrated development of major food crops
2	Agriculture mechanisation
3	Activities related to enhancement of soil health
4	Development of rainfed farming systems in and outside water shed areas
5	Support to State seed farms
6	Integrated Pest Management schemes
7	Encouraging non-farm activities
8	Strengthening of market infrastructure and marketing development
9	Strengthening of infrastructure to promote extension services
10	Activities relating to enhancement of horticulture production
11	Animal husbandry and fisheries development activities
12	Special schemes for beneficiaries of land reforms
13	Undertaking concept to completion projects
14	Grants support to the State Government institutions that promote agriculture, horticulture etc
15	Study tours of farmers
16	Organic and bio-fertilizers
17	Innovative schemes

APPENDIX-2.2.3

(Refer: Paragraph 2.2.8; Page - 54)

The details of scheme of RKVY implemented during 2008-09

Sl. No.	Name of scheme	Name of component
1.	Programme for integrated development of wheat	Integrated development of major food crops
2.	Programme for integrated development of pulses	Integrated development of major food crops
3.	Organic farming promotion scheme	Organic and bio-fertilizers
4.	Establishment of fertiliser pesticide and bio fertiliser laboratory	Activities related to enhancement of soil health
5.	System of integrated farming	Integrated development of major food crops
6.	Farm Mechnisation	Agriculture mechanization
7.	Construction of e-Kisan Bhawan	Innovative schemes
8.	Strengthening of seed multiplication farms	Support to State seed farms
9.	Subject matter specialist	Strengthening of infrastructure to promote extension services

APPENDIX-2.2.4

(Refer: Paragraph 2.2.8; Page -54)

The details of scheme of RKVY implemented during 2009-10

Sl. No.	Name of scheme	Name of component
1.	Programme for integrated development of wheat	Integrated development of major food crops
2.	Programme for integrated development of pulses	Integrated development of major food crops
3.	Programme for integrated development of oil seeds	Integrated development of major food crops
4.	System of integrated farming	Integrated development of major food crops
5.	Farm Mechnisation	Agriculture mechanisation
6.	Strengthening of seed multiplication farms	Support to State seed farms
7.	Farmers tours training	Study tours of farmers

APPENDIX- 2.2.5

(Refer: Paragraph 2.2.8; Page - 54)

The details of scheme of RKVY implemented during 2010-13

Sl. No.	Name of scheme	Name of component
1.	Promotion of rice through SRI method	Integrated development of major food crops
2.	Organic farming promotion scheme	Organic and bio-fertilizers
3.	Bio-gas	Organic and bio-fertilizers
4.	Pulses	Integrated development of major food crops
5.	Farm Mechnisation	Agriculture mechanis ation
6.	Demonstration of hybrid rice	Integrated development of major food crops
7.	Distribution of Dhaincha seeds	Activities related to enhancement of soil health
8.	Food grain storage	Strengthening of market infrastructure and marketing development
9.	Climate change	Innovative schemes
10.	Intensive horticulture development and vegetable initiative in urban area	Activities relating to enhancement of horticulture production
11.	Contingencies	Innovative schemes
12.	Promotion of wheat through SWI method	Integrated development of major food crops
13.	Soil testing	Activities related to enhancement of soil health
14.	Strengthening of seed multiplication and KVK farms	Support to State seed farms
15.	Award distribution for farming through SRI/SWI method	Innovative schemes
Bringing Green Revolution in Bihar		
16.	SRI	Integrated development of major food crops
17.	Specific needs	Innovative schemes
18.	Promotion of *boro* rice production	Integrated development of major food crops
19.	Promotion of wheat through SWI method	Integrated development of major food crops

APPENDIX-2.2.6

(Refer: Paragraph 2.2.8.2; Page - 57)

Subsidy amount payable on different machineries under Farm Mechanisation (RKVY)

Sl. No.	Name of machineries	Subsidy amount payable
1.	Aero blast sprayer	80 *per cent* of cost/maximum ₹ 80,000
2.	Chan saw	50 *per cent* of cost/maximum ₹ 18,000
3.	Combine Harvestor	50 *per cent* of cost/maximum ₹ 5,00,000
4.	Conoweeder/ Weeder	80 *per cent* of cost/maximum ₹ 1,200
5.	Custom hiring centre	50 *per cent* of cost/maximum ₹ 25,00,000
6.	Dibbler	50 *per cent* of cost/maximum ₹ 800
7.	Drayer	50 *per cent* of cost/maximum ₹ 30,000
8.	Happy Seeder	80 *per cent* of cost/maximum ₹ 80,000
9.	Irrigation pipe	50 *per cent* of cost/maximum ₹ 15,000
10.	Laser land leveller	80 *per cent* of cost/maximum ₹ 2,50,000
11.	Man driven/ animal driven equipment	80 *per cent* of cost/maximum ₹ 200
12.	Marker	80 *per cent* of cost/maximum ₹ 800
13.	Mobile foot harvestor	80 *per cent* of cost/maximum ₹ 2,400
14.	Paddler	25 *per cent* of cost/maximum ₹ 10,000
15.	Paddy Drum Seeder	80 *per cent* of cost/maximum ₹ 6,000
16.	Paddy thresher	80 *per cent* of cost/maximum ₹ 8,000
17.	Paddy transplander	50 *per cent* of cost/maximum ₹ 1,50,000
18.	Potato digger	80 *per cent* of cost/maximum ₹ 50,000
19.	Power driven equipment	25 *per cent* of cost/maximum ₹ 10,000
20.	Power Thresher	50 *per cent* of cost/maximum ₹ 24,000
21.	Power Tiller	50 *per cent* of cost/maximum ₹ 60,000
22.	Power weeder	80 *per cent* of cost/maximum ₹ 30,000
23.	Pruner	80 *per cent* of cost/maximum ₹ 32,000
24.	Pump set	50 *per cent* of cost/maximum ₹ 10,000
25.	Raised bed planter	80 *per cent* of cost/maximum ₹ 60,000

26.	Reaper-cum binder	80 *per cent* of cost/maximum ₹ 2,20,000
27.	Rice mill	50 *per cent* of cost/maximum ₹ 75,000
28.	Rotavator	50 *per cent* of cost/maximum ₹ 40,000
29.	Seed treatment drum	80 *per cent* of cost/maximum ₹ 2,000
30.	Shallow tubewells	maximum ₹ 12,000
31.	Sprayer / Duster (Man driven)	50 *per cent* of cost/maximum ₹ 1,600
32.	Sprayer / Duster (Power driven)	50 *per cent* of cost/maximum ₹ 3,000
33.	Sprayer / Duster (Tractor mounted)	80 *per cent* of cost/maximum ₹ 16,000
34.	Straw beller-cum rake	80 *per cent* of cost/maximum ₹ 7,02,000
35.	Straw reaper	80 *per cent* of cost/maximum ₹ 2,00,000
36.	Sub-soiler	80 *per cent* of cost/maximum ₹ 12,000
37.	Sugarcane cutter	80 *per cent* of cost/maximum ₹ 80,000
38.	Sugarcane harvestor	80 *per cent* of cost/maximum ₹ 50,00,000
39.	Winower/ paddy cleaner	80 *per cent* of cost/maximum ₹ 13,000
40.	Zero Tillage	80 *per cent* of cost/maximum ₹ 40,000

APPENDIX-2.2.7

(Refer: Paragraph 2.2.8.2; Page - 57)

Details of year-wise release, expenditure and unspent balance during 2008-13 in the State

(₹ in lakh)

Year	Release	Expenditure	Unspent Balance
2008-09	3965.11	3411.62	553.49
2009-10	4592.58	4160.84	431.74
2010-11	4719.88	3857.12	862.76
2011-12	14696.00	14917.21	(-) 221.21
2012-13	25735.00	20992.30	4742.70
Total	**53708.57**	**47339.09**	**6369.48**

APPENDIX-2.2.8

(Refer: Paragraph 2.2.8.2; Page - 57)

Irregular payment on Farm Machine

Sl. No.	Name of district	Name of beneficiary	Capacity of Combine Harvester (in HP)
1.	Sasaram	Harihar Singh, Rehari, Kargahar	130
2.		Dhannanjay Tiwari, Shahar Medni, Kargahar	130
3.		Santosh Kumar Singh, Sahani, Chenari	130
4.		Savitri Singh, Kharari, Kargahar	130
5.		Kanhaiya Pandey, Susani, Kargahr	130
6.		Kedar Singh. Akashi, Sasaram	130
7.		Dhiraj Chaudhary, Naran, Nokha	130
8.		Rajiv Ranjan Singh, Karoop, Kargahar	130
9.		Chunmun Rai, Larui, Kargahar	130
10.	Nalanda	Ramji Singh & others, Visay bigha, Parvalpur	130
11.		Baikunth Prasad, Brahmsthan, Chandi	130
12.		Suresh Prasad, Dhangaua, Ekangarsarai	128
13.		Ranvijay Kumar, Premanbigha, Nagarnausa	130
14.	Gopalganj	Manoj Kumar Sahi, Karmasi, Bhore Hathua	130
15.		Shashi Ranjan Rai, Rasauti, Kateya	130
16.		Alok Kumar, Khurhariya, Kateya	130
17.		Subhash Chandra Rai, Piparahi, Vijayipur	130
18.		Sanjay Kumar Ray, Belahi Dih, Kateya	130
19.		Jitendra Ray, Parariya, Kateya	130
20.		Bir Bahadur Singh, Laxmichak, Bhore	130

APPENDIX-2.2.9

(Refer: Paragraph 2.2.8.2; Page -58)

Irregular payment on Farm Machinery

Details of irregular payment where application number/ recommendation of PRI etc. was not mentioned

Name of District	Name of Implements	No. of implements	Irregular payment (₹ in lakh)	Remarks
Gaya	Power Weeder-cum- MB Plough	14	5.6	Application no. / date and recommendation of PRI was not on records.
	Thresher	4	0.85	-Do-
	Combine Harvester	5	25	Recommendation of PRI was not on records.
	Power tiller	70	42	Recommendation of PRI was not on records.
	Straw reaper	4	8.4	-Do-
	Pump set	32	3.2	Sl. No./date not found in applications and recommendation of PRI was not on records.
Muzaffarpur	Power Tiller	2	1.2	Sanction was accorded prior to the date of application.
Patna	Land lazor laveller	1	2.5	Sl. No./date in application and engine no. were not found in bill. Further, physical verification was not done also.
	Straw reaper	1	2	Sl. No./date not found in applications and recommendation of PRI was not on records.
	Reaper/ straw reaper	5	8.4	Sl. No./date in application and engine no. were not found in bills.
	Combine harvestor	5	25	Implement was of higher HP than admissible
Sitamarhi	Power Tiller	11	6.6	Sl. No./date was not found in application and not recommended by BAO
	Cultivator	4	0.2	Photograph not available and not recommended by PRI & BAO
	Hydrolic tillor	1	0.1	Not recommended by PRI & BAO
	Paddy threshor	25	2	Recommendation of PRI/BAO not found and sl.no./date not found in application
	Reaper Binder	1	2.2	Photograph not found and engine no./ chesis no. was also not found in bill

Combine Harvester distributed without Straw Reaper				
Bhojpur	Combine Harvester	23	115	Straw reaper was not given to the beneficiary.
Nalanda	Combine Harvester	25	125	-Do-
Rohtas	Combine Harvester	104	520	Straw reaper was not given to the beneficiary.
Documents of main implements not obtained before payment of subsidy on subsidiary implements				
Nalanda	Rotavator	20	8	Document of main implement (Tractor) was not on records.
Gaya	Cultivator	28	7.8	Document of main implement (Tractor) was not on records.
	Power threshor	30	7.2	Document of main implement (Tractor) and recommendation of PRI were not on records.
Kishanganj	Cultivator	6	1.05	Document of main implement (Tractor) was not on records.
Samastipur	Rotavator	15	6	Document of main agricultural implement not found
	Disc Harrow	4	0.73	-Do-
	Threshor	11	2.64	-Do-
Sitamarhi	Cultivator	3	0.16	Document of main implement was not found
	Threshor	3	0.92	Document of main implement was not found
	Rice Mill	2	1.5	Document of main implement was not found
Total			**931.25 or ₹ 9.31 crore**	

APPENDIX-2.2.10

(Refer: Paragraph 2.2.8.2 ; Page -58)

Details regarding excess payment of subsidy on Combine Harvester

(Amount in ₹)

Sl. No.	Name of beneficiary	Name of equipment	Cost of equipment	Subsidy admissible	Excess payment
1	Sri Sukhdeo Singh, Atri, Gaya	Tractor driven combine harvester	748000	374000	126000
2	Sri Radha Raman Sharma, Chandauti, Gaya	-do-	748000	374000	126000
3	Sri Nazrul Hasnain, Guruwa, Gaya	-do-	701161	350581	149419
4	Sri Rajiv Ranjan Kumar, Sarmera, Nalanda	-do-	715000	357500	142500
5	Sri Prakash Prasad, Nagarnausa, Nalanda	-do-	680000	340000	160000
		Total			**703919**

Appendix-2.2.11

(Refer: Paragraph 2.2.8.3; Page -60)

Excess payment on High Density Polyethylene (HDPE)

(₹ in lakh)

Sl. No.	Name of district	No. of HDPE	Cost of HDPE	Subsidy admissible	Subsidy paid	Excess payment
1.	Bhojpur	2872	97.64	48.82	97.64	48.82
2.	East Champaran	9440	320.96	160.48	320.96	160.48
3.	Gaya	2988	101.58	50.79	101.58	50.79
4.	Gopalganj	3086	104.92	52.46	104.92	52.46
5.	Kishanganj	1708	59.78	29.89	59.78	29.89
6.	Patna	2979	101.28	50.64	101.28	50.64
7.	Purnea	1004	34.14	17.07	34.14	17.07
8.	Samastipur	1885	65.98	32.99	65.98	32.99
9.	Sitamarhi	2457	83.54	41.77	83.54	41.77
	Total	**28419**	**969.82**	**484.91**	**969.82**	**484.91**

Appendix-2.2.12

(Refer: Paragraph 2.2.8.6; Page - 64)

Statement showing excess payment made for drilling

Name of district	No. of beneficiaries	Rate approved by the committee (₹ per feet)		Payment made at the rate of (₹ per feet)		Excess payment made (₹ per feet)		Excess payment made (₹ in crore)		Total excess payment (₹ in crore)
		Pipe	Drilling	Pipe	Drilling	Pipe	Drilling	Pipe	Drilling	
Samastipur	4128	31	31	66	70	35	39	1.15	1.28	2.43
Nalanda	2510	31	31	140	120	109	89	1.64	1.34	2.98
							Total	**2.79**	**2.62**	**5.41**

Note: Excess payment calculated on the basis of minimum 80 feet depth in Samastipur and 60 feet depth in Nalanda district.

APPENDIX-2.3.1

(Refer: Paragraph 2.3.6.2; Page - 75)

Statement showing detail of diversion of fund

(₹ in lakh)

Sl. no	Head	Amount	Description
1	Rail tel	109.33	Amount paid for annual leasing of bandwidth.
2	Electricity charges	402.99	Electricity charges paid to Bihar State Electricity Board.
3	Electrical installation	3.06	Amount paid for electrical installation in the year 2008-09
4	Air Conditioner	1.02	Amount paid to M/s Carrier Air Conditioning & Refrigeration Ltd. on a/c of supply of A.C Machine.
5	Power connectivity	1.08	Payment made to M/s CM Enterprises for LAN extender to Bihar Bhawan Treasury at Delhi as Networking.
6	Advance to District Magistrate	34.00	Amount made as advance for electricity connectivity.
7	Advance to PESU	14.86	Security deposit paid to PESU in year 2007-08
8	Service charge (man power)	5.55	Amount paid to M/s Electronic Net, Patna against the service charges.
	Total	**572 or ₹ 5.7 crore**	

APPENDIX-2.3.2

(Refer: Paragraph 2.3.6.3; Page - 75)

Statement showing loss of interest of BSWAN account

(Amount in ₹)

Month	Minimum available balance	Minimum balance + interest	Period (No. of Months/Days)	Interest @ 3.5 *per cent* per annum
December 2006	5000		1 Month	14.58
January 2007	5124760		1 Month	14947.22
February 2007	4824760		1 Month	14072.22
March 2007	4824760		1 Month	14072.22
April 2007	4380760		1 Month	12777.22
May 2007	174841760		1 Month	509955.13
			Total	565838.58
June 2007	174841760	175384965.04	1 Month	511605.50
July 2007	4771760	5314965.04	1 Month	15568.00
August 2007	2583792	3126997.04	1 Month	9186.42
September 2007	2403842	2947047.04	1 Month	8661.57
October 2007	19728589	20271794.04	1 Month	59192.08
November 2007	14097379	14640584.04	1 Month	42767.72
			Total	646981.28
December 2007	32037035	32657756.79	1 Month	95328.38
January 2008	22075734	22696455.79	1 Month	66274.59
February 2008	22010671	22631392.79	1 Month	66084.82
March 2008	21611453	22232174.79	1 Month	64920.43
April 2008	79605516	620721.79	1 Month	1887.03
May 2008	79427271	80047992.79	1 Month	233549.90
			Total	528045.15
June 2008	59395515	59901997.19	1 Month	174777.05
July 2008	92666111	93172593.19	1 Month	271816.29
August 2008	91617257	92123739.19	1 Month	268757.13
September 2008	91617257	92123739.19	1 Month	268757.13
October 2008	89259427	89765909.19	1 Month	261880.13
November 2008	89255776	89762258.19	1 Month	261869.48
			Total	1507857.21
December 2008	39223985	40671165.66	1 Month	118801.21
January 2009	38733521	40180701.66	1 Month	117370.69
February 2009	37694257	39141437.66	1 Month	114339.50
March 2009	37126948	38574128.66	1 Month	112684.85
April 2009	19657216	21104396.66	1 Month	61731.46
May 2009	19064609	20511789.66	1 Month	60003.03
			Total	584930.73
June 2009	18278296	18838810.14	1 Month	55017.74

July 2009	18278296	18838810.14	1 Month	55017.74
August 2009	10873418	11433932.14	1 Month	33420.18
September 2009	10344038	10904552.14	1 Month	31876.16
October 2009	10344038	10904552.14	1 Month	31876.16
November 2009	9347838	9908352.14	1 Month	28970.58
			Total	236178.57
December 2009	67769284	67995605.22	1 Month	198349.27
January 2010	67178216	67404537.22	1 Month	196625.32
February 2010	63985899	64212220.22	1 Month	187314.39
March 2010	1110672	1336993.22	1 Month	3928.31
			Total	586217.29
01 to 06 April 2010	31340208	31902866.20	6 days	18368.63
07 to 16 April 2010	21145279	21707937.20	10 days	16670.74
17 to 19 April 2010	20184979	20747637.20	3 days	5975.28
20 to 30 April 2010	19650411	20213069.20	11 days	21345.48
01 to 05 May 2010	19650411	20213069.20	5 days	9702.49
06 to 20 May 2010	19543711	20106369.20	15 days	28954.01
21 to 31 May 2010	19048092	19610750.20	11 days	20710.16
June 2010	19048092	19610750.20	30 days	57266.74
01 July 2010	19048092	19610750.20	1 day	1882.74
02 July 2010	18280114	18842772.20	1 day	1809.10
3 to 4 July 2010	18280114	18842772.20	2 days	3618.20
05 July 2010	30045758	30608416.20	1 day	2937.31
6 to 7 July 2010	29945758	30508416.20	2 days	5855.45
8 to 9 July 2010	29845758	30408416.20	2 days	5836.27
10 July 2010	10731676	11294334.20	1 day	1085.28
11 to 14 July 2010	10731676	11294334.20	4 days	5426.39
15 July 2010	10631676	11194334.20	1 day	1075.69
16 to 18 July 2010	10531676	11094334.20	3 days	3198.30
19 July 2010	10431676	10994334.20	1 day	1056.51
20 July 2010	10331676	10894334.20	1 day	1046.92127
21 July 2010	10231676	10794334.20	1 day	1037.33223
22 July 2010	10131676	10694334.20	1 day	1027.74319
23 to 25 July 2010	10031676	10594334.20	3 days	3054.46245
26 July 2010	9931676	10494334.20	1 day	1008.56511
27 to 28 July 2010	9401611	9964269.20	2 days	1915.47392
29 to 30 July 2010	9301611	9864269.20	2 days	1896.29584
31 July 2010	9101611	9664269.20	1 day	928.97
01 to 04 August 2010	9101611	9664269.20	4 days	3715.88
05 August 2010	9001611	9564269.20	1 day	919.38
06 August 2010	7908181	8470839.20	1 day	814.53
7 to 8 August 2010	7520138	8082796.20	2 days	1554.64
09 August 2010	7506435	8069093.20	1 day	776.01
10 August 2010	7506378	8069036.20	1 day	776.00

11 to 16 August 2010	7406378	7969036.20	6 days	4598.48
17 to 19 August 2010	7304194	7866852.20	3 days	2269.84
20 to 25 August2010	7204194	7766852.20	6 days	4482.15
26 August 2010	7104194	7666852.20	1 day	737.44
27 August 2010	7004194	7566852.20	1 day	727.85
28 to 31 August 2010	6804194	7366852.20	4 days	2126.01
01 to 09 September 2010	6804194	7366852.20	9 days	6378.03
10 to12 September 2010	6704194	7266852.20	3 days	2097.24
			Total	256664.00
			Grant Total	**4912712.81**

APPENDIX-2.3.3

(Refer: Paragraph-2.3.8.2; Page - 80)

Statement showing FAT issued without verification

Sl. no	BeST recommendation date	Date of issued FAT by SDA	No of PoPs
1	18.09.2008	22.09.2008	1 SHQ and 33 DHQs
2	21.11.2008	21.11.2008	3 DHQs and 66 BHQs
3	16.12.2008	16.12.2008	70 BHQs
4	28.01.2009	30.01.2009	105 BHQs
5	26.03.2009	20.04.2009	1 DHQ 68 HBQs
6	24.06.2009	26.06.2009	46 BHQs
7	07.08.2009	12.08.2009	51 BHQs
8	08.09.2009	09.09.2009	40 BHQs
9	04.03.2010	25.03.2010	49 BHQs

APPENDIX-2.3.4

(Refer: Paragraph-2.3.8.2; Page - 80)

Statement showing calculation of QGR for non-functional PoPs

No of PoPs (Phase wise)	PoPs func-tioned	PoPs non func-tional	Date of issuance of FAT	QGR generated from	No of QGR as on 3/2010 for non functional Pops	Capital Cost per location per quarter, DIT Share (Amount in ₹)	Maintenance Charge per location per quarter (Amount in ₹)	Capital Cost per location per quarter paid by GoB (Amount in ₹)	Total amount (₹ in lakh) [3x6x(7+8+9)]
1	2	3	4	5	6	7	8	9	10
33 DHQs	16	17	09-2008	10-2008	6	274628	112137	32442	427.59
3 DHQs	0	3	11-2008	01-2009	5	274628	112137	32442	62.88
1 DHQs	0	1	04-2009	05-2009	3	274628	112137	32442	12.58
66 BHQs	21	45	11-2008	01-2009	5	49183	25383	0	167.77
70 BHQs	13	57	12-2008	01-2009	5	49183	25383	0	212.51
105 BHQs	18	87	01-2009	03-2009	4	49183	25383	0	259.49
68 BHQs	20	48	04-2009	05-2009	3	49183	25383	0	107.37
46 BHQs	11	35	06-2009	07-2009	3	49183	25383	0	78.29
51 BHQs	23	28	08-2009	09-2009	2	49183	25383	0	41.76
40 BHQs	10	30	09-2009	10-2009	2	49183	25383	0	44.74
49 BHQs	16	33	03-2010	03-2010	0	49183	25383	0	0
Total	**148**	**384**			**38**				**1414.98**

(Source: TPA FAT report vide letter no. PCS/Patna/TPA-BSWAB/2010/11 dated: 26 August 2010).

APPENDIX-2.3.5

(Refer: Paragraph 2.3.8.3; Page - 81)

Statement showing payment without network availability

District Head Quarters

All QGRs for the period July 2010 to March 2013	Rate for 24 hours for maintenance per quarter per PoPs (Amount in ₹)	Total payment (Amount in ₹) (1X2)	Rate for 9 hours per quarter per PoPs (Amount in ₹) [(2)X9/24]	Total payable (Amount in ₹) (1X4)	Excess payment made (₹ in lakh) (3-5)
1	2	3	4	5	6
371	112137	41602827.00	42051.375	15601058.27	260.02

Block Head Quarters

All QGRs for the period July 2010 to March 2013	Rate for 24 hours for maintenance per quarter per PoPs (Amount in ₹)	Total payment (Amount in ₹) (1X2)	Rate for 7 hours per quarter per PoPs (Amount in ₹) [(2)X7/24]	Total payable (Amount in ₹) (1X4)	Excess payment made (₹ in lakh) (3-5)
1	2	3	4	5	6
5051	25383	128209533.00	7403.375	37394447.13	908.15

Grand Total- ₹ 260.02 lakh + ₹ 908.15 lakh= ₹1168.17 lakh or say ₹11.68 crore.

APPENDIX-2.3.6

(Refer: Paragraph 2.3.9.3; Page- 86)

Statement showing loss of interest of Common Service Centre account

Month	Minimum available balance	Minimum balance + interest	Period (No. of Months/Days)	Interest @ 3.5 *per cent* per annum
December 2006	5000		1 Month	14.58
January 2007	4760		1 Month	13.88
February 2007	4760		1 Month	13.88
March 2007	4001944		1 Month	11672.34
April 2007	2191532		1 Month	6391.97
May 2007	7167052		1 Month	20903.90
			Total	39010.56
June 2007	7167052	7204502.13	1 Month	21017.68
July 2007	6167052	6204502.13	1 Month	18101.02
August 2007	6167052	6204502.13	1 Month	18101.02
September 2007	6167052	6204502.13	1 Month	18101.02
October 2007	6167052	6204502.13	1 Month	18101.02
November 2007	6164678	6202128.13	1 Month	18094.09
			Total	111515.84
December 2007	6164678	6271706.99	1 Month	18305.57
January 2008	6164678	6271706.99	1 Month	18305.57
February 2008	5210306	5317334.99	1 Month	15521.98
March 2008	5188178	5295206.99	1 Month	15457.44
April 2008	5188178	107028.99	1 Month	325.25
May 2008	5188178	5295206.99	1 Month	15457.44
			Total	83373.25
June 2008	5188178	5268140.94	1 Month	15375.36
July 2008	5188178	5268140.94	1 Month	15375.36
August 2008	5353203	5433165.94	1 Month	15856.68
September 2008	5188178	5268140.94	1 Month	15375.36
October 2008	5159582	5239544.94	1 Month	15291.95
November 2008	5159582	5239544.94	1 Month	15291.95
			Total	92566.66
December 2008	5159582	5248388.70	1 Month	15318.77
January 2009	5124468	5213274.70	1 Month	15216.35
February 2009	5116415	5205221.70	1 Month	15192.86
March 2009	5083778	5172584.70	1 Month	15097.67
April 2009	5025138	5113944.70	1 Month	14926.64
May 2009	5025138	5113944.70	1 Month	14926.64
			Total	90678.93

Month	Minimum available balance	Minimum balance + interest	Period (No. of Months/Days)	Interest @ 3.5 *per cent* per annum
June 2009	5018529	5105517.61	1 Month	14901.86
July 2009	4985018	5072006.61	1 Month	14804.12
August 2009	4981857	5068845.61	1 Month	14794.90
September 2009	36516044	36603032.61	1 Month	106769.61
October 2009	36513615	36600603.61	1 Month	106762.52
November 2009	36513615	36600603.61	1 Month	106762.52
			Total	364795.53
December 2009	6513615	6863756.71	1 Month	20062.03
January 2010	6513615	6863756.71	1 Month	20062.03
February 2010	155509763	155859904.71	1 Month	454634.13
March 2010	155474739	155824880.71	1 Month	454531.98
			Total	949290.17
01 to 22 April 2010	155474739	156385893.44	22 days	329990.42
23 to 31 April 2010	16874739	17785893.44	9 days	15382.38
May 2010	16874739	17785893.44	31 days	52983.76
1 to 3 June 2010	16874739	911154.44	3 days	273.08
04 June 2010	47325807	48236961.44	1 day	4629.12
5 to 30 June 2010	14393521	15304675.44	26 days	38251.94
01 to 04 July 2010	14393521	15304675.44	4 days	5884.91
05 to 06 July 2010	13893521	14804675.44	2 days	2846.57
07 to 31 July 2010	10234378	11145532.44	25 days	26810.16
August 2010	10234378	11145532.44	31 days	33244.60
			Total	510296.95
01 to 12 September 2010	10234378	10748789.62	12 days	12363.74
			Grand Total	**2253891.60**

APPENDIX-2.3.7

(Refer: Paragraph 2.3.11.3; Page - 90)

Statement showing non-imposition of liquidated damage

(Amount in ₹)

Sl.No.	Division	Month (Year 2013)	No. of Planned CSCs	No. of Rolled out CSCs	Balance CSCs to be rolled out	Per Days	Rate of Penalty	Total penalty to be imposed (6x7x8)
1	2	3	4	5	6	7	8	9
1	Bhagalpur	January	427	0	427	0	0	0
2	Bhagalpur	February	427	0	427	0	0	0
3	Bhagalpur	March	427	0	427	0	0	0
4	Bhagalpur	April	427	0	427	0	0	0
5	Bhagalpur	May	427	1	426	0	0	0
6	Bhagalpur	June	426	1	425	0	0	0
7	Bhagalpur	July	425	1	424	30	200	2544000
8	Bhagalpur	August	424	24	400	31	200	2480000
9	Bhagalpur	September	400	27	373	30	200	2238000
							TOTAL	**7262000**

Sl. No.	Division	Month (Year 2013)	No. of Planned CSCs	No. of Rolled out CSCs	Balance CSCs to be rolled out	Per Days	Rate of penalty	Total penalty to be imposed (6x7x8)
1	2	3	4	5	6	7	8	9
1	Darbhanga	January	1110	0	1110	0	0	0
2	Darbhanga	February	1110	0	1110	0	0	0
3	Darbhanga	March	1110	11	1099	0	0	0
4	Darbhanga	April	1099	54	1045	0	0	0
5	Darbhanga	May	1045	9	1036	0	0	0
6	Darbhanga	June	1036	2	1034	0	0	0
7	Darbhanga	July	1034	3	1031	30	200	6186000
8	Darbhanga	August	1031	117	914	31	200	5666800
9	Darbhanga	September	914	45	869	30	200	5214000
							TOTAL	**17066800**

APPENDIX- 2.4.1

(Refer: Paragraph-2.4.8.1; Page - 104)

Statement showing excess payment of claims for unsown area

(A) Kharif 2009

District	Premium (₹)	Sown Area taken for claim (Hectare)	Sown area reported by Statistics Department (hectare)	Unsown area (Hectare)	Claim paid (₹)	Claim payable (₹)	Payment for unsown area (₹)
Siwan	11073868.93	2702263	20648.31	6374.32	391086883.14	298264854.63	92822028.51
Jamui	1931324	2478.20	1333.38	1144.82	37468744.20	20159838.44	17308905.76
Muzaffarpur	37153778.62	54514.48	20455.59	34058.89	388974668.60	159423136.37	229551532.23
Betiah	20994535.2	22588.42	13901.81	8686.61	191359791.13	120891060.20	70468730.93
Motihari(East Champran)	109920614.5	115530.09	67166.51	48363.58	1295643842.58	725870552.54	569773290.04
Gopalganj	2631807.1	6871.21	2485.85	4385.36	46639619.00	16873170.36	29766448.64
Khagaria	6324140.9	19488.75	7190.29	12298.46	170914319.42	96199347.27	74714972.15
Begusarai	11288776.22	27861.19	8943.62	18917.57	191843271.64	55042253.54	136801018.10
Buxar	3966148	11288.99	4966.98	6322.01	6819627.04	3295012.58	3524614.46
Jehanabad	1060862.6	1637.57	513.66	1123.91	3066362.81	961829.50	2104533.31
Bhojpur	1010119.51	2101.18	1338.66	762.52	10512354.70	6697394.34	3814960.36
Total	**207355975.6**	**291382.71**	**148944.65**	**142438.06**	**2734329484.26**	**1503678449.77**	**1230651034.49**

(B) Wheat (Rabi) 2008-09

District	Premium (₹)	Sown Area taken for claim (Hectare)	Sown area reported by Statistics Department (hectare)	Unsown area (Hectare)	Claim paid (₹)	Claim payable (₹)	Payment for unsown area (₹)
Jamui	2502245	8237.02	3356.70	4880.33	80029232.67	35651156.81	44378075.86
Motihari(East Champran)	14207629	38451.51	22612.53	15838.98	293349215.34	180334053.91	113015161.43
Begusarai	1534428	5952.56	4852.67	1099.89	40066928.65	34039890.86	6027037.79
Aurangabad	1657079	4359.62	3619.83	739.79	73081477.20	60680179.85	12401297.35
Total	**19901381**	**57000.71**	**34441.73**	**22558.98**	**486526853.86**	**310705281.43**	**175821572.43**

(C) Kharif 2008

District	Premium (₹)	Sown Area taken for claim (Hectare)	Sown area reported by Statistics Department (hectare)	Unsown area (Hectare)	Claim paid (₹)	Claim payable (₹)	Payment for unsown area (₹)
Motihari (East Champran)	17586761	27441.92	17980.23	9461.69	299761211.19	209361257.70	90399953.49
Khagaria	1843785	5296.77	1046.67	4250.10	36130379.08	7132734.38	28997644.70
Total	**19430546**	**32738.69**	**19026.90**	**13711.79**	**335891590.27**	**216493992.08**	**119397598.19**
Grand Total	**246687902.6**	**381122.11**	**202413.28**	**178708.83**	**3556747928.39**	**2030877723.28**	**1525870205.11**

Total Area	381122.11		AIC Share	₹ 246,687,902		
Total Sown Area	202413.28		GOB Share	₹ 639591151.55		
Unsown Area	**178708.83**		GOI Share	₹ 639591151.55		
			Total Payment	**₹ 1,525870205.10**		

(A) Kharif 2009

District	Block	Premium (₹)	Sown Area taken for claim (Hec.)	Sown area reported by Statistics Department (in hectare)	Unsown area (Hec.)	Claim paid (₹)	Area Sown Factor	Claim payable (₹)	Payment for unsown area (₹)
Siwan	Basantpur	897178.93	2141.68	1732.34	409.34	29781415.8	80.89	24089284.03	5692131.76
	Daraunda	1138696.05	3011.65	2134.69	876.96	44233962.1	70.88	31353509.4	12880452.72
	Darouli	2088232.08	4264.96	3932.46	332.5	74289538.7	92.20	68497861.5	5791677.21
	Goreakothi	1497324.04	4380.14	3842.55	537.59	53827042.6	87.73	47220660.2	6606382.41
	Guthani	1910351.25	4283.3	4230.32	52.98	63679014.7	98.76	62891371.05	787643.69
	Raghunathpur	1824182.5	4178.76	1126.83	3051.93	64000386	26.97	17258123.22	46742262.82
	Siswan	1717904.08	4762.14	3649.12	1113.02	61275523.1	76.63	46954045.23	14321477.90
	Total	**11073868.9**	**27022.63**	**20648.31**	**6374.32**	**391086883**		**298264854.63**	**92822028.51**

Jamui	Sono	1931324	2478.2	1333.381	1144.819	37468744.2	53.80	20159838.44	17308905.76
	Total	**1931324**	**2478.2**	**1333.381**	**1144.819**	**37468744.2**		**20159838.44**	**17308905.76**
Muzaffarpur	Gaighat	4739063.91	8202.29	1930.74	6271.55	56422916.1	23.54	13281410.55	43141505.52
	Kudhni	7653440.58	11997.72	8316.37	3681.35	95583710.3	69.32	66255046.89	29328663.45
	Minapur	7688071.36	11141.87	2042.78	9099.09	45900470.7	18.33	8415514.056	37484956.67
	Muraul	2019977.79	2396.74	978.85	1417.89	25437898.4	40.84	10389064.67	15048833.74
	Mushhari	3039796.63	6156.16	1031.32	5124.84	23821298.7	16.75	3990699.039	19830599.68
	Sakra	6080665.2	7663.66	5889.96	1773.7	70747975.4	76.86	54376893.92	16371081.52
	Bandra	5932763.15	6956.04	265.57	6690.47	71060398.9	3.82	2714507.238	68345891.65
	Total	**37153778.6**	**54514.48**	**20455.59**	**34058.89**	**388974669**		**159423136.4**	**229551532.23**
Betiah	Betiah	2351704.3	4039.65	2941.11	1098.54	27322677.4	72.806	19892564.86	7430112.51
	Nautan	13440405	11396.33	7161.45	4234.88	142617340	62.84	89620689.19	52996650.71
	Yogapatti	5202425.9	7152.44	3799.25	3353.19	21419773.9	53.118	11377806.15	10041967.71
	Total	**20994535.2**	**22588.42**	**13901.81**	**8686.61**	**191359791**		**120891060.2**	**70468730.93**
Motihari(East Champran)	Motihari	8332693.04	10365.62	3867.55	6498.07	95965312.1	37.311	35805927.93	60159384.14
	Banjaria	1726693.68	3777.56	2761.83	1015.73	21934353	73.111	16036529.97	5897823.03
	Sugauli	4585620.8	5598.38	3506.18	2092.2	64595572.7	62.628	40455221.86	24140350.81
	Pipara Kothi	1512197.3	1429.04	1394.16	34.88	19475308	97.559	18999954.75	475353.20
	Kotwa	12542028.6	10728.58	3319.87	7408.71	173521726	30.944	53694857.46	119826868.94
	Raxaul	3578707.28	4347.42	2108.54	2238.88	71982719.6	48.501	34912302.84	37070416.78
	Ramgarhwa	3228563.4	4255.1	3317.15	937.95	47449436.6	77.957	36990176.18	10459260.43
	Adapur	1954805.7	3569.44	2819.63	749.81	8427291.61	78.994	6657023.018	1770268.59
	Ghorasahan	1801649.28	3575.06	3419.18	155.88	18842852.9	95.64	18021265.62	821587.31
	Chiraiya	11499572.5	11670.38	3719.17	7951.21	135201865	31.868	43086747.84	92115117.16
	Pakaridayal	5621758	5127.83	2763.19	2364.64	38465829.5	53.886	20727753.34	17738076.15
	Patahi	2011322.08	3131.65	2804.67	326.98	34487567.2	89.559	30886671.55	3600895.60

	Fenahara	1140421.3	2276.9	1843.62	433.28	18395739.8	80.971	14895144.2	3500595.61
	Areraj	4392078.1	4538.48	4517.73	20.75	64752687.4	99.543	64456637.08	296050.28
	Harsidhi	7517551.5	9948.85	3467.15	6481.7	145998324	34.85	50880060.24	95118263.26
	Paharpur	5181261.35	5048.99	3018.46	2030.53	82489326.9	59.783	49314958.78	33174368.14
	Sangrampur	4150000.1	5535.93	2501.69	3034.24	56216833.6	45.19	25404419.92	30812413.65
	Kesaria	10751693.2	7527.43	6295.27	1232.16	145011102	83.631	121274331.5	23736770.68
	Kalyanpur	14042916	8819.04	6054.36	2764.68	10188538.6	68.651	6994534.616	3194003.98
	Chakia	4349081.33	4258.41	3667.11	591.3	42241456.1	86.115	36376033.81	5865422.31
	Total	**109920615**	**115530.1**	**67166.51**	**48363.58**	**1295643843**		**725870552.5**	**569773290.04**
Gopalganj	Bhore	2631807.1	6871.21	2485.85	4385.36	46639619	36.178	16873170.36	29766448.64
	Total	**2631807.1**	**6871.21**	**2485.85**	**4385.36**	**46639619**		**16873170.36**	**29766448.64**
Khagaria	Khagaria	3211628.9	11485.53	1046.59	10438.94	52130787.2	9.1122	4750286.712	47380500.46
	Alauli	1765269	4728.41	4308.16	420.25	70610760	91.112	64335041.12	6275718.88
	Mansi	425798.5	1175.19	579.34	595.85	16213811.7	49.298	7993013.63	8220798.10
	Chautham	921444.5	2099.62	1256.2	843.42	31958960.5	59.83	19121005.8	12837954.72
	Total	**6324140.9**	**19488.75**	**7190.29**	**12298.46**	**170914319**		**96199347.27**	**74714972.15**
Begusarai	Bachawara	1376922	3263.83	903.6908	2360.139	14776724.5	27.688	4091386.542	10685337.91
	Balia	1181838.35	1920.89	219.3646	1701.525	47273535	11.42	5398612.883	41874922.12
	Barauni	1490796.49	3725.46	842.7479	2882.712	44175281.1	22.621	9993027.521	34182253.60
	Khodawanpur	868361.68	2693.55	832.8005	1860.75	22055929.5	30.918	6819323.507	15236606.03
	Teghada	1149415.5	3711.78	380.089	3331.691	3791886.21	10.24	388291.9683	3403594.24
	Chhourahi	1897778	4349.69	2300.627	2049.063	38445021.6	52.892	20334245.75	18110775.89
	Mansurchak	1060528.7	3281.98	1756.92	1525.06	6238404.16	53.532	3339562.932	2898841.23
	Navkothi	1287833	2902.01	1270.712	1631.298	6355539.92	43.787	2782920.289	3572619.63
	Virpur	975302.5	2012	436.6653	1575.335	8730949.6	21.703	1894882.148	6836067.45
	Total	**11288776.2**	**27861.19**	**8943.618**	**18917.57**	**191843272**		**55042253.54**	**136801018.10**

Buxar	Buxar	1947957	5718.9	4268.312	1450.588	667707.65	74.64	498344.9366	169362.71
	Simri	1743079	5015.99	381.4286	4634.561	1461265.82	7.60	111118.3503	1350147.47
	Chougai	275112	554.1	317.24	236.86	4690653.57	57.25	2685549.292	2005104.28
	Total	**3966148**	**11288.99**	**4966.981**	**6322.009**	**6819627.04**		**3295012.579**	**3524614.46**
Jehanabad	Kako	1060862.6	1637.57	513.6584	1123.912	3066362.81	31.37	961829.498	2104533.31
	Total	**1060862.6**	**1637.57**	**513.6584**	**1123.912**	**3066362.81**		**961829.498**	**2104533.31**
Bhojpur	Shahpur	1010119.51	2101.18	1338.656	762.5236	10512354.7	63.71	6697394.343	3814960.36
	Total	**1010119.51**	**2101.18**	**1338.656**	**762.5236**	**10512354.7**		**6697394.343**	**3814960.36**

(B) Wheat(Rabi) 2008-09

District	Block	Premium (₹)	Sown Area taken for claim (Hec.)	Sown area reported by Statistics Department (in hectare)	Unsown area (Hec.)	Claim paid (₹)	Area Sown Factor	Claim payable (₹)	Payment for unsown area (₹)
Jamui	Jhajha	526938	2073.77	382.777	1690.993	16379065.6	18.458	3023252.141	13355813.46
	Chakai	769258	2847.42	671.794	2175.626	25798531.9	23.593	6086667.551	19711864.32
	Sikandra	717405	2050	1568.006	481.994	24815650.2	76.488	18981018.74	5834631.46
	Aligang	488644	1265.83	734.118	531.712	13035985	57.995	7560218.383	5475766.62
	Total	**2502245**	**8237.02**	**3356.695**	**4880.325**	**80029232.7**		**35651156.81**	**44378075.86**

Motihari(East Champran)	Kotwa	2746903	6392.33	3016.16	3376.17	80386881.8	47.184	37929784.2	42457097.60
	Raxaul	1195644	2923.46	2148.58	774.88	26194837.6	73.494	19251744.25	6943093.38
	Chiraiya	2404874	10035.15	6622.25	3412.9	7071756.07	65.991	4666690.247	2405065.82
	Harsidhi	2114351	7550.09	1983.35	5566.74	33994937.9	26.269	8930206.128	25064731.72
	Kesaria	3118860	5598.26	3673.72	1924.54	79962944.8	65.623	52473709.61	27489235.18
	Kalyanpur	2626997	5952.22	5168.47	783.75	65737857.2	86.833	57081919.49	8655937.71
	Total	**14207629**	**38451.51**	**22612.53**	**15838.98**	**293349215**		**180334053.9**	**113015161.43**

Begusarai	Matihani	1141928	4277.99	3672.66	605.33	37742259.7	85.85	32401779.23	5340480.47
	Mansurchak	392500	1674.57	1180.01	494.56	2324668.95	70.466	1638111.639	686557.31
	Total	**1534428**	**5952.56**	**4852.67**	**1099.89**	**40066928.7**		**34039890.86**	**6027037.79**
Aurangabad	Aurangabad	1657079	4359.62	3619.83	739.79	73081477.2	83.03	60680179.85	12401297.35
	Total	**1657079**	**4359.62**	**3619.83**	**739.79**	**73081477.2**		**60680179.85**	**12401297.35**

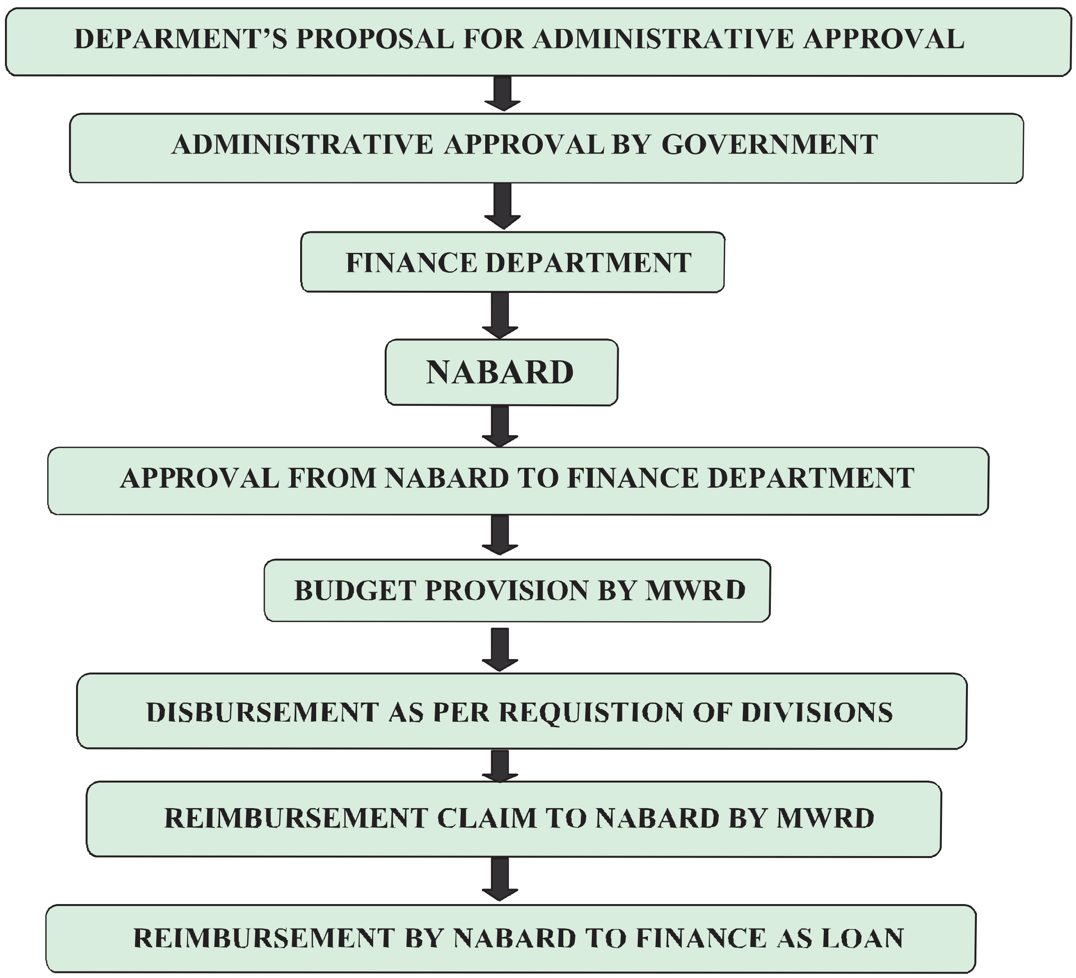
(C) Kharif 2008

District	Block	Premium (₹)	Sown Area taken for claim (Hec.)	Sown area reported by Statistics Department (in hectare)	Unsown area (Hec.)	Claim paid (₹)	Area Sown Factor	Claim payable (₹)	Payment for unsown area (₹)
Motihari (East Champran)	Kotwa	5446501	8946.27	3486.15	5460.12	60160070.1	38.968	23442957.61	36717112.49
	Sangrampur	1445163	2440.04	2395.8	44.24	20844035.5	98.187	20466115.4	377920.09
	Kesaria	5249625	7872.01	6353.1	1518.91	113098502	80.705	91276064.89	21822437.51
	Kalyanpur	5445472	8183.6	5745.18	2438.42	105658603	70.204	74176119.79	31482483.41
	Total	**17586761**	**27441.92**	**17980.23**	**9461.69**	**299761211**		**209361257.7**	**90399953.49**
Khagaria	Khagaria	1843785	5296.77	1045.67	4251.1	36130379.1	19.742	7132734.382	28997644.7
	Total	**1843785**	**5296.77**	**1046.67**	**4250.1**	**36130379.1**		**7132734.382**	**28997644.7**

APPENDIX-2.5.1

(Refer: Paragraph-2.5.2; Page - 116)

FUNDING PATTERN OF
MINOR WATER RESOURCE DEPARTMENT (MWRD)
RIDF PHASE – XI



APPENDIX -2.5.2

(Refer: Paragraph-2.5.4; Page - 120)

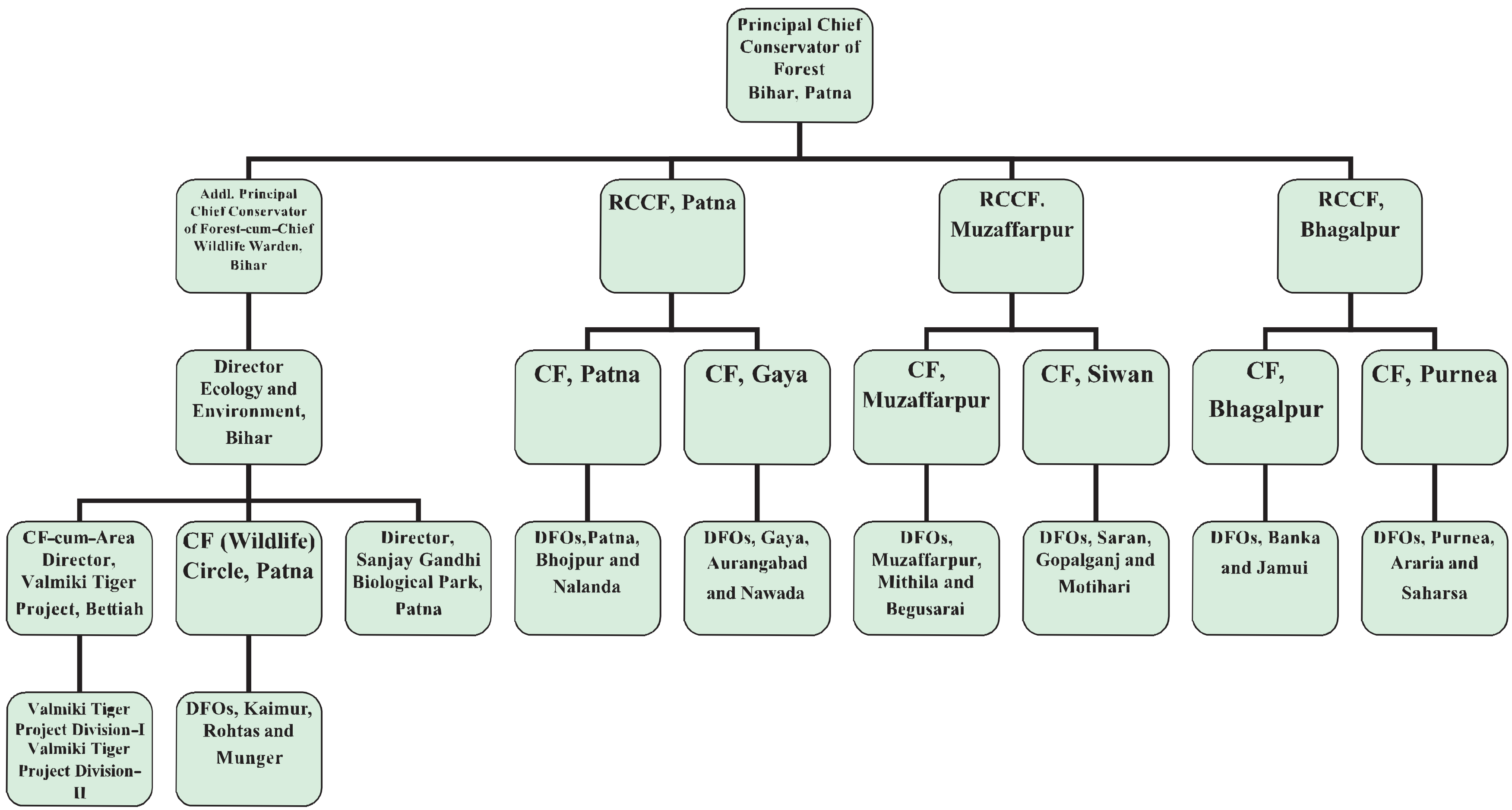
Details of Water rate

Sl. no.	Mausam (Season)	Crops	No. of patwan	Sanctioned rate per Hectare (rate in ₹)	
				Electric	Diesel
1	25 June to 25 October	Kharif (Paddy)	3	355	725
	-do-	-do-	1	135	276
2	25 October to 26 March	Rabbi (Wheat, Pea, Chana etc.)	2	271	552
	-do-	-do-	1	152	310
3	26 March to 26 June	Garma (except sugarcane)	2	271	352
		Garma , sugarcane	4	626	1265
		Garma (except sugarcane)	1	186	300
		Sugarcane	1	271	552

APPENDIX -2.6.I

(Refer: Paragraph: 2.6.1; Page - 122)

Organisational set up of the Department



APPENDIX -2.6.2

(Refer: Paragraph: 2.6.2; Page - 122)

Status of Provision, Expenditure, Surrender and Saving of funds earmarked for plantation in the State

Abstract of funds (Scheme-wise)

(₹ in crore)

Name of scheme	Provision	Surrender of funds	Expenditure	Savings
RDF state plan	120.18	11.37	108.80	-
NTF state plan	33.76	2.04	31.71	0.01
PTF state plan	42.26	3.42	38.75	0.10
RSVY	20.10	1.11	18.99	-
XII/XIII Finance Commission	21.49	7.11	14.38	-
State CAMPA	19.66	Nil	11.24	2.71
Durgawati project	13.77	Nil	NA	-
Total	**271.22**	**25.05**	**223.87**	**2.82**

Detailed of funds (Scheme- wise)

(A) State Plan (RDF) *(₹ in crore)*

Year	Provision	Surrender of funds	Expenditure	Savings
2008-09	19.80	3.67	16.13	-
2009-10	19.10	2.98	16.11	-
2010-11	20.03	2.45	17.58	-
2011-12	18.76	1.04	17.72	-
2012-13	42.49	1.23	41.26	-
Total	**120.18**	**11.37**	**108.80**	**-**

(B) State Plan (NTF) *(₹ in crore)*

Year	Provision	Surrender of funds	Expenditure	Savings
2008-09	5.09	0.44	4.65	-
2009-10	2.58	0.19	2.39	-
2010-11	5.06	0.23	4.82	0.01
2011-12	5.77	0.06	5.71	-
2012-13	15.26	1.12	14.14	-
Total	**33.76**	**2.04**	**31.71**	**0.01**

(C) State Plan (PTF) *(₹ in crore)*

Year	Provision	Surrender of funds	Expenditure	Savings
2008-09	6.40	1.99	4.41	-
2009-10	2.85	0.12	2.74	-
2010-11	5.12	0.08	5.04	-
2011-12	5.54	0.20	5.24	0.10
2012-13	22.35	1.03	21.32	-
Total	**42.26**	**3.42**	**38.75**	**0.10**

(D) Rashtriya Sam Vikash Yojana (RSVY)

(₹ in crore)

Year	Provision	Surrender of funds	Expenditure	Savings
2008-09	5.09	1.03	4.06	-
2009-10	5.24	-	5.24	-
2010-11	5.77	-	5.77	-
2011-12	4.00	0.08	3.92	-
2012-13	-	-	-	-
Total	**20.10**	**1.11**	**18.99**	**-**

(E) 12th/13th Finance Commission

(₹ in crore)

Year	Provision	Surrender of funds	Expenditure	Savings
2008-09	1.00	0.29	0.71	-
2009-10	1.29	0.15	1.14	-
2010-11	4.80	-	4.80	-
2011-12	4.80	1.25	3.55	-
2012-13	9.60	5.42	4.18	-
Total	**21.49**	**7.11**	**14.38**	**-**

(F) State CAMPA Fund

(₹ in crore)

Year	Provision	Surrender of funds	Expenditure	Savings
2008-09	-	-	-	-
2009-10	-	-	-	-
2010-11	4.70	-	3.60	1.10
2011-12	9.25	-	7.64	1.61
2012-13	5.71	-	N/A	
Total	**19.66**	**-**	**11.24**	**2.71**

(G) Durgawati Fund

(₹ in crore)

Year	Provision	Surrender of funds	Expenditure	Savings
2008-09	-	-	-	-
2009-10	-	-	-	-
2010-11	-	-	-	-
2011-12	-	-	-	-
2012-13	13.77	-	N/A	-
Total	**13.77**	**-**	**-**	**-**

APPENDIX -2.6.3

(Refer: Paragraph: 2.6.2.1; Page - 124)

Statement showing year- wise delayed release of funds under NAP by the NAEB/GoI and SFDA

Year	Date of release of fund as 1st installment by NAEB/GoI to SFDA/GoB (Due date 30th April)	Date of release of fund as 2nd installment by NAEB to SFDA	Remarks	Date of release of fund as 1st installment by SFDA to FDA	Date of release of fund as 2nd installment by SFDA to FDA	Date of release of fund as 3rd installment by SFDA to FDA	Remarks
2010-11	28.9.2010	28.3.2011	Delay by five months to 11 months.	4.10.2010	11.5.2011	25.8.2011	Delay by one month.
2011-12	28.9.2011	28.3.2012	Delay by five months to 11 months.	7.12.2011	31.3.2012	-	Delay by two months.
2012-13	19.2.2013 (First and Final)	-	Fund for the year 2012-13 released by the NAEB at the fag end of the financial year.	3.4.2013	-	-	Fund released by SDFA to FDA in next financial year.

APPENDIX –2.6.4

(Refer: Paragraph : 2.6.3; Page - 125)

Status of Joint Forest Management Committees (JFMCs) in test checked divisions.

Name of DFOs/FDAs	Nos. of JFMCs registered	Nos. of active committees	Nos. of inactive committees	Nos. of committees whose registration failed
Banka	118	64	54	95
Gaya	46	27	19	46
Kaimur	39	--	39	39
Munger	117	65	52	117
Nawada	49	39	10	39
Total	**369**	**195**	**174**	**336**

APPENDIX-2.6.5

(Refer: Paragraph: 2.6.4.2; Page - 127)

Details of failed plantation (Dead Plants) under DFO, Gaya

Name of Plantation site/ area in Ha	Plantation year	Name of scheme	Nos. of plants planted	Total expenditure incurred (₹ in lakh)	Prescribed Survival *per cent*	Required survival	Actual survival *per cent* in April 2013	Actual survival	Difference (Dead Plants)	Cost per plant (in ₹)	Total expediture on dead plants (₹ in lakh)
Barandi/88 Ha	2011	13th FC	96800	27.67	80	77440	70	67760	9680	28.58	2.77
Khajurain/50 Ha	2011	RDF	125000	29.26	80	100000	70	87500	12500	23.41	2.93
Orwadohar/5.6Ha	2011	CAMPA	14000	4.52	80	11200	65	9100	2100	32.29	0.68
Jamanganj Sultanpur/50Ha	2011	RDF	125000	23.78	80	100000	35	43750	56250	19.02	10.70
Chiriyawan/29.32	2011	CAMPA	29320	5.47	80	23456	40	11728	11728	18.66	2.19
Alakhdiha/82 Ha	2011	Special Central Assistance	90200	29.99	80	72160	58.50	52767	19393	33.25	6.45
Gobardhanpur/50 Ha	2012	RDF	55000	19.86	80	44000	70	38500	5500	36.11	1.99
Delho/50 Ha	2012	CAMPA	125000	17.45	80	100000	62	77500	22500	13.96	3.14
Jamanganj/50Ha	2012	Durgawati Fund	100000	14.77	80	80000	42	42000	38000	14.77	5.61
Pasewa, Yamuna/ 50 Ha	2009	FDA/NAP	10000	6.07	60	6000	35	3500	2500	60.70	1.52
Kaual/50 Ha	2009	FDA/NAP	55000	12.09	60	33000	50.10	27555	5445	21.98	1.20
Doath/50 Ha	2010	FDA/NAP	55000	11.46	80	44000	25	13750	30250	20.84	6.30
Total (604.92 Ha)			**880320**	**202.39**		**691256**		**475410**	**215846**		**45.48**

APPENDIX-2.6.6

(Refer: Paragraph: 2.6.4.3; Page - 128)

Statement showing the cases wherein Compensatory afforestation not taken up

(₹ in lakh)

Sl. No.	Name of project for diversion of forest land	Area of forest land diverted (in hectare)	Nos. of trees removed	Name of site identified for plantation	Nos. of plants to be planted	Amount of CA money received from the user agencies	Date of receipt of CA money
1.	Deoghar- Sultanganj rail section	47.7	1270	Rehabilitation of Degraded Forest land in 95.40 Ha,	-	70.95	19.10.2010
2.	Gaya Balia Transmission line	1.39	222	Gabion plantation	406	15.68	21.12.2011
3.	Khaira – Sattar Ghat Road	11.2	-	Both side of the road	500	56.53	23.05.2012
4.	Barbigha-Saikhpura Road	19.68	1128	Both side of the road	2256	59.04	28.03.2012
5.	Chakrabandha-Baraha Transmission line	4.90	-	RDF	-	13.44	29.10.2012
6.	Gopalganj-Chapra-Hazipur road	31.14	-	Both side of the road	21960	34.74	22.02.2011
7.	Hazipur-Muzaffarpur road	41.41	1947	Both side of the road	6800	15.65	24.12.2009
8.	Hanumanagar-Musri Gharari road	19.44	14405	Site not identified	57620	43.36	29.03.2012
9.	Dalsingh sarai- Kaidrabad road	2.29	69	Site not identified	1000	08.29	17.09.2012
10.	Malipur-Daulatpur road	2.16	13	Site not identified	1000	08.29	17.09.2012
11.	Begusarai-samho road	1.64	67		670	16.52	
12.	Munger ghat-Rasidpur road	4.17	165	Site not identified	1700	12.31	17.09.2012
13	Manjhaul-Garhpur road	0.92	110	Site not identified	1100	09.12	17.09.2012
14	Begusarai-Biepue-Sanjat road	6.62	104	Site not identified	277	22.79	17.09.2012
15	Samastipur-Rosra-Sagi road	17.40	1321	Site not identified	13210	28.27	31.03.2012
Total		**212.06**	**20821**		**108499**	**414.98**	

APPENDIX -2.6.7

(Refer: Paragraph: 2.6.5.2; Page - 129)

Abstract of irregularities in Plantation Journals in test checked forest divisions

Sl. No.	Name of divisions	Total Nos. of available plantation journals	No. of plantation journals test check by Audit	Nos. of Plantation Journal checked by ROF	Inspected by ACF	Inspected by DFO	Inspected by CF	Inspec ted by RCCF
1.	Banka	19	12	07	01	09	03	02
2	Gaya	22	03	00	00	00	00	00
3	Kaimur	18	08	01	00	00	01	00
4	Munger	24	16	00	02	01	00	00
5	Nawada	27	08	04	00	08	00	00
	Total	**110**	**47**	**12**	**03**	**18**	**04**	**02**

APPENDIX- 3.1

(Refer: Paragraph- 3.1.1; Page - 132)

Statement showing loss of interest due to blockage of fund

Particular of accounts	Name of the Bank	Balance as on 29.12.07 (₹)	Balance as on 20.01.13 (₹)	Loss of interest (₹ in lakh)	Amount involved (₹ in lakh)
A/c-08	Allahabad Bank, BIEC campus, Patna	3292004.22	3421413	27.35	53.74 (Balance as on 29.12.07)
A/c-13	Allahabad Bank, BIEC campus, Patna	2067046	2144849		
A/c-14	Allahabad Bank, BIEC campus, Patna	15176	14728		
Total				**27.35**	**53.74**

APPENDIX- 3.2

(Refer: Paragraph- 3.1.2; Page - 134)

Statement showing purchase of paddy on irregular/fake land receipts

Sl. No.	Brief	Name of centre through which purchase of paddy made	No. of Cases	Quantity of paddy purchased (in quintal)			Payment made to the farmers @ ₹ 1080 per quintal (Amount in ₹)			Remarks as stated by Circle Officer
				Total purchased	As per actual land receipts	On fake, fabricated and irregular land receipts	Total payment	On the basis of actual Land receipts	On the basis of Irregular/ fake land receipts	
1	2	3	4	5	6	7	8	9	10(8-9)	11
1.	Purchased on Fake Receipt	PACCS: Khurmabad	1	225	170	55	243000	183600	59400	Receipt not mentioned in Reg-II and not issued by concerned KC
		Purchase Centre: Chenari	36	11270.8	1105	10165.8	12172464	1193400	10979064	
Total on Fake Receipt			37	11495.8	1275	10220.8	12415464	1377000	11038464	
2.	Purchased on Fabricated LR	PACCS: Pewandi	1	180	82	98	194400	88560	105840	Measurement of land shown excess in LR against Register II
		Purchase Centre: Chenari	7	3287.2	1564	1723.2	3550176	1689120	1861056	
Total on Fabricated LR			8	3467.2	1646	1821.2	3744576	1777680	1966896	
3.	Purchased on Irregular (Double) LR	PACCS: Pewandi	--	--	--	--		--	--	Same LR used for procurement of paddy.
		Purchase Centre: Chenari	9	3727.2	1927	1800.2	4025376	2081160	1944216	
Total on Irregular (Double) LR			9	3727.2	1927	1800.2	4025376	2081160	1944216	
4.	Purchased on Irregular LR	PACCS: Pewandi	15	5207	3232	1975	5623560	3490560	2133000	The receipt pertains to other circle/mauza
		Purchase Centre: Chenari	03	1097.2	669	428.20	1184976	722520	462456	
Total on Irregular LR			18	6304.2	3901	2403.20	6808536	4213080	2595456	
Total: PACCS			17	5612	3584	2128.00	6060960	3762720	2298240	
Total: Purchase Centre			55	19382.40	5265	14117.40	20932992	5686200	15246792	
Grand Total			72	24994.4	8749	16245.4	26993952	9448920	17545032	

APPENDIX- 3.3

(Refer: Paragraph- 3.1.2; Page - 134)

Statement showing payment to farmers through PACCSs on fake/irregular land rent receipts

Name of PACCSs : Ghatav/Kharhana

(Amount in ₹)

Sl. No.	Name of Farmers	Area of land (in acre) as shown in Irregular/fake land rent receipt	Land receipt No. of irregular/fake receipts	Quantity of paddy purchased (in quintal)	Payment made to the farmers on the basis of irregular/fake land rent receipts @ ₹ 1080/quintal
	1	2	3	4	5
1.	Jiut Paswan	19.31	701610	460	496800
2.	Jiut Paswan	16.64	701610	400	432000
3.	Safi Ahmed	17.75	701617	425	459000
4.	Ainul Ansari	18.54	701617	445	480600
5.	Shyam Sundar Sah	21.78	701615	525	567000
6.	Ramesh Sah	23.16	701615	550	594000
7.	Ajit Kumar Choubay	23.31	701613	575	621000
8.	Ram Bachan Yadav	17.09	701613	420	453600
9.	Najmul Ansari	19.235	701609	475	513000
10.	Bilar Yadav	19.08	701609	475	513000
11.	Mahatma Singh	26.045	701608	631	681480
12.	Ram Nath Paswan	16.08	701608	401	433080
			Total	**5782**	**6244560**

APPENDIX- 3.4

(Refer: Paragraph- 3.1.2; Page - 135)

Statement showing non-supply of CMR to the FCI

Sl.No.	BSFC office at	No. of rice miller to whom paddy supplied	Quantity of paddy supplied to rice miller (quintal)	Proportionate (67 *per cent*) quantity of CMF (in quintal)	Quantity of CMR delivered to FCI as of 30 April 2013(in quintal)	Balance quantity of CMR (in quintal)	Amount@ ₹ 1903.13 per quintal of balance quantity (in ₹)	No. of defaulting millers from whom CMR was recoverable	N0. of millers against whom certificate cases lodged under PDR Act	N0. of millers against whom FIR lodged	Amount recovered from millers (in ₹)	Recoverable amount against CMR (in ₹)
1	2	3	4	5	6	7(5-6)	8	9	10	11	12	13(8-12)
1	Rohtas	196	2681920.32	1796886.61	1402873.10	394013.51	749858931.28	78	78	12	16882000.00	732976931.28
	Total (A)	**196**	**2681920.32**	**1796886.61**	**1402873.10**	**394013.51**	**749858931.28**	**78**	**78**	**12**	**16882000.00**	**732976931.28**
2	Motihari	50	861193.09	576999.37	525736.89	51262.48	97559163.56	15	11	02	4203000	93356163.56
3	Supaul	19	255044.65	170880	72360	98520	187496367.6	15	04	-	24607427	162888940.60
4	Khagaria	12	81364.2	54514	50041	4473	8512700.49	4	03	03	1627000	6885700.49
5	Jamui	27	206676.68	138473.37	137839.37	634	1206584.42	01	01	-	565000	641584.42
6	Bhagalpur	25	275706.70	184723.49	183833.55	889.94	1693671.51	01	01	01	00	1693671.51
7	Shaikhpura	12	108430	72648.1	67107.7	5540.4	10544101.45	03	01	01	49500	10494601.45
8	Buxar	110	1066693.05	714684.35	360043.57	354640.78	674927507.64	95	95	08	9800000	665127507.64
	Total (B)	**255**	**2855108.37**	**1912922.68**	1396962.08	515960.60	981940096.67	**134**	**116**	**15**	**40851927**	**941088169.67**
	Grand Total (A+B)	**451**	**5537028.69**	**3709809.29**	**2799835.18**	**909974.11**	**1731799027.95**	**212**	**194**	**27**	**57733927**	**1674065100.95**

APPENDIX- 3.5

(Refer: Paragraph- 3.1.3; Page - 136)

Statement showing details of non-raising of demand for water rates due to non-preparation of Khatian

Name of Diviaion	Year	Crops	Land Irrigated in	Khatian prepared	Khatian not prepared (1 Hectare= 2.47105 acre)		Demand to be raised @ ₹ 88/acre for kharif & ₹ 75/acre for rabi crops (*Amount in* ₹)
			Hectare	Hectare	Hectare	Acre	
Tirhut Canal Division, Motihari	2009-10	Kharif	11800	7796	4004	9894.08	870679.04
		Rabi	Nil	Nil	Nil	Nil	0
	2010-11	Kharif	6622	6063	559	1381.31	121555.28
		Rabi	Nil	Nil	Nil	Nil	0
	2011-12	Kharif	7652	4903	2749	6792.91	597776.08
		Rabi	Nil	Nil	Nil	Nil	0
Saran Canal Division, Chapra	2009-10	Kharif	5021.54	1305.08	3716.46	9183.56	808153.28
		Rabi	4008.11	453.62	3554.49	8783.32	658749.00
	2010-11	Kharif	6474.58	4091.58	2383	5888.51	518188.88
		Rabi	2695.92	245.51	2450.41	6055.08	454131.00
	2011-12	Kharif	6179.59	Nil	6179.59	15270.08	1343767.04
		Rabi	5782.86	Nil	5782.86	14289.74	1071730.50
Tirhut Canal Division, Bettiah	2009-10	Kharif	7653	7026	627	1549.35	136342.80
		Rabi	Nil	Nil	Nil	Nil	0
	2010-11	Kharif	8038	7094	944	2332.67	205274.96
		Rabi	Nil	Nil	Nil	Nil	0
	2011-12	Kharif	12093	11521	572	1413.44	124382.72
		Rabi	Nil	Nil	Nil	Nil	0
Irrigation Division, Baunshi	2009-10	Kharif	18250	18000	250	617.76	54362.88
		Rabi	Nil	Nil	Nil	Nil	0
	2010-11	Kharif	16830	13190	3640	8994.62	791526.56
		Rabi	Nil	Nil	Nil	Nil	0
	2011-12	Kharif	16300	10006.7	6293.3	15551.06	1368493.28
		Rabi	3768	3768	Nil	Nil	0
Total		**Kharif**	122913.71	90996.36	31917.35	78869.35	6940502.80
		Rabi	16254.89	4467.13	11787.76	29128.14	2184610.50
Grand Total (Kharif+Rabi)			**139168.60**	**95463.49**	**43705.11**	**107997.49**	**9125113.30**

APPENDIX-3.6

(Refer: Paragraph- 3.1.3; Page - 136)

Statement showing details of non-raising of demand for water rates due to non-preparation of *Khatian*

Name of Division	Year	Crops	Land Irrigated in	Khatian prepared	Khatian not prepared	Demand to be raised @ ₹ 355/hectare for kharif & ₹ 271/hectare for rabi crops (*Amount in* ₹)
			Hectare	Hectare	Hectare	
Minor Irrigation Division, Gaya	2009-10	Kharif	709	0	709	251695
		Rabi	Nil	Nil	Nil	0
	2010-11	Kharif	879	0	879	312045
		Rabi	Nil	Nil	Nil	0
	2011-12	Kharif	10014	0	10014	3554970
		Rabi	Nil	Nil	Nil	0
Total			**11602**	**0**	**11602**	**4118710**
Total (Appendix 3.5)			**139168.60**	**95463.49**	**43705.11**	**9125113.30**
Grand Total			**150770.60**	**95463.49**	**55307.11**	**13243823.30**

Source : Statements provided by the respective Divisions.

APPENDIX- 3.7

(Refer: Paragraph- 3.1.4; Page - 137)

Statement showing yearly receipt/release of fund by IDA to DLAOs as of 31.03.2013

(₹ In Crore)

Financial Year	Received during the year	Released during the year
2006-07	404.00	95.70
2008-08	119.59	60.76
2008-09	274.21	209.04
2009-10	Nil	87.46
2010-11	264.49	446.97
2011-12	27.49	69.22
2012-13	30.00	150.00
Total	**1119.81**	**1119.15**

APPENDIX- 3.8

(Refer: Paragraph- 3.1.4; Page - 137)

Statement showing calculation of loss of interest

(₹ in Crore)

Sl. No.	DLAO to whom funds released by IDA	Year of release	Amount Kept in Current Account (CA)	Expenditure/ Refund prior to keeping the amount in PDA	Balance amount	Period	No. of Months amount kept in CA	Loss of interest as of March 2012 (@ 4% per annum)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
1	**Patna**	2007-10	244.18	149.77	94.41	April 2011 to March 2012	12	3.78
2	**Vaishali**	2006-07	60.00	60.00	NIL	-	-	-
		2008-09	24.31	3.81	20.50	April 2011 to March 2012	12	0.82
3	**Gaya**	2009-11	23.46	22.39	1.07	April 2011 to March 2012	12	0.04
Total			**351.95**	**235.97**	**115.98**			**4.64**

APPENDIX- 3.9

(Refer: Paragraph- 3.2.1; Page - 139)

Statement showing excess payment to the agency

(Amount in ₹)

Month	Actual area for cleanliness (In sq. m.)	Outdoor cleaning Amount	Indoor cleaning Amount	Total admissible Amount	Total Payment made to agency	Excess payment
1	2	3	4	5(3+4)	6	7(6–5)
April 2007 (13.4.07 to 30.04.07) 18 days	76580.21	1769	96491	98260	269097	170837
May 2007	76580.21	2950	166179	169129	463340	294211
June 2007	76580.21	2950	160818	16376	448496	284728
July 2007	76580.21	2950	166179	169129	463347	294218
August 2007	76580.21	2950	166179	169129	463347	294218
September 2007	76580.21	2950	160818	16376	448496	284728
October 2007	76580.21	2950	166179	169129	463347	294218
November 2007	76580.21	2950	160818	163768	448496	284728
March 2008	76580.21	2950	166179	169129	463348	294219
April 2008	76580.21	2950	160818	163768	448223	284455
May 2008	76580.21	2950	166179	169129	463348	294219
June 2008	76580.21	2950	160818	163768	189145	25377
July 2008	76580.21	2950	166179	169129	463330	294201
August 2008	76580.21	2950	166179	169129	463330	294201
Septmber 2008	76580.21	2950	16081	163768	448480	284712
October 2008	76580.21	2950	166179	169129	463330	294201

Month	Actual area for cleanliness (In sq. m.)	Outdoor cleaning Amount	Indoor cleaning Amount	Total admissible Amount	Total Payment made to agency	Excess payment
1	**2**	**3**	**4**	**5(3+4)**	**6**	**7(6-5)**
November 2008	76580.21	2950	16081	163768	448480	284712
December 2008	76580.21	2950	166179	169129	463330	294201
January 2009	76580.21	2950	166179	169129	463330	294201
February 2009	76580.21	2950	150097	153047	418793	265746
March 2010	76580.21	2950	166179	169129	300000	130871
April 2010	76580.21	2950	160818	163768	300000	136232
May 2010	76580.21	2950	166179	169129	300000	130871
June 2010	76580.21	2950	160818	163768	300000	136232
July 2010	50032.27	2950	108570	111520	300000	188480
August 2010	50032.27	2950	108570	111520	300000	188480
September 2010	50032.27	2950	105067	108017	300000	191982
March 2011	50032.27	2950	108570	111520	300000	188480
April 2011	50032.27	2950	105067	108017	300000	191982
May 2011	50032.27	2950	108570	111520	300000	188480
Total		**87319**	**4498693**	**4586012**	**11664433**	**7078421**

APPENDIX- 3.10

(Refer: Paragraph- 3.2.3; Page - 143)

Statement of item-wise execution/non-execution of works

Sl. No.	Item of work	Agreemented quantity	Quantity of work executed as per Completion Report	Quantity of work not executed	Km in which work done	Percentage of work done
1	Earthwork	75458.348M^3	62375.654M^3	13082.694	0-2.37	83
2	Granular Sub-base (GSB)	7082.872M^3	4371.103M^3	2711.769	0-2.40	62
3	Wet mix macadum (WMM)	5676.554M^3	2806.401M^3	2870.153	0-2.40	49
4	Primer coat	21832.90M^2	3852.73M^2	17980.17	0-0.407	18
5	Tack coat	44672M^2	5849.84M^2	38822.16	0-0.407	13
6	Bituminous macadum (BM)	1116.80M^3	192.636M^3	924.164	0-0.407	17
7	Semi-dense bituminous concrete (SDBC)	558.40M^3	49.927M^3	508.473	0-0.286	09

APPENDIX- 3.11

(Refer: Paragraph- 3.2.3; Page – 143)

Statement showing details of payment

(*Amount in* ₹)

Sl.No.	Total billed amount	Deduction/ Recoveries	Cheque amount	Cheque no.	Vide voucher no. & date
1	2	3	4(2-3)	5	6
1	1371755	279476	1092279	BB-268108	28/18.12.2008
2	2441075	360365	2080710	BB-268141	24/30.01.2009
3	1207679	164485	1043194	BB-268187	55/28.02.2009
4	1588294	202842	1385452	BB-269531	58/17.03.2009
5	453137	57905	395232	BB-269549	80/24.03.2009
6	2310946	474785	1836161	BB-269600	015/18.05.2009
7	2238861	526000	1712861	BB-328829	11/15.06.2009
8	2095046	328927	1766119	BB-328866	04/14.08.2009
9	500000	129065	370935	BB-328887	10/09.09.2009
10	1130016	127240	1002776	BB-329738	20/21.11.2009
11	899257	235116	664141	BB-329764	20/17.12.2009
12	1940028	508270	1431758	BB-329791	13/16.01.2010
13	1076584	281916	794668	BB-377726	23/26.02.2010
14	989747	489747	500000	BB-379320	04/19.05.2010
15	951936	676253	275683	BB-379342	04/21.06.2010
16	1023890	-	1023890		25/07.08.2010
17	1174152	345813	828339	BB-443706	12/16.12.2010
18	2000000	829354	1170646	BB-381366	12/16.12.2010
Total	**25392403**	**6017559**	**19374844**		

₹ 2.54 Crore

APPENDIX- 3.12

(Refer: Paragraph- 3.3.1; Page - 146)

Statement showing difference of rate between GSVRC and ALIMCO

(Amount in ₹)

Sl. No.	Article	No. of article purchased	Rate of GSVRC	Total amount (including freight) of GSVRC (*Amount in* ₹)	Allotment of year of purchase	Rate of ALIMCO during the allotment year	Freight charge in Proforma Bill of ALIMCO	Addition of transportation charge in Proforma Bill of ALIMCO	Less Discount given by ALIMCO	Net cost of article from ALIMCO	Difference of rate between GSVRC and ALIMCO	Excess payment made	Add freight charge of GSVRC in excess payment
1	Tricycle	21	8000	303000	2007-08	3852	0%	0%	3%	3736	4264	89544	94344
2	Tricycle	27	8000	216000	2007-08	3852	0%	0%	3%	3736	4264	115128	119928
3	Tricycle	27	8000	216000	2007-08	3852	0%	0%	3%	3736	4264	115128	119928
	Total (A)			**735000**									**334200**
4	Tricycle	21	8000	168000	2008-09	4565	2%	5%	2%	4793	3207	67347	67347
5	Tricycle	20	8000	176000	2008-09	4565	2%	5%	2%	4793	3207	64140	64140
6	Tricycle	25	8000	220000	2008-09	4565	2%	5%	2%	4793	3207	80175	80175
7	Tricycle	112	8000	1185400	2009-10	5605	2%	5%	2%	5885	2115	236880	236880
8	Wheelchair	1	8000		2009-10	5605	2%	5%	2%	5885	2115	2115	2115

Sl. No.	Article	No. of article purchased	Rate of GSVRC	Total amount (including freight) of GSVRC (*Amount in ₹*)	Allotment of year of purchase	Rate of ALIMCO during the allotment year	Freight charge in Proforma Bill of ALIMCO	Addition of transportation charge in Proforma Bill of ALIMCO	Less Discount given by ALIMCO	Net cost of article from ALIMCO	Difference of rate between GSVRC and ALIMCO	Excess payment made	Add freight charge of GSVRC in excess payment
9	Tricycle	42	8000	358400	2010-11	6000	0%	8%	0%	6480	1520	63840	63840
10	Tricycle	124	8000	1368500	2010-11	6000	0%	8%	0%	6480	1520	188480	188480
11	Wheelchair	4	8000		2010-11	6000	0%	8%	0%	6480	1520	6080	6080
12	Tricycle	213	8000	2182800	2010-11	6000	0%	8%	0%	6480	1520	323760	323760
13	Wheelchair	8	8000		2010-11	6000	0%	8%	0%	6480	1520	12160	12160
14	Tricycle	100	8000	937100	2010-11	6000	0%	8%	0%	6480	1520	152000	152000
15	Wheelchair	3	8000		2010-11	6000	0%	8%	0%	6480	1520	4560	4560
16	Tricycle	164	6000	1176310	2011-12	6000	0%	0%	0%	6000	0	0	0
17	Wheelchair	4	6000		2011-12	6000	0%	0%	0%	6000	0	0	0
18	Tricycle	202	6000	1354240	2011-12	6000	0%	0%	0%	6000	0	0	0
19	Wheelchair	1	6000		2011-12	6000	0%	0%	0%	6000	0	0	0
	Total (B)			**9126750**									
	Add total frieght charge of Gulab in separate vouchers			14400									
	Total			**9876150**									**1535737**

APPENDIX- 3.13

(Refer: Paragraph- 3.3.2; Page - 147)

Details of bituminous work done on km 167 to 180 upto 5th on-account bill

Items of work	**Quantity**	**Rate**	**Payment (₹)**
Providing and applying primer coat	68656.30M^2	26.00M^2	1785063.80
Providing and laying BM	3826.585M^3	5906.00M^3	22599811.40
Providing and applying tack coat	76531.70M^2	9.00M^2	688785.30
		Total	**25073660.50 or ₹ 2.51 crore**

APPENDIX- 3.14

(Refer: Paragraph- 3.3.3; Page - 149)

Details of price neutralization paid on Steel & Cement

Sl.No.	**Item**	**Quantity**	**Differential rate (₹)/Unit**	**Amount (₹)**	**Sub Total (₹)**
I	**Cement**	33230 bag	95.20/bag	3163496.00	3163496.00
II	**Steel MS Rod**				
	(a) 6 mm	10557 kg	24.02/kg	253579.14	3928382.44
	(b) 8 mm	65840 kg	21.83/kg	1437287.20	
	(c) 10 mm	71266 kg	22.25/kg	1585668.50	
	(d) 16 mm	19908 kg	22.95/kg	456888.60	
	(e) 20 mm	8254 kg	23.62/kg	194959.00	
III	(a) Grill	10905.11 kg	22.35/kg	243729.21	877650.76
	(b) Grill Gate	59803.92 kg	10.60/kg	633921.55	
IV	Steel Glazed Window	389.68 m^2	573.40/m^2	223442.51	223442.51
V	Collapsible Gate	137.36 m^2	800.90/ m^2	110011.62	110011.62
Grand Total					**8302983.33**

APPENDIX- 3.15

(Refer: Paragraph- 3.3.4; Page - 150)

Statement of non-functional STWs and payments made thereagainst

Sl. No.	Name of Division	STWs against which payments were made		Non-functional tube wells since					Non-functional/break-down STWs for which payments were made	
		No. of STWs	Amount (in crore)	1-5 years	6-10 years	11-15 years	16-20 years	More than 20 years	No. of STWs	₹ in crore
1	Ara	218	10.83	4	7	5	14	12	42	2.87
2	Begusarai	227	9.04	20	4	9	4	3	40	2.54
3	Bettiah	107	10.61	25	3	1	0	2	31	2.33
4	Bhagalpur	234	12.89	4	2	3	1	1	11	0.41
5	Buxar	191	8.32	2	1	3	10	14	30	2.47
6	Gaya	150	6.44	6	3	18	3	2	32	0.95
7	Gopalganj	156	11.39	12	7	5	6	13	43	2.07
8	Khagaria	95	10.85	43	2	2	1	3	51	4.68
9	Madhubani	128	19.32	33	3	3	1	2	42	4.45
10	Motihari	178	21.33	11	16	12	7	20	66	6.23
11	Munger	239	17.24	2	1	1	9	8	21	1.44
12	Purnia	167	11.80	1	2	7	0	5	15	1.07
13	Samastipur	320	12.54	7	16	8	24	14	69	2.35
14	Siwan	102	6.74	5	8	14	12	16	55	3.65
	TOTAL	**2512**	**169.34**	**175**	**75**	**91**	**92**	**115**	**548**	**37.51**