



**Report of the
Comptroller and Auditor General of India
on
Economic Sector
for the year ended March 2015**



Government of Odisha
Report No. 5 of the year 2015

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Preface

This Report for the year ended March 2015 has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution of India.

The Report contains significant results of the Performance Audit and/or Compliance Audit of the Departments of the Government of Odisha under the Economic Sector including Departments of Agriculture, Co-operation, Commerce and Transport, Energy, Forest and Environment, Finance, Fisheries and Animal Resources Development, Industries, Micro Small and Medium Enterprise, Skill Development and Technical Education, Steel and Mines, State Excise, Textile Handloom and Handicraft, Tourism, Works and Water Resources. However, Departments of Food Supplies and Consumer Welfare, Finance, General Administration, Health and Family Welfare, Higher Education, Home, Housing and Urban Development, Information and Public Relations, Information Technology, Labour and Employment, Law, Panchayati Raj, Parliamentary Affairs, Planning and Co-ordination, Public Enterprises, Public Grievances and Pension Administration, Revenue and Disaster Management, Rural Development, School and Mass Education, Science and Technology, ST and SC Development and Minorities and Backward Classes Welfare, Sports and Youth Services and Women and Child Development are excluded and covered in the Report on General and Social Services.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2014-15 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2014-15 have also been included, wherever necessary.

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) on Government of Odisha relates to matters arising from Performance Audit of Schemes of Cooperation Department, Selected Schemes of Animal Resources Development Sector and Compliance Audit of Government Departments / Autonomous Bodies.

The primary purpose of the Report is to bring to the notice of the State Legislature, important results of audit. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The audit findings are expected to enable the executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance.

Compliance Audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities of the audited entities to ascertain whether the provisions of the applicable Rules, Laws, Regulations, various orders and instructions issued by the competent authorities are being complied with.

Performance Audit examines the extent to which the objectives of an organisation, programme or scheme have been achieved economically, efficiently and effectively.

This chapter provides the audited entity's profile, the planning and extent of audit and a synopsis of the significant audit observations. Chapter II of this Report deals with the findings of Performance Audits and Chapter III deals with Compliance Audit of various departments.

The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2014-15 as well as those which had come to light in earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 2014-15 have also been included, wherever necessary.

1.2 Audited entity's profile

There were 38 departments in the State at the Secretariat level headed by Additional Chief Secretaries/ Principal Secretaries/ Commissioner-cum-Secretaries/ Secretaries, assisted by Directors and Sub-ordinate Officers. Of these, 17 Departments including PSUs/Autonomous bodies coming under these Departments are under the audit jurisdiction of the Principal Accountant General (Economic and Revenue Sector Audit).

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 Services) Act, 1971. The CAG conducts audit of expenditure of the departments of Government of Odisha under section 13¹ of the CAG's (DPC) Act 1971. In addition, the CAG conducts audit of Autonomous Bodies substantially funded by the State Government. Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts 2007 issued by the CAG.

1.4 Planning and conduct of audit

Audit process starts with the risk assessment of the Department / Organisation as a whole and that of each unit based on expenditure incurred, criticality / complexity of activities, level of delegated financial powers, assessment of internal controls, concerns of stakeholders and the likely impact of such risks. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided. An Annual Audit Plan is formulated to conduct audit on the basis of such risk assessment.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of the entities. The entities are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations made in these Inspection Reports / Performance Audits are processed for inclusion in the Audit Reports which are submitted to the Governor of Odisha under Article 151 of the Constitution of India.

1.5 Significant observations on Performance Audit

This Report contains two Performance Audits. The focus has been on the audit of specific programmes/ schemes/ activities and offering suitable recommendations, with the intention to assist the Executive in taking corrective action and improving service delivery to the citizens. Significant audit observations are discussed below:

1.5.1 Performance Audit of Schemes of Co-operation Department

Performance Audit conducted for the period 2009-14 revealed that Co-operation Department in Odisha was created with the basic objective of strengthening the Co-operative movement in the State. For providing timely and adequate credit to farmers for financing their agricultural activities and administering the Crop Insurance Scheme to provide relief to farmers in the event of crop failure, two schemes viz.; 'interest subvention for providing crop loans through Co-operative banks/ Primary Agriculture Co-operative Societies

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

(PACS)’ and ‘indemnity for crop insurance’ were implemented with assistance from Government of India (GoI).

In pursuance of the decision of GoI and Government of Odisha (GoO), the Odisha State Co-operative Bank (OSCB), District Central Co-operative Bank (DCCB) and PACS were to advance crop loans to the borrowers at seven per cent interest per annum irrespective of the cost of resources. As per GoO direction, crop loans were disbursed at five *per cent* interest per annum from Rabi 2008 onwards. GoI also provided interest incentive to those farmers who repaid their crop loan in due time. Performance audit revealed that OSCB did not adhere to the guidelines of GoO and claimed excess interest subvention of ₹ 263.55 crore and of this claims, GoO had already paid ₹ 226.27 crore. Due to non issue of ‘Annewari’ certificate by the District Collectors/Government after the natural calamities, farmers were deprived of relief available under the scheme.

Under crop insurance scheme, GoO adopted blocks or districts as units of insurance instead of Gram Panchayat (GP) in respect of all crops except paddy leading to inaccuracy in calculation of loss of crop yield. Extent of cropped areas was not considered while notifying the crops and districts for coverage under insurance. The notifications for implementation of the schemes for Khariff and Rabi seasons were issued much after the date of commencement of the seasons leading to low coverage of non loanee farmers. Since Crop Cutting Experiment (CCE) was less than the mandatory numbers, GoI declined to bear its share of claims resulting in extra financial burden on GoO. Delay in submission of yield data to Agricultural Insurance Company (AIC) coupled with non creation of Corpus Fund delayed the settlement of claims. Delay in submission of declaration of insurance proposals and misclassification of proposals by the nodal banks resulted in non-settlement of claims of the farmers. Claims which were released by AIC were credited to the farmers’ account with delay by PACS. Monitoring and internal control over the implementation of the schemes by the Department was not adequate. Though, evaluation studies conducted by GoI and GoO revealed deficiencies in implementation of the schemes, remedial action on the recommendations were not initiated till the date of audit.

(Paragraph 2.1)

1.5.2 Performance Audit of Selected Schemes of Animal Resources Development Sector

Performance Audit conducted for the period 2010-15 revealed that livestock rearing is one of the most important economic activities in rural areas of Odisha providing supplementary income for most of the families dependent on agriculture. Various schemes were implemented by the Department for providing, securing and facilitating effective and efficient services to become self-sufficient / surplus in milk, egg and meat by enhancing livestock productivity for sustainable livelihood. Instances were noticed where the Department was not taking adequate action to achieve the targets set in the

Perspective Plan (PP). As envisaged in the PP, New Livestock Aid Centres could not be provided to each Gram Panchayat by March 2015 and construction of a new Semen Station and an Embryo Transfer Technology (ETT) laboratory was not completed even by March 2015 although proposed to be completed by 2012-13. Also there was shortfall in production of fodder, certified seeds and distribution of mini kits for seasonal cultivation and perennial root slips for long term fodder production respectively. Due to capacity constraints in the cattle feed plant of OMFED only a part of requirement of calf feed could be supplied. Due to non-implementation of planned activities, actual production of milk in Odisha continues to be less than the target. Forty eight hatcheries set up during 2009-11 remained defunct (June 2015) indicating lack of seriousness of the department in operationalisation of the hatcheries.

Wide regional disparity was noticed in induction of calves for Calf Rearing Scheme. Concentrate feed mixture could not be supplied to beneficiaries under Goat Development Scheme. Under the scheme “Assistance to States for Control of Animal Diseases (ASCAD)” shortfall in production of vaccines were noticed. The funds meant for routine collection of serum/morbid materials for surveillance work for controlling exotic and emergent diseases remained unspent due to shortage of field functionaries. Target set for Mobile Veterinary Units (MVUs) remained unachieved. In the Rural Backyard Poultry Development Scheme differential cost was collected from beneficiaries in violation to GoI guidelines.

Budgetary and financial controls were ineffective as savings under plan head ranged from 25 - 43 *per cent* during 2010-15 indicating delay in achievement of objectives of various schemes. There were instances where Utilisation Certificates (UCs) were submitted without incurring actual expenditure. Besides other irregularities like drawal of scheme funds and parking in bank accounts, non-adjustment of advances to Departmental officers for years together were also noticed.

In case of Human Resources Management, shortage of personnel in various cadres was continuing for years together thereby adversely affecting the achievement of scheme objectives.

(Paragraph 2.2)

1.6 Significant Audit observations on Compliance Audit

1.6.1 Odisha State Agricultural Marketing Board

Master Plan for development of agricultural marketing as envisaged in the operational guidelines was not prepared. Funds available for creation of market infrastructures could not be utilised due to non preparation of feasibility study and delay in land acquisition. Some of the Krushak Bazaars set up under Chief Minister’s 12 point programme to facilitate direct marketing by farmers were not functional due to isolated locations. Market yards lacked core facilities and amenities such as boundary wall, weigh

bridge, auction platform, grading equipment, cooling chambers etc. There was wide gap between agricultural production and arrival of produce of main crops to the market yards. System of dissemination of market information through computer systems to upload market data / information relating to agricultural produce was not functional. Lack of planning hindered utilisation of funds leading to non creation of infrastructure in market yards. Funds for creation of market infrastructure received under TFC, RKVY and State Plan remained unutilised, resulting in farmers being deprived of the benefits from these schemes.

(Paragraph 3.1)

1.6.2 Short realisation of cost of compensatory afforestation

As per conditions of general approval, User Agency (UA) had to deposit cost of Compensatory Afforestation (CA) as per assessment of Divisional Forest Officer (DFO). Accordingly, DFO Malkangiri intimated (November 2013) the UA to pay the cost of CA of ₹ 19.79 lakh. However, UA deposited ₹ eight lakh (March 2014 and November 2014) towards CA which resulted in short realisation of ₹ 11.79 lakh till the date of audit (December 2014).

(Paragraph 3.2)

1.6.3 Non-levy of interest on belated payment of royalty

Odisha Forest Development Corporation (OFDC) Ltd. paid royalty of ₹ 2.81 crore for timber / poles involving 520 irregular lots during the period from 2012-13 to 2013-14 with delay ranging from two to 142 months. However, interest of ₹ 16.18 lakh payable by OFDC Ltd. towards delayed payment of dues, were not levied by DFOs till February 2015.

(Paragraph 3.3)

1.6.4 Non-disposal of timber

Timber and forest produce valued at ₹ 33.28 lakh which were seized under 1,087 undetected (UD) forest offence cases during 2010-11 to 2013-14 were lying undisposed (February 2015) due to lack of effective and timely action by the Departmental authorities such as Range Officers (ROs) and DFOs and resulted in blockage of revenue to that extent.

(Paragraph 3.4)

1.6.5 Non-realisation of interest on delayed payment of Net Present Value

The User Agencies (UAs) deposited NPV amount between May 2013 and April 2014 which was delayed by 1,046 to 1,380 days from the date of

demand. But interest of ₹ 8.96 crore at the prescribed rate of nine *per cent* per annum for delayed payment of NPV was neither demanded by DFO nor deposited by user agencies.

(Paragraph 3.5)

1.6.6 Construction of Check Dams

Formation of Pani Panchayat was not ensured before selection of site. Construction of check dams without shutters had defeated the very purpose of check dams. With delays in construction of Check Dams, lack of quality control measures and non monitoring of progress, intended objectives of conserving water at the end of monsoon could not be achieved as per guidelines.

(Paragraph 3.6)

1.6.7 Undue benefit to contractors

In respect of two works viz. Jambhira Earth Dam from Road Distance (RD) 2,830 m to 3,930 m and from RD 4,960 m to 6,060 m, cost of base stripping at ₹ 5.84 per cum and at ₹ 7.30 per cum for other two works viz. Haladia Earth Dam and Jambhira Earth Dam from RD 3,930 m to 4,440 m had been provided. The above unwarranted provision of cost of base stripping increased the estimated cost of above four works by ₹ 2.87 crore towards execution of 42.80 lakh cum of burrow earth. As the works were awarded at less tender premium, undue payment to contractors worked out to ₹ 2.14 crore and of this, a sum of ₹ 1.88 crore had already been passed on to the contractors towards execution of 37.96 lakh cum burrow earth.

(Paragraph 3.7)

1.6.8 Avoidable extra expenditure

Adoption of excess average lead of 1.5 km in analysis of rates and incorporation of additional two kilometre lead in bill of quantity inflated the estimates by ₹ 4.49 crore for transportation of 17.25 lakh cum of burrow earth. Considering tender premium, extra cost worked out to ₹ 3.34 crore out of which a sum of ₹ 2.43 crore had already been passed on to contractor for transportation of 12.77 lakh cum of burrow earth. Thus, provision of excess lead for transportation of burrow earth led to extra expenditure to Government and undue benefit to contractor.

(Paragraph 3.8)

1.6.9 *Avoidable extra cost*

Rejection of a technically qualified bid and subsequent award of the work to Odisha Construction Corporation Limited (OCC) led to the work being awarded at a higher cost.

(Paragraph 3.9)

1.6.10 *Extra cost due to non awarding of work to qualified lowest bidder*

Chief Construction Engineer (CCE) recommended (December 2011) to award the work to OCC on the ground of saving time from lingering tender process. However, after 16 months, the work was awarded to OCC in April 2013 at their offered rate of ₹ 59.90 crore. As of March 2014, the work was in progress with payment of ₹ 7.16 crore already made. Action of the Department for insisting on deposit of additional performance security of ₹ 5.82 crore instead of bank guarantee, non-allowing 30 days time to a qualified lowest bidder to execute agreement who had extended his bid validity twice for 180 days on request of EE was not in the financial interest of Government. Thus, awarding of work to OCC without any justification resulted in extra expenditure of ₹ 26.12 crore.

(Paragraph 3.10)

1.6.11 *Loss of Revenue*

Due to non-conduct of joint verification of ayacut, water tax of ₹ 43.88 lakh at the rate of ₹ 250 per hectare per annum for 1950 ha for nine years could not be realised from the beneficiaries.

(Paragraph 3.11)

1.6.12 *Extra cost on award of work to OCC*

The works were awarded to OCC at their offered price which was eight to 25 per cent excess over sanctioned estimates before revision of Schedule of Rates (SoR) especially when there were no exigencies or security reasons. Thus, works not urgent in nature awarded to OCC at their offered rates resulted in extra cost of ₹ 56.45 crore to department and non levy of liquidated damage (LD) of ₹ 10.79 crore for non completion of works within due date led to extension of undue benefit to OCC.

(Paragraph 3.12)

1.6.13 *Undue benefit to contractors*

According to prevalent SoR, admissible transportation cost for burrow earth within two km was ₹ 95.84 per cum whereas the divisions had adopted ₹ 124

per cum. Thus, adoption of the higher rate resulted in increase in estimated cost by ₹ 3.22 crore including tender premium as per agreement value.

(Paragraph 3.13)

1.6.14 *Assessment of Infrastructure in Government Engineering Colleges and Universities*

There was inadequate fund provision in the scheme to create required infrastructure in two Universities and seven Colleges despite increase in intake of students. Lack of laboratory and workshop facilities in these institutes deprived the students of required practical knowledge as per syllabus. Due to deficiency of infrastructure, approval of All India Council for Technical Education (AICTE) could not be obtained for the newly introduced courses. There was shortage of required faculties as per AICTE norms in all the Colleges and Universities. Lack of monitoring also resulted in delay in completion of infrastructure work.

(Paragraph 3.14)

1.6.15 *Arbitrary and non-transparent expenditure*

Failure of Odisha Industrial Infrastructure Development Corporation (IDCO) in drawing a definite policy resulted in irregular expenditure of ₹ 14.73 crore towards promotion of commercial interest of its own and others under the “Corporate Social Responsibility (CSR) activities” in a non transparent and arbitrary manner.

(Paragraph 3.15)

1.6.16 *Undue benefit to contractors*

The excess provision of lead between five and 28 km for different projects inflated the transportation cost between ₹ 36.50 to ₹ 224 per cum. For transportation of 7.99 lakh cum of construction materials (stone and chips), estimated cost of projects were increased by ₹ 7.81 crore. As of February 2015, 2.03 lakh cum of construction materials were transported for which undue benefit of ₹ 2.32 crore had already been extended to contractors.

(Paragraph 3.16)

1.6.17 *Non-recovery of Government dues from defaulting contractors*

The divisions had to realise a sum of ₹ 3.32 crore towards compensation for left over work, penalty for non execution of works and differential cost for under quoted rates against which, only a sum of ₹ 0.83 crore was available with divisions in the form of security deposit and withheld amounts.

(Paragraph 3.17)

1.6.18 *Avoidable Extra Expenditure*

The unwarranted provision of capping layers of sand along with variations in Granular Sub Base (GSB) resulted in avoidable extra expenditure of ₹ 7.02 crore.

(Paragraph 3.18)

1.6.19 *Avoidable extra cost*

While framing estimates, EEs provided excessive GSB of 13,644 cum for existing roads. The provision of excessive GSB inflated the estimate by ₹ 3.97 crore and without deduction of GSB in existing pavement; with tender premium avoidable extra cost works out to ₹ 2.70 crore.

(Paragraph 3.19)

1.6.20 *Avoidable extra expenditure due to unwarranted provision of overhead charges*

Irregular inclusion of Overhead Charges (OHC) at 10 *per cent* on cost of conveyance of stone and stone products along with cost of materials, labour and machineries in the estimates of seven road projects increased the cost by ₹ 5.58 crore.

(Paragraph 3.20)

1.6.21 *Avoidable extra expenditure*

Provision of 1.78 lakh cum of GSB as against actual requirement of 1.01 lakh GSB in the estimates of nine road works led to avoidable extra expenditure of ₹ 8.90 crore including tender premium.

(Paragraph 3.21)

1.6.22 *Response to Audit*

A review of IRs issued upto March 2015 pertaining to 17 departments showed that 13,570 paragraphs relating to 4,352 IRs were outstanding at the end of June 2015. Of these, 1,806 IRs containing 4,143 paragraphs are outstanding for more than 10 years. Even first reply from the Heads of Offices which was to be furnished within one month have not been received in respect of 652 IRs issued up to March 2015.

Serious irregularities noticed in audit are included in the Reports of the Comptroller and Auditor General that are presented to State Legislature. According to Finance Department instructions (December 1993), Administrative Departments are required to furnish explanatory notes on transaction paragraphs, reviews/ Performance Audits, etc. included in Audit

Reports within three months of their presentation to State Legislature. It was noticed that in respect of Audit Reports from year 1997-98 to 2012-13, six² out of 17 departments, which were commented upon, did not submit explanatory notes on paragraphs and reviews as of March 2015.

Out of 732 recommendations relating to Audit Report made by the PAC from first Report of 10th Assembly (1990-95) to 5th Report of 14th Assembly (2009-14), final action on 67 recommendations was awaited as on March 2015.

(Paragraph 3.22)

² Works, Water Resources, Agriculture, Fisheries and Animal Resources Development, Industries and Forest and Environment Departments.

Chapter II

Performance Audits

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Chapter II

Performance Audit

DEPARTMENT OF CO-OPERATION

2.1 *Performance Audit of Schemes of Co-operation Department*

Executive Summary

Co-operation Department in Odisha was created with the basic objective of strengthening the Co-operative movement in the State. For providing timely and adequate credit to farmers for financing their agricultural activities and administering the Crop Insurance Scheme to provide relief to farmers in the event of crop failure, two schemes viz.; ‘interest subvention for providing crop loans through Co-operative banks/ PACS’ and ‘indemnity for crop insurance’ were implemented with assistance from Government of India (GoI).

In pursuance of the decision of GoI and GoO, the Odisha State Co-operative Bank (OSCB), District Central Co-operative Bank (DCCB) and Primary Agriculture Co-operative Societies (PACS) were to advance crop loans to the borrowers at seven per cent interest per annum irrespective of the cost of resources. As per GoO direction, crop loans were disbursed at five per cent interest per annum from Rabi 2008 onwards. GoI also provided interest incentive to those farmers who repaid their crop loan in due time. Performance Audit revealed that OSCB did not adhere to the guidelines of GoO and claimed excess interest subvention of ₹ 263.55 crore and of this claims, GoO had already paid ₹ 226.27 crore. Due to non issue of ‘Annewari’ certificate by the District Collectors/ Government after the natural calamities, farmers were deprived of relief under the scheme.

Under crop insurance scheme, GoO adopted blocks or districts as units of insurance instead of Gram Panchayat (GP) in respect of all crops except paddy leading to inaccuracy in loss of crop yield. Extent of cropped areas was not considered while notifying the crops and districts for coverage under insurance. The notifications for implementation of the schemes for Khariff and Rabi seasons were issued much after the date of commencement of the seasons leading to low coverage of non-loanee farmers. Since Crop Cutting Experiment (CCE) was less than the mandatory numbers, GoI declined to bear its share of claims resulting in extra financial burden on GoO. Delay in submission of yield data to Agricultural Insurance Company (AIC) coupled with non creation of Corpus Fund delayed the settlement of claims. Delay in submission of declaration of insurance proposals and misclassification of proposals by the nodal banks resulted in non settlement of claims to the farmers. Claims which were released by the AIC were credited to the farmers’ account with delay by PACS. Monitoring and internal control over the implementation of the schemes by the Department was not adequate. Though, evaluation studies conducted by GoI and GoO revealed deficiencies in

implementation of the schemes, remedial action on the recommendations was not initiated till the date of audit.

2.1.1 Introduction

As per the Annual Activity Report of the Co-operation Department, Government of Odisha, the department functions with the objective of providing timely and adequate credit to farmers for financing their agricultural and allied activities, administering the Crop Insurance Scheme to provide relief to farmers in the event of crop failure, providing marketing support to farmers like infrastructure for storage of agricultural produce, imparting co-operative education etc. Out of 28 schemes being implemented, the following two schemes were audited.

- (a) Scheme for interest subsidy / subvention to Co-operative Banks / Primary Agricultural Co-operative Societies (PACS) for providing crop loans.
- (b) Subsidy indemnity for crop insurance.

2.1.2 Organisational setup

The Department of Co-operation under the administrative control of Principal Secretary to Government, implements various schemes including interest subsidy / subvention through Odisha State Co-operative Bank (OSCB). OSCB with its 14 Branches implement the scheme through 17 District Central Co-operative Banks (DCCBs) having 322 branches and 2,714 Primary Agricultural Co-operative Societies (PACS). The crop insurance scheme is implemented by Agriculture Insurance Company (AIC) through DCCBs being nodal banks at district level and through PACS at village level.

2.1.3 Audit Objective

- (a) Scheme for interest subsidy/subvention to Co-operative Banks/PACS for providing crop loan

The Performance Audit was conducted to assess whether:

- the planning process ensured adequate coverage of farmers and timely financing for Short Term Seasonal Agricultural Operation (STSAO) at subsidised interest rates;
- the scheme was implemented with economy, efficiency and effectiveness; and
- internal control system, monitoring and evaluation were adequate and effective.

- (b) Subsidy indemnity for Crop Insurance

The Performance Audit was conducted to assess whether:

- the planning process ensured provision of insurance cover to all notified crops;

- the implementation of the scheme was in accordance with guidelines and the farmers were benefited adequately;
- the sums insured were disbursed to the farmers in time in case of crop damage; and
- internal control, monitoring and evaluation were adequate and effective.

2.1.4 *Audit Criteria*

Respective audit criteria for the two schemes were as follows:

- (a) Schemes for interest subsidy / subvention to Co-operative Banks / PACS for providing crop loan.
- National Bank for Agriculture and Rural Development (NABARD)'s guidelines in respect of refinancing interest subsidy/subvention for providing loan for short term agricultural operation.
 - State Government's guidelines for provision of loan for agricultural operation at subsidised interest rates.
 - Orders / instructions of GoI / GoO for implementation of the schemes.
- (b) Subsidy indemnity for Crop Insurance
- Guidelines of Agricultural Insurance Company, GoI/ Department of Agriculture and Co-operation.
 - Minutes of meetings of State Level Coordination Committee on Crop Insurance (SLCCI).
 - Instructions/ Orders/ Notifications/ Resolutions issued by State level organisations for implementation of the schemes.

2.1.5 *Scope and Methodology*

Audit objectives, scopes, criteria and methodology of Performance Audit were discussed in Entry conference held on 17 April 2015 with Deputy Secretary to Government of Odisha, Co-operation Department. The Performance Audit was conducted from April to June 2015 covering the period 2009-14 and the records in the Co-operation Department, Office of the Registrar of Co-operative Societies (RCS), OSCB and four³ DCCBs selected under Stratified Random Sampling method were reviewed. At the village level, 30 PACS affiliated to selected DCCBs were also test checked. Besides, information on implementation of the schemes were also called for from AIC and NABARD.

Draft Performance Audit Report was issued (July 2015) to Government and findings were discussed in an exit conference in October 2015. Views of Government have been considered while finalising the report.

³ Balasore-Bhadrak, Keonjhar, Khordha and Sambalpur.

Audit Findings

2.1.6 Schemes for interest subsidy/ subvention to Co-operative Banks/ PACS for providing crop loan

In pursuance of GoI guidelines, GoO introduced an interest subvention scheme from 2006-07 with a view to ensure the availability of short term crop loans up to ₹ three lakh to farmers at a reduced rate of seven *per cent* per annum. As per State Government direction, crop loans have been disbursed by Short Term Co-operative Credit Structure (STCCS) in the State at five *per cent* interest from Rabi 2008-09 onwards.

Scheme guidelines stipulate that GoI will provide interest subvention at the rate of two per cent per annum to Co-operative Banks on involvement of their own funds (excluding NABARD refinance). For implementation of the scheme, GoI/ NABARD assured refinancing at four per cent to OSCB up to 2011-12 and thereafter at 4.5 *per cent* per annum to the extent of 55 *per cent* of grass root level credit disbursements by PACS. To encourage farmers to repay the loans promptly, GoI have provided one *per cent* interest incentive for loans sanctioned during 2009-10, two *per cent* for 2010-11 and three *per cent* from 2011-12 onwards.

STCCS are advised to ensure that all crop loans against which interest subvention are being claimed should satisfy, inter alia, the criteria i) the borrower should be an agriculturist, ii) the rate of interest charged should not exceed the rate stipulated by the GoI and iii) the amount of loan is fixed according to the prescribed scale of finance for agricultural loans and the loan is used for the stated purpose. For providing timely and adequate credit to the farmers for financing their agriculture and allied activities, a three tier STCCS⁴ has been in operation in the state.

2.1.6.1 Target, achievement of crop loan and coverage of farmers by STCCS

GoO fixed an annual target for disbursement of crop loans to farmers through STCCS. Disbursement of crop loans and coverage of farmers during 2009-14 are given below.

Table No.2.1 Year wise target and achievement

Year	Target for disbursement of crop loan		Achievement in disbursement of crop loan		Percentage of achievement		Total no. of farmers enrolled (in lakh)	Percentage of loanee farmers
	No. of farmers (in lakh)	Amount (₹ in crore)	No. of farmers (in lakh)	Amount (₹ in crore)	Farmers	Amount of loan		
2009-10	NA	2652	18.32	2682.17	0.00	101	47.32	38.71
2010-11	NA	3000	20.35	3396.39	0.00	112	49.19	41.37
2011-12	27.35	4000	23.45	4415.89	85.76	110	49.08	47.77
2012-13	27.50	5150	25.07	5426.49	91.15	105	52.40	47.84
2013-14	35.00	7000	28.77	7096.64	82.20	101	53.70	53.57
Total		21802		23017.58				

(Source: Information furnished by GoO)

⁴ The three tiers of STCCS are as PACS at village level, DCCBs with its branches at middle tier and OSCB at apex level.

It may be seen from the above table that during 2009-14, while the targets for disbursement of crop loans were fully achieved, the coverage of farmers ranged between 82 and 91 *per cent* of the target during 2011-14. As a percentage of the total number of farmers enrolled, the coverage was ranging from 38 to 54 *per cent* during 2009-10 to 2013-14 and was increasing year after year.

2.1.6.2 Share of crop loan disbursement in the State

Crop loans were given not only by STCCS but also by Commercial Banks (CB) and Regional Rural Banks (RRB) in the State. Details of crop loans extended by STCCS vis-à-vis CB and RRB are given below.

Table No.2.2 Share of crop loans by STCCS, CB and RRB

(₹ in crore)

Year	Total crop loan disbursed	Disbursed by STCCS		Disbursed by CB and RRB	
		Amount	Market share (per cent)	Amount	Market share (per cent)
2009-10	4115.00	2682.17	65	1432.83	35
2010-11	5273.52	3396.39	64	1877.52	36
2011-12	6686.20	4415.89	66	2270.31	34
2012-13	8602.16	5426.49	63	3175.67	37
2013-14	10200.50	7096.64	70	3103.86	30
Total	34877.38	23017.58	66	11860.19	34

(Source: Information furnished by OSCB)

As may be seen from the table above, out of the total crop loan disbursed in the State during 2009-14, two-thirds was disbursed by STCCS mainly because of presence of PACS in rural areas and the balance was shared by CBs and RRBs.

2.1.6.3 Kissan Credit Card

With a view to simplifying the procedure of granting loans, the OSCB had introduced (1998-99) Kissan Credit Card (KCC) Scheme in the State through DCCBs and the PACS. The prime objective of KCC scheme is to ensure timeliness and adequacy in credit delivery at the ground level. The credit management of farmers is left to their own wisdom and they are free to draw the credit at their own discretion at the time of need.

- **Shortfall in issue of KCC**

GoO/OSCB had fixed target for issuing KCC to the farmers for availing loan without any hindrance. As on 1 April 2009, KCC were issued to 24.41 lakh farmers out of 47.32 lakh total farmer members. The status of KCC during the period 2009-14 is given below.

Table No.2.3 Status of Kissan Credit Cards as on 31 March 2014

(₹ in lakh)

Sl. No.	Year	Farmers eligible for KCC	Target for issuing KCC (Percentage)	Achievement (Percentage)
1	2009-10	22.91	3.00 (13)	3.69 (123)
2	2010-11	21.09	3.00 (14)	3.32 (111)
3	2011-12	17.66	7.00 (40)	7.21 (103)
4	2012-13	13.77	5.00 (36)	2.10 (42)
5	2013-14	12.97	5.00 (39)	2.11 (42)

(Source: As per information furnished by OSCB)

As may be seen from the table, though the scheme inter alia envisaged ensuring adequacy in credit delivery, the GoO / OSCB had fixed target ranging between 13 and 40 *per cent* of the farmers eligible for KCC. Even after fixation of target on the lower side, actual achievement during 2012-13 and 2013-14 was 42 *per cent* of the target in both the years. However, KCC issued during 2009-10 to 2011-12 was more than the targets.

- ***Sanction of crop loans without proper check on land details***

As per KCC guidelines, the members of PACS should produce the land records to the Secretary of the PACS who should record the details of the land in the register and take the signature of the member. However, it was noticed that the signature of the member or the Secretary or both were not found on the land register. Though there was a provision that the authorized official of the Revenue Department would verify the correctness of the land details in the land register and would put his signature, the same was not done. As a result, the genuineness of the land details recorded in the land register was not verified and crop loans were sanctioned in deviation to the scheme guidelines.

Government stated (September 2015) that the observation of Audit would be examined and action would be taken accordingly.

2.1.6.4 Claim and receipt of interest subvention

As per the guidelines for submission of interest subvention claims, PACS are required to prepare a statement showing borrower-wise sum total of product of crop loan issued during the year and OSCB in turn will submit the claim to NABARD and GoO together with sum total of product of its borrowing from NABARD refinances. The product figure will be worked out from the date of disbursement up to the date of repayment or up to due date fixed by the bank whichever is earlier subject to a maximum period of one year. The banks may submit their claim on half yearly or on annual basis.

OSCB at the apex level of STCCS after advancing of crop loans to farmers prefer interest subvention claims to GoI/NABARD and GoO. Details regarding crop loans provided, subvention claims made and actual receipt of subvention during 2009-14 are given below.

Table No.2.4 Crop loans provided and interest subvention claimed
(₹ in crore)

Year	Grassroots level credit	Interest subvention released by GoI (NABARD) [excess(-) /less (+)]			Subvention released by GoO [excess (-)/ less (+)]			GOI & GoO
		Claimed	Received	Balance	Claimed	Received	Balance	
Opening balance							-0.13	-0.13
2009-10	2682.17	11.49	1.91	9.58	68.13	69.13	-1.00	8.58
2010-11	3396.39	17.00	15.23	1.77	139.71	87.91	51.80	53.57
2011-12	4415.89	34.33	31.69	2.64	218.79	219.71	-0.92	1.72
2012-13	5426.49	40.19	47.76	-7.57	232.24	232.24	0	-7.57
2013-14	7096.64	51.65	0	51.65	285.40	285.40	0	51.65
Total	23017.58	154.66	96.59	58.07	944.27	894.39	49.75	107.82

(Source: Information furnished by OSCB)

- It can be noticed from the above table that interest subvention of ₹ 58.07 crore was due to be received from GoI/NABARD. Review of correspondence between OSCB and NABARD did not reveal reasons for less release of subvention. Managing Director, OSCB stated that NABARD took longer time to release interest subvention claims.
- A sum of ₹ 49.75 crore was due to be received (June 2015) from GoO towards interest subvention. Reasons for nonpayment of subvention claim by GoO were not forthcoming from records. The MD, OSCB stated that GoO took longer time to release interest subvention claims. With respect to dues from GoO, the Department stated that ₹ 49.75 crore pertained to past periods up to March 2012 but the Finance Department (FD) did not consider the claim.

2.1.6.5 Refinance from NABARD

As per the refinance policy, NABARD would sanction separate sub-limits for cultivation of Other Crops (OC), Oilseeds Production Programme (OPP), National Pulses Development Programme (NPDP) and Development of Tribal Population (DTP). The details of sector wise limits sanctioned by NABARD and actual refinance (credit limit) availed by OSCB during 2009-14 are as detailed below.

Table No.2.5 Credit limit sanctioned and availed

(₹ in crore)

Sl. No.	Year	Credit limit sanctioned by NABARD				Actual Finance/Credit limit availed			
		OC	DTP	OPP	Total	OC	DTP	OPP	Total
1	2009-10	1003.60	225.00	21.40	1250.00	1003.60	225.00	21.40	1250.00
2	2010-11	1270.00	282.50	22.50	1575.00	1270.00	282.50	22.50	1575.00
3	2011-12	1601.95	391.50	20.00	2013.45	1601.95	391.50	20.00	2013.45
4	2012-13	2184.78	485.00	21.50	2691.28	2184.78	485.00	21.50	2691.28
5	2013-14	3090.00	700.00	35.00	3825.00	3108.00	691.00	26.00	3825.00
		9150.33	2084.00	120.40	11354.73	9168.33	2075.00	111.40	11354.73

(Source: Information furnished by OSCB)

It may be noticed from the above table that, during the period 2013-14, OSCB diverted ₹ 18.00 crore from two sectors (₹ 9.00 crore - OPP and ₹ 9.00 crore - DTP) to OC sector.

In reply, Government stated (September 2015) that since the farmers did not avail loans against the credit limit sanctioned in their favour under OPP and DTP, OSCB had to request NABARD for re-appropriation to OC sector to avail the full refinance. However, no such approval for re-appropriation of funds by NABARD was made available to audit.

2.1.6.6 Claims and receipts of subvention from GoO

Cost of resources of banks comprises cost of deposits, transaction cost and risk cost. Since crop loans were disbursed from their own resources at interest rate which was less than the cost of resources of banks, GoO compensated the loss to STCCS. Details of procedure adopted by OSCB to determine the interest

subvention due from GoO, discrepancies noticed and actual receipt of interest subvention during 2009-14 are discussed below.

- ***Excess claim of Interest subvention of ₹ 151.19 crore for 2010-11 and 2011-12 due to non adjustment of interest charged to farmers***

The committee constituted by GoO to arrive at quantum of interest subvention to be admitted for providing crop loans, recommended (January 2010) that cost of credit should be calculated as per formula provided by NABARD. The above formula stipulates that for calculation of rate of interest subvention claims, interest charged to farmers should be deducted from the actual cost of lending.

Scrutiny of records revealed that for the years 2010-11 and 2011-12, interest rates adopted for subvention claims to GoO were based on total cost of funds and were not adjusted against interest received from farmers at five per cent per annum on crop loans disbursed. Interest rates charged to farmers on crop loan were to be deducted from the cost of funds of OSCB and DCCBs for claiming interest subvention to GoO. Further, as compared to the claim of 2009-10, OSCB and DCCBs did not adopt the same procedure for 2010-12 and claimed interest subvention without deducting the interest received. Details regarding subvention due and actual claims made for the above two years from farmers are as detailed in ***Appendix – 2.1.1***.

Thus, non deduction of interest collected from farmers on crop loans from the cost of funds for claiming of interest subvention from GoO resulted in excess claim of ₹ 151.19 crore out of which ₹ 113.91 crore had already been received by STCCS (June 2015).

Government stated (October 2015) that OSCB would apprise the Audit with all relevant working details separately. However, working details of claims were not produced to audit for verification.

- ***Excess claim of interest subvention of ₹112.36 crore for 2012-13 and 2013-14 due to reckoning of loaning period beyond the due dates***

A committee constituted by the Department under chairmanship of Registrar of Co-operative Society (RCS) prepared (January 2010) guidelines on payment of subvention to STCCS. Regarding modalities of providing interest subvention, it was stipulated that the subvention was to be calculated on the basis of products of crop loans taking into account the date of advance, date of recovery or the due date of loans whichever was earlier. The due dates of repayment for Khariff and Rabi crop loans are 31 March and 30 June respectively.

Scrutiny of records revealed that during 2012-13 and 2013-14, interest subvention of ₹ 112.36 crore was claimed by OSCB in excess of actual dues for the period beyond March and June for Khariff and Rabi season loans respectively as detailed in ***Appendix – 2.1.2***. GoO had also released the above claims to STCCS without ensuring the actual claims due as per the scheme guidelines which resulted in undue benefit to the STCCS.

GoO stated (October 2015) that since OSCB had to keep funds with DCCBs for period of one year to maintain the credit cycle, the procedure for calculation had been changed and assured to furnish the revised orders to Audit. However, copy of the revised orders of GoO could not be furnished to Audit during the field audit.

2.1.6.7 *Irrational distribution of GoI/NABARD subvention between OSCB and DCCBs*

As per refinance policy, NABARD had agreed to share up to 55 *per cent* of ground level credit (GLC) and the balance credit was to be financed from own funds by OSCB and DCCBs in ratio of 25 *per cent* and 20 *per cent* respectively. Scrutiny of records revealed that GoI/ NABARD released interest subvention of ₹ 96.58 crore to OSCB for the period 2009-14 as STCCS involved their own funds. The subvention was at two *per cent* for 2009-10, 1.5 *per cent* for 2010-11 and two *per cent* from 2011-12 onwards. Although DCCBs had financed ₹ 8487.61 crore ranging from 35 - 39 *per cent* of GLC out of its own fund, OSCB, however, released only an amount of ₹ 52.40 crore towards interest subvention. On the contrary, though OSCB financed only ₹ 3175.24 crore ranging from 10 - 16 *per cent* which was less than the prescribed share of 25 *per cent*, it retained excess subvention of ₹ 15.95 crore which should have been paid to DCCBs as detailed in *Appendix - 2.1.3*.

Government stated (October 2015) that there should be a fair mechanism in distribution of subvention between OSCB and DCCBs. However, the OSCB though financed less than the DCCBs, retained excess subvention of ₹ 15.95 crore.

2.1.6.8 *Non-conversion of Short Term Crop loans into Medium Term loans as per NABARD norms*

As per the NABARD guidelines, in the event of a natural calamity, the State Government would declare ‘Annewari’ based on scientific assessment of crop yields in the affected areas. However, where such declaration has not been made, banks should not delay in providing conversion facilities.

The State Government would issue ‘Annewari’ certificate in prescribed format and also declare remission/suspension of land revenue and other dues to the Government from the affected farmers, so that the banks could consider extending relief to the affected farmers by way of conversion / rephasing / rescheduling of loans.

The amount of interest due from Small Farmers/ Marginal Farmers in respect of loans eligible for conversion / rephasing / rescheduling could be deferred for one year. The amounts not collected during the year of occurrence of the calamity could be converted into term loans for a period upto three to five years.

- ***Non extension of relief after cyclone and unseasonal heavy rain in December 2010***

Due to cyclone and unseasonal heavy rain in December 2010, GoO declared details of 18,882 villages in 24 districts where Khariff-2010 crops were damaged after one year in March 2012. It was noticed that on the basis of expected “annewari”⁵ declaration by District Collectors (DCs), short term crop loans amounting to ₹ 1,000.42 crores disbursed to 6,08,274 farmers were eligible for conversion into Medium Term Crop (MTC) loan. GoO also agreed in principle to provide guarantee to the tune of ₹ 600 crore and interest free loan of ₹ 150 crore to OSCB to be recovered in three years for the above conversion purpose. Interest subvention of ₹ 52.52 crore was also provided in supplementary budgets of 2011-12. It was however seen that due to non declaration in annewari scheme by DCs, farmers had already repaid their Crop loans and the proposal of conversion Short Term Crop (STC) loan into MTC loan was not acted upon. As a result, farmers were deprived of relief available under the scheme of NABARD.

- ***Farmers were deprived of relief after severe cyclone in October 2013***

Similarly, in October 2013, due to severe cyclonic storm “Phailin” and subsequent flood, there was severe damage and crop loss in 18 districts of Odisha. At the instance of GoO, a meeting of State Level Bankers Committee was held on 28 October 2013 and it was decided for conversion of STC loan into MTC loan. Further, GoO intimated (June 2014) that Collectors of 18 districts would issue village-wise and crop-wise certificate regarding extent of damage to crops. It was, however, noticed from records of OSCB that crop damage report namely “annewari” declaration had not been received except from Balasore district. As a result, farmers were deprived of relief assured by the GoO for conversion of STC loan of ₹ 1291 crore in to MTC loan as per NABARD norms.

Government assured (October 2015) that cooperation and coordination of other departments would be ensured.

2.1.6.9 Delay in release of incentive funds by OSCB & DCCBs

As per scheme guidelines, PACS/ DCCBs provide interest incentive to farmers who repay crop loans on or before due dates. After crediting interest incentive, they should make consolidated claims, after due certification by Statutory Auditors. Review of records revealed the following:

- ***OSCB's delayed release of incentives to DCCBs***

OSCB received interest incentive of ₹ 8.71 crore from GoI payable to farmers for prompt repayment of 2009-10 crop loans on 09 September 2011; however, OSCB released the amount to DCCBs only on 31 March 2013 for passing on

⁵ Annewari' is based on scientific assessment of crop yields in the affected areas by natural calamities through the prescribed number of crop cutting experiments and wherever the 'Annewari' so declared is less than six annas (i.e. the yield is less than 50 per cent of the average yield in a normal year).

to PACS. Reasons for inordinate delay of over one and half year were not on record.

• ***DCCB's delayed release of incentive to PACS***

For the year 2009-10, Balasore DCCB received interest incentive of ₹ 1.93 crore from OSCB on 31 March 2013 payable for prompt repayment of crop loan by farmers. Of the above amount, only an amount of ₹ 1.73 crore was released (August / September 2013) to PACS. It was observed that PACS received the incentive amount only after 5 months of giving credit to farmers. Reasons for short release of ₹ 20 lakh were not on record.

Bargarh DCCB received ₹ 18.86 crore as incentive for 2009-10, 2011-12 and 2012-13 payable to affiliated PACS. It was noticed that the above amounts were released to PACS with delay ranging from one month to one year.

Accepting the facts Government stated (September 2015) that short and late release of interest incentive are being investigated.

2.1.7 Subsidy indemnity for crop insurance

2.1.7.1 Indemnity of subsidy for crop insurance

GoI introduced National Agricultural Insurance Scheme (NAIS) from Rabi 1999 and Modified National Agricultural Insurance Scheme (MNAIS) from Rabi 2010. Weather Based Crop Insurance Scheme (WBCIS) was introduced during Khariff-2009 and implemented upto Khariff - 2012.

The objective of the schemes is to arrange insurance coverage and provide financial support to farmers in the event of failure of notified crops as a result of natural calamities, pests and diseases. The scheme operates on the basis of area approach for each notified crop.

Details regarding insurance premia received and corresponding claims paid under both the schemes during the period 2009-14 are given below:

Table No.2.6 Insurance premia received and claims paid (₹ in lakh)

Year	Season	NAIS			MNAIS		
		Premium received	Claims paid	Extent of claim to premium (In per cent)	Premium received	Claims paid	Extent of claim to premium (In per cent)
2009-10	Khariff	3969.61	4690.04	118	-	-	-
	Rabi	465.03	649.88	140	-	-	-
2010-11	Khariff	4707.15	13750.82	292	-	-	-
	Rabi	150.04	74.47	53	426.41	401.03	94
2011-12	Khariff	7442.18	68877.37	925	-	-	-
	Rabi	424.29	99.12	23	0.86	0.64	74
2012-13	Khariff	7955.15	6114.13	77	-	-	-
	Rabi	574.73	543.88	95	0.20	-	-
2013-14	Khariff	8557.22	39741.67	464	611.67	6094.24	996
	Rabi	-	-	-	92.47	13.90	15
Total		34245.40	134546.31		1131.61	6509.81	

(Source: Information furnished by AIC)

- Under NAIS, while claims paid for loss of crops ranged from 77 to 925 *per cent* of premium received in respect of Khariff seasons during the period from 2009-10 to 2013-14, it ranged from 23 to 140 *per cent* for Rabi season.
- Similarly, under MNAIS, claims paid ranged from 15 to 94 *per cent* for Rabi season from 2010-11 to 2013-14 and 996 *per cent* in Khariff season of 2013.
- During Khariff - 2011 and 2013, the farming community of the State was adversely affected by heavy flood and cyclone respectively. However, due to crop insurance scheme, the crop losses of the affected farmers were compensated with insurance claim upto 925 and 996 *per cent* of the insurance premium paid by them in Khariff - 2011 and 2013 respectively.

2.1.7.2 Adoption of defined area/insurable units

NAIS guidelines stipulated (July 1999) that the scheme would operate on unit area approach for each notified crop. The operational modalities of the scheme envisaged that the States should notify smallest possible units as defined areas preferably village or Gram Panchayat within three years. This would facilitate assessment of crop loss accurately. In this regard, following observations are made:

- Government did not adopt GP/village as defined unit till 2009-10. Only in respect of paddy, Government adopted GP as defined units from Rabi 2010 onwards. In absence of GP level data for crop loss upto 2009-10, accuracy of compensation paid to farmers could not be ascertained by audit.
- In respect of groundnut, maize and other crops etc. districts or cluster of districts or blocks were continued as units of insurance. As a result crop losses were not determined accurately and compensation to farmers was not based on proper assessment.

In reply Government stated (May 2015) that State Government was exploring possibility of making GP as the unit of crop insurance under NAIS constantly in respect of crops other than paddy and it required additional manpower and resource generation at their level.

2.1.7.3 Notification of crops in disregard of cropped area

- ***Non-coverage of widely cultivated crops***

As per NAIS guidelines, State Level Coordination Committee on Crop Insurance (SLCCCI) shall for the purpose of notification consider facts such as availability of past yield data, cropped area etc. It was noticed that certain crops such as pulses (greengram, blackgram and kulthi), oil seeds (sesamum), fibre (mesta), vegetable (onion) and spices (chilli) cultivated over larger areas were not notified whereas crops viz; arhar, nizer groundnut, mustard, jute,

cotton and potato being cultivated in relatively smaller areas with insurance coverage area comprising 20 to 31 *per cent* of total cultivated area were notified as detailed in *Appendix – 2.1.4*. The non consideration of the extent of cropped area for notification of crops resulted in non provision of insurance coverage for widely cultivated crops.

- ***Injudicious selection of districts for insurance coverage***

Scrutiny of records revealed that GoO issued (2009-14) notifications for insurance coverage in respect of certain crops in districts where cultivation of those crops was done on lesser extent of land. However, cultivation of said crops in larger areas of other districts, were not included in the notified list of GoO which deprived farmers of these districts to avail insurance as detailed in *Appendix - 2.1.5*. Reasons were not on record for non notification of the districts where higher extent of areas was under cultivation with same crops. It was also observed that though there were crop losses in Rayagada during Khariff season (groundnut) of 2011-12 and in Kendrapara during Rabi season (mustard) of 2010-11, the farmers could not avail the insurance due to non notification.

Government assured (October 2015) that Agriculture Department and SLTC/SLCCI would be requested to avoid delay in issue of notification for crop insurance and also for inclusion of crops cultivated in larger areas but not yet covered.

2.1.7.4 Non coverage of sugarcane under crop insurance

Scheme guidelines stipulated that sugarcane is to be covered under agricultural insurance. Scrutiny of records revealed that during the period 2009-14 sugarcane was cultivated in 1.93 lakh hectare of land in the State. The STCCS also provided crop loan of ₹1752.62 crore to the farmers for cultivation of sugarcane. Since, GoO did not notify the sugarcane for crop insurance during the above period, crop loan provided for cultivation of sugarcane in the State remained uninsured.

Government stated (October 2015) that DGM/AIC had been requested to ascertain the position in other States for implementation in Odisha.

2.1.7.5 Inordinate delay in issue of notification of crops and defined areas

The operational modalities of NAIS stipulated that State Government at the beginning of each crop season shall notify crops and also defined areas which will be covered during the season in accordance with decision taken at SLCCCI meeting. It was noticed that GoI's administrative approval for continuance of insurance scheme had been received before commencement of each season during 2009-10 to 2013-14 but there were delays in the convening of SLCCCI meeting. The delay in convening of meeting ranged from 29 to 83 days after commencement of season. As a result, the issue of notifications by the GoO was also delayed. The delay ranged from 54 to 92 days as detailed in

Appendix – 2.1.6. As a result, participation of non-loanee farmers in the scheme, which was optional, declined each year except 2011-12.

Accepting the factual position Government stated (October 2015) that they would avoid delays in issue of notification after receipt of GoI approval, to enable farmers to avail crop insurance.

2.1.7.6 Less coverage of non-loanee farmers

The coverage of loanee and non-loanee farmers under crop insurance schemes is as under:

Table No.2.7 Coverage of loanee and non-loanee farmers

<i>Years</i>	<i>Loanee farmers (Nos.)</i>	<i>Non-loanee farmers (Nos.)</i>	<i>Total</i>	<i>Percentage of non-loanee farmers to total farmers covered</i>
2009-10	1245054	39734	1284788	3.09
2010-11	1244271	13283	1257554	1.06
2011-12	1451507	188539	1640046	11.50
2012-13	1562124	13823	1575947	0.88
2013-14	1656972	11227	1668199	0.67

(Source: Information furnished by AIC)

As the Scheme is optional to non-loanee farmers, the scheme guidelines stipulated that the State Government should ensure maximum coverage of farmers including non-loanees. The data in the above table depicts that coverage of non-loanee farmers ranged between 0.67 and 11.50 *per cent* to the total number of farmers covered under the scheme. The reason for low coverage of non-loanee farmers was mainly due to delay in issue of notifications by GoO and insufficient time provided to the financial institutions.

2.1.7.7 Extra financial burden of ₹ 2.79 crore on GoO

As per NAIS guidelines, the State Government is to plan and conduct requisite number of CCEs for all noted crops in notified insurance units to assess crop yield. The State Government has to furnish the yield data to AIC in accordance with the cut off dates fixed for all crops. The total CCEs should not be less than the minimum of four prescribed by GoI.

Scrutiny of records revealed that during Rabi 2010 and Khariff - 2011 crop season, out of insurance claims of ₹ 689.57 crore, AIC had borne its share of ₹ 110.38 crore. The rest of the claims were to be borne equally by GoI and GoO for ₹ 289.62 crore each. However, against ₹ 289.62 crore, GoI paid only ₹ 286.83 crore and rejected the balance claim of ₹ 2.79 crore since actual CCEs were less than the mandatory number of four CCEs. As a result, GoO had to pay a sum of ₹ 2.79 crore being a portion of GoI share which was an extra burden on GoO.

In reply, GoO stated (September 2015) that the matter was placed before Committee for settlement of additional claims due to problems/ errors/

omissions under NAIS and it was decided to call for explanations and fix responsibility on officials concerned.

2.1.7.8 Delay in settlement of claims

Scheme guidelines provide for financial support to the farmers in the event of failure of any notified crop as a result of natural calamities, pest and diseases. As per information furnished by AIC, settlement of insurance claims amounting to ₹ 1170.29 crore were settled with delay ranging from 45 to 252 days for various reasons like delays in receipt of yield data, delays in release of funds by GoO and GoI as detailed in **Appendix – 2.1.7**. Due to delay in settlement of claims, the farmers were deprived of timely compensation for crop loss.

Government stated (September 2015) that timely payment of compensation under crop insurance is dependent on expeditious assessment of yield data and availability of required funds. Assessment of yield data is delayed due to manpower problems. Funds are delayed due to limited budget provisions to meet the unpredictable / widespread crop loss in case of natural calamities. The reply is not acceptable as the State Government failed to plan and conduct requisite yield estimation for all notified crops in the notified insurance units as per the provisions of the scheme guidelines.

2.1.7.9 Non-creation of Corpus Fund

NAIS guidelines (July 1999) stipulate that in order to meet catastrophic losses, a corpus fund shall be created with contribution from the GoI and GoO on 50:50 basis. A portion of Calamity Relief Fund shall be used for contribution to the corpus fund. The corpus fund shall be managed by the Implementing Agency i.e. AIC. It is observed that though the scheme has been in operation since 1999-00, the GoO has not taken initiative for creation of corpus fund, despite the fact that the State faced catastrophic situations like major floods in 2011 and cyclone ‘Phaillin’ in 2013. Delay in settlement of claims for want of funds as discussed in **para 2.1.7.8** could have been avoided had the corpus fund been created.

In reply, Government stated (May 2015) that though matter regarding creation of Corpus fund was discussed at national level, it had not materialised. However, the views of audit in this regard would be placed before the SLCCCI.

2.1.7.10 Non settlement of claims due to lapses by Nodal Banks

SLCCCI being the apex coordinating body have representatives from financial institutions viz: NABARD, RBI, State apex Co-operative Bank and State Level Bankers Committee. The above representatives are party to the decisions of SLCCCI and the guidelines of insurance schemes are applicable to the above financial institutions. NAIS guidelines stipulated that in case a farmer is deprived of any benefit under the Scheme due to errors / omissions / commissions of the Nodal Bank / Branch / PACS, the concerned institutions only shall make good all such losses. Scrutiny of records revealed the

following cases of errors and omissions for which nodal banks were responsible.

- As per NAIS guidelines, non-loanee farmer desiring to join the insurance scheme has to fill up a proposal form of the scheme and submit the same to the village branch of a CBs or RRBs/PACS with requisite insurance charges/premium amount. The above financial institutions have to verify the particulars of sum insured and its limit, applicable insurance charges and forward the same to the AIC. During Khariff 2011 season, both NAIS and WBCIS were open to the non-loanee farmers. It was noticed that 1,366 non-loanee farmers of Titilagarh in Balangir district submitted proposals for insurance under NAIS. Indian Overseas Bank, Punjab National Bank and Utkal Gramya Bank erroneously categorised the proposals under WBCIS and sent them to AIC. The farmers incurred crop losses and were eligible for compensation under NAIS. Since their proposals had been sent under WBCIS, they were found to be ineligible for indemnity under WBCIS and hence no compensation was paid. When the farmers agitated (November 2012) GoO set up a committee to inquire into the issue. As per the inquiry report the above banks were found at fault and GoO ordered (February 2013) them to make good the losses to the farmers from their own resources. However, the compensation amount was yet to be paid.
- Similarly, 414 non-loanee farmers of Mundapadar GP of Balangir district submitted (July 2011) insurance proposals for Khariff-2011 along with premium in Utkal Gramya Bank (UGB), for coverage under NAIS. The cut-off date for submission of declaration to AIC was 31 August 2011. The nodal bank submitted the declarations to AIC after the cut-off date only in October 2011. Due to delay in submission by nodal bank, the AIC did not accept the declarations. As a result the farmers were deprived of compensation of ₹ 66.93 lakh for crop loss. Under these circumstances, GoO ordered (February 2013) that the UGB should compensate the farmers for their loss of crop from its own resources. The UGB was yet (June 2015) to make payment to farmers.
- The insurance premium for Khariff-2011 received from 68 loanee farmers of three GPs of Kalahandi district was erroneously included with premium pertaining to non-loanee farmers and sent it to AIC without corresponding declarations. When insurance claims in respect of above stated loanee farmers were not received, the bank submitted the declaration to AIC after expiry of one year from cut-off date. A committee under Co-operation Department reviewed the case and required the bank to pay the compensation on the basis of calculation made by AIC. The AIC calculated the claim for ₹ 15.69 lakh which was not been paid to the farmers by the bank (May 2015).
- Insurance proposals of 605 non-loanee farmers in respect of Bhela GP and 28 other GPs were submitted (July 2011) to SBI, Komna branch. The SBI, Komna erroneously prepared declaration of the above proposals only under Bhela GP instead of under 29 GPs. There was no

crop loss in Bhela GP whereas crop losses were reported from 11 GPs from where 217 farmers had submitted proposals. Since all the proposals were clubbed under Bhela GP where no crop losses were reported, AIC did not honour the claims for crop losses amounting to ₹ 8.47 lakh to the above 217 farmers. The claims were yet (May 2015) to be settled.

- Balasore - Bhadrak CCB while submitting the declarations for crop insurance under MNAIS for Khariff - 2013 season in respect of 627 loanee farmers of two GPs (Rasulpur-335 farmers and Rasulpur - 292 farmers) erroneously mentioned the name of GP as Rasulpur in both the declarations. As per yield data, the crop loss in Rasulpur GP was 26.32 *per cent* and in Rasulpur it was 99 *per cent*. As the declarations for both the GPs were submitted by the CCB in the name of Rasulpur GP, AIC released the claim of all the 627 farmers basing on the crop loss percentage of Rasulpur GP. Despite crop loss of 99 *per cent*, the farmers of Rasulpur GP got the claim at lesser rate i.e 26.32 *per cent*. Thus, due to negligence of the CCB, 292 loanee farmers of Rasulpur GP were deprived of their legitimate insurance claim based on actual crop loss.

In all the above cases the farmers were deprived of the compensation for their crop loss due to faults of the nodal banks. In cases mentioned above (1st and 2nd bullet), despite instructions of GoO (February 2013), the nodal banks did not make good the losses of the affected farmers, whereas in other three cases GoO has not issued (as of May 2015) any instruction to the nodal banks to make good the loss of the farmers. Further, the GoO had neither raised the issue in the SLCCCI nor taken any follow-up action.

Government stated (September 2015) that the Commissioner-cum-Secretary reviewed the grievances of the farmers and directed the defaulting banks to compensate the farmers as per the claims to be calculated by the AIC of India as per NAIS. The AIC was also requested (15 September 2015) to furnish the present status on the grievances of farmers.

2.1.7.11 Non allowance of subsidy on premium to farmers

As per NAIS guidelines and administrative approval of GoI, SLCCCI allowed periodically a premium subsidy of 10 *per cent* in respect of small and marginal farmers. This subsidy would be shared equally by GoI and GoO. Accordingly, net premium should be collected from the small and marginal farmers.

Check of records revealed that Dahikhai PACS under DCCB Khordha financed ₹ 4.05 crore towards crop loan for paddy to the small and marginal farmers during the period from 2009-10 to 2013-14. The rate of premium for paddy was 2.5 *per cent*. Ten per cent subsidy on premium is allowed for small and marginal farmers. Accordingly, premium at the rate of 2.25 *per cent* should have been collected from them but the PACS collected ₹ 10.12 lakh premiums at the rate of 2.5 *per cent* from the farmers. Thus, subsidy on premiums amounting to ₹ 1.01 lakh (10 *per cent* of 10.12 lakh) was not allowed to the farmers.

Government stated (September 2015) that the observation of Audit would be examined and action would be taken accordingly.

2.1.7.12 Delay in crediting insurance claims to the accounts of farmers

As per guidelines of crop insurance scheme, once the funds needed for settlement of insurance claim are provided by Government, claim cheques along with claim particulars are to be released to nodal banks.

The claims received by the nodal banks, will be remitted to individual branches/ PACS with all particulars within seven days and these branches/ PACS will in turn credit to the accounts of the beneficiary farmers within seven days.

Review of information furnished by four DCCBs revealed that during the period 2009-14, the above banks had received insurance claim of ₹ 470.71 crore from the AIC. However, in violation of the provisions of the guidelines the DCCBs remitted the claims to the branches/PACS with delay ranging from 3 to 23 days. Further test check of records in PACS revealed that the claims received by them were credited to the accounts of the beneficiary farmers with delay ranging from 3 to 213 days in 18 PACS. Because of delay in crediting of claims, timely compensation to farmers for crop loss could not be ensured.

Government stated (September 2015) that in order to avoid delay in crediting insurance claims to farmers accounts, NEFT / RTGS mode will be followed.

2.1.7.13 Inadequate monitoring and internal control mechanism

The operational guidelines of the NAIS stipulated that a SLCCCI shall be formed for the purpose of overseeing implementation of the scheme. It was noticed that during the period 2009-14, the SLCCCI generally had its meeting for issue of notification for each crop season. For monitoring purpose, no meeting was held during the above period. However, the SLCCCI in its 32nd meeting (June 2013) decided that a committee comprising Commissioner-cum-Secretary, Co-operation Department, Director of Agriculture and Director of Economics and Statistics should take regular review of progress and implementation of the Schemes. However, the committee was not constituted as of June 2015 to review the progress of the scheme. Had the committee been constituted to review the implementation of schemes on regular basis, lapses in the scheme like delays in notifications for the scheme, settlement of claims and crediting the claim amount to the farmers' account could have been avoided.

In its reply, Government stated (September 2015) that the observation of Audit is noted for future guidance.

2.1.7.14 Lack of internal control at PACS

Orissa Co-operative Societies Act, 1962 stipulated that the Registrar of Co-operative Societies may on his own motion inspect or direct any person

authorised by him to inspect the books of the society and shall communicate the results of such inspection to the society. The above Act also stipulated that the financing bank may inspect the books of any society to which it has made any advance. Check of records of PACS revealed that no officer either from the financing Bank (DCCB) or from Registrar of Co-operative Societies had inspected the books of accounts of the PACS to ensure proper implementation of the scheme.

In its reply, Government stated (September 2015) that the observation of Audit is noted for future guidance.

2.1.7.15 *Evaluation Study*

GoI, Ministry of Agriculture (MoA) constituted (August 2004) a Joint Group under the chairmanship of Additional Secretary, MoA to study the improvements required in the existing Crop Insurance programme. The Joint Group recommended that:

- Non-loanee farmers which constitute the majority of the farming community need to be brought in the insurance fold.
- The present scheme based on flat rate regime lacks professional approach in administering the scheme. The crop insurance programme should be placed on actuarial regime from Khariff - 2005 season.

Similarly, GoO constituted (August 2006) a committee under the chairmanship of Deputy Registrar of Co-operative Societies (Credit) to examine reasons for poor response of non-loanee farmers under NAIS in the State. The committee in its report observed and suggested inter alia that:

- Non receipt of insurance claims under NAIS by the farmers even though there was a crop loss would lead to less participation of farmers in the subsequent seasons.
- Higher level of unit of insurance i.e, block and district is not suitable for farmers and hence GP should be the unit of insurance.
- Non-loanee farmers are required to join the scheme through bank branches which involve cumbersome procedure and extra cost to them. It was suggested to allow them to deposit their premium at PACS level.

The above observations and suggestions of the Joint Group of GoI, and Committee of GoO were not implemented earnestly. As a result, participation of non-loanee farmers for Crop Insurance was low and it varied between 0.67 and 11.50 *per cent* of total insured farmers during 2009-14.

2.1.8 *Conclusion*

Procedure adopted for calculation of subvention receivable was in deviation of guidelines stipulated by GoO and it resulted in extra claim from GoO. Reasons for delayed release of interest incentive to PACS were not found on records of OSCB or DCCBs. Notifications for crop insurance were issued in disregard of

the extent of cultivation of crops. Though GoI's Joint Group commented (August 2004) that NAIS based on the flat rate regime with Government financing both premia subsidy and claims lacked professional approach in administering the scheme, GoO continued to implement the same and had borne three-fourth of risk sharing. As crop cutting experiments could not be done to the required extent, GoO had to bear extra financial burden. Crop cutting experiments suffered due to lack of adequate manpower which caused delay in submission of yield data and consequent delay in settlement of insurance claims.

2.1.9 *Recommendations*

- *Government may take necessary steps to increase the coverage of loanee and non-loanee farmers as well as coverage of all crops under the schemes to extend financial assistance during damage of crops.*
- *Department may co-ordinate with Revenue and other Departments for timely declaration of 'annevari' to ensure extending benefits of conversion of short-term crop loan to medium term loan to the farmers.*
- *Government may consider setting up of Corpus Fund to ensure timely release of assistance to farmers.*
- *Proper mechanism and adequate manpower for crop cutting experiments may be ensured so that yield data can be furnished promptly and delay in settlement of insurance claims can be avoided.*

FISHERIES AND ANIMAL RESOURCES DEVELOPMENT DEPARTMENT

2.2 Performance Audit of Selected Schemes of Animal Resources Development Sector

Executive Summary

Livestock rearing is one of the most important economic activity in the rural areas of Odisha providing supplementary income for most of the families dependent on agriculture. Various schemes were implemented by the Department for providing, securing and facilitating effective and efficient services to become self-sufficient/surplus in milk, egg and meat by enhancing livestock productivity for sustainable livelihood. Performance Audit for the period 2010-15 revealed instances where the Department was not taking adequate action to achieve the targets set in the Perspective Plan (PP). As envisaged in the PP, New Livestock Aid Centres could not be provided to each Gram Panchayat by March 2015 and construction of a new Semen Station and an Embryo Transfer Technology (ETT) laboratory was not taken up even by March 2015 although proposed to be completed by 2012-13. Also there was shortfall in production of fodder, certified seeds and distribution of mini kits for seasonal cultivation and perennial root slips for long term fodder production respectively. Due to capacity constraints in the cattle feed plant of OMFED only a part of requirement of calf feed could be supplied. Due to non-implementation of planned activities, actual production of milk in Odisha continues to be less than the target. Forty eight hatcheries set up during 2009-11 remained defunct (June 2015) due to lack of seriousness of the department in operationalisation of the hatcheries.

Wide regional disparity was noticed in induction of calves for Calf Rearing Scheme. Concentrate feed mixture could not be supplied to beneficiaries under Goat Development Scheme. Under the scheme “Assistance to States for Control of Animal Diseases (ASCAD)”, shortfall in production of vaccines were noticed. The funds meant for routine collection of serum/ morbid materials for surveillance work for controlling exotic and emergent diseases remained unspent due to shortage of field functionaries. Target set for Mobile Veterinary Units (MVUs) remained unachieved. In the Rural Backyard Poultry Development scheme, differential cost was collected from beneficiaries in violation to GoI guidelines.

Budgetary and financial controls were ineffective as savings under plan head ranged from 25 - 43 per cent during 2010-15 indicating delay in achievement of objectives of various schemes. There were instances where Utilisation Certificates (UCs) were submitted without incurring actual expenditure. Besides other irregularities like drawal of scheme funds and parking in bank accounts, non-adjustment of advances to Departmental officers for years together were also noticed.

In case of Human Resources Management, shortage of personnel in various cadres was continuing for years together thereby adversely affecting the achievement of scheme objectives.

2.2.1 Introduction

Livestock rearing is one of the most important economic activity in the rural areas of Odisha providing supplementary income for most of the families dependent on agriculture. Fisheries and Animal Resources Development (F&ARD) Department in its perspective plan (PP), envisioned providing, securing and facilitating effective and efficient services to become self-sufficient/surplus in milk, egg and meat by enhancing livestock productivity for sustainable livelihood. The mission of the Department includes enhancing availability of feed and fodder for economic dairy farming and providing efficient veterinary services at the door step of the farmers. As per 19th Livestock Census 2012, Odisha had total livestock population of 2,07,33,000 and poultry population of 1,98,91,000. The F&ARD Department implements 44 schemes under Animal Resources Development Sector as detailed in *Appendix – 2.2.1*.

2.2.2 Organisational setup

The Animal Resources Development wing functions under the administrative control of the Commissioner-cum-Secretary to the Government, who is the Head of F&ARD Department. Director, Animal Husbandry and Veterinary Services (AH&VS) is the functional head, and assisted by Additional Directors, Joint Directors and Deputy Directors (DDs). The officers in the field include Chief District Veterinary Officers (CDVOs) and Sub-Divisional Veterinary Officers (SDVOs) at district and sub-division level respectively.

2.2.3 Audit Objectives

The audit objectives of this Performance Audit were to assess whether:

- the planning process for implementation of schemes was effective and in accordance with the scheme guidelines;
- the schemes were implemented effectively and intended objectives were achieved;
- financial management ensured adequate and timely availability of funds and their effective and economic utilisation;
- human resources management ensured sufficient availability of manpower with required technical skills for implementation of various schemes; and
- adequate internal control mechanism were in place to ensure efficient and effective monitoring and control over implementation.

2.2.4 Audit criteria

Audit criteria were drawn from the following documents:

- Guidelines and cost norms of different schemes issued by GoI and State Government.
- Budget documents of Government of Odisha.
- Perspective plans drawn.
- Instructions issued by GoI/State Government/Director, AH & VS.
- Odisha Treasury Code.

2.2.5 *Scope and methodology of Audit*

Performance Audit of various schemes implemented by the Department was conducted during April-June 2015 covering the period 2010-11 to 2014-15.

An entry conference was held on 29 April 2015 with the Additional Secretary and other senior officers of the Department wherein audit objectives, criteria and methodology were discussed. Records of the F&ARD Department, Directorate of Animal Husbandry and Veterinary Services were reviewed. In addition, records of Odisha Livestock Resources Development Society (OLRDS), Odisha State Co-operative Milk Producer's Federation Ltd (OMFED), Odisha Biological Products Institute (OBPI), Animal Disease Research Institute (ADRI) and 10⁶ out of 30 CDVOs were examined during the course of Performance Audit. Nine⁷ out of 25 State Plan (SP) schemes, two⁸ out of 11 Central Plan (CP) schemes and two⁹ out of seven Centrally Sponsored Plan (CSP) schemes along with one sub-scheme under Rashtriya Krishi Vikas Yojana (RKVY) implemented by the Department were scrutinised during the course of Performance Audit.

Draft Performance Audit Report was issued (August 2015) to Government and compliances to the findings of Audit received (October 2015) from Government have been considered while finalising the report. Despite repeated requests, the Commissioner-cum-Secretary to the Government could not be able to hold exit conference.

Audit Findings

2.2.6 *Planning process*

The Department prepared (November 2009) a Perspective Plan (PP) for the period from 2010 to 2020 with a view to critically examine the then status of service delivery mechanism, infrastructure availability and formulate measures for improvement of the livestock sector as a whole, so as to increase the production and productivity in a phased manner over a period of ten years. The above plan focused on development of dairy, poultry, small animal, fodder and veterinary service delivery besides human resources and training. Review of records on planning to achieve the above objectives and measures

⁶ Angul, Baripada, Bhadrak, Bargarh, Cuttack, Dhenkanal, Khordha, Koraput, Puri and Sundargarh.

⁷ 1) Assistance to Kalyani Project through BAIF Research Foundation, 2) Capacity Building and Strengthening of Training Infrastructure under ARD, 3) Encouragement of Commercial Poultry Entrepreneurship and Backyard Poultry Production, 4) Mobile Veterinary Unit (MVU), 5) Opening of New Livestock Aid Centres (LAC), 6) Promotion of Dairy Entrepreneurship, 7) Strengthening of Dairy Organization, 8) Strengthening of Livestock Service Infrastructure and Modernization of Offices and 9) Upgradation of Livestock Healthcare Service.

⁸ 1) Livestock Census and 2) National Programme on Cattle and Buffalo Breeding (NPCBB)/ National Programme on Bovine Breeding (NPBB).

⁹ 1) Assistance to States for Control of Animal Disease (ASCAD) and 2) Establishment of strengthening of existing Veterinary Hospitals and Dispensaries (ESVHD).

taken to develop the infrastructure to meet the targets as spelt out in the PP revealed the following:

2.2.6.1 Non-coherence between the Perspective plan and Annual plans

In the PP prepared for the ARD sector, it was felt that existing infrastructure for animal healthcare delivery was sub-optimal and therefore inherently inefficient. In particular, rural non-commercial producers have less access than their commercial producer counterparts. To ensure greater efficiency and equity of access, there is a need to re-organise existing veterinary service delivery mechanism. Since Gram Panchayats (GPs) are the unit for provision of all veterinary services including livestock extension activity as per the existing policy of the State Government, each panchayat should have one Livestock Aid Centre (LAC) which is to be manned by Livestock Inspector (LI) and in some places assisted by one attendant. There are 6,234 GPs in the State, out of which only 2,939 GPs have LACs prior to formulation of the PP.

In the PP, target was fixed (November 2009) to open new LAC in the rest of 3,295 GPs during 2010-15 as per details below:

Table No.2.8 Target for establishment of new LACs

<i>Year</i>	<i>New LACs</i>	
	<i>Target set in Perspective Plan</i>	<i>Target set in Annual Plan</i>
2010-11	500	300
2011-12	500	300
2012-13	700	300
2013-14	750	0
2014-15	845	0
TOTAL	3295	900

(Source: Data provided in PP and APs)

It was noticed in audit that on the basis of proposal of the department through Annual Plans (APs), the Government sanctioned establishment of 900 LACs during 2010-13 (300 LACs each year) in the GPs where no Veterinary Institution existed. No new LAC was provided during 2013-14 and 2014-15 due to delay in construction of already sanctioned LACs in previous years by executing agencies (Block Development Officers). In this connection, it may be mentioned that out of the 900 sanctioned LACs, 245 LACs were completed, construction of 290 LACs in progress and works were not taken up in respect of the remaining 365 LACs as of July 2015.

Thus, APs are not in line with the PP and due to incoherence between these two, the target of establishing new LACs in each GP of the State by 2014-15 could not be fulfilled.

Government stated (October 2015) that proposals for opening of LACs were submitted but the High Power Committee constituted for the purpose could not meet during the period. The reply is not acceptable as the PP envisages opening of New LAC in 3,295 GPs during 2010-15 against which action was initiated for opening of 900 LACs only.

2.2.6.2 *Establishment of New Livestock Aid Centres (LACs) without sanction of manpower*

Finance Department, GoO vide its Office Memorandum of March 2001 directed progressive reduction of staff and complete ban on creation of new posts under any scheme, whether Non-Plan (NP) or State Plan (SP)/Central Plan (CP)/Centrally Sponsored Plan (CSP). While the ban was in force, 900 LACs were sanctioned. In the absence of Livestock Inspectors (LIs), no service could be rendered from the LACs.

Government stated (October 2015) that against the 900 LACs, 300 LI posts were created during 2010-11 and balance 600 posts have not been sanctioned. The filling up of 687 vacant posts against the sanctioned posts is under process.

Implementation of Schemes

Animal Resources Development Department introduced 25 SP schemes, 11 CP Schemes and seven CSP Schemes along with one sub-scheme under RKVY for development of animal resources in the State as detailed in **Appendix – 2.2.1**. Deficiencies noticed in the implementation of selected schemes are discussed below:

2.2.7 *Dairy development*

To implement the provisions of PP for dairy development, seven SP schemes, five CP schemes and one subscheme under RKVY were implemented during 2010-15 in ARD sector out of which, three SP schemes¹⁰, one CP scheme¹¹ and one sub-scheme¹² under RKVY were selected in Performance Audit as detailed below.

2.2.7.1 *Strengthening of dairy organisation*

As per the Indian Council of Medical Research (ICMR) recommendation, the per capita requirement of milk is 280 grams per day. At the time of preparation of the PP (November 2009), the per capita availability of milk in Odisha was only 102 grams per day. Hence, in the PP it was envisaged to enhance per capita availability of milk to 260 grams per day by 2020. As against this, the per capita availability of milk in Odisha was 118 grams (42.14 per cent) per day as of March 2015.

The PP aimed at self sufficiency in milk production and enhancing the per capita availability of milk through establishment of second semen station at Chiplima, Sambalpur, making available good quality semen by producing progeny tested/high pedigree bulls, establishment of ETT laboratory and ensuring significant increase in fodder production. Deficiencies noticed in

¹⁰ 1. Strengthening of Dairy Organisation and 2. Promotion of Dairy Entrepreneurship and Assistance to Kalyani Project through BAIF Research Foundation.

¹¹ National Programme on Bovine Breeding/ National Programme on Cattle & Buffalo Breeding.

¹² Calf Rearing scheme.

implementation of planned activities in achievement of milk production are discussed below:

- ***Shortfall in production of semen***

To increase milk production, quality animals with high genetic potential were planned to be developed through Artificial Insemination (AI) rendered by a network of 2,985 departmental institutions (Veterinary Dispensaries and LACs), 1,410 Omfed AI Centers, 620 JK Trust Centers, 100 Bharat Agro Infrastructure Foundation (BAIF) Centers and 1,431 Gomitras in the State. To meet the requirement of AI, the department's Frozen Semen Bank at Khapuria, Cuttack was not able to cater to the needs of the whole State. Details of targets for production of semen and achievement during 2010-15 are given in ***Appendix -2.2.2***. As may be seen from the Appendix, the actual production of semen was invariably less than the targets and the shortfall was ranging between one and fifty *per cent* mainly due to constraints in bull sheds to accommodate more bulls.

- ***Non setting up of semen production unit***

The PP envisaged the setting up of one more semen production unit at Chipilima, Sambalpur by 2012-13 to meet the increased requirement of quality semen. Audit scrutiny revealed that no action was taken to set up the new unit since GoI has not sanctioned funds under RKVY/RIDF for the above proposal submitted by GoO. The department had also not come forward with any alternate plan to construct the unit.

Government stated (October 2015) that though Chiplima was identified to have the 2nd semen bank of State, subsequently on bio-security point of view, Kathapal was considered. Another bull calf rearing centre is under construction at Sagadi in Cuttack sadar under State Plan scheme.

- ***Non availability of good quality semen***

In PP, though the Department had planned (November 2009) to make available good quality semen by producing progeny tested/ high pedigree bulls, it had not taken any action (August 2015) to produce good quality semen.

Government stated (October 2015) that the progeny testing programme was started in two blocks of Cuttack district in 2010-11. 14,049 test inseminations were performed and the performance recording of progenies was under process. However, the availability of good quality insemination has not improved despite conducting the test.

- ***Non adoption of Embryo Transfer Technology***

As per the PP, for quality bull production, the Department had planned for adoption of modern breeding technique of ETT by 2012-13 with financial

target of ₹ 1.46 crore. However, it was revealed that the department had not taken any action (March 2015) to establish the ETT laboratory.

Government stated (October 2015) that for production of quality bull the establishment of ETT was under progress.

- ***Strengthening of Fodder farms of the State***

Good quality and adequate fodder must be produced to increase availability of milk. For increasing fodder production, it was planned to strengthen 20 fodder farms of the State. Targets and achievement for area to be covered under fodder cultivation and actual fodder production is given in **Appendix - 2.2.3**. As may be seen from the appendix there was shortfall ranging from 45 - 77 per cent, 68 - 73 per cent and 8 - 59 per cent in production of fodder, certified seeds and distribution of mini kits for seasonal cultivation and perennial root slips for long term fodder production respectively.

- ***Augmentation of the capacity of the plant***

To improve health of cross bred female progenies born out of AI, it was planned to provide calf feed under calf rearing scheme through Odisha State Co-operative Milk Producers' Federation Ltd. (OMFED) which had cattle feed plant with monthly production capacity of 5000 MT. No action was taken (March 2015) to augment the capacity of this plant. Due to capacity constraints in the cattle feed plant only a part of requirement of calf feed could be supplied as discussed in **para 2.2.7.3**.

In view of above deficiencies and non-implementation of planned activities, actual production of milk in Odisha continues to be less than the target as detailed below:

Table No. 2.9 Shortfall in production of milk

Year	Milk (Thousand Tonne)		
	Projection/ Target	Achievement	Percentage of shortfall
2010-11	1919	1670	13
2011-12	2127	1718	19
2012-13	2368	1784	25
2013-14	2639	1861	29
2014-15	2945	1903	35

(Source: Perspective Plan and information furnished by DAH&VS)

The above table shows that though milk production was increasing, the same was however less than the target and the shortfall ranged between 13 and 35 per cent. Non-achievement of the targets given in the PP was mainly due to failure of the department to implement these needed planned activities as discussed in **para 2.2.7.2 and 2.2.7.4**.

- ***Impact of inadequate availability of milk***

OMFED has a major market share in sale of milk in the State. Commissioner-cum-Secretary to Government/ F&ARD is Chairman-cum-Managing Director

(CMD) of OMFED. Following are details of targets for procurement, actual procurement and sale of milk by OMFED during 2010-15.

Table No.2.10 Procurement and sale of milk (In lakh litres)

<i>Year</i>	<i>Target for procurement</i>	<i>Actual procurement</i>	<i>Shortfall in procurement</i>	<i>Percentage of shortfall</i>	<i>Actual sales</i>	<i>Excess of sales over procurement</i>
2010-11	1154.77	1216.42	-	-	1388.10	171.68
2011-12	1571.09	1313.71	257.38	16	1533.37	219.66
2012-13	1558.78	1342.12	216.66	14	1549.21	207.09
2013-14	1634.93	1385.43	249.50	15	1577.67	192.24
2014-15	1857.52	1578.03	279.49	15	1619.13	41.10
Total		6835.71			7667.48	831.77

(Source: Information provided by OMFED)

Shortfall in actual procurement against targets ranged from 14 to 16 *per cent* and the same was mainly due to delay in completion of chilling plant and other infrastructure such as construction of 30,000 LPD dairy etc. required for procurement and marketing of milk.

2.2.7.2 National Project for Cattle and Buffalo Breeding

Under National Project for Cattle and Buffalo Breeding (NPCBB), GoI provided ₹ 19.47 crore, with main objective of arranging delivery of vastly improved artificial insemination services at the farmer's doorstep and to bring all breedable female cattle and buffaloes under organised breeding through artificial insemination or natural services by high quality bulls.

For transportation of bulk liquid nitrogen and for safe distribution of semen straws with cryocan containers, necessary arrangement was required to be done with the above funds. Details of targets and achievement in artificial insemination during 2010-15 are given below:

Table No.2.11 Target and achievement of artificial insemination

<i>Year</i>	<i>Target</i>	<i>Achievement</i>	<i>Shortfall in percentage</i>
2010-11	1493.00	1237.60	17
2011-12	1578.36	1223.34	22
2012-13	1674.00	1295.70	23
2013-14	1750.00	1434.97	18
2014-15	1801.97	1517.54	16
Total	8297.33	6709.15	

(Source: Data provided by Director, AH&VS)

To an audit query regarding shortfall in achievement of artificial insemination, it was replied that factors like breedable cattle population, response of owners' of cow, availability of skilled manpower etc. were directly related to achievement of AI target. It was however, noticed that following factors were also responsible for non-achievement of targets.

- NABARD Consultancy Services was assigned an impact analysis of NPCBB in 2012 by OLRDS. NABARD observed that storage and distribution of semen had some serious deficiencies due to absence of separate store room for storage of liquid nitrogen and cryocans containing most valuable semen, doses were left in office veranda or open space without proper guarding arrangement. Audit observed that the position remained the same in 2015 also. Further, it was also seen that for construction of store house for cryocans, a sum of ₹ 1.50 crore (at ₹ 5.00 lakh for 30 districts) was allotted and placed with R&B Divisions. However, there was no progress in construction of store houses as ₹ 5.00 lakh was not adequate to build a storage house. Though, R&B Division, Puri had submitted (December 2014) estimate for ₹ 9.56 lakh for release of remaining fund, the issue remain unresolved and the funds remained idle with R&B Divisions.

Government stated (October 2015) that the work is in progress and the CDVOs are requested to complete the work within ₹ 5.00 lakh. Hence, the proposal for escalation cost for construction of store house of one division was not considered. The reply is not acceptable as the construction of store houses was not completed for which storage of liquid nitrogen and cryocans containing most valuable semen doses were left in office veranda or open space without proper guarding arrangement.

2.2.7.3 *Calf Rearing Scheme*

As per the scheme guidelines cross bred female calves born out of artificial insemination need good feed and care for two year to achieve its genetic potential. The calf rearing scheme assisted by RKVY aims at providing balanced nutrition to the calves so as to ensure timely sexual maturity and production of more milk.

• *Non utilisation of scheme funds*

As per the decisions of the State Level Sanction and Monitoring Committee (SLSMC) under RKVY, a sum of ₹ 75.11 crore was sanctioned during 2010-15 for the above scheme. The State Government identified the Milk Producer's Co-operative Societies for implementation of the scheme in association with local functionaries of the Directorate of AH&VS. Under the scheme, each beneficiary would receive calf feed with 50 *per cent* subsidy. Against the total sanction of ₹ 75.11 crore for 2010-15, ₹ 36.89 crore was released by GoI. Of these, ₹ 24.26 crore was utilised and the balance amount of ₹ 12.63 crore was lying with the implementing agency (OLRDS).

• *Non achievement of targets as per criteria*

The Government stipulated that the number of calves to be selected from each district would be in the same proportion to the cross bred calves of approximate age group available in respective districts. In this regard, Audit

observed that though the Department fixed target for selection of calves in each district as per the criteria mentioned above, the actual achievement against targets varied widely as per the details given in **Appendix - 2.2.4**. Actual achievement against target among districts ranged from 29 *per cent* in Angul to 176 *per cent* in Balasore district. The wide disparity in achievement of target fixed on the basis of criteria mentioned above indicated that equitable distribution of calf feed was not ensured.

Government stated (October 2015) that due to non-supply of Calf feed to Angul District for the period 2012-13 and 2013-14, the achievement under the scheme stood nil. But, overall achievement was more than 100 *per cent*. However, the reply is silent on the wide disparity in selection of calves from districts.

- **Short supply of calf feed**

Further, OMFED was though nominated to produce and supply the cattle feed to beneficiaries, it had a limited production capacity of 5,000 MT per month. Out of this 3,500 MTs were committed to farmer members of OMFED. Hence only 1,500 MTs of calf feed per month was possible for supply under calf rearing scheme as against the requirement of 3,500 MTs per month. At the rate of 1,500 MTs per month, OMFED was to supply 18,000 MTs per year. As against 18,000 MTs, the actual supply by OMFED during 2010-11 to 2014-15 is given in the following table:

Table No. 2.12 **Shortfall in supply of calf feed** (In MT)

<i>Year</i>	<i>Calf feed to be supplied by OMFED</i>	<i>Actual supply of Calf feed under calf rearing scheme</i>	<i>Shortfall (Percentage)</i>
2010-11	18000	6000	12000 (67)
2011-12	18000	7097	10903 (61)
2012-13	18000	14633	3367 (19)
2013-14	18000	15175	2825 (16)
2014-15	18000	6968	11032 (61)

(Source: Data provided by OLRDS)

The short supply had an adverse impact on growth potential of calves and on the achievement of the scheme objectives.

2.2.7.4 Integrated Livestock Development Programme (Kalyani)

For integrated livestock development, GoO entered into an agreement with Bharat Agro Infrastructure Foundation (BAIF) Development Research Foundation, Pune and Odisha Livestock Resources Development Society (OLRDS) in October 2010. This project called “Kalyani” was jointly operated by BAIF and OLRDS with funds provided by GoO. The project covered components of dairy development, goat development, feed and fodder development and technology/ knowledge strategic partnership.

Progress report of Kalyani project for October 2010 - March 2015 prepared by BAIF revealed achievement of physical target in respect of AI to cows ranged between 68 - 99 *per cent*, buck services to goats ranged between 11 - 98 *per cent* and coverage of area under fodder ranged between 64 -113 *per cent*. However, scrutiny of records revealed the following:

- It was noticed from proceedings of Committee Meeting held on 17 March 2015 under Chairmanship of Director, AH&VS that most of the female calves born out of AI programme did not mature to become fertile and productive due to non-availability of good quality fodder. For transforming these calves into ideal lactating cows, suggestion was made for nutritional input through fodder cultivation. It was however observed that though SLSC discussed (September 2012) the need for bringing those calves under Calf Rearing Scheme with provision of calf feed, no effective action was taken in this regard till the date of audit.

The PP envisaged production of good crossbreed bulls by using ETT and Field Performance Recording System (FPRS). ETT had been identified as one of the components of the PP for production of good quality cows and bulls. For the ETT, OLRDS released ₹ 0.64 crore to BAIF in 2010-11. However, no progress in this regard was achieved due to non finalisation of site by the Department. Similarly no progress was made in FPRS as OLRDS/State Government could not send any official to BAIF for training.

Government stated (October 2015) that scheme was not taken up as it was decided to take up the scheme after receiving due justification report of mid-term evaluation by OUAT. However, the scheme has not been taken up even after availability of funds.

2.2.8 *Poultry development*

To implement the provisions of PP for poultry development, three schemes (one each under SP, CP and CSP) were implemented during 2010-15 in ARD sector. Out of which, one scheme¹³ under SP schemes was selected in Performance Audit as detailed below.

The PP had a goal of increasing egg production in the State from 42 lakh per day in 2009 to 100 lakh per day by 2020. The department laid out a strategy to achieve the above objective but measures that needed to be taken as spelt out in the PP were, however, not acted upon as discussed below:

- *Non functioning of hatcheries*

The plan required operationalisation of 48 hatcheries which were set up during 2009-11 at a cost of ₹ 16.69 crore in various districts to make available day old chicks to be reared for four weeks in mother units and supplied to the

¹³ Encouragement of commercial poultry entrepreneurs and backyard poultry production.

selected beneficiaries under rural backyard poultry scheme at affordable price. However, the hatcheries remained defunct (June 2015) due to non-availability of three phase power connection indicating lack of seriousness of the department in operationalisation of the above hatcheries.

- **Non establishment of poultry estates**

Two poultry estates were planned (2009-10) to be established for which a sum of ₹ 0.99 crore was received (2010) from GoI. However, the infrastructure works for the above estates could not be taken up due to constraints in land acquisition etc. Though GoI asked (May 2014 and March 2015) the State Government to refund the amount, it was not done till the date of audit.

As per information furnished by the Department, the target and actual production of egg per day by both the departmental poultry breeding farms and private poultry farmers during 2010-11 to 2014-15 was as follows:

Table No.2.13 Target and production of eggs

<i>Year</i>	<i>Target per day (In lakh)</i>	<i>Achievement per day (In lakh)</i>	<i>Shortfall per day (In lakh)</i>	<i>Percentage of shortfall</i>
2010-11	68.49	65.75	2.74	4.00
2011-12	69.86	49.75	20.11	28.79
2012-13	71.23	63.64	7.59	10.66
2013-14	71.23	64.68	6.55	9.20
2014-15	68.49	52.73	15.76	23.01

(Source: Information furnished by the Department)

Shortfall in production of egg was mainly due to non-operationalisation of the defunct hatcheries and non-establishment of poultry estates.

Government stated (October 2015) that nine hatcheries are already functional and rest would be made functional by October 2015. Further, steps are being initiated for refund of ₹0.99 crore received from GoI towards establishment of Poultry Estate. The reply is not acceptable as 39 hatcheries are still non-functional and due to non-establishment of poultry estate, actual achievement in egg production was less than the target.

2.2.8.1 Rural Backyard Poultry Development Component

Under Centrally Sponsored Scheme, GoI sanctioned (August 2010) ₹ 1.50 crore for Rural Backyard Poultry Development Component to be implemented in eight districts¹⁴ in 2010-11. The scheme stipulated that breeding stock maintained by State Poultry Farms were to be reared in the mother unit and distributed to Below Poverty Line (BPL) beneficiaries. It was planned to provide three batches of 20, 15 and 10 birds. Subsidy of ₹ 30 was provided towards cost of the chick (including rearing cost for four weeks). The following were observed in audit on implementation of the programme:

14 Angul, Balangir, Ganjam, Khordha, Koraput, Rayagada, Sambalpur and Sundargarh.

- GoI sanctioned (October 2013) ₹ 1.31 crore for the above scheme to be implemented in 2013-14. The guidelines, further, stipulated that unspent balances would be adjusted against subsequent instalments if not utilised by that time. It was noticed that up to March 2015, the Department could utilise ₹ 0.77 crore and due to which release of funds for 2014-15 was not considered by the GoI.

The PP projected that each one of the existing 48 hatcheries in 29 districts would produce 2.2 lakh “day old chicks” per year to meet demand of backyard poultry. However, all the hatcheries continued to remain defunct. As a result, chicks were purchased from private firms at higher rates fixed by the district monitoring committee and were supplied to the beneficiaries. Since the rates of chicks were higher than the subsidy admissible per chick, the differential cost was collected from beneficiaries in violation to GoI guidelines.

Accepting the facts Government stated (October 2015) that though there was delay in implementation, instructions were issued to implementing officers to speed up the work and utilise the funds. However, the reply is silent about collection of differential amount from the end beneficiaries in violation of GoI guidelines.

2.2.9 *Small animal development for meat*

To implement the provisions of PP for small animal development for meat, a subscheme under RKVY was implemented during 2010-15 in ARD sector which was also selected in Performance Audit as detailed below.

The PP recognised that small animal rearing is a primary source of livelihood for poor people. In Odisha, goats and sheep are reared mainly for meat purpose. The above plan targeted increase in meat production from 62 to 104 thousand metric tonnes (TMT) by 2020. The Department had strategy of strengthening departmental goat/sheep farms for production of good quality breeding bucks/ rams for supply. The position of the targets prescribed in PP and actual achievements are furnished below:

Table No. 2.14 *Target and achievement of meat*

Year	Meat (Thousand Tonne)		
	Projection	Achievement	Percentage of achievement
2010-11	68.38	74.13	108
2011-12	74.12	75.51	102
2012-13	79.77	76.72	96
2013-14	85.50	81.26	95
2014-15	91.19	88.71	97

(Source: PP and information furnished by the Department)

As may be seen from the table, the Department could achieve more than 95 *per cent* of the target during 2012-15 and had registered higher achievements in 2010-11 and 2011-12.

Government stated (October 2015) that the Department has achieved 88.71 TMT by 2014-15 which is 97 *per cent* of the target. A roadmap has been prepared to achieve the target of production of 104 TMT meat by 2020.

2.2.9.1 Goat Development scheme under National Mission for Protein Supplement

The scheme guidelines state that goat farming constitutes means of livelihood of over 25 *per cent* of Odisha's rural population. The above scheme envisages nutritional balance for consumers in terms of animal protein intake ensuring growth in meat production. The scheme was commenced in 2011-12. Details of receipts and utilisation of scheme fund during 2011-15 are given below:

Table No. 2.15 Year wise receipt and utilisation of scheme funds
(₹ in crore)

<i>Year</i>	<i>Funds received</i>	<i>Funds utilised</i>	<i>Funds refunded</i>	<i>Remarks</i>
2011-12	2.50	1.90	0.60	As per scheme guidelines, concentrate feed mixture should be supplied to beneficiaries at ₹ 10 per kg, but the feed was sold at ₹ 17 per kg and was subject to further price hike due to higher cost of different feed ingredients. As the feed was not available at approved cost, the scheme funds were refunded to RKVY cell.
2012-13	2.50	1.90	0.60	
2013-14	2.50	2.50	-	
2014-15	2.50	2.50	-	

(Source: Data provided by Director, AHVS)

It was noticed that the scheme had provision for providing concentrate feed at the rate of 250 gram per day for fattening the goats for 60 days pre-slaughter. For implementation of this component, ₹ 1.20 crore was provided. But the fund meant for this purpose was not utilized and surrendered (July 2013) due to non availability of feed in the market for procurement at the approved cost. Thereafter, no steps were taken by the Director, AH&VS to get the required cost approved from GoI.

As per decision of Director, AH&VS, goat kids of 3-5 months of age were to be purchased by beneficiaries as goats were to be marketed between 9-10 months of age. It was, however, noticed that goats upto three years old were purchased for induction into the scheme in Khordha district.

Accepting the facts Government stated (October 2015) that the farmers were not willing to sell the goats at 3-5 months of age. However, the goats up to three years old were purchased in violation of decision of Director, AH&VS.

2.2.10 Veterinary Services

To implement the provisions of PP for veterinary services, seven SP schemes, four CP schemes and two CSP schemes were implemented during 2010-15 in ARD sector. Out of which two SP schemes¹⁵ were selected in Performance Audit as detailed below.

2.2.10.1 Assistance to States for Control of Animal Diseases (ASCAD)

Under Centrally Sponsored Scheme “Assistance to States for Control of Animal Diseases (ASCAD)”, vaccination campaign against major livestock diseases¹⁶ of economic importance was being taken up by the state through assistance from GoI on sharing basis (75:25). Besides, other activities such as training programme seminars, animal health camps and control of emergent and exotic diseases were also taken up under this scheme. Against the release of ₹ 32.45 crore including State share, ₹ 31.01 crore was spent towards implementation of scheme during 2010-15. Scrutiny of records revealed the following:

- **Shortfall in vaccination of livestock**

Vaccination of livestock such as cattle, buffaloes, small animals and poultry is the most important component under ASCAD scheme. It was noticed that though the department utilised ₹ 14.64 crore on vaccination during 2010-13, physical progress was, however, 13.05 crore doses against 19.52 crore doses (67 *per cent*). The shortfall was due to shortage of manpower, failure of machineries such as boiler, formenter and shortage of vaccines.

- **Decrease in Production of vaccine**

The PP envisaged strengthening of Odisha Biological Products Institute (OBPI) at Bhubaneswar for production of bacterial and viral vaccines as per requirement. It was noticed that while production of HSV vaccine decreased from 89.52 lakh to 59.19 lakh doses (66 *per cent*), BQV and R₂BV decreased from 60.79 lakh to 53.35 lakh doses (88 *per cent*) and 56.19 lakh doses to 28.83 lakh doses (51 *per cent*) respectively in 2010-11 to 2014-15. Decrease in production of vaccines was due to failure of machines and non availability of standby machines during the period of break down.

¹⁵ Upgradation of Livestock Healthcare Services and Mobile Veterinary Unit.

¹⁶ Peste des Petitis Ruminants (PPR), Foot and Mouth Disease (FMD), Haemorrhagic Septicaemia (HSV), Black Quarter (BQV), Anthrax (ASV), Goat Pox (GPV), Enterotoxaemia (ENT), Theileria and Brucella.

- **Non-utilisation of scheme funds**

Under ASCAD, a sum of ₹ 38 lakh was provided by GoI during 2010-15 for routine collection of serum/ morbid materials for surveillance work for controlling exotic and emergent diseases. The above amount however remained unspent due to shortage of field functionaries in test checked CDVOs. It was noticed from the information provided by the Animal Disease Research Institute, Cuttack that diseases were spread affecting 6,120 animals out of which 3,545 were died in 442 villages as detailed in **Appendix - 2.2.5**. It was also noticed that for eradication of diseases of animals having economic and zoonotic importance, a State Referral Laboratory (SRL) was proposed (March 2010) by the High Power Committee under RIDF at a cost of ₹ 6.00 crore by March 2013, which was subsequently revised to ₹ 20.30 crore with provision of all the aspects of the SRL and renovation of existing building. However, the funds were not released till the date of audit (June 2015). In absence of SRL, the department had to depend on other States (Madhya Pradesh, West Bengal and Karnataka) for confirmatory diagnosis.

2.2.10.2 Mobile Veterinary Unit

In order to provide preventive, curative as well as breeding facilities in inaccessible areas and difficult terrains which are un-served/under served, GoO introduced scheme viz. Mobile Veterinary Units (MVU) in July 2011. In 2011-12, the scheme was launched in 40 Blocks of 10 tribal dominated districts with special central assistance under RKVY. It was subsequently extended to other Blocks in a phased manner and scheme was in operation in all 314 Blocks of the State in 2014-15. Details of allocation and utilisation of funds during 2011-15 are given below:

Table No.2.16 Allocation and utilization of funds under MVU

(₹ in crore)			
Year	Allocation	Expenditure	Details of schemes
2011-12	2.11	2.11	MVU 40 covering 40 Blocks
2012-13	5.26	4.69	MVU 40 + MVU 65 covering 105 Blocks
2013-14	6.75	3.50	MVU 40 + MVU 65 + MVU 156 + MVU 53 covering 314 Blocks
2014-15	20.50	15.67	-do-
Total	34.62	25.97	

(Source: Data provided by Director, AH&VS)

The shortfall in expenditure was due to non-completion of physical targets in view of shortage of field functionaries. Details of targets and achievements of physical targets for 2013-14 and 2014-15 are given below. Data for 2011-12 and 2012-13 in this regard was not compiled as no targets were fixed by the Department.

Table No. 2.17 Target and achievement of field visits under MVU*(In numbers)*

Year	No. of days to be visited		No. of villages to be covered		Treatment		Vaccination		Artificial Insemination	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
2013-14	47280	35171	94560	60361	2364000	1588346	2364000	2544480	47280	0
					Treatment/ Vaccination					
2014-15	75360	67932	150720	118165	Target		Actual		75360	0
					7536000		7687408			

(Source: Data provided by Director, AH&VS)

Scrutiny of record revealed that during 2013-14, the MVUs were to visit 47,280 days and to cover 94,560 villages. However, the MVUs visited 35,171 days (74 *per cent*) and covered 60,361 villages (64 *per cent*). Similarly, during 2014-15, as against the target of 75,360 days visit and to cover 1,50,720 villages, the MVUs conducted 67,932 days (90 *per cent*) visit and covered 1,18,165 villages (78 *per cent*). Though the scheme stipulated to inseminate 20 animals in a month by each MVU, insemination was however not carried out. As such, the door step veterinary service could not be provided adequately as per target.

Accepting the facts Government stated (October 2015) that the shortfall was mainly due to model code of conduct, lengthy process for selection of personnel, identification of vehicles, work load etc.

2.2.11 Financial Management

2.2.11.1 Overall receipt and expenditure

GoO allocated funds to the Department both under plan and non-plan heads. These funds include allocation of funds under State Plan and also funds received from GoI under CP Schemes and CSP Schemes. Details of allocation, utilisation and savings of funds during 2010-15 are given below:

Table No. 2.18 Overall allocation, utilization and surrender of funds
(₹ in crore)

Year	Plan				Non-plan			
	Allocation	Expenditure	Surrendered	Percentage of surrender	Allocation	Expenditure	Surrendered	Percentage of surrender
2010-11	81.85	48.07	33.78	41	159.91	157.38	2.53	2
2011-12	93.72	67.76	25.96	28	176.70	175.25	1.45	1
2012-13	90.84	52.18	38.66	43	186.83	178.74	8.09	4
2013-14	114.90	86.55	28.35	25	198.52	185.12	13.40	7
2014-15	206.97	147.87	59.10	29	206.69	203.11	3.58	2
Total	588.28	402.43	185.85	32	928.65	899.60	29.05	3

(Source: Data provided by Director, AH&VS)

As may be seen from the above table, surrender under plan head ranged from 25 to 43 *per cent* during 2010-15 indicating delay in achievement of objectives of various schemes as discussed in implementation of schemes. Scrutiny of records revealed the following:

- ***Non release of funds by GoI***

For the Centrally Sponsored scheme, “Assistance to State for Control of Animal Diseases (ASCAD)”, GoI approved an Action Plan with estimated amount of ₹ 64.23 crore for the period of 2010-15. Of the above outlay, GoI accorded in principle approval for central share (75 *per cent*) of ₹ 48.66 crore pertaining to the same period. As per the terms and conditions of the approval, funds were to be released to GoO in instalments. Only after receipt of the Utilisation Certificate and physical progress reports in respect of funds released earlier, subsequent instalments could be released. Out of the central share of ₹ 48.66 crore, ₹ 16.00 crore was released as the first installment and ₹ 3.01 crore as 2nd instalment. However, the remaining central share of ₹ 29.65 crore pertaining to the period 2010-15 was not released by GoI due to non-submission of physical progress reports for the amount already released.

Government stated (October 2015) that the loss of Central shares was not due to non submission of UCs rather due to non-release of balance fund by GoI. However, as per the terms and conditions of scheme, subsequent installment would be released only after receipt of UC and physical progress report in respect of funds released earlier.

Non availment of GoI share

- Under the Central Sponsored scheme “Establishment and Strengthening of Existing Veterinary Hospitals and Dispensaries (ESVHD)”, GoI released ₹ 1.54 crore (75 *per cent* share) in March 2011 as against ₹ 3.08 crore for 2010-11 and another ₹ 1.54 crore in March 2015 only for the year 2010-11. Since physical progress report was not submitted by the GoO, GoI did not release funds of ₹ 12.11 crore (Central share) for the year 2011-12 as proposed by GoO. In view of non release of funds by GoI, GoO took the above scheme under State Plan and in this process a sum of ₹ 2.60 crore being the GoI share for the year 2014-15 could not be availed.
- Under the Central Plan scheme “Rural Backyard Poultry Development Programme (RBPDP)”, GoI released ₹ 1.50 crore in August 2010. Revalidation of the grant was made in May 2012 as GoO failed to utilise the amount. However, actual expenditure upto March 2015 was ₹ 1.49 crore. As a result, no further proposal was sent by GoO and hence assistance from GoI was not released for 2011-12 and 2012-13.
- GoI sanctioned (September 2014) and released (December 2014) ₹ 11.07 crore for implementation of National Programme for Bovine Breeding (NPBB) scheme for the year 2014-15. Of the above, ₹ 10.84 crore remained unspent due to non formulation of scheme modalities and was lying as on 31 March 2015. However, ₹ 6.38 crore was reported as utilised under the scheme.

- GoI sanctioned an amount of ₹ 24.89 crore during 2010-14 for the scheme National Project for Cattle and Buffalo Breeding (NPCBB). Out of which GoI released ₹ 19.47 crore during the period. OLRDS submitted UC for ₹ 19.36 crore to GoI during the period. However, as verified from cash book, ₹ 19.22 crore was lying with the OLRDS as on 31st March 2015. This indicates that UC was submitted without incurring expenditure.
- Similarly, out of the allotment of ₹ 128.18 crore under RKVY during 2010-15, the Department reported expenditure of ₹ 103.68 crore and submitted the UC to GoI. Scrutiny of records revealed that the Department had actually incurred expenditure of ₹ 96.22 crore. Thus, the UC was inflated by ₹ 7.46 crore.

Government stated (October 2015) that under ESVHD, in spite of continuous follow up, GoI did not release the balance fund but released ₹ 1.50 crore during 2014-15 only. In case of RBPDP, GoI had not stopped release of fund. The reply in case of ESVHD is not acceptable since GoI intimated (September 2014) regarding non receipt of physical progress report of work done under the scheme for the fund released during March 2011.

2.2.11.2 Drawal of scheme funds and parking in banks

Odisha Treasury Code stipulates that no money shall be drawn from the Treasury unless it is required for immediate disbursement. However, scheme funds were drawn from Treasury by Director of Animal Husbandry & Veterinary Services, Cuttack and released to various CDVOs for implementation of various schemes. As there was no immediate requirement, the funds continued to remain in the current account of banks. Of the 121 Drawing and Disbursing Officers (DDO) in the Department, 12 DDOs including nine CDVOs were test checked and it was revealed that since 1990-91, funds amounting to ₹ 11.25 crore meant for various schemes remained unspent (31 March 2015), indicating poor fund management.

Accepting the facts Government stated (October 2015) that all the DDOs have been suitably instructed to utilise the funds parked with them immediately and in case of non utilisation / non requirement, the funds would be deposited in Treasury.

2.2.11.3 Submission of UCs before incurring expenditure

Department submitted utilisation certificates for ₹ 1.90 crore and ₹ 0.80 crore in respect of 2011-12 and 2012-13 on 08 January 2013 to GoI in respect of a scheme “National Mission for Protein Supplements - Goat Development under RKVY”. However, Director, AHVS had not received report on physical and financial progress of the scheme from CDVOs till January 2013. Check of records in test checked offices revealed that funds were not utilised till the date of audit.

The Director, AHVS replied that UCs was submitted anticipating utilisation at CDVO level for getting further release of fund. This indicates inadequate monitoring of implementation of the scheme.

2.2.11.4 Inordinate delays in adjustment of advances

As per Odisha Treasury Code and Finance Department Circular dated 02 December 1985, the advances paid to Government servant for departmental and allied purposes are to be adjusted by submission of detailed accounts supplied by vouchers or by refund of unspent balances, if any, within the month in which it is disbursed. The DDO should review Advance Register and ensure clearance. Test check of Advance Registers and information furnished by 11 units revealed that a sum of ₹ 1.98 crore was outstanding against the departmental officers for six to 248 months.

Accepting the facts Government stated (October 2015) that out of outstanding advance of ₹ 1.98 crore, the amount remaining for adjustment is ₹ 25 lakh which would be recovered soon from the employees.

2.2.12 Human Resources Management

For planning, organising, co-ordinating execution and controlling various schemes under implementation, officers and staff at Directorate and in field level are very essential. However, shortage of personnel in various cadres was continuing for years together as detailed below:

Table No. 2.19 Shortage of manpower in various cadres

Sl. No.	Name of the post	Sanctioned strength	Men in position	Remarks
1.	Livestock Inspector (LI)	3330	2147	In the absence of adequate LIs, basic services in LACs could not be provided.
2.	Veterinary officers (Block Veterinary Officers, Other Specialists, Veterinary Assistant Surgeon etc.)	1017	747	In the absence of adequate veterinary officers, critical livestock services in veterinary hospitals, dispensaries could not be rendered.
3.	Fodder Officers	43	25	In the absence of adequate Fodder Officers, promotion of green fodder cultivation and feeding of enriched crop residue to dairy animals in intensive and potential milk production zone was not possible.
4.	Additional Director	3	0	In view of vacancies in Senior Officer's cadre, planning, organising and co-ordination of activities of schemes were affected adversely.
5.	Joint Director-I	6	1	

<i>Sl. No.</i>	<i>Name of the post</i>	<i>Sanctioned strength</i>	<i>Men in position</i>	<i>Remarks</i>
6.	Joint Director-II/ Chief District Veterinary Officers	37	19	In the absence of full time controlling officers in districts, regular activities for the schemes and creation of infrastructure for the schemes were affected adversely.

(Source: Data provided by Director, AH&VS)

Review of records revealed the following:

- As of March 2012, as against sanctioned strength of 3,030 posts of LIs, only 2,480 LIs were on roll and there were 550 vacancies. It was seen from the proceedings of meeting held on 24 February 2015 under the Chairmanship of Development Commissioner-cum-Additional Chief Secretary that LI vacancies increased to 1,134 from 550 and against this; it was decided to fill up 863 LI vacancies to make the LACs functional.

Subsequently in April 2015, Empowered Committee of the Finance Department recommended to fill up 687 posts of LIs on contractual basis. However, no appointment of LIs was made (till July 2015).

In reply, Government stated (October 2015) that necessary action is being taken for filling up vacant posts in different cadres.

2.2.13 Conclusion

The vision of Perspective Plan of the Department for ten years (2010-20) to ensure a holistic support system by providing, securing and facilitating effective and efficient services to become self sufficient / surplus in milk, egg and meat by enhancing the poor to secure sustainable livelihood through livestock development could not be achieved as funds provided for construction of Livestock Aid Centres, upgradation of veterinary hospital, construction of new semen bank, construction of Embryo Transfer Technology laboratory, construction of cryocan storage houses and milk chilling plant could not be utilised in time due to non selection of sites. Some of the schemes/ projects could not be completed/ taken up due to inadequate funding and delay in construction by executing agencies. Implementation of schemes was affected due to lack of adequate field functionaries like livestock inspectors and veterinary officers. Due to vacancies in the cadre of Chief District Veterinary Officers, adequate control over scheme implementation was not ensured. The practice of taking up infrastructure works without ensuring adequate provision for manpower and other facilities led to failure in providing effective veterinary service delivery.

2.2.14 Recommendation

- *The department may consider ensuring implementation of the schemes at the ground level incorporating all requirements of manpower, infrastructure and technology to ensure effective delivery mechanism as envisaged in the Perspective Plan.*
- *The department may take appropriate action to ensure timely completion of projects for which funds were provided by GoI/GoO.*
- *In order to avail GoI grants in full, Government may consider ensuring utilisation of funds during the year through adequate planning.*

Chapter III

Compliance Audits

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Chapter III

Compliance Audit

Compliance Audit of Departments of Government and their field formation brought out instances of lapses in management of resources and failure in observance of regularity and propriety. These have been discussed in the succeeding paragraphs.

DEPARTMENT OF COOPERATION

3.1 Odisha State Agricultural Marketing Board

3.1.1 Introduction

Odisha State Agricultural Marketing Board (OSAMB) being an apex statutory body in the State under Cooperation Department was established in 1985 after amendment of Odisha Agriculture Produce Markets (OAPM) Act 1956 in the year 1984 to exercise supervision and control over the working and other affairs of Regulated Market Committees (RMCs). It includes programmes for development of markets and market areas with intention of regulating sale and purchase of agriculture produce in the State. The Board supervises and guides the RMCs in preparation of plan and estimates of construction works undertaken for development of markets and market areas. The objective of this body is to regulate the markets for agriculture produce to ensure payment of fair price to the agriculturists.

At present under the control of the Board, 66 RMCs are operating covering 314 Blocks of the State. The above RMCs supervise 483 markets comprising of 54 principal market yards and 429 submarket yards. In addition, 43 krushak bazars were also established.

Audit was conducted during April-July 2015 covering the period of five years ending March 2015 in 20¹⁷ out of 66 RMCs on the basis of revenue earnings. Audit objectives were to assess whether adequate marketing infrastructure was available and satisfactory mechanism exists to secure fair price for agricultural produce.

Audit Findings

3.1.2 Deficiency in planning process

As per Clause 4 (E) (v) of Regulation of OSAMB (1991), the Board should prepare State Master Plan for markets. Further, as per the operational guidelines (March 2009) for development of Agricultural Marketing in Odisha, the RMCs should prepare Master Plan (MP) for all markets indicating

17 Attabira, Balasore, Baragarh, Balangir, Baripada, Betanati, Deogarh, Dunguripali, Jaleswar, Jeypore, Jharsuguda, Junagarh, Khariar Road, Koraput, Mukhiguda, Nabarangpur, Padampur, Sambalpur, Sargipali and Udala.

existing structures and prepare infrastructure with detailed estimate duly prepared by local architect/engineer with technical sanction of local Executive Engineer of the Public Works (R&B) Department. The MP of all the RMCs would be consolidated at the OSAMB level to prepare the MP for the entire State. Further, it was decided (25 March 2009) in Board's review meeting for preparation of RMC wise MP by 15 April 2009. The plan should be on the basis of arrival of commodities with pricing efficiency in the market yards. It should also give details of land required. Scrutiny of the records revealed the following:

3.1.2.1 Absence of Master Plan for markets

Except in one market (Kunduli Vegetable Market of Koraput RMC executed under the State Plan & RKVY scheme), the MPs were not prepared (May 2015) for the remaining 482 markets. Thus, due to non-preparation of MP at RMCs level, State Master Plan could not be prepared (May 2015) which resulted in non-creation of market infrastructure for the benefits of farmers. In absence of proper market infrastructure for assembling of farmers and traders, OSAM Board/RMCs could not ascertain better prices to the farmers for their produce.

In reply, although the Government stated (September 2015) that a State Master Plan was prepared in 1995 and market yards have been developed in the State under different schemes after preparation of project proposals, no specific comment is offered on non preparation of RMC wise MP for preparation of State MP by OSAMB.

3.1.2.2 Non-preparation of estimates

The Board had prepared (January 2013) two year action plans for 2013-15 in consultation with RMCs for strategic development of commodity and region specific infrastructure by utilising the available surplus fund of RMCs with fiscal outlay of ₹ 403 crore. For this, ₹ 300 crore was proposed to be utilised out of ₹ 416.20 crore available (as on 01 November 2012) with RMCs. But estimates for ₹ 185.27 crore were approved by the Board in respect of 58 RMCs for creation of market infrastructures, out of which ₹ 65.68 crore (35 *per cent*) was spent as of March 2015. Preparation of estimates for balance projects of RMCs was delayed for want of feasibility study on markets and delay in land acquisition. The Board did not fix year wise target for creation of market infrastructure.

Government stated (October 2015) that to augment the existing marketing facilities and create new market yards, a two year (2013-15) action plan has been prepared to utilise the surplus fund of ₹ 298.04 crore in different RMCs. The reply is not acceptable as the RMCs did not utilise the surplus funds fully for creation of infrastructures as of March 2015.

3.1.2.3 Delay in establishment of wholesale markets

It was, further, seen that although a Detailed Project Report (DPR) along with MP for creation of infrastructure of wholesale market at Berhampur, Cuttack

and Bhubaneswar were prepared (January 2013) by the National Institute of Agricultural Marketing (NIAM)¹⁸, works were however not taken up due to delay in the land acquisition process (February 2015).

Government stated (October 2015) that while the land acquisition is at final stage at Berhampur, it is sub-judice for Cuttack and no reply was furnished about Bhubaneswar.

3.1.3 Creation of marketing infrastructure

3.1.3.1 Krushak Bazars

Under the Chief Minister's 12 point programme (December 2000), against the target of 200 Krushak Bazars (KBs) during five years beginning from the year 2000, 43 KBs were established during 2001-15 in the State. The objective of the KB is to facilitate direct marketing by farmers to the consumers. This would help the producers to obtain better returns and enable consumers to get good quality produce at fair price.

It was noticed in audit that 15¹⁹ out of 43 KBs were not functional since the date of inception due to isolated locations, insufficient marketable vegetables etc. Remaining 28 KBs function with middlemen/traders. 14 of them function once a week, six of them function twice a week instead of daily basis and balance eight KBs function daily. Hence, expenditure of ₹ 2.94 crore incurred on these non functional KBs was rendered unfruitful and farmers/consumers could not avail the benefits of programme.



Non functional KB at Semiliguda

Government stated (October 2015) that the infrastructure created in some of the KBs although not fully used but were utilised at the time of paddy procurement except Barabati under Jajpur RMC. The RMCs are taking steps to sort out the problems to put the infrastructure in use.

3.1.3.2 Core facilities and amenities in market yards

As per OAPM Act, 1956 certain core facilities and amenities are required to be provided for proper functioning of market yards. Test check of records in 20 RMCs under which 20 main market yards and 191 sub market yards were functioning revealed absence of these facilities as detailed in the table below.

¹⁸ National Institute of Agricultural Marketing (NIAM), Jaipur (Rajasthan) is a Government of India autonomous organisation under the Ministry of Agriculture.

¹⁹ Attabira, Balipada, Rajgangpur, Badapadana, Barabati, Chakunda, Chhatra, Dhumala, Dakhina, Deulasahi, Jatni, Hinjilikatu, Khariar Road, Kianali, Semiliguda and Sarbahal.

Table No. 3.1 Non availability of core facilities in market yards

	Required facilities	Out of 20 Market Yards not provided in	Out of 191 Sub Market Yards not provided in	Impact of non provision of facility
A.	Core facilities			
1	Boundary wall	3	101	Entry of cattle, theft and encroachment.
2	Check post and gates	7	121	Unauthorised lifting of produce.
3	Common Auction Platform	5	56	Auction sale facility to ensure fair price not provided.
4	Covered Platform	5	84	Inconvenience to farmer during rain and summer.
5	Weigh Bridge	7	126	Affect correct weighment and speedy disposal.
6	Internal Road	2	78	Carriage of produce will be affected.
7	Watch and ward	8	144	Theft and loss of produce and property.
8	Lighting arrangement with Tower and power supply	3	131	Transaction is not possible during evening and night. Computer system and weighbridge cannot be operated.
9	Grading Equipment	5	65	Non receipt of fair price due to non grading of produce.
10	Cooling chamber	19	190	Non assurance of bargain power.
11	Service Road	4	86	It will force the farmers to sell the produce outside the market.
B.	Amenities			
1	Drinking water	3	56	Basic human need to live. Staying longer duration (morning to evening) is very difficult for farmers.
2	Sewerage and water supply	7	139	
3	Canteen	7	187	
4	Rest room	8	158	
5	Sanitary facilities	7	134	Women farmers suffer due to lack of sanitary facilities.

(Source: Information provided by the RMCs)

It was noticed from the minutes of the review meeting (February 2015) that instructions had been issued to Secretaries of RMCs to submit proposals for need based market infrastructure. However, no proposal was received from the RMCs till July 2015.

Accepting the factual position, Government stated (October 2015) that some of the sub market yards managed by RMCs do not have all the facilities. The required facilities in such market yards would be developed as per requirement.

3.1.3.3 Continuance of non functional cooling chambers

Rule 45-A (xii) and 82 of OAPM Rules, 1958 stipulate creation of storage for unsold agricultural produce. To avoid distress sale and to preserve unsold vegetables, 17 cooling chambers were procured during 2003-04 and five cooling chambers procured in subsequent years at a cost of ₹ 1.04 crore for installation in 16 market yards under 15²⁰ RMCs. Audit noticed that 20 cooling chambers were



Non installation of cooling equipment at Sargipali

²⁰ Angul, Bahadajhola, Banki, Dhenkanal, Hinjilikatu, Jajpur, Jatani, Jeypore, Keonjhar, Kendupatana, Koraput, Nabarangpur, Rahama, Panposh & Sargipali,.

installed in 14 market yards, of which 17 were not functioning due to improper installation, non-commissioning, absence of vegetable racks and want of assured power supply. The remaining two cooling equipment were yet to be installed at Panposh and Sargipali. The Board replied that the units could not be installed due to non selection of site and steps were being taken to install them soon. Review of records at Board office and four²¹ test checked RMC market yards revealed the following:

- Two refrigerators installed at Jeypore Daily Market were defective since installation in January 2006 and repair works though taken up in 2012-13 have not been completed (July 2015).
- Four cooling chambers installed (May 2004) in Kunduli Market yards were not functioning due to absence of power supply as of July 2015. In nine cooling chambers under three²² RMCs, no racks were provided to stack vegetables and refrigerators have remained defective since 2004. The status of these cooling chambers was discussed in the Board meeting during June 2007/March 2010 and decided (March 2010) to revive/commission of the cold rooms and engage Refrigerator Engineer-consultant for the purpose. Even after approval of the Board, repair works were not taken up due to pending tender cases in two RMCs and non completion of the repair work in another RMC.
- Two refrigerators installed in KB, Semiliguda on the basis of preliminary survey instead of any feasibility study remained non functional as the KB has not been made functional.

Further, it was noticed that for revival and commissioning of cooling chambers, the Board decided (March 2010) to engage one Refrigerator Engineer-Consultant for obtaining technical consultancy services. The consultant completed visits to 10 cooling chambers each in 1st and 2nd phase and submitted estimates (March/June 2011). The estimates were approved by the Board in March/May 2012. The Technical Consultant was paid ₹ 0.53 lakh for this purpose. However, these cooling chambers were not repaired till July 2015. Thus, expenditure of ₹ 0.90²³ crore on procurement and installation of cooling chambers in 12²⁴ RMCs was unfruitful. The preservation of vegetable and fruits which are of perishable nature was hampered and farmers were unable to avail this facility which would have extended the shelf life of their produce.

Accepting the factual position, Government stated (October 2015) that as regards the defects and discrepancy pointed out by Audit, the Board would take appropriate steps to make the cooling chambers functional.

²¹ Jeypore, Koraput, Nabarangpur and Sargipali.

²² Jeypore, Koraput and Nabarangpur.

²³ Cost of 19 cooling chambers = ₹ 89.37 lakh + ₹ 0.53 lakh towards repairing.

²⁴ Angul, Bahadajhola, Banki, Dhenkanal, Hinjilikatu, Jeypore, Kendupatana, Keonjhar, Koraput, Nabarangpur, Panposh and Sargipali.

3.1.4 Arrival of agricultural produce and price discovery

3.1.4.1 Short arrival of agricultural produce to market yard

Scrutiny of records revealed that there was a wide gap between agricultural production and the arrival of produce of main crops to the market yards during 2010-14 as detailed in the table below:

Table – No.3.2 Production and arrival of agricultural produce to market yards

(In lakh MT)

Name of produce	2010-11 KMS ²⁵		2011-12 KMS		2012-13 KMS		2013-14 KMS	
	Production	Arrival	Production	Arrival	Production	Arrival	Production	Arrival
Paddy	103.45	39.75	89.32	31.21	143.89	54.17	115.35	42.44
Maize	6.49	3.79	6.08	4.13	6.76	4.57	7.78	4.13
Cotton	2.41	0.70	2.31	0.76	3.36	1.03	2.99	0
Sweet potato	4.10	0	4.13	0	4.10	0	3.96	0
Potato	1.91	0	2.01	0	2.01	0	2.50	0
Onions	3.86	0	4.19	0	4.19	0	4.32	0
Groundnut	4.16	0	4.35	0	4.67	0	4.78	0
	126.38	44.24	112.39	36.1	168.98	59.77	141.68	46.57
Percentage of arrival		35		32		35		33.62

(Source: Data of Agriculture Department, data provided by RMC, Activity Report of Co-operation Department/ OSAMB)

As may be seen from the above table, as compared to the production, arrival of agricultural produce was 32-35 per cent during 2010-14. This indicates that for major quantum of production in the State, remunerative price to the farmers was not ensured since they did not reach the market yards. In this regard, it was noticed that though maize was shown as traded in the market yard, the same was not brought to the market yard and the quantity was derived based on revenue collected in the check gates/points

3.1.4.2 System of sale in markets and price discovery

Rule 55 (2) of the OAPM Rules, 1958 stipulate that the price of agricultural produce brought into the market area for sale shall be settled by open auction or by open agreement. Further, Rule 56 stipulates that the Market Committee shall maintain a record of each consignment of the agricultural produce brought in for sale in the market. The highest bidder will be declared by the Market Committee as the buyer for the produce after obtaining the consent of the seller/farmer. Paddy is procured at Minimum Support Price (MSP) at RMC markets, Primary Agriculture Co-operative Societies and Gram Panchayat markets by the procurement agencies and mills.

Review of records in test checked units revealed that in RMC markets, system of open auction or open agreement was not followed for vegetables due to low arrivals/small marketable lots in absence of infrastructure like cooling chambers to keep unsold vegetables and dedicated staff at market level for conducting open auctions. Record of arrival of vegetables and maize in the market yard and their sale were not kept in the test checked RMCs. Further, it was revealed that market fees of maize marketed (3.94 lakh MT, 4.64 lakh MT, 4.13 lakh MT during 2011-12, 2012-13 and 2013-14 Marketing Year

²⁵ Khariff Marketing Season.

respectively) outside the market yard was collected by the RMC staff at check points in Nabarangpur district. This implies arbitrary trading by traders outside the market area. Thus, RMCs have no control over such traders and hence feasibility or otherwise of getting best price to farmers was not ensured. It was replied that steps were being taken at Government level for formation of policy for procurement of maize.

It was, however, observed from impact study report (2011-12) of NIAM that in case of cotton, the open auction method of sale was followed in RMC markets where procurement agencies and mills purchase cotton.

Government stated (October 2015) that in case of vegetables, open auction method of sale is not in practice because individual farmers bring small quantities to the markets for immediate sale. Sale through auction can only be possible where there is bulk arrival of vegetables. The reply is not acceptable as in absence of infrastructure like cooling chambers to preserve unsold vegetables, the farmers were unwilling to bring their produce in bulk to market.

3.1.5 Dissemination of market information

To ensure remunerative price for agriculture produce, updated market information facilitates is required by the farmers to sell their produce. At the main market yards of RMC, market information is given through notice boards. Government of India (GoI) provided (February 2012) computer system to upload market data/ information of agricultural produce in Price Ticker Board (PTB) and Information Technology (IT) Kiosks. Deficiencies noticed in market information system are discussed below:

- GoO launched (June 2013) “Digital Mandi for farmers of Odisha” for dissemination of prevailing prices of agricultural produce in markets of various locations through mobile phone with Odia text or voice SMS on BSNL mobile platform. For this scheme, a sum of ₹ two crore was provided under State Plan for 2013-14. However, due to non release of fund by the Board, BSNL could not install the server resulting in non availability of required service to the farmers. Thus, the project Digital Mandi for farmers in Odisha is a non starter due to non release of funds to BSNL.

The Government stated (October 2015) that there was inordinate delay in installation of server by the BSNL for which the payment was not released.

- Further, out of 18,000 mobile phones purchased (June 2013), 10,820 phones were distributed (June 2013) and records for distribution of balance 7,180 phones valued at ₹ 79.77 lakh were not available with the Board (June 2015). In test checked RMCs²⁶, 4979 mobiles were distributed without Subscriber Identification Module (SIM) card. As a result, the purpose of providing mobiles phones to farmers for

²⁶ Attabira, Balasore, Baragarh, Balangir, Baripada, Betanati, Dunguripali, Jaleswar, Jeypore, Jharsuguda, Junagarh, Khariar Road, Koraput, Mukhiguda, Nabarangpur, Padampur, Sambalpur, Sargipali and Udala.

disseminating the prevailing market prices and better planning for sale of their produce was not achieved.

- GoI, Forward Market Commission supplied 40 PTBs to OSAMB and these were installed in 40 RMC market yards for price dissemination of the produce traded. In 17 RMCs test checked, 11 market yards under 10 RMCs had 11 PTBs. Of the 11 PTBs provided to them, 10 were out of order due to failure of UPS, non supply of power from electrical board etc. One PTB at RMC, Nabarangpur was displaying (June 2015) wrong market information i.e. for the year 2013 and 2014. Thus, real time market information was not made available to the farmers.

Accepting the observations of audit, Government stated (October 2015) that the Exchanges had now offered to transfer the PTBs to concerned RMCs after which the operation problems would be sorted out.

- GoI supplied (March 2008) 28 IT Kiosks under Market Research and Information Network Scheme for dissemination of complete and accurate marketing information on the AGMARKNET portal to achieve both operational and pricing efficiency in the marketing system. In five²⁷ test checked RMCs, it was noticed that three kiosks were yet to be installed for want of broad band/ internet connectivity/ non completion of market yard work and other two were non functional due to frequent defects. Failure of the department to ensure the functioning of the information hardware has left the farmers unable to know the right price while selling their produce.



Non functional IT Kiosk at Nabarangpur RMC

Accepting the observations of audit, Government stated (October 2015) that the concerned RMCs had been instructed to look into this aspect and take corrective measures and make the PTBs function.

3.1.6 *Facilitation for potato production without ensuring adequate cold storage facilities*

Potato is a major component of the diet in Odisha. As per the report of Task Force on Potato (December 2014), against annual requirement of 10.21 lakh MTs, actual production of Potato in the State was 2.5 lakh MT per annum. One of the major constraints for potato availability was inadequate cold storage facilities in the State. Farmers sold their produce immediately after harvesting.

²⁷ Balasore, Jeypore, Junagarh, Koraput and Nabarangpur.

During 2012-14, due to acute short supply, retail prices of potato reached up to ₹ 40-50 per kilogram. To streamline the availability of potato, GoO decided (December 2014) to create a buffer stock of four lakh quintals during February-April 2015 out of which storage was available for 2.90 lakh quintals subject to variation. Moreover, the Directorate of Horticulture (DH) and Odisha Community Tank Development and Management Society (OCTDMS) facilitated the cultivation of potato over 530 acres in Bargarh district during Rabi 2014.

It was decided (13 February 2015) in the meeting for Potato Buffer Stock to start the purchase of potato by 20 February 2015 from farmers through MARKFED (7²⁸ districts) and NAFED (23²⁹ districts) and they were allotted 8,500 MT and 20,500 MT respectively at the price of ₹ 600 per quintal or the prevailing wholesale price of Bhubaneswar market minus ₹ 150 per quintal which ever was higher for ensuring better price to the farmers.

Again, GoO (FS&CW Department) issued order (11 March 2015) to purchase potato through the above agencies from 15 March 2015. However, it was noticed that NAFED declined to go ahead with the purchase due to non execution of agreement with Cold Storage agencies and non procurement of bags. The following were noticed in respect of procurement made by MARKFED.

- The MARKFED which opened procurement centres at six districts³⁰ closed them since potato of specified size was not available.
- Subsequently, as per decision (24 March 2015) of Government, MARKFED was required to procure 5500 MT potato in Bargarh, Balasore and Jharsuguda district. In the test checked district of Bargarh, it was revealed that MARKFED procured 465.30 MT during March-April 2015. Due to delayed (33 days)/ inconsistent procurement and for lack of cold storage facilities, farmers were forced to sell balance potato of 3963.80 MT outside the market yard immediately after harvest to avoid loss.
- Government's offer price of ₹ 600 per quintal was less than the production cost of ₹ 777³¹ per quintal. In view of meagre procurement of potato against the target, the farmers were forced to resort to distress sale.

Despite annual potato production during 2010-14 being in an increasing trend (between 1.96 lakh MT and 2.50 lakh MT) and collection of market fee of ₹ 10 crore annually on the vegetables (including potato) by the RMCs, the Board did not plan construction of cold storages. Hence, remunerative price to the potato producers of the State could not be ensured.

²⁸ Cuttack, Jagatsinghpur, Jajpur, Kendrapara, Khordha, Nayagarh and Puri..

²⁹ Angul, Balasore, Balangir, Bargarh, Bhadrak, Boudh, Deogarh, Dhenkanal, Gajapati, Ganjam, Jharsuguda, Kalahandi, Kandhamal, Keonjhar, Koraput, Malkangiri, Mayurbhanj, Nabarangpur, Nuapada, Rayagada, Sambalpur, Sonepur and Sundargarh.

³⁰ Cuttack, Jajpur, Kendrapara, Khordha, Nayagarh and Puri.

³¹ Production cost of ₹ 128000 per ha / Productivity of 164.80 quintal per ha = ₹ 777 per ha.

Government stated (October 2015) that in order to reduce post harvest losses and provide storage facilities to farmers for better price, 10 cold storages are to be established by RMCs in potential areas.

3.1.7 Financial Management

3.1.7.1 Receipt and utilisation of funds for schemes

The Board received funds for development of market yards under 13th Finance Commission (TFC) Grant, Rastriya Krishi Vikash Yojana (RKVY) and State Plan. Details of provision/receipt of funds and submission of Utilisation Certificates (UCs) during 2010-15 are given below:

Table No. 3.3 Details of receipt and expenditure of funds (₹ in crore)

Year	13th Finance Commission Grant				RKVY			State Plan			Overall position			Percent -age of expend- -iture
	Share agreed	Fund released	Expend- iture incurred	UC submitted	Fund released	Expend- iture incurred	UC submitted	Fund released	Expend- iture incurred	UC submitted	Fund received	Expend- iture incurred	UC submitted	
2010-11	0.00	0.00	0.00	0.00	6.80	6.80	6.80	3.42	1.40	0.80	10.22	8.20	7.60	80
2011-12	15.00	15.00	14.40	13.40	1.92	1.92	1.92	1.00	1.00	1.00	17.92	17.32	16.32	97
2012-13	15.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2013-14	15.00	15.00	5.12	5.37	4.75	4.20	3.85	3.00	2.46	2.38	22.75	11.78	11.60	52
2014-15	15.00	15.00	2.87	3.68	2.00	1.80	1.00	2.50	0.00	0.00	19.50	4.67	4.68	24
	60.00	45.00	22.39	22.45	15.47	14.72	13.57	9.92	4.86	4.18	70.39	41.97	40.24	70

(Source: Data furnished by OSAMB)

- Utilisation of 13th Finance Commission Grant**

Against receipt of ₹ 45 crore under TFC grant during 2011-15 for creation of infrastructure in 153 market yards, expenditure of ₹ 22.39 crore (49.76 per cent) was incurred and UCs for ₹ 22.45 crore was submitted. Owing to delayed submission (September 2013 to December 2014) of UCs for ₹ 15 crore under TFC grant received for 2011-12, a sum of ₹ 15 crore due to be received for 2012-13 was not released (July 2015) and benefit of TFC grant could not be availed of by the RMCs.

Accepting the factual position, Government stated (October 2015) that ₹ 15 crore was not released to OSAMB due to delay in submission of UCs as land was not available for the purpose.

- Utilisation of funds under RKVY**

During 2010-15, out of the project cost of ₹ 36.32 crore for construction and development of 18 market yards, ₹ 15.47 crore was released under RKVY by the GoO. Against ₹ 15.47 crore, UCs was submitted for ₹ 13.57 crore. Further, no funds were released by GoI under RKVY in 2012-13 due to non submission of project proposal by the Board.

Accepting the factual position, Government stated (October 2015) that out of 18 projects, nine had been completed, eight projects were in progress and one was yet to be taken up.

• **Utilisation of State Plan Funds**

- (i) Against the total funds of ₹ 9.92 crore released for infrastructure development under nine market yards and supply of mobile phones to farmers, ₹ 4.86 crore was spent and UCs were submitted for ₹ 4.18 crore. It was seen that for projects of wholesale and retail market under Jatni RMC, funds amounting to ₹ 91 lakh sanctioned in 2010-11 were kept idle till 2014-15 as the work could not be taken up due to delay in land acquisition.
- (ii) Against ₹ 2.50 crore sanctioned in 2014-15, for providing free mobile phone to farmers, no expenditure was incurred due to lack of initiative by the Board.

Thus, lack of planning hindered utilisation of funds leading to non-creation of infrastructures in market yards. Funds for creation of market infrastructures received under TFC, RKVY and SP remained unutilised resulting in farmers being deprived of the benefits from the scheme.

Accepting the factual position, Government stated (October 2015) that steps were being taken to start the project under RMC, Jatni very soon and for utilisation of ₹ 2.50 crore, selection of appropriate model of mobile phone was under finalisation.

3.1.7.2 Income and Expenditure of Board

As per OAPM Act, 1956 RMCs shall levy and collect market fees on agriculture produce sold in the market area. In addition, RMCs collect licence fees for licence granted to market functionaries. OAPM Act also stipulates that every RMC shall pay the Board not less than five *per cent* of market fees and licence fees as their contribution. This apart, for Board's rendering of technical services, the RMCs are to pay service charges at five *per cent* of value of all construction works. The details of the income and expenditure of the Board from 2010-11 to 2013-14 marketing year³² are given below:

Table No. 3.4 Income and expenditure of the Board

(₹ in crore)

Income and expenditure of the Board				
Year	2010-11	2011-12	2012-13	2013-14
Revenue				
Income	4.95	5.04	8.34	9.90
Expenditure	2.67	2.86	4.26	2.90
Net Surplus	2.28	2.18	4.08	7.00
Capital				
Income	0.32	1.52	1.68	0.83
Expenditure	0.49	0.60	0.24	0.04

(Source: Information furnished by OSAMB)

³² Marketing Year shall commence on 1 November and end on 31 October as per Rule 39 of OAPM Rule, 1958.

Further, audit scrutiny disclosed that the Board paid ₹ one crore to the Chief Ministers Relief Fund during 2013-14 from the Market Development Fund of the Board beyond the provisions of OAPM Act/Rule.

It was noticed that the Board had been earning income in excess of expenditure under the revenue head during 2010-14. Under the capital head, except in 2010-11, expenditure was less than the income in the remaining years. The surplus funds were kept as fixed deposits or in saving bank account of Banks as furnished below:

Table No. 3.5 *Surplus funds kept in Bank* (₹ in crore)

<i>Statement of cash balance in the Bank Account of the Board</i>	<i>31 October 2014</i>	<i>30 May 2015</i>
Fixed deposit	21.12	35.37
Saving Bank Account	4.99	3.55
Total	26.11	38.92

(Source: Data provided by the Board)

A review of records on realisation of market fees, service charges for project works and investment of surplus fund revealed the following:

- Government of Odisha in Cooperation Department issued instructions (November 2012) for keeping of surplus fund in the State Cooperative Bank/District Central Cooperative Bank. In violation of the above instructions, ₹ 1.56 crore was kept (25 June 2012) in fixed deposit in Bhubaneswar Urban Cooperative Bank. The total amount of ₹ 2.02 crore (₹ 1,56,38,360 as principal + ₹ 4574220 as interest at the rate of 9.25 per annum) could not be realised till June 2015 due to liquidation of the bank in 2014.

Government stated (October 2015) that the position of such deposit would be submitted to audit after examination of records.

- In the State Level Review meeting (14 September 2009) instructions were issued to invest the surplus fund in fixed deposit in Central Cooperative Bank (not in any Co-operative Society or in any Urban Cooperative Bank) or any bank approved by the Director of OSAMB. RMC, Koraput withdrew (January/June 2014) ₹ two crore from Koraput Central Cooperative Bank (SB Account) and parked (January/July/August 2014) ₹ three crore including RKVY fund of ₹ one crore in non-interest bearing current account of a private bank (Axis bank) thereby losing interest of ₹ 0.18 crore.
- All the 66 RMCs had to pay five *per cent* of their gross income derived from license fee and market fee in a market year (1 November to 31 October). Further, as per Rule 45, accounts of the RMC shall be maintained in the manner as directed by the Board and the same shall be audited by the Board. Rule 39 of OAPM Rule stipulates that RMC is to submit budget of income and expenditure for ensuing market year not later than 15 October for approval and an abstract account of receipt and expenditure of the previous market year to be submitted to the Board not later than the 31 December. It was noticed that there

were arrears of finalisation of accounts for 2013-14 by 24 RMCs, for 2012-13 by nine RMCs and for 2011-12 by three RMCs. The above RMCs did not intimate their actual income and hence amounts due to be realised towards market fees and licence fee could not be worked out by the Board. The Board had not taken effective action to realise the market fees and licence fee.

- Even in respect of 55 RMCs which had finalised accounts, a sum of ₹ 9.57 crore remained unrealised from the respective RMCs. The Board did not initiate steps for realisation of outstanding amount.

Accepting the facts, Government stated (October 2015) that such contribution is received late from some RMCs for want of approval by Market Committees.

- The RMCs executed works valuing ₹ 115.01 crore during 2010-15, service charges at five *per cent* of the value of works executed in the above period amounting to ₹ 5.75 crore was to be collected from 66 RMCs. However, ₹ 3.46 crore was yet to be realised (June 2015).

Accepting the facts, Government stated (October 2015) that necessary persuasions have been made through issuance of letter for depositing the service charges by all RMCs.

3.1.7.3 Non-realisation of arrear lease rent and staff advance

RMCs lease out godowns for storing agricultural produce and also shops in the market yards. The lease agreement stipulates that rent for a month shall be paid by lessee during the first week of succeeding month. It was, however, noticed that a sum of ₹ 0.84 crore remained unrealised (June 2015). The arrears were due from May 2009 onwards. This included a sum of ₹ 0.39 crore dues to be collected from Odisha State Civil Supplies Corporation. On being pointed out, it was replied that steps would be taken to realise the arrear rent.

Similarly, a sum of ₹ 0.35 crore being advances paid to staff towards general purposes, pay and contingent advance remained unrecovered since October 2004. Further, 16 staff were paid advance before adjustment of earlier advance. Advance of ₹ 10 lakh paid to one private agency during 2013-14 remained outstanding (July 2015).

Accepting the facts, Government stated (October 2015) that the matter would be examined to arrive at the exact figures and steps would be taken for early collection of dues from the defaulters. Further, it was stated that all requisite steps have already been initiated for realisation of outstanding advances.

3.1.7.4 Budget estimates and receipts of RMCs

As per Section 11 of the OAPM Act, 1956, the main source of income of RMCs is market fees which are collected at the rate of one *per cent* of the

purchase value of agricultural produce (two *per cent* in case of paddy) from the purchaser/trader. In 17³³ test checked RMCs, actual receipts against the estimated budget for collection of market fees during 2010-14 marketing years are given in table below.

Table No.3.6 Budget estimates and receipt of market fees (₹ in crore)

Year	2010-11	2011-12	2012-13	2013-14
Budget Estimates for collection of market fees	65.83	67.05	88.06	105.16
Actual receipts	55.24	63.36	87.00	65.59

(Source: Data provided by the Board)

Scrutiny of budget estimates for collection of market fees of the Board as well as test checked RMCs revealed that estimates of market fees were not prepared with reference to assessment of production of crops for the previous year. Instead, these were prepared on the basis of fees realised in the previous year. In the absence of realistic estimates of market fees, the extent of revenue realisation could not be assessed in audit.

3.1.8 Excess payment on procurement of weighing machines

OSAM Board issued (March 2008) detailed terms and conditions for procurement, installation and commission of electronic weighing scale. It stipulated that comprehensive warranty for all items shall remain valid for 12 calendar months. Free maintenance services shall be provided during the period of warranty. After expiry of warranty period for annual maintenance and repair cost, payment shall be made in equal quarterly instalment at the end of each quarter subject to satisfactory services rendered as per rates quoted.

It was revealed in 15 test checked RMCs that 1,764 electronic weighing scales (EWSs) of 300 kg capacity were procured (2008-13) and payment of ₹ 3.40 crore was made to the different firms/suppliers. The amount paid for the above machines included ₹ 1.45 crore towards annual maintenance charges for three years after expiry of warranty period although it was due to be paid after expiry of warranty period on quarterly basis. In deviation from the instructions of Board, the RMCs paid AMC charges in advance at the time of purchase of EWSs.

Further, out of 1,764 EWSs supplied by nine suppliers, 490 EWSs were procured from M/s OMEGA Ltd. for ₹ 0.94 crore which included ₹ 0.40 crore towards payment of advance AMC. The above supplier did not render annual maintenance services since expiry of warranty period, RMCs did not have any hold on the suppliers due to deviation of guidelines of Board.

³³ Attabira, Balangir, Balasore, Baragarh, Deogarh, Dunguripali, Jaleswar, Jeypore, Jharsuguda, Junagarh, Koraput, Khariar road, Mukhiguda, Nabarangapur, Padampur, Sambalpur, and Sargipali.

Accepting the facts, Government stated (October 2015) that observation of audit will be taken into account to ensure corrective measures and irregular payments made would be subject to recovery from the erring officials.

3.1.9 Evaluation of agricultural marketing in Odisha

As per decision of State Minister in charge of agricultural marketing, GoI/ National Institute of Agricultural Marketing (NIAM) conducted a study in agricultural marketing in Odisha during 2011-12. The above study indicated following deficiencies:

- Prevailing marketing system was inefficient and farmers were constrained to sell produce to local traders at low prices.
- RMC market yards were not under regular use and markets under Gram Panchayats do not have basic infrastructure.
- Open auction method of sale was not followed except for cotton.
- Problems faced by farmers are, lack of daily RMC owned whole sale markets, lack of access to market information, lack of storage space, non receipt of immediate payments for produce sold, lower price realisation etc.

The Board instructed (June 2015) construction and development of need based infrastructure in the market yards after proper feasibility study. In respect of auction of bulk supply of maize no decision was taken for purchase by Government agencies.

Accepting the facts, Government stated that the Board is now taking proactive measures to raise the economic condition of the farmers by raising their bargaining power as a group.

3.1.10 Conclusion

Master Plan for development of agricultural marketing as envisaged in the operational guidelines was not prepared. Funds available for creation of market infrastructures could not be utilised due to non preparation of feasibility study and delay in land acquisition. Some of the Krushak Bazaars set up under Chief Minister's 12 point programme to facilitate direct marketing by farmers were not functional due to isolated locations. Market yards lacked core facilities and amenities such as boundary wall, weigh bridge, auction platform, grading equipment, cooling chambers etc. There was wide gap between agricultural production and arrival of produce of main crops to the market yards. System of dissemination of market information through computer systems to upload market data / information relating to agricultural produce was not functional. Lack of planning hindered utilisation of funds leading to non creation of infrastructure in market yards. Funds for creation of market infrastructure received under TFC, RKVY and State Plan remained unutilised, resulting in farmers being deprived of the benefits from the scheme.

DEPARTMENT OF FOREST AND ENVIRONMENT

3.2 *Short realisation of cost of compensatory afforestation*

Short realisation of ₹ 11.79 lakh towards cost of Compensatory Afforestation

Under the provision of the Forest (Conservation) Act 1980 and the rules framed thereunder, User Agencies (UAs), in whose favour, diversion of forest land is allowed for non forestry use, are required as a first step following Stage-I clearance of proposal(s) to deposit charges under various heads including charges for Compensatory Afforestation (CA).

Check of records of Malkangiri Forest Division revealed (December 2014) that Government of Odisha (GoO) granted (October 2013) permission in favour of M/s Iragavarapu Venkat Reddy Construction Limited (IVRCL), Hyderabad for diversion of 2.992 ha of forest land for operation of stone quarry to fetch construction materials for widening of Govindapalli-Salimi-Mahupadar Road as per the general approval (May 2011, June 2011 and February 2013) accorded by Ministry of Environment and Forest (MoEF). As per condition No. 10 of general approval, UA had to deposit cost of CA as per assessment of Divisional Forest Officer (DFO). Accordingly, DFO Malkangiri intimated (November 2013) the UA to pay the cost of CA of ₹ 19.79 lakh. However, UA deposited ₹ eight lakh (March 2014 and November 2014) towards CA which resulted in short realisation of ₹ 11.79 lakh till the date of audit (December 2014).

On this being pointed out, DFO issued (December 2014) reminder to UA for realisation of above amount. The matter was reported to Government (April 2015); their reply is awaited (October 2015).

3.3 *Non-levy of interest on belated payment of royalty*

Non-levy of interest of ₹ 16.18 lakh on belated payment of royalty by M/s Odisha Forest Development Corporation Limited

As per Rule 42 of Orissa Forest Contract Rules, 1966, if a contractor fails to pay any installment of dues like royalty on sale of forest produce by the due date, i.e. 31 March of each year, he is liable to pay interest at the rate of 6.25 per cent per annum for the period of delay on the amount of arrears. The Government of Odisha clarified as early as in February 1977 that the Odisha Forest Development Corporation (OFDC) Ltd., being a contractor, was also liable to pay interest for arrears in payment of royalty to the Government. Further, as per compliance furnished (January 2013) by department to PAC against the paras of earlier Audit Reports (2008-09 and 2010-11), Finance Department refused (April 2012) the proposal of OFDC for exemption from imposition of interest on belated payment of royalty.

Test check of records of 18 Forest Divisions³⁴ revealed (between May 2014 and February 2015) that OFDC Ltd. paid royalty of ₹ 2.81 crore for timber/poles involving 520 irregular lots during the period from 2012-13 to 2013-14 with delays ranging from two to 142 months as detailed in the *Appendix – 3.3.1*. However, interest of ₹ 16.18 lakh payable by OFDC Ltd. towards delayed payment of dues, was not levied by Divisional Forest Officers (DFOs) till February 2015.

On this being pointed out, eight³⁵ out of 18 DFOs raised demand for ₹ 7.42 lakh between May 2014 and February 2015 and 10 DFOs stated that action would be taken to raise demand against OFDC Ltd. for the period of delay in payment of royalty. The replies of DFOs confirm that action is now being taken only after it was pointed out by audit.

Accepting the facts, Government stated (October 2015) that all the DFOs had already raised demand for ₹ 14.17 lakh out of ₹ 16.18 lakh towards interest accrued on belated payment of royalty except one DFO, Boudh. The DFO, Boudh had been instructed to raise demand for the interest on belated payment of royalty against OFDC.

3.4 *Non-disposal of timber*

Non-disposal of timber and poles seized in undetected forest offence cases

The Government of Odisha, Forest and Environment Department in their order of August 2005 issued instructions for early disposal of timber and poles seized in undetected (UD) forest offence cases either by public auction or by prompt delivery to Odisha Forest Development Corporation (OFDC) Limited within two months from the date of seizure in order to avoid loss of revenue due to deterioration in quality and value on account of prolonged storage. The rates of royalty on timber regular and irregular lots for the year 2014-15 were fixed by Government in Forest and Environment Department in the joint meeting of Principal Chief Conservator of Forests, Odisha and the Managing Director, OFDC Ltd. held during November 2014.

Check of records of 23³⁶ forest divisions between April 2014 and February 2015 revealed that timber and forest produce valued at ₹ 33.28 lakh which were seized under 1,087 UD forest offence cases during 2010-11 to 2013-14 as detailed in *Appendix – 3.4.1* were lying undisposed (February 2015) due to lack of effective and timely action by the Departmental authorities such as Range Officers (ROs) and Divisional Forest Officers (DFOs) and resulted in blockage of revenue to that extent.

³⁴ Athgarh, Balangir, Balliguda, Boudh, Baripada, Ghumsar (S), Jharsuguda, Kalahandi (S), Karanjia, Khordha, Malkangiri, Nabarangpur, Nayagarh, Paralakhemundi, Phulbani, Rairakhol, Rayagada and Sundergarh Forest Divisions.

³⁵ Athgarh, Balliguda, Baripada, Ghumsar (S), Jharsuguda, Khordha, Malkangiri and Nabarangpur Forest Divisions.

³⁶ Athgarh, Balangir, Bhadrak (WL), Balasore (WL), Balliguda, Baripada, STR Baripada, Bonai, Deogarh, Ghumsar(S), Ghumsar(N), Jeypore, Kalahandi (S), Khariar, Karanjia, Khordha, Malkangiri, Nayagarh, Phulbani, Paralakhemundi, Rairakhol, Rayagada and Sundergarh.

On this being pointed out, Government stated (October 2015) that in the meantime forest produce of ₹ 10.71 lakh had already been disposed of and steps were being taken to dispose of balance forest produce.

3.5 Non-realisation of interest on delayed payment of Net Present Value

Non-realisation of interest on delayed payment of Net Present Value by user agencies

The Central Empowered Committee instructed (May 2010) that mining lease holders who do not pay Net Present Value (NPV) within a period of 30 days will not be allowed to continue mining till payment of NPV along with interest is deposited. Department of Forest and Environment (DoF&E) prescribed (May 2013) the rate of interest at nine *per cent* per annum for delayed payment of NPV.

Check of records revealed (July 2014) that in Keonjhar Forest Division, demand was made by Divisional Forest Officer (DFO) for realisation of ₹ 27.52 crore towards NPV (June 2010) in favour of six user agencies. The UAs deposited NPV amount between May 2013 and April 2014 which was delayed by 1046 to 1380 days from the date of demand; but interest of ₹ 8.96 crore at the prescribed rate of nine *per cent* for delayed payment of NPV was neither demanded by DFO nor deposited by user agencies as detailed in *Appendix – 3.5.1*.

On this being pointed out, Government stated (September 2015) that ₹ 8.37 crore had already been realised in two cases and for balance ₹ 0.59 crore demand raised against the user agencies.

DEPARTMENT OF WATER RESOURCES

3.6 Construction of Check Dams

3.6.1 Introduction

Government of Odisha (GoO) launched a new programme “Construction of Check Dams (CDs) / stream storage structures” in small river / stream and anicuts in major streams / rivers during 2010-11 to utilise a part of the surface runoff flowing down to the sea. The main objectives of the programme were to conserve water at the end of monsoon to meet the drinking water requirement of nearby villages, to provide incidental irrigation to crops in the adjacent cultivated land and to recharge the ground water. As per GoO’s guidelines, during selection of sites for CDs, priority would be given to blocks having less than 35 *per cent* irrigation coverage and areas where the people were willing to take up operation and maintenance of the check dams. Guidelines also stipulated that CDs should be planned for maximum storage and they shall have uninterrupted catchment area of not less than five square kilometer as per instructions (November 2012) of Chief Engineer (CE), Minor Irrigation (MI) Odisha, Bhubaneswar. During the period 2010-15, GoO set a target of 15,000

CDs for construction. The Chief Engineer (CE), Minor Irrigation (MI) sanctioned 8,090 CDs, of which the Divisions completed only 5,926 CDs (73.25 per cent). As per guidelines, CDs were to provide incidental irrigation during late Khariff and Rabi by storing water at the end of monsoon mainly through lifting devices only.

Audit was conducted in eight³⁷ out of 30 Minor Irrigation (MI) Divisions selected on random sampling basis between April and June 2015 covering a period of five years ending March 2015 to assess whether the CDs were constructed as per approved guidelines and the intended benefits had reached the targeted beneficiaries.

Audit Findings

3.6.2 Implementation of scheme

3.6.2.1 Target and achievement

Though the department set a target of 15,000 CDs during 2010-15, CE, MI accorded approval for 8,090 CDs only for ₹ 1,318.12 crore out of which ₹ 971.53 crore was provided in the budget. Of the approved projects, the Divisions completed 5,926 CDs with expenditure of ₹ 884.88 crore till March 2015. Year wise details of target and achievement of CDs are given below:

Table No. 3.7 Target and achievement of CDs

<i>Year</i>	<i>Target</i>	<i>No. of check dams approved</i>	<i>No. of check dams completed</i>
2010-11	1000	1366	413
2011-12	3000	3046	1133
2012-13	3000	1181	1848
2013-14	6000	2380	913
2014-15	2000	117	1619
Total	15000	8090	5926

(Source: as per information furnished by the CE, MI)

Although GoO made less provision of ₹ 346.59 crore (26.29 per cent) from the approved cost in the State budget, the department was able to utilise only ₹ 884.88 crore and surrendered ₹ 86.65 crore as of March 2015. Out of 8,090 approved CDs, 5,926 CDs were completed, 196 CDs were dropped, 1,667 CDs were under progress and balance 301 CDs were in the tendering stage. During test checks in eight divisions, it was revealed that out of 4,050 CDs sanctioned, 1,416 CDs were completed and 1,409 CDs though completed with structures, were not fitted with shutters as of March 2015.

Government stated (September 2015) that due to site dispute between villagers, non response to tenders, low tender biddings and shortage of technical staff for survey and investigation, all the approved CDs could not be completed and funds were surrendered.

³⁷ Minor Irrigation Division, Balasore, Balangir, Kalahandi, Keonjhar, Khariar, Nayagarh, Padampur and Sambalpur.

3.6.2.2 Non formation of Pani Panchayats

Guidelines for construction of CDs stipulated that PP/ WUA should be formed by the beneficiaries during the process of selection of site for construction of CDs. On completion, the CDs were to be handed over to PP/WUA for their proper management.

In eight test checked divisions it was noticed that people were not involved in selection of site for CDs and PPs /WUAs were not formed for 2,825 out of 4,050 CDs after their completion. In 173 cases, even where local people had formed group and submitted the proposal to the Divisions for requisite registration with Revenue Department, no action was taken by the Divisions.

Government stated (September 2015) that with assurance of local people for maintenance of CDs, the projects were constructed and sometimes necessary cooperation from them is not available. The reply is not acceptable as the proposals of local people were not registered with Revenue Department.

3.6.2.3 Construction of check dams without shutters

Check dam is an instream storage structure and for storing water, shutters between concrete structures are necessary. The guidelines *ibid* state that the department would supply wooden or steel planks or sand bags to members of PPs and demonstrate the operation and maintenance by putting shutters/planks or sand bags in position and their removal. The CE (MI) had also instructed (February 2011) all Superintending Engineers (SEs) and EEs to close the vents at check dams within seven days and also stated that for failure in this regard, concerned officers would be personally responsible.

Review of records in eight test checked divisions revealed that 1,409 out of 2,825 CDs completed with structures were not provided with shutters. As a result, water was flowing through open vents and in view of no storage of water the very purpose of construction of CDs was defeated. Thus, expenditure of ₹ 166.21 crore incurred on the above 1,409 CDs was unfruitful and the local people were deprived of desired benefit of the scheme. No action was also taken against the EEs for failing to provide shutters.

On this being pointed out, Government stated (September 2015) that provision of shutters had not been finalised as the PPs were not registered and as such, the responsibility of maintenance of gates could not be handed over to PPs. The above reply is not tenable since the instructions of CE (MI) were not implemented and the divisions had not taken any action to register the PPs. Even after the above instructions, during the subsequent period (2011-15) 1,389 CDs were also constructed without shutters.

3.6.2.4 Inordinate delay in completion of CDs

To provide timely benefit of the scheme, the guidelines stipulated that tendering process and issue of work orders must be completed within a month and maximum one month should be prescribed for completion of works.

Details regarding year of sanction/agreement and period during which the projects were completed in the test checked divisions are given below.

Table No. 3.8 *CDs completed in test checked divisions* (In numbers)

<i>Year of sanction</i>	<i>No. of CDs sanctioned</i>	<i>Completed in the year of agreement</i>	<i>Completed in subsequent years</i>	<i>Dropped/ cancelled</i>	<i>Not yet started</i>	<i>Ongoing/ tendering stage</i>
2010-11	653	64	503	28	6	52
2011-12	1584	482	891	76	5	130
2012-13	687	80	354	4	18	231
2013-14	1092	33	418	10	22	609
2014-15	34	0	0	0	0	34
Total	4050	659	2166	118	51	1056

(Source: as per information furnished by the test checked Divisions)

- Out of 2,825 CDs completed during 2010-15, only 659 CDs were completed in the year of agreement and balance 2,166 CDs were completed with delays of one to four years due to various reasons such as water in nalla, rain, village dispute, site dispute and unwillingness of the contractors to execute the work.
- 51 CDs with estimated value of ₹ 10.66 crore in two³⁸ out of eight test checked divisions had not started due to site dispute/non availability of approach road to carry construction materials/ non availability of site due to crop at nearby area.
- In five divisions,³⁹ 118 CDs were dropped / cancelled due to land dispute, involvement of forest clearance, village problem / site dispute and prior construction by other Department.
- 1,056 CDs were not completed in all test checked divisions during 2010-15. The year wise details of CDs dropped/not started/ not completed in test checked divisions are given in **Appendix – 3.6.1**.

Government while accepting the facts stated (September 2015) that in spite of all the efforts there was delay in construction of some projects due to land site conditions, local disputes and non availability of materials on time. The replies were not acceptable as the sites were selected without following the guidelines.

3.6.2.5 *Non-completion of Projects due to lacuna in tender process*

The Guidelines stipulated deposit of additional performance security (APS) by the bidders when bid amount is seriously unbalanced i.e. less than the estimated cost by more than 10 *per cent* along with the tender. The EEs failed to incorporate the above clause in the Detailed Tender Call Notice (DTCN). As a result, though bids were seriously imbalanced, the APS was not submitted by the bidders in respect of 397 projects and contracts were awarded

³⁸ Balasore and Nayagarh.

³⁹ Balasore, Kalahandi, Keonjhar, Nayagarh and Sambalpur.

for 397 CDs for a value of ₹ 107.04 crore. The contractors of all 397 CDs did not complete the works within the stipulated period.

Accepting the facts Government stated (September 2015) that observation of Audit is noted and efforts were being taken to overcome such mistakes.

3.6.2.6 Short availing of Central Assistance

The guidelines specifically state that funding for execution of CDs in KBK districts are to be met from Special Component Assistance (SCA) and Additional Central Assistance (ACA). Similarly, State's own funds would also be utilised for execution of CDs in Non-KBK district. Year wise details of funds received from GoI under both SCA and ACA, expenditure incurred, utilisation certificate submitted and funds surrendered during 2010-15 are given below.

Table No. 3.9 Surrender of funds

(₹ in crore)

Year	Fund provided by GoI under SCA & ACA	Expenditure incurred	Utilisation certificate submitted	Funds surrendered
2010-11	35.03	7.64	7.64	27.39
2011-12	25.00	24.32	24.28	0.68
2012-13	16.14	15.11	14.55	1.03
2013-14	17.78	14.66	14.66	3.12
2014-15	15.21	15.21	11.41	-
Total	109.16	76.94	72.54	32.22

(Source: as per information furnished by the CE, MI)

- Against the receipt of ₹ 109.16 crore under SCA & ACA in 2010-11 to 2014-15, ₹ 32.22 crore was surrendered.

Government stated (September 2015) that in the initial stage of implementation of the programme during 2010-11, the projects could not be executed in time because of which the SCA funds could not be utilised. CE, MI stated that due to slow progress of projects the above funds were surrendered. The reply is not tenable as the department could have ensured completion of the approved CDs through close monitoring.

- It was, noticed that out of total expenditure of ₹ 308.42 crore for construction of 2,635 CDs in KBK districts during 2010-15, a sum of ₹ 76.94 crore had been availed from SCA and ACA though GoI provided ₹ 109.16 crore. Lack of planning and inadequate monitoring in utilisation of funds during the year of sanction deprived the State of GoI grants.

Government stated (September 2015) that the surrender of unspent funds of SCA and ACA were being revalidated to next financial year. The reply is not acceptable as the funds were not utilised during the year of sanction.

3.6.2.7 *Non assessment of pre and post ground water recharge*

As per objectives of the guidelines for construction of CDs, the construction is to recharge ground water and field units should take steps to document the pre/post sceneries of the CDs. It was noticed that for assessment of ground water table, Ground Water Survey and Investigation (GWS&I) Divisions under DoWR along with Central Ground Water Board (CGWB) were to conduct regular tests to assess ground water table.

Check of records revealed that though 5,926 CDs were completed during the period 2010-15, the department had not assessed pre water table and post ground water recharge table level of the construction sites of the CDs. Further, neither the EEs nor the department had consulted GWS&I to assess pre and post water recharge table of the sites.

3.6.3 *Quality control*

Chief Engineer, MI instructed (June/August 2011) maintenance of a quality control register for each CD, recording the quality control test report in respect of the aggregates, cement and concrete. It was stipulated that for concrete work, the frequency of sampling, test specimen and test result of sample should be as per clause 15.2 to 15.4 of IS (Bureau of Indian Standard) 456:2000. Bills in respect of works should be presented along with the test result. However, payments were made without test reports.

During test check of records in eight divisions, it was observed that quality control registers were not maintained. Moreover, no check measurement of CDs as required under D (II) of Appendix – II of OPWD code Vol. II was done by the EEs. Under these circumstances, quality of construction of CDs could not be ensured. Moreover, test reports were not available and EEs had released the payments to the contractors without insisting on test results. It was observed from records that due to abnormal rainfall in Padampur area during July/August 2014, afflux bunds of the CDs were affected and 114 CDs were outflanked in Padampur MI Division.

Accepting the facts Government stated (September 2015) that quality control tests were conducted but the records of such tests were not maintained by the site Engineers and CDs were outflanked due to unprecedented heavy rain.

3.6.4 *Monitoring of scheme*

The Scheme guidelines provide that the progress of selection of site for CDs and implementation will be monitored by a State Level Monitoring Committee (SLMC) under the Chairmanship of Chief Secretary (CS) twice in a financial year. Similarly, District level Monitoring Committee (DLMC) under the Chairmanship of the Collector & District Magistrate should meet once in every quarter.

Review of records revealed that only one SLMC meeting was held during December 2010 and it was noticed from the minutes of the meetings that

tribal/drought prone areas and blocks where irrigation coverage was less than 35 per cent should be given priority. Since no SLMC meetings were held subsequently, monitoring in this regard was not done. Further, in eight test checked divisions, it was noticed that no district level monitoring committee meeting was held during 2010-15.

Government stated (September 2015) that observation of Audit is noted and EEs were instructed to contact district officials for convening DLMC meeting and SLMC was scheduled to be held in September 2015.

3.6.5 Conclusion

Formation of Pani Panchayat was not ensured before selection of site. Construction of check dams without shutters defeated the very purpose of check dams. With delays in construction, lack of quality control measures and non monitoring of progress, intended objectives of conserving water at the end of monsoon could not be achieved as per guidelines.

3.7 Undue benefit to contractors

Unwarranted separate provision for base stripping in analysis of rates for excavation of earth from burrow areas led to undue payment of ₹ 1.88 crore to contractors

Para 3.4.10 (i) of OPWD Code stipulates that estimates should be prepared in most economical manner and also on the basis of Schedule of Rates (SoR). In case of excavation of earth from burrow area, no separate provision for base stripping was made in the State Analysis of Rates (SAoR). Further, standard Agreements containing technical specifications (clause 3.5.3.3) stipulate that no extra payment should be admissible for stripping burrow areas as this is deemed to have been included in bid price for earth work in the bill of quantities.

Check of records of Subarnarekha Irrigation Divisions No. I and II revealed (December 2013 and May 2014) that in disregard of the technical specification separate provisions for base stripping was provided in Analysis of Rates of four⁴⁰ works for excavation and transportation of earth from burrow areas in Subarnarekha Irrigation Project (SIP). In respect of two works viz. Jambhira Earth Dam from RD 2830 m to 3930 m and from RD 4960 m to 6060 m, cost of base stripping at ₹ 5.84 per cum and at ₹ 7.30 per cum for other two works viz. Haladia Earth Dam and Jambhira Earth Dam from RD 3930 m to 4440 m had been provided. The above unwarranted provision of cost of base stripping increased the estimated cost of above four works by ₹ 2.87 crore towards execution of 42.80 lakh cum of burrow earth. As the works were awarded at less tender premium, undue payment to contractors worked out to ₹ 2.14 crore and of this, a sum of ₹ 1.88 crore had already been passed on to the contractors towards execution of 37.96 lakh cum burrow earth as detailed in *Appendix – 3.7.1*.

⁴⁰ (i) Construction of Haladia Earth Dam excluding the existing spillway portion, (ii) Construction of Jambhira Earth Dam from RD 2830 m to 3930 m, (iii) Construction of Jambhira Earth Dam RD 3930 m to 4440 m. and (iv) Construction of Jambhira Earth Dam from 4960 m to 6060 m.

On these being pointed out, Government stated (May 2015) that a provision for stripping burrow area has been kept in the Analysis of Rates 2006 vide item 13 of the special items for irrigation works. However, the item rates of works were analysed as per item No.1 of the special items for irrigation works of Analysis of Rates 2006 where there was no provision for base stripping.

3.8 *Avoidable extra expenditure*

Provision of excess lead for transportation of burrow earth led to extra expenditure of ₹ 2.43 crore to Government and undue benefit to contractor

OPWD Code (Para 3.4.10) stipulates that estimates should be prepared in a most economical manner which includes adoption of shortest lead for transportation of construction material. The preparation of estimates using the shortest lead is also followed and certified. The Executive Engineer (EE) concerned certified to this effect in following cases as per above codal provision.

Check of records of EE, Ret Irrigation Division, Bhawanipatna revealed (March 2014) that for Ret Irrigation Project at Kutingpadar, estimates for construction of earth dam of right flank (₹ 9.01 crore) and left flank (₹ 32.90 crore) were prepared and works were awarded (May 2007) to a contractor⁴¹ for ₹ 7.61 crore and ₹ 26.05 crore for completion in November 2008 and November 2009 respectively. The works were in progress and ₹ 29.45 crore was paid to the contractor (December 2014). Documents in support of estimates indicated that earth for construction of dam was to be burrowed from seven locations whose leads ranged from 1.5 km to 4.0 km and average lead worked out to 2.5 km. In response to audit queries, the EE confirmed that the actual average lead is two km. As against the above average lead of two km, lead distance of 3.5 km was provided in the estimates for burrow earth. Further, while maximum lead was only three km, bill of quantity forming part of agreement, stipulated excavation of earth from burrow area to work site within a lead of five km.

Adoption of excess average lead of 1.5 km in analysis of rates and incorporation of additional two kilometre lead in bill of quantity inflated the estimates by ₹ 4.49 crore for transportation of 17.25 lakh cum of burrow earth as detailed in *Appendix – 3.8.1*. Considering tender premium, extra cost worked out to ₹ 3.34 crore out of which a sum of ₹ 2.43 crore had already been passed on to contractor for transportation of 12.77 lakh cum of burrow earth. Thus, provision of excess lead for transportation of burrow earth led to extra expenditure to Government and undue benefit to contractor.

On this being pointed out, Government stated (July 2015) that as soil for upstream toe of dam was not to be disturbed up to one km for safety of the

⁴¹ M/s BVSR Construction Private Limited.

dam, average lead of 3.5 km was provided. It was further stated that as the tender was decided based on the item rates quoted by the agency, there was neither any erroneous calculation nor any undue benefit extended to the agency so far as the sanctioned estimate was concerned. However, the division had mentioned the availability of burrow earth within a distance of five kilometer in the Detailed Tender Call Notice (DTCN) which induced the bidder to quote excess rate for two kilometer.

3.9 *Avoidable extra cost*

Cancellation of tender of a technically qualified bidder and award of work to Odisha Construction Corporation at their offered rate resulted in avoidable extra cost of ₹ 6.33 crore at award stage
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Chief Engineer & Basin Manager (CE&BM), Lower Mahanadi Basin (LMB) invited (April 2012) tender through e-procurement notice for work “Construction of flood protection embankment on Baitarani Right from Batto to Ranapur under NABARD assistance” against which two bids were received. On opening of technical bids (May 2012), one bid was found to be non responsive and another bidder namely, M/s Biraja Construction was found qualified. OPWD Code stipulates that currency period of any tender should not be more than three months.

Check of records of Executive Engineer (EE), Baitarani Irrigation Division (BID), however, revealed (November 2014) that after 10 months of opening of technical bids, the Tender Committee (TC) of the Department approved (March 2013) the technical bids. On opening of financial bids (April 2013), it was found that the bidder had quoted ₹ 8.25 crore being 16.45 *per cent* less than the estimated cost of ₹ 9.88 crore. As the quote was not matching with the estimated cost, Chief Construction Engineer (CCE), Anandapur Barrage Project (ABP) requested (April 2013) the bidder to submit critical analysis in support of their quoted rates within a week which was not received. Subsequently, CE&BM, LMB directed that the tender be cancelled and the EMD of the bidder be forfeited, which was communicated (June 2013) to EE along with request for early steps for retender of the above work. EE, however, recommended (June 2013) that the work be awarded to M/s Odisha Construction Corporation (OCC) for quick and timely execution in view of ensuing flood damaged situation and demand of local representatives. On the basis of recommendation of EE, the CE&BM requested (July 2013) OCC to offer their rates for construction of work and the same was also recommended to Government for approval.

As per resolution of Works Department (September 2012), departmental execution can be taken up only where the work was non-responsive in tender /e-tender or exigency or security reasons. After seven months of cancellation of the tender of the technically qualified bidder, the work was awarded to OCC (January 2014) at their offered rate of ₹ 14.58 crore which was ₹ 6.33 crore in excess of the above bid. Further, the Executive Engineer’s statement that the local representatives demanded early completion of work was also not

supported by documentary evidence. Resorting to departmental execution or execution through State Public Sector Undertaking at a higher cost was not in the financial interest of Government. Further, the same bidder M/s Biraja Construction was given the work order by M/s OCC at 2.54 *per cent* less than the awarded cost to OCC.

Thus, rejection of a technically qualified bid and subsequent award of the work to OCC led to the work being awarded at a higher cost by ₹ 6.33 crore. While the department claimed that the work needed to be completed urgently, the actions of the department led to a delay of more than seven months.

On this being pointed out, the Government stated (July 2015) that the contractor failed to submit the critical analysis report in support of their quoted rate and also refused to take up the work with the quoted rate. Further, it was stated that due to demand of local representatives and general public, ensuing flood situation as well as the urgency for repair and restoration of the damaged embankment the work needed to be taken up immediately. The reply is not tenable since the bidder had requested twice (May 2013 and June 2013) to allot the work before monsoon and the same contractor was executing the same work on behalf of OCC. Moreover, the contention of the department that the work was of urgent nature, was not correct since the work was approved under NABARD assistance in December 2011 and remained incomplete even after lapse of more than three and half years defeating the urgency argument.

3.10 *Extra cost due to non-awarding of work to qualified lowest bidder*

Awarding of work to Odisha Construction Corporation at unduly higher cost despite availability of qualified lowest offer resulted in extra expenditure of ₹ 26.12 crore

Para 3.5.18 (iv) of Odisha Public Works Department (OPWD) Code stipulates that currency period of any tender should not be more than three months from the last date prescribed for receipt of tenders. If delay in deciding the tender is inevitable, consent of the tenderers to keep the tender open for a further period absolutely required should be obtained.

Chief Construction Engineer (CCE), Lower Suktel Irrigation Project (LSIP), Balangir invited (December 2010) online item rate tender for construction of earth dam from RD 490 m to 1410 m of LSIP at an estimated cost of ₹ 44 crore. Last date of submission of tender was 14 February 2011. It was revised to 14 March 2011 through corrigendum.

Check of records of Executive Engineer (EE), Lower Suktel Dam Division revealed (July 2014) that bids were valid upto 12 June 2011. However, on the request (May 2011) of EE, all bidders extended the validity period upto 09 September 2011. On opening of technical bids, Tender Committee (TC) of the

Department decided (June 2011) to qualify only two bidders⁴² and disqualify another bidder⁴³ on execution criteria. The financial bids were opened on 21 July 2011 and it was found that first and second lowest bids were of ₹ 33.78 crore and ₹ 37.94 crore being 23.23 and 13.77 *per cent* less than estimated cost respectively.

In August 2011, the first lowest bidder M/s UBV Infrastructure Limited (UBV) was requested to submit the working analysis and also to extend the validity for further period of 90 days from 09 September 2011. UBV extended the bid validity period upto 08 December 2011 and submitted working analysis of rates. After review, CCE stated that according to analysis, the bidder could execute work and TC also recommended (September 2011) to award the work to UBV, subject to condition that bidder would deposit additional performance guarantee before drawal of agreement.

After two months of TC recommendation, EE requested (16 November 2011) UBV to come on or before 25 November 2011 and execute agreement by 30 November 2011 along with the required EMD and also to deposit additional performance security for ₹ 5.82 crore. The bidder however, requested for allowing 30 days to execute agreement and also for accepting bank guarantee towards additional performance security. The request of the bidder was not accepted and his EMD of ₹ 44 lakh was forfeited on 03 December 2011.

Subsequently, CCE recommended (December 2011) to award the work to Odisha Construction Corporation Limited (OCC) on the ground of saving time from lingering tender process. However, after 16 months, the work was awarded to OCC in April 2013 at their offered rate of ₹ 59.90 crore. As of March 2014, the work was in progress with payment of ₹ 7.16 crore already made. Action of the Department for insisting on deposit of additional performance security of ₹ 5.82 crore instead of bank guarantee, non-allowing 30 days time to a qualified lowest bidder to execute agreement who had extended his bid validity twice for 180 days on request of EE was not in the financial interest of Government. Thus, awarding of work to OCC without any justification resulted in extra expenditure of ₹ 26.12 crore.

On this being pointed out, Government stated (July 2015) that the contractor did not turn up and request of the bidder to accept bank guarantee was not accepted by CCE. Reply is not acceptable as there was delay of two months to issue intimation to contractor for execution of agreement after recommendation of tender by TC. Further, the request of the contractor to execute the agreement after 30 days and acceptance of bank guarantee towards additional performance security could have been considered as per para 15.6.2 of OPWD Manual.

⁴² M/s UBV Infrastructure Limited and M/s Durga Condev (p) Limited.

⁴³ M/s ARSS Infrastructure Projects Limited.

3.11 *Loss of Revenue*

Non-conduct of joint verification of ayacut even after nine years of completion of an Irrigation Project resulted in non realisation of revenue of ₹ 44 lakh

Government of Odisha, Finance Department's Report of Expert Committee on Revenue Enhancement Measures states that Executive Engineers (EEs) of Department of Water Resources (DoWR) are responsible for preparation and certification of irrigated ayacut for the purpose of assessment of revenue. The same is to be forwarded to the Tahasildar of Revenue Department by respective EEs of DoWR for verification. A joint verification is to be conducted by Revenue Department and DoWR officers not below the rank of Additional Tahasildar and Assistant Engineer respectively. The assessment of revenue is finalised after joint verification.

Check of records of Nuapada Irrigation Division revealed (January 2015) that Kharkhara Irrigation Project in the district of Nuapada with culturable command area (CCA) of 1950 ha was completed in March 2006 at a cost of ₹ 24.84 crore. The Executive Engineer (EE) requested (November 2009) the Tahasildar, Nuapada for conducting joint verification/certification of ayacut only after three years of completion of the project. However, due to non availability of officers of Revenue Department as per the information furnished by EE, joint verification/certification of ayacut could not be done so far (May 2015) by DoWR, although, more than nine years had elapsed. Due to non conduct of joint verification of ayacut, water tax of ₹ 43.88 lakh at the rate of ₹ 250 per hectare per annum for 1950 ha for nine years could not be realised from the beneficiaries.

On this being pointed out, Government stated (July 2015) that the joint verification works was under process. The reply confirms that action is now being taken only after it was pointed out by audit.

3.12 *Extra cost on award of work to OCC*

In deviation from the Government guidelines, award of works to OCC at their offered rates resulted in extra cost of ₹ 56.45 crore and liquidated damages of ₹ 10.79 crore were also not recovered

Government of Odisha (GoO) in Works Department (WD) after concurrence of Finance Department (FD) issued (September 2012) working Procedure for execution of works through Public Sector Undertakings (PSUs) like Odisha Construction Corporation (OCC). Main conditions stipulated in the above procedure and their impact are as follows:

- (a) Projects should be executed through tender / e-tender process. Departmental execution, however, may be taken up where there was no response to tender / e-tender or due to exigency or security reasons.
- (b) OCC will prepare estimates for all Government projects on the basis of prevailing PWD Schedule of Rates (SoR).

- (c) The Corporation is to call for tenders for works. After finalising tender, it will add supervision charges.

Check of records in seven⁴⁴ Irrigation Divisions revealed (December 2014 and May 2015) that during 2012-13, Department had prepared estimates for twenty projects⁴⁵ at a cost of ₹ 252.18 crore; but in deviation of stipulated procedure, no tender / e-tenders were called for to ascertain response of bidders and works were straightway awarded to OCC at their offered price of ₹ 280.57 crore plus overhead charges at 10 *per cent* with total cost of ₹ 308.63 crore during March 2013 and November 2013 for completion between March 2014 and November 2015 as detailed in **Appendix – 3.12.1**.

It was further, revealed that the works were awarded to OCC at their offered price which was eight to 25 *per cent* in excess over sanctioned estimates before revision of SoR especially when there were no exigencies or security reasons. Despite release of interest free works advance in respect of 14 works, progress in execution of 13 works was slow and remained incomplete on the scheduled date of completion. As of March 2015 against total advance amount of ₹ 106.16 crore, works valued at ₹ 37.86 crore only were adjusted and there was no execution and adjustment at all in four⁴⁶ works. Although standard F2 Agreement clause 2 (a) provided for levy of liquidated damages (LD) at 10 *per cent* of estimated cost, no action was taken for recovery of dues amounting to ₹ 10.79 crore.

Thus, works not urgent in nature awarded to OCC at their offered rates resulted in extra cost of ₹ 56.45 crore to department and non-levy of LD of ₹ 10.79 crore for non-completion of works within due date led to extension of undue benefit to OCC.

Government stated (July 2015) that works related to Kendrapara Irrigation Division were taken up on emergency/exigency basis through OCC during May 2013 to protect and permanently strengthen the embankments before next year's flood as these were affected during severe flood of 2011 and 2012. Similarly, the work of supply of water to Puri town was awarded to OCC to save time and lapse of fund. However, works were awarded to OCC not on the basis of prevailing SoR as per working procedure mentioned above resulting in extra cost to Government and extension of undue benefit to OCC.

⁴⁴ Irrigation Divisions (i) Kendrapara, (ii) Puri, (iii) Aul Embankment, (iv) Jaraka, (v) Jajpur, (vi) Mahanadi South and (vii) Jagatsinghpur.

⁴⁵ (i) Raising and strengthening to CE No. 44 (A) Luna left embankment from Bilabalarampur to Marsaghai, (ii) Raising and strengthening of Paika left embankment from Nainpur to Eragiri, (iii) Raising and strengthening to Chitropala right embankment from 28.590 to 65.190 Km and 6 old spurs, (iv) Raising and strengthening of Dasmouzagheri, (v) Sourcing 75 MLD drinking water to Puri township, (vi) Protection to scoured bank of Rajnagar- Gopalpur river Hansua, (vii) Akhadasahi Creek Irrigation Project, (viii) Protection to Kani Kharasuan right bank, (ix) Protection to scoured bank on Kharashuan left, (x) Repair and restoration of Brahmani Left embankment, (xi) Repair and restoration to Capital embankment of 2A Kianali, (xii) Repair and restoration to Capital embankment of 2A, Devigada, (xiii) Raising and strengthening to right embankment of Baitarani river, (xiv) Restoration of CE No.78(A) on Mahanadi Right at Musadiha, (xv) Protection to Talada island and Tarasah gheri, (xvi) Protection to scoured bank on Devi left embankment at Garey from RD.66.310 to 67.050 km, (xvii) Renovation of Spurs at Daleighai of Kathajori left embankment from RD. 7.80 to 14.6 km, (xviii) Raising & strengthening of river embankment of devi left and Biluakhai, (xix) Protection to scoured Bank on Devi Left embankment near village Gandakula and (xx) Construction of spur at Rd 3.55 km on Devi Left embankment.

⁴⁶ (i) Sourcing 75 MLD drinking water to Puri township, (ii) Akhadasahi Creek Irrigation Project, (iii) Repair and Restoration to capital embankment of 2A Kianali and (iv) Repair and Restoration to capital embankment of 2A, Devigada.

3.13 *Undue benefit to contractors*

Adoption of higher rate for transportation of burrow earth led to excess estimation and consequent undue payment of ₹ 3.22 crore to contractors

Odisha Public Works Account Code (Para 3.4.10) stipulates that estimates should be prepared on the basis of Schedule of Rates (SoR) and cost of individual items of work shall be estimated as per Analysis of Rates (AoR). In respect of sourcing of burrow earth, the Divisional Officer is required to visit burrow area so that estimated cost for transportation of earth could be prepared accurately and economically.

Check of records of two⁴⁷ Irrigation Divisions revealed (December 2014 and March 2015) that under National Cyclone Risk Mitigation Project (NCRMP) estimates of five⁴⁸ works for raising and strengthening of saline embankment provided for transportation of 9.78 lakh cum of burrow earth from areas within two kilometers as per lead statements appended. According to prevalent SoR, admissible transportation cost for burrow earth within two km was ₹ 95.84 per cum whereas the divisions had adopted ₹ 124 per cum. Thus, adoption of the higher rate resulted in increase in estimated cost by ₹ 3.22 crore including tender premium as per agreement value.

Based on the above estimates, works were awarded in December 2013 at a cost of ₹ 63.81 crore on item rate contract with quoted rates ranging from ₹ 124 to ₹ 170 for completion by June 2015. As of November 2014 works were in progress with expenditure of ₹ 27.68 crore as detailed in *Appendix – 3.13.1*.

On this being pointed out, Government stated (July 2015) that the lead statement appended to the sanctioned estimates of these works were wrongly mentioned as two km but the analysis of item rate had been computed with provision of five km lead and minimum mechanical carriage of earth had been calculated as per revised item No. 1 of SoR 2006 which was applicable for an initial lead of five km. The reply is not tenable as the lead statement appended to the sanctioned estimates for burrow earth is within two km which was also agreed by the EEs.

EMPLOYMENT AND TECHNICAL EDUCATION AND TRAINING DEPARTMENT

3.14 *Assessment of Infrastructure in Government Engineering Colleges and Universities*

3.14.1 *Introduction*

The Employment and Technical Education and Training (E&TE&T) Department subsequently renamed as Skill Development and Technical Education (SD&TE) Department provides technical education through Biju

⁴⁷ Nimapara and Jagatsinghpur Irrigation Divisions.

⁴⁸ (i) Raising and strengthening of Chitrotpala-Badaraula saline embankment package - 04, (ii) Raising and strengthening of Nagar saline embankment from RD 00 to 6660 mtr package -01, (iii) Raising and strengthening of Tandahara - Singarpala saline embankment package 08, (iv) Raising and strengthening of Keutajanga saline embankment package 02 and (v) Raising and strengthening of Saline Embankment Bandar to Khatagadi sluice from RD 12.847 to 17.380 km NCRMP-(O) JSD-01 (Reach-01).

Pattnaik University of Technology (BPUT), Rourkela formed under BPUT Act, 2002 and its six constituent engineering colleges⁴⁹. Besides BPUT, there is an autonomous Government Engineering College (GEC) i.e., Indira Gandhi Institute of Technology (IGIT) at Sarang and another Engineering University called Veer Surendra Sai University of Technology (VSSUT) at Burla formed by Orissa Act 9 of 2009 which provide technical education in the State. As per subsection 10 (1) (i) of Clause 1.4.2 of AICTE Act, 1987, AICTE is to lay down norms and standards for course curriculum, physical and instructional facilities, staff patterns, staff qualifications, quality instructions, assessment and examination. Audit of E&TE&T Department and one of its Directorate namely Directorate of Technical Education and Training (DTET), BPUT, Rourkela and its constituent Engineering Colleges, IGIT, Sarang and VSSUT, Burla was conducted during April to June 2015 covering the period 2012-15 to assess whether the infrastructure was created/available and utilised as per AICTE norms; adequacy of human resources for utilization of infrastructure created and internal control, review and monitoring mechanism in implementation of infrastructure facilities and its adequacy and effectiveness.

Audit Findings

3.14.2 Planning and provision of fund for infrastructure in GECs

As a part of long-term expansion plan of technical institutions, Government of Odisha (GoO) in E&TE&T Department formulated (August 2013) the scheme for 'Infrastructure Development of Government Technological Universities and Engineering Colleges' for the period of 2013-17. Funds of ₹ 300 crore were allocated under the scheme for creation of infrastructure:

Table No. 3.10 Allocation of funds under the scheme (₹ in crore)

Infrastructure development of Technical Universities/ Engineering Colleges	2013-14	2014-15	2015-16	2016-17	Total
Civil Works (includes Civil works for Establishment of Technology Lab)	54.15	60.18	58.665	81.91	254.90
Equipment	--	8.50	11.50	7.00	27.00
Equipment for Technology Labs	1.38	2.44	2.91	11.38	18.10
Total	55.53	71.12	73.07	100.29	300.00

The scheme set the target for intake of students in the engineering College / University to increase from 3,017 in the year 2012-13 to 6,328 in the year 2016-17 by increasing the intake in the existing courses as well as by introduction of new courses. Administrative approval for ₹ 512.64 crore was accorded between September 2010 and August 2014 to create infrastructure.

⁴⁹ (i) College of Engineering and Technology, Bhubaneswar (CET) (ii) Government College of Engineering, Kalahandi (GCE, Kalahandi) (iii) Parala Maharaja Engineering College, Berhampur (PMEC) (iv) Institute of Management and Information Technology, Cuttack (IMIT) (v) Government College of Engineering, Keonjhar (GCE, Keonjhar) and (vi) Centre for IT and Management Education, Bhubaneswar (CIME).

Out of ₹ 254.90 crore approved for civil works, ₹ 164.25 crore was released to the institutions during 2013-15. In this regard audit observed the following:

- It was noticed that six infrastructure projects⁵⁰ proposed to be taken up for increasing of student intake at VSSUT were dropped (February 2015) due to non availability of sufficient funds. Similarly, in four⁵¹ other institutions, 50 infrastructure projects were not taken up due to insufficient funds as detailed in *Appendix – 3.14.1*.
- Under the head “Equipment” for 2014-15, although ₹ 8.50 crore was provided, funds were not released to augment the laboratory facility of the College / Universities resulting in deficient laboratory facility as discussed in Para *3.14.4.5*
- As against the provision of ₹ 1.38 crore and ₹ 2.44 crore for the year 2013-14 and 2014-15 respectively towards procurement of equipment for Technology laboratories in five specialised areas⁵², ₹ three crore was sanctioned to six Institutions⁵³ (₹ 50 lakh each) during July to September 2014. Procurement of equipment was not completed by these institutions till March 2015. Thus, the purpose of upgradation of knowledge and skill of both faculty as well as students to meet future challenges in Technology areas as envisaged in the scheme during 2013-15 could not be achieved.
- PMEC, Berhampur which started from academic session 2009-10, increased its intake strength by 180 and introduced four new courses having intake strength of 198 with effect from academic session 2014-15 although it was not envisaged in the scheme. The infrastructure required was under construction for the existing student strength and did not factor in the augmentation of student strength. The details of the inadequate infrastructure are discussed in Para *3.14.4.2, 3.14.4.4 and 3.14.4.5*.

Thus, inadequate planning and provision of funds led to failure in providing adequate infrastructure as per AICTE norms. This resulted in AICTE not granting approval to the new courses and students were deprived of the required infrastructure.

3.14.3 Non-utilisation of surplus fund for creation of infrastructure

3.14.3.1 Surplus funds under College Development Fund/Self Finance Courses (SFC)

The Colleges / Universities collect College Development Fees from the students as well as tuition fees at a higher rate in case of SFC which are to be used for the purpose of creating facilities such as computer room, laboratory,

⁵⁰ (i) 50 seated International Hostel, (ii) 1000 seated Boys Hostel, (iii) 600 seated Girls Hostel, (iv) Department Buildings of Architecture, Metallurgy and Materials Engineering and Master in Business Administration, (v) New separate administrative block and (vi) Non-teaching quarters.

⁵¹ CET, IGIT, IMIT and PMEC.

⁵² (i) Micro Electronics, (ii) New Materials and Nano Technology, (iii) Advance Mechanical Engineering and Design, (iv) Advance Civil Engineering and Design, and (v) Software Development and Technologies.

⁵³ CET, VSSUT, IGIT, PMEC, GCE, Keonjhar and GCE, Kalahandi.

library room, canteen etc., for the students. Audit observed that as on March 2015, surplus funds ranging from ₹ 3.06 crore to ₹ 5.08 crore were available in four⁵⁴ out of eight institutions. However, though these institutions were deficient in infrastructure, surplus funds were not utilised for the required augmentation. In four other institutions, surplus on this account could not be worked out by audit as accounts of college development fees were not maintained separately.

3.14.3.2 Surplus fund of BPUT

BPUT depends on grants from GoO for creation its infrastructure and that of its constituent Colleges. As on March 2014, BPUT had surplus funds of ₹ 375.87 crore. Position of surplus fund as on March 2015 could not be ascertained due to non finalisation of accounts for 2014-15. Further, in order to create campus culture in Colleges it was decided (October 2009) by the Board of Management (BOM) of BPUT to provide financial assistance amounting to ₹ 21.91 crore to its constituent Colleges out of its surplus to create hostel facilities. BPUT further decided to spend ₹ 12 crore (₹ 2.00 crore each) for its six Centres of Advanced Studies for procurement of equipment. However, funds were not released till the date of audit due to which basic infrastructure such as library books, laboratory equipment, computers, e-journals etc. could not be required for students.

3.14.4. Assessment of infrastructure in the Universities and Colleges

3.14.4.1 Land

As per AICTE norm, land holding of 10 acre (14 acre for additional programmes of Master in Business Administration (MBA), Master in Computer application (MCA) and Architecture and Town Planning (AT&P)) and 2.5 acre (3.5 acre for additional programmes of MBA, MCA and AT&P) is required for technical institutions offering Under Graduate (UG) /Post Graduate (PG) Programmes in rural and other than rural areas respectively. The position of landholdings by the test checked Colleges/ Universities vis-à-vis their utilization is detailed in the **Appendix – 3.14.2.**

Out of nine institutions, in seven institutions⁵⁵, land holding ranged from 36.90 acre to 212 acre was much more than the AICTE norm. Land holding in two colleges⁵⁶ was 2.02 acre and 2.50 acre which was 42 and 29 *per cent* lower than the AICTE norm of 3.5 acre.

3.14.4.2 Buildings

AICTE has prescribed norms for buildup areas like instructional area, administrative area, amenities area and circulation area. Deficiencies noticed in built up areas are as mentioned below.

⁵⁴ CET, GCE, Kalahandi, IGIT and VSSUT.

⁵⁵ BPUT, VSSUT, IGIT, CET, PMEC, GCE, Keonjhar and GCE, Kalahandi

⁵⁶ CIME and IMIT.

- **Instructional Area**

Instructional area includes classrooms, tutorial room, laboratories, workshop, computer centre, library and reading room etc. As per AICTE norms, it is mandatory to have one class room for each course of each branch according to duration. It was noticed that out of nine institutions, two⁵⁷ have shortages of eight to ten class rooms against AICTE norms. Further, there were shortages of 9 to 23 laboratory rooms in three⁵⁸ Institutions as per course syllabus. As a result necessary laboratory facilities could not be provided to students as per course requirement as discussed in Para 3.14.4.5.

- **Amenities Area**

Amenities areas such as Cafeteria, Common Room for boys and girls, Stationery Store & Reprographic facilities, First Aid-cum-Sick Room including hostel etc., are essential as per AICTE norms. The inadequacy of these areas noticed are detailed in **Appendix – 3.14.3**. In this connection, audit observed following:

- In CET, there were no Boys and girls common rooms.
- In GCE, Kalahandi there were no boys common room, cafeteria, stationery store, Reprography facilities and First Aid-cum-Sick room. Girls common room in the institute was only of 43 sq. mtr as against the prescribed norm of 75 sq. mtr.
- In IMIT, there were no Stationery Store and Reprography facilities. Boys common room area was only of 60 sq. mtr. as against the prescribed norm of 100 sq. mtr. Similarly, girls common room area was 60 sq. mtr. as against the norm of 100 sq. mtr. and cafeteria area was only 120 sq. mtr. against norm of 150 sq. mtr.

3.14.4.3 **Hostel**

Hostel accommodation is a major infrastructure requirement for students and the same should be provided by the institute as per AICTE norm. Availability of hostel vis-a-vis student strength of the institutes are as detailed in **Appendix – 3.14.4**. Following deficiencies in hostel facilities in different institutions are observed in audit:

- Hostels facility in three institutions⁵⁹ (out of nine), was not available upto 2014-15. Deficiency in availability of hostel facilities in other six institutions as against their students' strength ranged from 10.08 to 93.51 *per cent*. Hostels were under construction at IMIT and BPUT and in case of CIME, work on construction of hostel had not commenced.

⁵⁷ PMEC and VSSUT.

⁵⁸ PMEC, CET and GCE, Keonjhar.

⁵⁹ BPUT, CIME and IMIT.

- Girls hostels in three institutions⁶⁰ were overcrowded ranging from 8 to 102 *per cent* of the capacity and girls students were forced to stay outside the campus.
- In case of GCE, Kalahandi though three hostels i.e., two boys hostels and one girls hostel of 367 seats each were constructed during September 2014 to April 2015 at ₹ 26.63 crore, the students could not avail the hostel facilities due to non availability of electrical connection and non completion of some minor civil works.
- In case of GCE, Keonjhar, occupancy of boys hostel was 75 *per cent* only as students preferred to stay outside due to communication problem and non-availability of basic facilities on the campus.

3.14.4.4 Availability of IT Infrastructure

- **Computer and Printers**

As per AICTE norms, Personal Computer (PC) to students' ratio for UG and PG program is 1:4 and 1:2 respectively. In IMIT, CIME and BPUT for providing PG programme, ratios of PCs to students were 1:6.6, 1:2.25 and 1:4.95 respectively. Further, considering the norm of printers of 10 *per cent* of computers held, shortfall of 20 and 80 *per cent* of printer was noticed in IMIT and BPUT respectively. Computer centres, though required as per AICTE norm, were also not set up in GCE, Kalahandi and IMIT.

- **Availability of Software**

AICTE norms prescribed for three legal system software and 20 legal application software for UG/PG Engineering and Technology courses. Though legal system software was available in all the institutions, legal application software was deficient in four⁶¹ institutes and its availability ranged from 3 to 15 against norm of 20.

- **Internet and Wi-Fi**

As per AICTE norm, internet facilities and secured wi-fi facilities are required for technical institutions. Though internet facilities are available in all the institutions, Wi-Fi facilities were not available in three⁶² institutions. Out of six other institutions where wi-fi facilities were available, facilities of three institutions⁶³ were not secured.

3.14.4.5 Laboratory equipment and experiment

AICTE norms prescribed that laboratories shall have equipment as appropriate for experiments to meet the requirements of affiliating Universities/ Board's Curriculum. The norms stipulate that the experiment set up be so arranged that

⁶⁰ VSSUT, IGIT and PMEC.

⁶¹ BPUT, GCE, Keonjhar, GCE, Kalahandi and IMIT.

⁶² PMEC, BPUT and VSSUT.

⁶³ GCE, Keonjhar, Kalahandi and CIME.

maximum four students shall work on one set. Further, if UG laboratories are shared with PG courses, they shall be upgraded to meet the requirement of PG curriculum. In this regard, following deficiencies were observed in audit:

- ***Inadequate laboratory equipment in Colleges***

In GCE, Kalahandi, GCE, Keonjhar and PMEC, as against requirement of 32, 76 and 51 laboratories 24, 67 and 38 respectively were available. Further, for strengthening laboratory facilities as well as to meet shortfall in required equipment as per syllabus, four⁶⁴ Institutions proposed GoO for additional equipment worth ₹ 8.99 crore which could not be procured due to non release of fund.

Thus, due to want of laboratory equipment, the practical classes as per the course syllabus could not be conducted depriving students of the most essential component of engineering courses.

- ***Conduct of Masters in Technology (M. Tech) courses without laboratory equipment***

The Curriculum and syllabus of M. Tech courses prescribed mostly practical papers and students have to submit thesis on the research conducted by them which requires one specialized research laboratory as per AICTE norm. It was noticed that during 2013-15, seven⁶⁵ institutions introduced 39 M. Tech Courses having intake of 702 students. Of these institutions, BPUT opened 11 M. Tech Courses without any laboratory facilities except 40 computers and three application software. In order to set up separate M. Tech laboratories, BPUT proposed (November 2014) ₹ 8.00 crore in the budget for 2015-16. Equipment worth ₹ 10.99 crore proposed by two⁶⁶ other institutions during 2013-15 to upgrade their UG laboratories to PG laboratories were not also procured. In case of BPUT, students had to use NIT, Rourkela's facilities for thesis/research work.

3.14.4.6 Workshop

- ***Non-availability of workshop facility***

AICTE norm prescribed at least one workshop for all courses of an institution in which fitting, welding, machining practice etc., are to be conducted as per university syllabus. Audit observed that as against this, 3⁶⁷ institutions did not have any workshop.

- ***Non-electrification of workshop building leading to idling of equipment***

The workshop building at GCE, Kalahandi completed in June 2014 at a cost of ₹ 4.42 crore and equipment of ₹ 72.26 lakh procured for the workshop

⁶⁴ VSSUT, CET, GCE, Keonjhar and GCE, Kalahandi.

⁶⁵ BPUT, VSSUT, IMIT, IGIT, CET, CIME and PMEC.

⁶⁶ VSSUT and CET.

⁶⁷ GCE, Keonjhar, IMIT and CIME.

between February and September 2013 remained idle due to non electrification of building.

- ***Idling of workshop buildings constructed at BPUT***

The workshop building in BPUT remained idle since June 2014 as no equipment had been procured for use by the students for practical classes.

3.14.4.7 Library facilities

AICTE norms require provision of necessary numbers of titles and volumes, national and international journals, e-books and multimedia PC in the library for the students. Out of nine institutions, the volumes of books in six institutions⁶⁸ were as per AICTE norm. However, in remaining three⁶⁹ institutions, books volumes available were 39,390, 14,912 and 20,793 as against requirement of 71,550, 16,000 and 24,200 respectively. Similarly, in six institutions⁷⁰ the titles of books were as per AICTE norm and in the remaining three institutions,⁷¹ 3,150, 2,617 and 1,216 titles were available as against requirement of 12,000, 3,200, and 2,200 respectively.

3.14.4.8 E-journal

It is mandatory for the technical institutions to subscribe to eight numbers (two additional e-journals for program of Architect and Town Planning) of e-journals as per AICTE norm. As against norm, in six institutions⁷² required numbers of e-journals were not subscribed and the shortfall ranged from one to nine. Remaining three⁷³ institutions did not subscribe to any e-journals. Thus, the students were deprived of the latest technological information and developments due to non availability of required number of e-journals.

3.14.4.9 Other infrastructure facilities

Other infrastructure facilities such as Language Laboratory, barrier free built environment for disabled, safety provisions including fire and other calamities, institution web site, first aid-cum-medical and counseling facilities etc., are also essential as per AICTE norms. The following deficiencies were noticed in audit.

- ***Language Laboratory***

The language laboratory is used for language tutorials and attended by the students for remedial English classes which benefits students who are deficient in English. Although, it is essential to have language laboratory, out of nine institutions, two⁷⁴ institutions were not having this facility for students.

⁶⁸ BPUT, VSSUT, IGIT, PMEC, GCE, Kalahandi and CIME.

⁶⁹ CET, GCE, Keonjhar and IMIT, Cuttack.

⁷⁰ BPUT, VSSUT, IGIT, PMEC, GCE, Kalahandi and CIME

⁷¹ CET, GCE, Keonjhar and IMIT, Cuttack

⁷² VSSUT, IGIT, CET, PMEC, GCE, Keonjhar and GCE, Kalahandi.

⁷³ BPUT, CIME and IMIT.

⁷⁴ GCE, Keonjhar and IMIT.

- ***Barrier free environment for disabled***

GoO notified for three *per cent* reservation of seat in technical institutes for physically handicapped (PH) students. AICTE norms also provided that lift, ramps, specially designed toilets, signage etc., should be provided as per CPWD norms for obstacle free movement of the PH students. None of the institutions had, however, lift facility for these students. Further, in six institutions⁷⁵, the infrastructures were not fully barrier free due to absence of ramps, ramps not as per norm, signage, specially designed toilets etc. which could pose problems in movement of PH students.

- ***Safety provisions including fire and other calamities***

As per National Building Code, it is mandatory for the institutes to obtain no objection certificate (NOC) from fire authorities before constructing any building of more than 15 mtr. height. Further, details of fire safety arrangement to be provided in building must be submitted to the respective development authority before sanction of building plan if the building is used for educational purpose. It was noticed that although five⁷⁶ institutes were coming under planning area, approval of buildings was not obtained from development authorities. The fire safety arrangement such as fire hydrant, fire alarm system, fire exits were not available in the test checked institutions. Only fire extinguishers were provided in laboratories. Non-existence of these fire safety arrangements may render the buildings unsafe against fire hazards.

3.14.5 Requirement of Human Resource for manning the infrastructure and vacancy in faculty position

AICTE prescribed norms with regard to human resources to be maintained by the technical institutes. Details of sanctioned strength and existing faculty members during 2014-15 in the technical institutions are given in **Appendix – 3.14.5**. It was revealed that as against the sanctioned strength of teaching posts of 834 in eight institutions, men-in-position were only 436 constituting 52.28 *per cent* of total sanctioned strength. Further, vacancies in these institutions ranged from 23.28 to 94.55 *per cent*. Audit observed that CIME had no sanctioned strength at all since the courses were Self Finance Course (SFC) and the institution managed imparting lectures only through contractual/guest faculties. Vacancies at other institutions were also managed through contractual/guest faculties.

AICTE further stipulates faculty-student ratio of 1:15 for UG course and 1:12 for PG courses. As per this norm, these technical institutions had at least 896 teaching posts. However, men-in-position in these institutions were only 436 (49 *per cent*). Failure to provide adequate faculty may adversely impact the conduct of the courses.

⁷⁵ BPUT, IGIT, CET, PMEC, GCE, Keonjhar and IMIT, Cuttack.

⁷⁶ CET, VSSUT, BPUT, IMIT and CIME.

3.14.6 Non-accreditation and approval of courses due to inadequate infrastructure

Courses offered by seven institutes having intake of 1,214 students were not approved by AICTE due to deficiency in infrastructure of the institutes and violation of norms for creation of additional courses and increase in intake of existing courses as detailed in *Appendix – 3.14.6*. Further, in case of IGIT, Sarang two B. Tech programs with intake of 120 students and three M. Tech Programs with intake of 54 students were not approved by AICTE although it was mandatory. Conduct of non approved courses may invite penal action by AICTE. Accreditation of the courses by National Board of Accreditation (NBA) was mandatory for getting approval of the courses by AICTE. It was, however, noticed that none of the institutes had obtained accreditation of their courses as on March 2015. GCE, Keonjhar applied for NBA accreditation, but failed to meet the required criteria.

3.14.7 Status of ongoing infrastructure development works

GECs and Universities receive non-recurring grants from GoO and Government of India (GoI) for undertaking infrastructure development works such as academic buildings, hostels, Library, laboratory building and staff quarters etc. Audit of the infrastructure projects revealed that out of 94 projects taken up, 49 projects valuing ₹ 146.30 crore were completed and 45 infrastructure works valuing ₹ 349.15 crore were under progress as of March 2015. The details of ongoing infrastructural development work of nine institutions are given in *Appendix - 3.14.7*.

Out of 45 works though stipulated periods of completion of 22 works were over by March 2015, these works were not completed even after delays ranging from one to 64 months mainly due to slow progress of work by contractor, non supply of drawings and design by architect, lack of funds, change in design due to additional work etc. Two works i.e., Boundary wall at BPUT and Girls hostel at CIME, Bhubaneswar valuing ₹ 4.92 crore and ₹ 7.30 crore respectively sanctioned in 2014-15 were not taken up at all due to non furnishing of design by BPUT and non-finalisation of executing agency by CIME.

As against the total estimated value of works of ₹ 349.15 crore, ₹ 112.76 crore (32.30 percent) was released (March 2015). Audit observed that financial progress of these works ranged from 12.72 to 94.28 *per cent*. Although the students strength increased from 3,017 in 2012-13 to 5,561 in 2014-15, the required infrastructure was not created due to inadequate provision of funds.

• **Lack of Infrastructure due to delay in execution of works**

It was revealed that delay in execution of various infrastructure works resulted in cost overrun and the students were deprived of desired benefits as detailed below.

Table No. 3.11 Delay in execution of infrastructure works

Sl. No.	Name of the infrastructure work	Estimated / awarded cost (₹ in crore)	Month of approval/ awarded/ scheduled date of completion	Present status	Impact of delay
1	Library-cum Computer Center at BPUT, Rourkela.	5.06	September 2007/ June 2008/ December 2009	The contractor stopped the work in 2012 after executing work of ₹ 3.21 crore due to non-submission of drawing and design by the Architect concerned appointed by BPUT. The balance work along with additional design of said building was again entrusted (January 2015) to IDCO at a revised estimated cost of ₹ 15.75 crore which was not taken up as on May 2015.	Delay in completion led to blockage of ₹ 3.21 crore spent on library – cum – computer centre for more than three years.
2	100 seated Scheduled Caste Ladies Hostel at VSSUT, Burla.	2.16	February 2009/ January 2010	The contractor could complete only 54 <i>per cent</i> of work amounting to ₹ 1.17 crore. The work was rescinded in May 2014 and the balance work was entrusted (20 December 2014) to IDCO at a revised estimated cost of ₹ 1.78 crore. The work was not commenced as on March 2015.	The objective of the scheme to provide hostel facilities to SC ladies students could not be achieved and cost of work was increase by ₹ 0.79 crore.
3	100 seated boys hostel at IMIT, Cuttack.	1.87	March 2013/ March 2015	The work was approved (September 2010) by DTET for execution through OSPH&WC at a cost of ₹ 1.87 crore and funds were received during May 2010 to August 2011 from GoO. Since construction of new hostel was to be made by demolishing old dilapidated asbestos building belonged to Executive Engineer (EE), Cuttack Roads and Buildings (R&B) Division, in November 2012, GoO directed IMIT to undertake the work of demolition through OSPH&WC. The work was under progress with expenditure of ₹ 90.59 lakh (30.26 <i>per cent</i>) as of May 2015.	Due to delay in decision by the Government, demolition work at the level of executing agency (OSPH&WC) could not be completed in time and students were deprived of hostel facilities.
4	Workshop building of GCE, Keonjhar.	2.16	February 2009/ April 2013/ July 2014	The work could not be commenced due to want of fund. The work was again taken up through IDCO at revised estimate of ₹ 2.68 crore in April 2013 for completion by 16 July 2014. As of March 2015, work remained incomplete.	Non-execution in time resulted in cost overrun of ₹ 0.52 crore.

Sl. No.	Name of the infrastructure work	Estimated / awarded cost (₹ in crore)	Month of approval/ awarded/ scheduled date of completion	Present status	Impact of delay
5	Computer laboratory room at IMIT, Cuttack.	0.69	February 2013/ July 2013	The cost of the works which was awarded in February 2013 for ₹ 68.73 lakh was subsequently revised (September 2013) to ₹ 46.24 lakh. Though the work of one computer laboratory was completed (February 2014) the laboratory was not handed over to IMIT due to disputes in deviation in the work done by the executing agency. Other two works were not taken up as of March 2015.	The students of the institution could not avail the benefit of computer laboratory.

3.14.8 Non-utilisation of funds received for infrastructure development works

During 2012-15, out of grant of ₹ 156.60 crore received by nine institutions for creation of infrastructure on civil works and equipment as detailed in **Appendix – 3.14.8**, ₹ 12.91 crore remained unutilised by seven institutions for one to three years for reason not on record.

3.14.9 Status of utilisation of GoI scheme fund for creation of infrastructure

GoI provides funds for infrastructure development under different schemes such as Technical Education Quality Improvement Programme (TEQIP) through Ministry of Human Resources Development (MHRD); SC/ST Hostel grant and Modernization and Removal of Obsolescence (MODROB) from AICTE etc. Following deficiencies were observed in audit in utilisation of these scheme funds.

3.14.9.1 Delay in utilisation of fund sanctioned under Centrally Sponsored Scheme TEQIP Phase II

GoO released (April 2012 to February 2015) ₹ 14 crore (including State share of ₹ 3.50 crore) to CET and VSSUT (₹ 7.00 crore each) out of funds received (March 2012 to January 2015) under TEQIP Phase-II from MHRD, GoI with objectives of strengthening institutions to produce high quality engineers for better employability; and scaling-up postgraduate education and demand-driven research and development and innovation etc. Out of these, ₹ 6.30 crore being 45 *per cent* of amount released was allowed for procurement of equipment, furniture, books, software etc. as per TEQIP guideline. As against this, ₹ 4.42 crore was utilised as on March 2015.

Further, the scheme stipulated for creation of four funds i.e., Corpus Fund, Faculty Development Fund, Equipment Replacement Fund and Maintenance Fund by project institutions by opening separate bank accounts through contribution of at least 0.5 *per cent* (total two *per cent*) of annual recurring expenditure of the institutions. Audit observed that contribution of ₹ 28.20 lakh was made for these four funds (₹ 7.05 lakh each) by VSSUT for 2011-12 only and no amount was contributed to these funds during 2012-15. Considering recurring expenditure of ₹ 82.29 crore of VSSUT for 2012-15, there was shortfall in contribution of ₹ 1.65 crore to these funds. However, CET was contributing regularly to these funds more than the required percentage. Non provision of fund by VSSUT as per the scheme may result in shortfall of fund meant for replacement and maintenance of equipment.

3.14.9.2 *Non-utilisation grant received for SC/ST hostel in time leading to non-release of balance grant of ₹ two crore by AICTE*

CET and IGIT received (February/March 2013) grant of ₹ two crore (₹ one crore each) as 50 *per cent* from AICTE as 1st instalment for construction of SC/ST hostels with capacity of 120 students. Remaining grants, instalments would be released only on submission of progress report with statement of expenditure and utilisation certificate. However, these institutions had not taken up the work till March 2015 and pending construction of SC/ST hostels further grant of ₹ two crore was not released by AICTE.

3.14.9.3 *Utilisation of grant received under MODROB*

AICTE had released grants of ₹ 78.04 lakh, ₹ 57.65 lakh and ₹ 100.07 lakh to VSSUT, IGIT and CET respectively under the scheme 'Modernization and Removal of Obsolescence (MODROB)' during 2005-06 to 2014-15 for modernization of laboratory and research work as detailed in *Appendix – 3.14.9*. Out of these, funds amounting to ₹ 41.84 lakh, ₹ 37.01 lakh and ₹ 20.69 lakh respectively remained unutilised from one to nine years. Thus, non utilisation of funds received under MODROB deprived the students of modern equipment in the laboratories.

3.14.10. *Monitoring and Internal Control*

Internal control system is an essential part of the Managerial control system. An efficient and effective control system helps Management to achieve organisational objectives efficiently and effectively. Following deficiencies in monitoring and internal control system were noticed in audit.

3.14.10.1 *Non conduct of review meeting*

As per Clause 29 of BPUT Statute 2006, there shall be a Building and Works Committee (BWC) with Vice Chancellor (VC) as Chairman to look into all the construction and developmental activities of the University. The Committee, responsible for construction of all major capital works, shall meet at least twice a year. It was noticed that though seven meetings were held between April 2011 and September 2013, monitoring the progress of work was not

adequate as 15 works of BPUT and its constituent colleges were not completed even after delay of one to 64 months from its scheduled date of completion. Further, though GoO proposed (September 2013) to engage a Project Management Agency (PMA) for effective monitoring and timely implementation of projects, no PMA was engaged till June 2015 to monitor the projects.

3.14.10.2 *Non-submission of physical and financial progress report of work*

GoO issued (September 2013) instructions for submission of physical and financial progress report of the works by the executing agencies to Government Colleges and Universities concerned. Despite this, periodical physical and financial reports were not submitted to Government Colleges and Universities concerned. This resulted in poor monitoring of status of works.

3.14.11 *Conclusion*

There was inadequate fund provision in the scheme to create required infrastructure in two Universities and seven Colleges despite increase in intake of students. Lack of laboratory and workshop facilities in these institutes deprived the students of required practical knowledge as per syllabus. Due to deficiency of infrastructure, approval of AICTE could not be obtained for the newly introduced courses. There was shortage of required faculties as per AICTE norms in all the Colleges and Universities. Lack of monitoring also resulted in delay in completion of infrastructure work. Covered

INSUSTRIES DEPARTMENT

3.15 *Arbitrary and non transparent expenditure*

Arbitrary and non transparent expenditure of ₹ 14.73 crore of Odisha Industrial Infrastructure Development Corporation as Corporate Social Responsibility spending

As per Section 135 (5) of the Companies Act, 2013 every Company shall spend, in every financial year, at least two *per cent* of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility (CSR) Policy. Although Odisha Industrial Infrastructure Development Corporation (IDCO) being a Statutory Corporation set up under Odisha Industrial Infrastructure Development Corporation (OIIDC) Act, 1980 is not subject to the provisions of the Companies Act, the Corporation incurred expenditure towards CSR. However, policy guidelines for such expenditures have not been formulated. As per information submitted to the State Assembly in March 2015, the Corporation had spent ₹ 1.30 crore, ₹ 6.57 crore and ₹ 9.95 crore on CSR activities during 2012-13 to 2014-15 respectively. Audit examined the activities undertaken by the Corporation under the ambit of CSR with reference to the broad parameters of serving social cause as per guidelines issued by Government of

India (GoI) for CSR activities viz. eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health and ensuring environmental sustainability etc. and observed as under:

- IDCO contributed ₹ 12 crore (₹ six crore each during November 2013 and January 2015) towards formation of Kalinga Lancer a franchise team in Hockey India league. Chairman-cum-Managing Director's proposal (October 2010) for franchise was approved (October 2010) by the Sports Minister after being recommended by Chief Secretary (CS) with the consideration that the revenue would offset expenditure. This expenditure was accounted under the CSR head. The franchise was Odisha Sports Development and Promotion Company (OSDPC) a Special Purpose Vehicle (SPV) formed by IDCO and Mahanadi Coalfields Limited. The SPV received ₹ 5.52 crore and ₹ 3.07 crore in 2013-14 and 2014-15 respectively as revenue. A commercial activity of this kind cannot be accounted as a CSR activity.

Government stated (September 2015) that the basis of moving the proposal of Hockey India was not a commercial venture but a not-for-profit initiative as per Section 25 of Companies Act, 2013 aimed at promotion of sports and welfare of sports person in the State. To provide exposure to local players, the Board of Directors of IDCO in its 97th meeting accorded approval for contribution to the SPV under CSR activities. The replies are not acceptable as the SPV created by the IDCO was engaged in commercial activities and contribution made by IDCO for creation of a commercial venture cannot be accounted for as CSR activity.

- IDCO spent ₹ 1.36 crore (between December 2011 and September 2014) towards furnishing, renovation, installation of TV, furniture of Industries Department and Collectorate's Circuit House and Conference Halls. Such expenditure on provision of additional amenities of selected buildings for promotion of business interest cannot be considered as CSR.

Accepting the factual position, Government stated (September 2015) that the expenditures were accounted for CSR activities.

- Police Stations were constructed with CSR funds of ₹ 1.37 crore of IDCO. In one instance for the benefit of Pohang Iron and Steel Company (POSCO) at Badagabapur to counter any law order problem arising out of land acquisition for the company. In the second instance at Chandrasekharapur for maintaining law and order situation and creating a peaceful environment for conducive industrial growth. Financing towards construction of police stations cannot be classified under CSR.

Thus, Audit noticed that above activities do not fall under the definition of CSR and cannot be termed as CSR expenditure. Thus, failure of IDCO in drawing a definite policy resulted in irregular expenditure of considerable amount towards promotion of commercial interest of its own and others under

the garb of “CSR activities” in a non transparent and arbitrary manner, which actually did not benefit the common public.

Although Government stated (September 2015) that these works were of immediate nature, splitting proposal was approved by the management and works were executed in piece meal manner, but it was silent on booking the expenditure under CSR activity.

WORKS DEPARTMENT

3.16 *Undue benefit to contractors*

Adoption of average lead in place of shortest lead distance inflated estimates and extended undue benefit of ₹ 2.32 crore to contractors

OPWD Code (para 3.4.10) stipulates that estimates should be prepared in most economical manner. Any inflated estimate due to over estimation of items would directly pass on to the contractors on percentage rate tender leading to extra expenditure to Department.

Chief Engineer (CE), World Bank Project (WBP), Odisha had sanctioned nine road projects in two divisions⁷⁷ at a cost of ₹ 202.69 crore between October 2011 and January 2014. The works were awarded to six contractors⁷⁸ at a cost of ₹ 204.30 crore between May 2012 and June 2014 for completion between May 2014 and February 2016. As of February 2015, all works were in progress with payment of ₹ 53.05 crore. Estimates of above works *inter alia* provided for transportation of 7.99 lakh cum of construction materials such as stones and chips for construction of Granular Sub Base (GSB), Wet Mix Macadam (WMM), Bituminous Macadam (BM), Semi Dense Bituminous Macadam (SDBC), Cement Concrete (CC) and stone packing from approved quarries.

Check of record of two Roads and Buildings (R&B) divisions revealed (October 2014/March 2015) that for sourcing construction materials, average lead distances ranging from 16 to 50 km were provided in estimates, while shortest lead distances to nearby quarries certified by concerned Engineers ranged from five to 42 km on a plea that nearest quarries were not able to meet the requirement of project works. It was also observed that for non-availability of materials from nearest quarries, the department had neither sought for the documentary evidence from the revenue authorities nor did it ask contractors to furnish documents to divisions in support of their sourcing of materials from quarries other than nearest quarries. The CE while approving these estimates, also did not raise any objection.

The excess provision of lead between five and 28 km for different projects inflated the transportation cost between ₹ 36.50 to ₹ 224 per cum. For transportation of 7.99 lakh cum of construction materials (stone and chips),

⁷⁷ R&B Divisions Ganjam No.1 and Bhanjanagar.

⁷⁸ (i) Anusha Projects (P) Ltd., (ii) Judhistir Samantara, (iii) Tara Tarini Constructions (P) Ltd., (iv) Woodhill Infrastructure Ltd., (v) RKD Construction (P) Ltd. and (vi) NG Projects Ltd.

estimated cost of projects were increased by ₹ 7.81 crore and an undue benefit of ₹ 7.90 crore would be extended to contractors including tender premium since all contracts were finalised on percentage rate basis as detailed in **Appendix - 3.16.1**. As of February 2015, 2.03 lakh cum of construction materials were transported for which undue benefit of ₹ 2.32 crore already extended to contractors.

On this being pointed out, Government stated (September 2015) that average lead was provided in estimates due to non availability of sufficient crushed stone material in the nearby crusher and royalty on stone material was recovered from contractors as they had not submitted K forms in support of sourcing of materials. Reply of the Government is not acceptable as provision of average lead was adopted in the estimates without verifying the non availability of materials from the Revenue authorities. Besides, average lead of three quarries (Mahuda, Bhaliaguda and Kukudakhandi) were adopted in respect of all five works executed in different places under Ganjam (R&B) Division No.1.

3.17 Non-recovery of Government dues from defaulting contractors

Non-recovery of compensation/penalty for inordinate delay in execution of works and non recovery from running account bills towards withheld amount for grossly under quoted rates led to loss of ₹ 2.49 crore

As per clauses 2 (a) and 2 (b) (i) of the conditions of F₂ contract, time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor and in case of delay the contractor shall pay as compensation upto 10 *per cent* of the estimated cost of the work. In case of failure to complete the work, the contract shall be rescinded and 20 *per cent* of the value of left over work will be realised from the contractor as penalty.

Check of records of two⁷⁹ Roads & Buildings (R&B) Divisions (January 2015) revealed that two⁸⁰ works for improvement of roads were awarded (between May 2008 and October 2008) to two⁸¹ contractors at a cost of ₹ 14.34 crore for completion between September 2009 and November 2009. The contractors did not expedite the works as per the work programme despite repeated instructions issued between August 2009 and August 2012 from Executive Engineers (EEs). Since the works were inordinately delayed for reasons attributable to contractors, compensation of ₹ 1.33 crore being 10 *per cent* of estimated cost of ₹ 13.31 crore as stipulated in clause 2 (a) of contract were to be levied and collected from the contractors, which was not done. EEs also failed to bring this to the notice of higher authorities.

⁷⁹ Jeypore (R&B) Division and Kalahandi (R&B) Division.

⁸⁰ Improvement to Madinga - Deypore Road (₹ 7.82 crore) and Improvement to Umerkote - Likima Road (₹ 6.52 crore).

⁸¹ M/s Accenture Construction Private Ltd. and Sri Rajesh Mohanty.

Without attributing any reasons the contractors stopped construction (June 2012 and March 2010) after executing works valued at ₹ 4.44 crore and ₹ 2.71 crore respectively. Due to non execution of works by the contractors, the Government rescinded the contracts in June 2013 and November 2013 with levy of penalty under clause 2(b)(i) of the contract. Penalty of ₹ 0.67 crore and ₹ 0.76 crore, being 20 *per cent* of the value of left over works was levied.

Further, the contract for the above work stipulated recovery of ₹ 0.56 crore from the RA bills of the contractor towards grossly under quoted rates for two items until satisfactory completion of items. It was noticed in audit that this amount was not recovered although 19 RA bills were paid to the contractor which was an undue benefit to contractor.

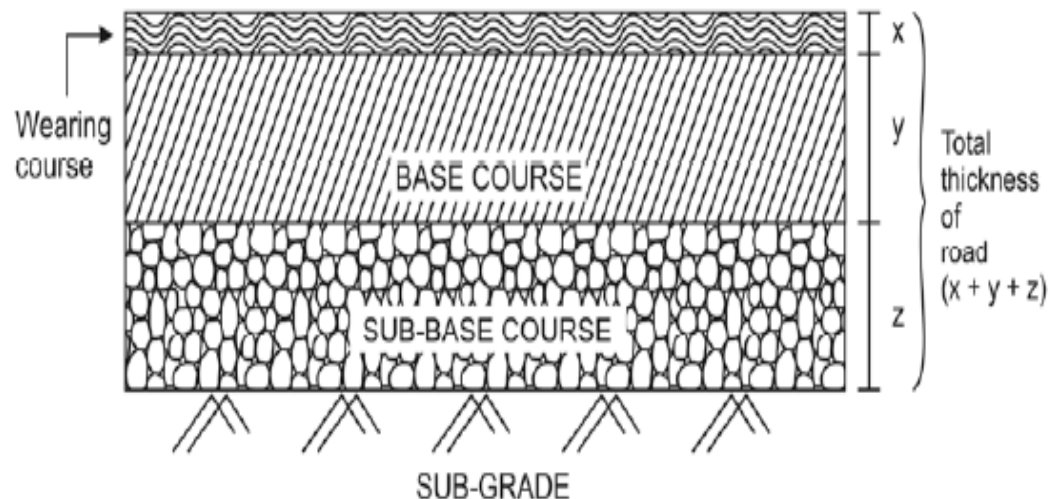
As mentioned above, the divisions had to realise a sum of ₹ 3.32 crore towards compensation for left over work, penalty for non execution of works and differential cost for under quoted rates against which only a sum of ₹ 0.83 crore was available with divisions in the form of security deposit and withheld amounts. An amount of ₹ 0.59 crore from the above sum was forfeited (October 2013 and February 2014) to the Government account and the balance amount of ₹ 0.24 crore was not forfeited by the EE due to the non finalisation of the final bill. In absence of any further amounts due to the contractors remaining with the department, the division was unable to recover the balance amount of ₹ 2.49 crore. The EEs had also not taken any action for recovery of the balance amount from the contractors through issue of instructions to other divisions, as required under rules.

The Government stated (September 2015) that clause 2 (a) is automatically covered up and warrants no separate action since it is the pre-condition to take action under 2 (b) (i). Further, it stated that action would be taken as per rules for recovery of balance amount of penalty. The replies are not acceptable as both the conditions under clause 2(a) and 2(b) (i) are independent. Clause 2(a) is enforceable for recovery of compensation of 10 *per cent* of estimated cost for delay in execution of work whereas clause 2(b)(i) is enforceable for realisation of penalty of 20 *per cent* of balance work in case the contract is rescinded.

3.18 *Avoidable Extra Expenditure*

Non adherence to guidelines of Indian Road Congress resulted in inflation of estimates of 15 works in nine R&B divisions and led to avoidable extra expenditure of ₹ 7.02 crore
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According to the norms of Indian Road Congress (IRC), pavement layer of a road consists of three layers viz. sub base course, base course and surfacing/wearing course laid in successive layers over sub grade surface as shown in the diagram below.



Depending on the strength of sub grade soil, expressed in terms of California Bearing Ratio (CBR) and on the basis of projected number of commercial vehicles which would use the road calculated as Million Standard Axles (MSA), thickness of pavement of road is to be designed to ensure load bearing capacity of the road. According to IRC guidelines (4.2.1.5), preferably, the sub grade soil should have CBR of two *per cent*. Where the CBR value of sub grade soil is less than two *per cent*, the design should be based on sub grade CBR value of two *per cent* and a capping layer of 150 mm thickness of materials with minimum CBR of 10 *per cent* shall be provided in addition to the sub base.

Check of records of nine⁸² Roads and Buildings (R&B) divisions revealed (between September 2014 and March 2015) that estimates of 15 works costing ₹ 261.13 crore were awarded for ₹ 255.53 crore between December 2009 and November 2014 for improvement / widening of roads. Though CBR value of sub grade soils were more than required two *per cent* (i.e. three to 10 *per cent*) indicating adequate load bearing capacity, divisions provided unwarranted capping layer of sand with thickness ranging from 150 mm to 450 mm as detailed in **Appendix – 3.18.1**. The estimates, as compared with IRC specification provided granular sub base (GSB) with lesser thickness in eight⁸³ works, excess thickness in four⁸⁴ works and exactly required thickness in three⁸⁵ works. The unwarranted provision of capping layers of sand along with

⁸² (R&B) division, (i) Panikoli, (ii) Bhanjanagar, (iii) Sambalpur, (iv) Bhawanipatna, (v) Jeypore, (vi) Khordha, (vii) Kantabanji, (viii) Ganjam-I and (ix) Baliguda.

⁸³ (i) Improvement to Dhaneswar-Barundei Road from RD 0 km to 12.5 km, (ii) Balipadar- Karasingi Road from Rd 0 km to 16 km, (iii) Maneswar-Kolapara Road, (iv) Bhawanipatna - Rayagada Road from Rd.26 km to 37 km, (v) Bhawanipatna-Rayagada Road from RD 0 km to 26 km, (vi) Road from NH-217 to Mahakhanda, (vii) Karapada-Badamula and (viii) Matrugan-Belghar-Jhiripani Road.

⁸⁴ (i) Odagaon-Bahadajhola- Nuagaon Road, (ii) Dasapalla-Bhanjanagar Road, (iii) Titilagarh-Papsi Road and (iv) Kansi-Sinali-Tyamana Road.

⁸⁵ (i) Kuchinda-Kusumi Road from RD.0 km to 22/820 km, (ii) Imp. To BKKR Road and (iii) NH-217 to Pocilima-Balarampur.

variations in GSB resulted in avoidable extra expenditure of ₹ 7.02 crore as detailed in **Appendix – 3.18.2**. As deviations from IRC provisions were allowed by higher authorities, different treatments were given for different works by the Executive Engineers (EEs) of divisions making the estimation process arbitrary and non-transparent. The above discrepancies could have been avoided by adhering to IRC norms at the level of EEs/Superintending Engineer (SE)/Chief Engineer (CE), but the same was not done.

The Government stated (September 2015) that the quantity of sand included quantity provided in crust portion as well as in shoulder portion while quantity under crust further consists of thickness required for drainage and thickness required in place of GSB close graded grading – III material. While drainage layer of 150 mm thick is required for performance of pavement, the extra quantity below crust is a substitute of GSB grading – III and there is saving in cost. However, IRC 37 provided for capping layer of sand only where CBR value of the surface soil is less than two *per cent* which was not the case here. The drainage layer is required only under the shoulders of the road at the sub grade level and not for the entire road as per Para 5.5 of the IRC guidelines. Thus, deviations from IRC norms were unwarranted.

3.19 Avoidable extra cost

In deviation of IRC specification in designing of pavement thickness, estimates provided for excessive Granular Sub Base leading to extra expenditure of ₹ 2.70 crore

Odisha Public Works Department (OPWD) Code (para 3.4.10) stipulates that estimates should be prepared in the most economical manner. It says that estimates provided for actual technical requirement only should be allowed. Indian Road Congress (IRC), specified the design procedure for all types of roads. Designs of roads are made on the basis of load bearing capacity of soil expressed as California Bearing Ratio (CBR) and number of commercial vehicles expected to ply over the road denoted as Million Standard Axles (MSA). The Divisions refer to the specifications of IRC for designing and estimating cost of roads to be laid.

Check of records of EE, Ganjam Roads and Buildings (R&B) Division revealed (March 2015) that for widening of road from 3.66 meter to 5.50 meter and also improvement of existing nine kilometer road between Jarada and Tumba road, Chief Engineer (CE), World Bank Projects (WBP) sanctioned ₹ 11.76 crore in November 2013. The work was awarded (June 2014) with 7.6 *per cent* excess tender premium at an agreement value of ₹ 12.65 crore for completion by September 2015 and it was in progress as of February 2015 with payment of ₹ 0.94 crore. Estimate of the above work was based on CBR value of three *per cent* and designed traffic of three MSA. For this, IRC-37-2001 stipulates 645 mm thickness of pavement consisting of Granular Sub Base (GSB) of 335 mm, Base Course of Wet Mix Macadam (WMM) of 250 mm and Bituminous macadam of 60 mm. The existing road

with width of 3.66 meter had crust of 350 mm (GSB-125 mm and GB of 225 mm). As such, for existing road there was no need for provision of GSB whereas EE provided for 400 mm of GSB for both existing and widening portion of the road. The provision of excessive GSB for existing road inflated the estimate by ₹ 1.99 crore and as the work was awarded with 7.6 *per cent* excess tender premium of estimated cost, avoidable extra cost was ₹ 2.14 crore as detailed in **Appendix - 3.19.1**.

While accepting the facts, Government stated (September 2015) that there was an error in estimated quantity of 19,520 cum against the actual execution requirement of 12,688 cum. But on physical verification (May 2015) of the site by the Audit team along with Deputy EE of the Division in charge of the work, it was noticed that the existing crust was from 200 mm to 350 mm. Considering the average crust thickness as 220 mm, required quantity of GSB was 8,231 cum against which 12,688 cum was re-estimated by Government leading to an extra cost of ₹ 0.65 crore including tender premium as detailed in **Appendix - 3.19.2**.

Similarly, records of EE, Sundargarh (R&B) Division revealed (January 2014) that for widening of road from three meter to seven meter and also for improvement of existing nine kilometer Bituminous (BT) road of State Highway (SH-31) at Karamdihi-Talsara-Lulkidihi, CE, Design Planning and Investigation and Roads (DPI&R) sanctioned ₹ 16.59 crore in April 2013. The work was awarded with 3.7 *per cent* excess tender premium at a cost of ₹ 16.26 crore and it was in progress as of February 2015 with payment of ₹ 12.84 crore.

It was noticed from estimate of the above work that road soil had CBR value of five *per cent* and design traffic was 4.8 MSA and for this, required design pavement thickness was 575 mm as per IRC-37-2001 specifications. The existing road of three meter width had crust of 250 mm having granular materials and this should have been taken as GSB for design purpose. Hence additional pavement thickness required for existing road portion was 325 mm only (575 mm – 250 mm). However, while framing estimate, without deduction of GSB in existing pavement, EE provided excessive GSB of 9,187 cum for existing road as detailed in **Appendix - 3.19.1**. The provision of excessive GSB inflated the estimate by ₹ 1.98 crore and with tender premium of 3.7 *per cent*, avoidable extra cost works out to ₹ 2.05 crore.

EE, Sundargarh (R&B) Division stated (January 2014) that Green Tribunal had instructed Revenue Department not to collect sand from river bed without obtaining approval from Pollution Control Board (PCB). As obtaining above approval was not possible within a stipulated period, GSB was used in place of sand. Reply is not acceptable as the provision of GSB in place of sand in the estimate itself was irregular as per IRC-37-2001, especially when item rate tender was resorted to and there were no recorded reasons at the estimate stage for non collection of sand from river bed without obtaining approval of PCB.

3.20 *Avoidable extra expenditure due to unwarranted provision of overhead charges*

Unwarranted and arbitrary provision of overhead charges on cost of conveyance on stone products in Schedule of Rates 2012 led to avoidable extra cost of ₹ 5.58 crore

Government of Odisha in Works Department revises Schedule of Rates (SoR) on yearly basis in accordance with market prices of materials and enhancement of labour rates. To arrive at the rates of various items, guidelines were laid down in Analysis of Rates (AoR) 2006 and the AoR has not been revised subsequently. Estimates for civil works are to be prepared on the basis of prevailing SoR and AoR 2006. The AoR 2006 provide for overhead charges (OHC) on each item of work at 10 *per cent* of prime cost i.e. cost of materials, machinery and labour. After adding OHC at 10 *per cent* to prime cost, cost of conveyance of materials and royalty if any must be added to arrive at final item rate.

It was specifically provided in SoR 2006 to SoR 2011 that rates of material cost in respect of stone and stone products were exclusive of cost of conveyance. In deviation to earlier SoRs, it was mentioned in SoR 2012 that for stone and stone products, cost of materials shall be sum of basic cost and cost of conveyance over which OHC shall be applicable. No justification was, however, given for providing OHC on cost of conveyance. In subsequent SoR 2013, the above provision was dispensed with and for which reasons were not recorded.

Based on SoR 2012, estimates were prepared and sanctioned for ₹ 403.42 crore in respect of seven road projects⁸⁶ for improvement/widening in six Roads and Buildings (R&B) Divisions⁸⁷. It was observed from the estimates that in respect of stone and stone products OHC at 10 *per cent* on cost of conveyance had been provided along with cost of materials, labour and machineries. The works were awarded between January and March 2014 to five contractors⁸⁸ at a cost of ₹ 440.36 crore on Engineering Procurement Contract (EPC) mode for completion between January and March 2016. The works *inter alia* provided for transportation of 14.36 lakh cum of stone products for execution of Granular Sub Base (GSB), Wet Mix Macadam (WMM), Bituminous Macadam (BM) and Semi Dense Bituminous Macadam (SDBC). With provision of 10 *per cent* over head charges on conveyance cost of stone products, estimates of the works were increased by ₹ 5.12 crore and including tender premium as per agreement, actual cost was increased to ₹ 5.58 crore as detailed in **Appendix - 3.20.1**. Execution of above works was

⁸⁶ (i) Widening and strengthening of Karanjia – Thakuramunda – Anandapur road from RD. 10 km to 30 km, from 42 km to 64 km and Bhadrak – Anandapur road from 43/350 to 59/680 km, (ii) Improvement to Banigochia – Madhapur Road, (iii) Manamunda – Kantamal Road, (iv) Parvatipur – Laxmipur road, (v) Bhawanipatna – Gunupur – Kasipur road, (vi) Berhampur – Tamana – Chikiti – Surangi – Mandarda road and (vii) Sheragada – Badagada – Sorada road.

⁸⁷ (R&B) Division (i) Rairangapur, (ii) Phulbani, (iii) Koraput, (iv) Kalahandi, (v) Ganjam-I and (vi) Bhanjanagar.

⁸⁸ (i) Durga Condev, (ii) RKD construction, (iii) M B Patil Constructions, (iv) Woodhill Infrastructure Ltd. and (v) NG Projects Ltd.

in progress (March 2015). Since the works were awarded on EPC mode, the benefit of additional loading of OHC had been passed on to the contractors.

On this being pointed out, the Government stated (October 2015) that OHC on conveyance was added as per guidelines laid down in Standard Data for Analysis of Rates (1st Revision 2003) of Ministry of Road Transport and Highways (MORT&H). The OHC was provided on the conveyance to meet the expenses towards sundries, financing expenditure, sale/turnover tax work insurance etc. The reply is not acceptable since the action of the department in providing of OHC on cost of conveyance in 2012 was a departure from the established rates as there was no provision of OHC on cost of conveyance in the preceding years upto 2011 and subsequent year in 2013.

3.21 *Avoidable extra expenditure*

Estimates for improvement of roads were prepared without considering existing crust which inflated estimates and led to avoidable extra expenditure of ₹ 8.90 crore

Odisha Public Works Department (OPWD) code (3.4.10) stipulates that estimates should be prepared in most economical manner. Indian Road Congress (IRC) for road laying works stipulated specifications/ designs for all types of original roads and also for improvement of existing roads. Department also refers to IRC specification for designing the roads.

As per IRC 37-2001 specifications, pavement thickness to be provided for road consists of granular sub base (GSB), granular base (GB) and bituminous surfacing (BS). This pavement thickness/ design depends on load bearing capacity of soil, expressed in terms of California Bearing Ratio (CBR) and on the basis of projected number of commercial vehicles which would use the road, calculated as Million Standard Axles (MSA). In case of improvement of existing road, Indian Institute of Technology (IIT), Kharagpur issued guidelines for use of Benkelman Beam Deflection Technique (BBDT) test for assessment of condition of existing road surface. This test would assess the existing thickness and help to calculate additional thickness required for pavement.

Check of records in three⁸⁹ Roads & Buildings (R&B) Divisions revealed (January 2015) that for improvement of nine⁹⁰ roads, works were awarded for ₹ 152.70 crore between August 2011 and November 2014 for completion between August 2013 and November 2015. As per original estimates, the above existing roads had crust thickness ranging from 100 mm to 200 mm.

⁸⁹ Kalahandi (R&B) Division, Jeypore (R&B) Division, Bhadrak (R&B) Division.

⁹⁰ (i) Improvement to PKKR from 0 to 20 km, (ii) Improvement to BKKR from 0 to 11/700 (iii) Improvement to BA road from 0 to 15/700 km, (iv) Improvement to IB road, (v) Improvement to BA road from 0 to 7 km, (vi) Improvement to CNR road from 0 to 20 km, (vii) Improvement to CNR road from 16/700 to 38/500 km (viii) Improvement to Bhawanipatna - Rayagada Road from 26 to 37 km and (ix) Improvement to Bhawanipatna - Rayagada Road from 0 to 26 km.

However, no BBDT tests were conducted to assess the structural strength of existing roads measuring 129.143 kilometer. In the absence of BBDT test, no deduction for already available GSB was made and to that extent estimates were inflated by 0.77 lakh cum as detailed in **Appendix - 3.21.1**. The estimates provided for 1.78 lakh cum of GSB as against actual requirement of 1.01 lakh GSB. Cost of excessive GSB measuring 0.77 lakh cum worked out to ₹ 9.51 crore as per estimates and led to avoidable extra expenditure of ₹ 8.90 crore including tender premium as detailed in **Appendix - 3.21.2**. As of March 2015, road works were in progress with payment of ₹ 94.47 crore.

On this being pointed out, Government stated (September 2015) that BBDT method is recommended for evaluation of structural capacity of existing flexible pavements and also for estimation and design of overlays for strengthening of any weak pavement. These roads have inadequate crust over subgrade and require raising/strengthening with provisions of GSB as well as sand layer. As such existing pavement crust which was completely disturbed was also treated as subgrade and further raising/strengthening was proposed as per design requirement. Hence, the existing crust which was disturbed is technically not acceptable to be a part of proposed improvement and as such not taken into consideration. However, the conduct of the BBDT test required for assessment of the strength of the existing crust thickness of the road was not conducted.

FINANCE DEPARTMENT

3.22 *Response to Audit*

Timely response to audit findings is one of the essential attributes of good governance as it provides assurance that the Government takes its stewardship role seriously.

Principal Accountant General (E&RSA), Odisha conducts periodical inspection of Government departments and their field offices to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed by Inspection Reports (IRs) sent to the Heads of offices and the next higher authorities. Defects and omissions are expected to be attended promptly and compliance reported to the Principal Accountant General. A half-yearly Report of pending IRs is sent to the Secretary of each department to facilitate monitoring of the audit observations and their compliance by the departments.

A review of IRs issued upto March 2015 pertaining to 17 departments showed that 13,570 paragraphs relating to 4,352 IRs were outstanding at the end of June 2015. Of these, 1,806 IRs containing 4,143 paragraphs are outstanding for more than 10 years (**Appendix-3.22.1**). Even first reply from the Heads of Offices which was to be furnished within one month have not been received in

respect of 652 IRs issued upto March 2015. Year-wise position of the outstanding IRs and paragraphs are detailed in **Appendix- 3.22.2**.

Serious irregularities commented upon in these IRs had not been settled as of June 2015 (**Appendix-3.22.3**). Number of paragraphs and amount involved in these irregularities is categorised below.

Table No. 3.12 Category of paragraphs
(₹ in crore)

<i>Sl. No.</i>	<i>Broad objective heads</i>	<i>Number of paragraphs</i>	<i>Amount</i>
1	Non compliance with rules and regulations	36	990.59
2	Audit against propriety/expenditure without justification	38	661.57
3	Persistent/pervasive irregularities	32	993.58
4	Failure of oversight/governance	05	381.10
	Total	111	3026.84

(Source : As per records of the PAG (E&RSA))

3.22.1 Follow up action on earlier Audit Reports

Serious irregularities noticed in audit are included in the Reports of the Comptroller and Auditor General that are presented to State Legislature. According to the Finance Department instructions (December 1993), the Administrative Departments are required to furnish explanatory notes on transaction paragraphs, reviews/Performance Audits, etc. included in the Audit Reports within three months of their presentation to the State Legislature.

It was noticed that in respect of Audit Reports from the year 1997-98 to 2012-13 as indicated below (Table), six⁹¹ out of 17 departments, which were commented upon, did not submit explanatory notes on paragraphs and reviews as of March 2015.

Table No. 3.13 Paragraphs for which explanatory notes not received
(In numbers)

<i>Year of Audit Report</i>	<i>Total number of paragraphs</i>	<i>Individual paragraphs/reviews</i>		<i>Number of paragraphs/reviews for which explanatory notes were not submitted (March 2015)</i>	
		<i>Individual paragraphs</i>	<i>Reviews/ Performance Audits</i>	<i>Individual paragraphs</i>	<i>Reviews/ Performance Audits</i>
1	2	3	4	5	6
1997-98	36	32	04	00	02
1998-99	36	34	02	01	00

⁹¹ Works, Water Resources, Agriculture, Fisheries & Animal Resources, Industries and Forest & Environment Departments.

<i>Year of Audit Report</i>	<i>Total number of paragraphs</i>	<i>Individual paragraphs/reviews</i>		<i>Number of paragraphs/reviews for which explanatory notes were not submitted (March 2015)</i>	
		<i>Individual paragraphs</i>	<i>Reviews/ Performance Audits</i>	<i>Individual paragraphs</i>	<i>Reviews/ Performance Audits</i>
1999-00	29	26	03	00	01
2000-01	33	30	03	00	01
2001-02	21	20	01	00	01
2002-03	32	30	02	00	01
2003-04	29	29	00	02	01
2004-05	26	26	00	01	00
2005-06	26	23	03	00	00
2006-07	31	30	01	01	00
2007-08	27	24	03	04	01
2008-09	21	18	03	03	02
2009-10	19	19	00	01	01
2010-11	13	10	03	00	02
2011-12	18	16	02	00	01
2012-13	13	12	01	05	01
Total	410	379	31	18	15

(Source : As per records of the PAG (E&RSA))

There were 18 individual transaction audit paragraphs and 15 reviews/PAs on which compliance has not been submitted to the Odisha Legislative Assembly. Departments largely responsible for non submission of explanatory notes were Water Resources, Works and Agriculture.

3.22.2 Response of departments to recommendations of the Public Accounts Committee

Public Accounts Committee Reports/Recommendations are the principal medium by which Legislature enforces financial accountability of the executive to the Legislature and it is appropriate that they elicit timely response from the Government Departments in the form of Action Taken Notes (ATNs). The Orissa Legislative Assembly (OLA) Secretariat issued (May 1966) instructions to all Departments of the State Government to submit Action Taken Notes (ATNs) on suggestions, observations and recommendations made by Public Accounts Committee (PAC) for their consideration within six months after presentation of PAC Reports to the Legislature. The above instructions were reiterated by Government in Finance Department in December 1993 and by OLA Secretariat in January 1998. Time limit for submission of ATNs had since been reduced from six to four months by OLA (April 2005).

Out of 732 recommendations relating to Audit Report (ES) made by the PAC from the first Report of 10th Assembly (1990-95) to 5th Report of 14th Assembly (2009-14) final action on 67 recommendations was awaited (March 2015).

Bhubaneswar
The

(Devika)
Principal Accountant General (E&RSA)
Odisha

Countersigned

New Delhi
The

(Shashi Kant Sharma)
Comptroller and Auditor General of India

Appendices

Appendix - 2.1.1

(Refer paragraph 2.1.6.6 at page 18)

Statement showing excess claim of interest subvention for the years 2010-12 to GoO

(In ₹)

Sl. No.	Particulars	2010-11		2011-12		Total
		OSCB	DCCBs	OSCB	DCCBs	
1	Cost of fund as per own calculation of Bank (In per cent)	9.94	12.01	9.94	12.01	
2	Less interest rate charged to farmers (In per cent)	5	5	5	5	
3	Differential interest for which subvention required (In per cent)	4.94	7.01	4.94	7.01	
4	Total Products i.e. Crop loan amount × credit periods (no. of days)	1352963664000	2382560205796	2729565635000	3463243218905	
5	Interest subvention due $(4) \times (3) \div 365 \times 100$	183113438	457582111	369426143	665132465	1675254157
6	Interest subvention received from GoI/NABARD	55601246	97913433	149565240	189766752	492846671
7	Balance interest subvention due was to be received from GoO	127512192	359668678	219860903	475365713	1182407486
8	Subvention claimed by STCCS to GoO	464659547	686046787	593774004	949782592	2694262930
9	Excess claim of subvention to GoO	337147355	326378109	373913101	474416879	1511855444
10	Subvention already received from GoO	469071260	326416532	446000148	1080095180	2321583120
	Excess receipt of subvention from GoO till now	341559068	-33252146	226139245	604729467	1139175634

(Source : Information furnished by OSCB)

Appendix -2.1.2

(Refer paragraph 2.1.6.6 at page 18)

Statement showing excess claim of interest subvention to GoO on Crop Loans disbursed during the years 2012-14

Sl. No.		Percentage of finance	Calculated by OSCB	Admissible as per scheme guidelines (from 1 April to 30 June of next year)	Excess
I. For the 2012-13					
1	Crop loan disbursed during 2012-13		54264861000	54264861000	
2	NABARD refinance	49.60	26912800000	26912800000	
3	Own involvement of OSCB & DCCBs funds	50.40	27352061000	27352061000	
4	Product on ground level disbursement calculated on the basis of due date of the loans / recovery of the loans whichever is earlier		18536953562185	14401929262185.00	4135024300000.00
5	Product on NABARD refinance		9821328350000	7143356914043.76	2677971435956.24
6	Product on own resources of OSCB & DCCBs		8715625212185	7258572348141.24	1457052864043.76
Interest subvention calculated as per approved Policy					
7	3.75 % on NABARD refinance products		1009040584	733906532.26	275134051.74
8	5.5 % on own resources products		1313313388	1093757477.12	219555910.88
9	Total		2322353972	1827664009.38	494689962.62
10	Amount released by GoO		2322353972		
II. For the year 2013-14					
1	Crop loan disbursed during 2013-14		70966374000	70966374000.00	
2	NABARD refinance	53.90	38250000000	38250000000.00	
3	Own involvement of OSCB & DCCBs	46.10	32716374000	32716374000.00	
4	Product on ground level disbursement calculated on the basis of due date of the loans / recovery of the loans whichever is earlier		23382448296266	17823170896266.00	5559277400000.00
5	Product on NABARD refinance		13961250000000	9606689113087.37	4354560886912.62
6	Product on own resources of OSCB & DCCBs		9421198296266	8216481783178.63	1204716513087.37

<i>Sl. No.</i>		<i>Percentage of finance</i>	<i>Calculated by OSCB</i>	<i>Admissible as per scheme guidelines (from 1 April to 30 June of next year)</i>	<i>Excess</i>
<i>Interest calculated as per approved Policy</i>					
7	3.75 % on NABARD refinance products		1434375000	986988607.51	447386392.49
8	5.5 % on own resources products		1419632620	1238099994.73	181532625.27
9	<i>Total</i>		<i>2854007620</i>	<i>2225088602.23</i>	<i>628919017.77</i>
10	Amount released by GoO		<i>2854007620</i>		
	<i>Total excess subvention received from GoO</i>				<i>1123608980.38</i>

(Source: Information furnished by OSCB)

Appendix -2.1.3

(Refer paragraph 2.1.6.7 at page 19)

Statement showing short release of interest subvention to DCCBs

(₹ in crore)

Sl. No.	Year	Total gross roof level credit provided by STCCS	NABARD share released	Own funds of OSCB/ DCCBs	Share of GLC from own fund						Total share of own funds (In per cent)	Amount released by GoI	Interest subvention due to be paid		Interest subvention actually paid		short release to DCCB (13-15)
					OSCB		DCCBs						OSCB	DCCBs	OSCB	DCCBs	
					Amount	Per cent	Amount	Per cent	Amount	Per cent							
					6	7	8	9	12	13			14	15			
1	2	3	4	5						10	11	12	13	14	15	16	
1	2009-10	2682.17	1250.00	1432.17	381.59	14.23	1050.58	39.17	53.40	1.91	0.51	1.40	0.84	1.07	0.33		
2	2010-11	3396.39	1575.00	1821.39	523.26	15.41	1298.13	38.22	53.63	15.22	4.37	10.85	3.58	11.64	-0.79		
3	2011-12	4415.89	2013.45	2402.44	726.31	16.45	1676.13	37.96	54.40	31.69	9.58	22.11	13.97	17.72	4.39		
4	2012-13	5426.49	2691.28	2735.21	788.30	14.53	1946.91	35.88	50.40	47.75	13.76	33.99	25.79	21.96	12.03		
5	2013-14	7096.64	3825.00	3271.64	755.78	10.65	2515.86	35.45	46.10	0	0	0	0	0	0		
	Total	23017.58	11354.73	11662.85	3175.24		8487.61			96.57	28.22	68.35	44.18	52.39	15.95		

(Source: Data furnished by OSCB)

Appendix -2.1.4

(Refer paragraph 2.1.7.3 at page 23)

Statement showing crops not covered under insurance despite larger cropped areas

Name of Crops	2009-10		2010-11		2011-12		2012-13		2013-14	
	Area cultivated ('000 ha)	Whether the area covered /not covered under notification of GoO	Insured area ('000 ha)	Area cultivated ('000 ha)	Whether the area covered /not covered under notification of GoO	Insured area ('000 ha)	Area cultivated ('000 ha)	Whether the area covered /not covered under notification of GoO	Insured area ('000 ha)	Whether the area covered /not covered under notification of GoO
Food Crops										
1. Paddy	4365.08	covered	1073.5	4225.69	covered	1035.1	4004.54	covered	1553.33	4022.83
2. Maize	227.89	covered	15.28	252.65	covered	10.81	262.05	covered	11.76	280.67
Pulses										
1. Arhar	132.92	covered	0	135.39	covered	0	142.14	covered	0.003	140.87
2. Mung	832.18	Not covered	0	836.03	Not covered	0	799.68	Not covered	0	833.11
3. Biri	636.59	Not covered	0	617.19	Not covered	0	590.56	Not covered	0	592.35
4. Kulthi	240.75	Not covered	0	244.01	Not covered	0	230.15	Not covered	0	230.13
Oil Seeds										
1. Niger	96.87	covered	0	93.35	covered	0	85.66	covered	0	76.04
2. Groundnut	243.37	covered	9.29	247.69	covered	7.947	255.14	covered	8.823	263.41
3. Mustard	112.19	covered	0.0004	112.45	covered	0.019	126.67	covered	0	116.37
3. Sesamum	284.19	Not covered	0	260.62	Not covered	0	235.38	Not covered	0	230.19
Fiber										
1. Jute	9.12	covered	0	9.46	Not covered	0	10.5	covered	0	10.02
2. Cotton	53.97	covered	8.46	74.37	covered	6.07	101.76	covered	4.61	118.67
3. Mesta	17.31	Not covered	0	16.04	Not covered	0	14.26	Not covered	0	13.68
Vegetables										
1. Potato	13.14	covered	4.49	14.03	covered	1.51	14.19	covered	3.83	14.14
2. Onion	32.08	Not covered	0	34.75	Not covered	0	35.15	Not covered	0	34.92
Spices										
1. Turmeric	25.32	covered	0.08	26.83	covered	0.37	26.88	covered	1.16	28.33
2. Ginger	16.84	covered	1.04	17.12	covered	1.06	17.15	covered	0.037	17.03
3. Chilli	75.53	Not covered	0	76.01	Not covered	0	77.13	Not covered	0	77.01
Total	5296.71		1112.14	5209.03		1062.89	5046.68		1583.55	5088.38
Percentage of area covered under insurance			21.00			20.40			31.38	
									22.76	
										23.65

(Source: State Agricultural statistics and information furnished by AIC)

Appendix -2.1.5

(Refer paragraph 2.1.7.3 at page 23)

Statement showing non notification of major crop areas

Khariff					Rabi				
Name of crop	Lowest cropped area of covered districts		Non covered		Name of crop	Lowest cropped area of covered districts		Non covered	
	District	Area	District	Area		District	Area	District	Area
2009-10									
Groundnut	Gajapati	0.63	Cuttack	0.80	Groundnut	Deogarh	0.32	Balasore	13.57
			Jajpur	0.74		Sundargarh	0.49	Bhadrak	1.50
			Nabarangpur	0.82				Balangir	2.22
			Phulbani	0.88				Gajapati	1.24
			Deogarh	1.06				Nuapada	1.37
			Jharsuguda	1.56				Malkangiri	9.32
			Sundargarh	5.25				Keonjhar	0.93
					Potato	Khordha	0.15	Balangir	0.25
								Kalahandi	0.31
								Nabarangpur	0.18
								Mayurbhanj	0.17
					Mustard	Boudh	1.75	Balangir	4.63
						Bhadrak	1.18	Sonepur	4.70
								Cuttack	2.17
								Jajpur	3.13
								Dhenkanal	2.71
								Nuapada	3.13
								Koraput	2.81
								Puri	1.83
Maize	Angul	2.91	Ganjam	6.37				Baragarh	3.68
			Nuapada	4.28				Deogarh	2.05
			Nayagarh	4.15				Jharsuguda	3.52
			Sundargarh	5.58					
Arhar	Sundargarh	5.32	Angul	9.65					
			Ganjam	11.58					
			Nuapada	5.49					
			Koraput	5.68					
			Mayurbhanj	8.01					
2010-11									
Maize	Angul	3.93	Balangir	5.43	Groundnut	Deogarh	0.16	Balasore	13.31
			Ganjam	9.47				Bhadrak	1.67
			Nuapada	5.30				Balangir	2.57
			Nayagarh	4.93				Gajapati	1.49
			Sundargarh	7.66				Nuapada	2.06
								Keonjhar	0.99
Arhar	Keonjhar	6.29	Angul	9.75				Koraput	0.79
			Ganjam	10.81				Malkangiri	15.16
			Mayurbhanj	8.08				Nabarangpur	0.30
								Rayagada	0.36
Groundnut	Gajapati	0.52	Cuttack	0.92				Boudh	0.32
			Jajpur	0.75				Nayagarh	0.30
			Koraput	0.57				Jharsuguda	0.83
			Malkangiri	1.68	Mustard	Boudh	1.65	Balangir	3.30
			Nabarangpur	0.92				Sonepur	4.75

Khariff					Rabi				
Name of crop	Lowest cropped area of covered districts		Non covered		Name of crop	Lowest cropped area of covered districts		Non covered	
	District	Area	District	Area		District	Area	District	Area
			Rayagada	0.75				Jajpur	3.22
			Phulbani	0.90				Kendrapara	1.85
			Deogarh	0.98				Dhenkanal	2.68
			Jharsuguda	1.65				Nuapada	2.10
			Sundargarh	3.85				Koraput	3.94
Cotton	Gajapati	0.63	Sonepur	0.80				Baragarh	3.70
								Jharsuguda	3.69
2011-12									
Groundnut	Gajapati	0.57	Sonepur	0.76	Groundnut	Deogarh	0.36	Balangir	2.54
			Cuttack	0.99				Gajapati	1.48
			Jajpur	0.86				Keonjhar	1.05
			Koraput	0.62				Koraput	0.77
			Malkangiri	1.73					
			Nabarangpur	0.91					
			Rayagada	0.81					
			Phulbani	1.09					
			Deogarh	1.02					
			Jharsuguda	0.95					
			Sundargarh	5.47					
Maize	Angul	3.86	Sambalpur	4.90					
Arhar	Nuapada	5.47	Angul	9.65					
			Ganjam	12.82					
			Koraput	6.00					
			Mayurbhanj	8.85					
2012-13									
Maize	Angul	4.48	Sambalpur	5.02	Groundnut	Sundargarh	0.24	Balangir	2.30
								Gajapati	1.55
Arhar	Nuapara	5.37	Angul	9.47				Nuapada	2.75
			Ganjam	13.54				Keonjhar	1.16
			Koraput	5.81				Koraput	0.63
			Mayurbhanj	8.51				Rayagada	0.43
								Boudh	0.32
Groundnut	Gajapati	0.62	Sonepur	1.08				Nayagarh	0.37
			Cuttack	1.05				Jharsuguda	0.35
			Jajpur	0.89					
			Koraput	0.68	Mustard	Boudh	1.8	Balangir	3.12
			Malkangiri	1.63				Sonepur	4.09
			Rayagada	0.78				Cuttack	2.00
			Phulbani	1.37				Jajpur	3.02
			Deogarh	1.02				Kendrapara	1.88
			Jharsuguda	2.39				Dhenkanal	2.61
			Sundargarh	3.64				Nuapada	2.95
								Koraput	3.35
								Baragarh	4.34
								Deogarh	2.49
								Jharsuguda	3.50
					Potato	Deogarh	0.12	Balangir	0.29
								Sonepur	0.16
								Kalahandi	0.32

Khariff					Rabi				
Name of crop	Lowest cropped area of covered districts		Non covered		Name of crop	Lowest cropped area of covered districts		Non covered	
	District	Area	District	Area		District	Area	District	Area
								Nabarangpur	0.16
								Rayagada	0.17
								Mayurbhanj	0.17
								Boudh	0.21
2013-14									
Maize	Nayagarh	4.16	Sambalpur	5.23	Maize	Nabarangpur	0.33	Balangir	2.68
						Deogarh	0.56	Gajapati	2.03
Arhar	Nuapada	2.78	Sonepur	4.72				Nuapada	4.47
			Jajpur	2.80				Keonjhar	1.43
			Dhenkanal	3.62				Koraput	0.69
			Angul	9.61					
			Ganjam	13.60	Mustard	Boudh	1.54	Balangir	3.58
			Gajapati	3.48				Sonepur	3.63
			Koraput	5.10				Cuttack	2.29
			Mayurbhanj	8.29				Jajpur	3.45
			Phulbani	4.50				Kendrapara	1.97
			Boudh	4.58				Dhenkanal	2.70
			Sambalpur	2.81				Ganjam	3.80
			Baragarh	2.96				Gajapati	2.17
								Nuapada	3.45
Groundnut	Gajapati	0.62	Sonepur	1.23				Koraput	2.95
			Cuttack	1.01				Puri	1.88
			Jajpur	0.99				Baragarh	7.52
			Malkangiri	1.60				Deogarh	2.68
			Rayagada	0.79				Jharsuguda	3.65
			Phulbani	1.65					
			Deogarh	1.44	Potato	Deogarh	0.12	Balangir	0.65
			Jharsuguda	1.22		Keonjhar	0.14	Kalahandi	0.32
			Sundargarh	3.07				Mayurbhanj	0.76
								Sambalpur	0.33
Cotton	Ganjam	0.95	Koraput	1.18				Jharsuguda	0.34
			Baragarh	1.68				Nabarangpur	0.16
								Rayagada	0.17

(Source : Data of Agriculture Statistics of GoO)

Abstract

Name of crop	2009-10		2010-11		2011-12		2012-13		2013-14	
	Khariff	Rabi	Khariff	Rabi	Khariff	Rabi	Khariff	Rabi	Khariff	Rabi
Groundnut	7	7	10	13	11	4	10	9	9	0
Mustard	11	0	0	9	0	0	0	11	1	14
Maize	4	0	5	0	1	0	1	0	1	5
Arhar	5	0	3	0	4	0	4	0	12	0
Cotton	0	0	1	0	0	0	0	0	2	0
Potato	0	4	0	0	0	0	0	7	0	7

Appendix -2.1.6**(Refer paragraph 2.1.7.5 at page 24)****Statement showing delay in issue of notification by GoO**

<i>Year</i>	<i>Season</i>	<i>Administrative approval accorded by GoI</i>	<i>Date of convening of SLCCI meeting</i>	<i>No. of days delayed from commencement of season</i>	<i>Notification by GoO</i>	<i>Delay in issue of notification after commencement of season</i>	<i>Cut off date for crop Insurance</i>
2009-10	Kharrif	26.03.2009	30.04. 2009	29	08.06.2009	68 days	May - November
	Rabi	11.08. 2009	07.11. 2009	37	22.12.2009	82 days	November - May
2010-11	Kharrif	08.03. 2010	31.05. 2010	60	17.06.2010	77 days	May - November
	Rabi	17.09. 2010	09.11. 2010	39	23.11.2010	54 days	November - May
2011-12	Kharrif	10.03. 2011	04.06. 2011	64	20.06.2011	80 days	May - November
	Rabi	10.03. 2011	25.11. 2011	55	29.11.2011	59 days	November - May
2012-13	Kharrif	06.02. 2012	23.06. 2012	83	02.07.2012	92 days	May - November
	Rabi	06.02. 2012	26.11. 2012	56	05.12.2013	65 days	November - May
2013-14	Kharrif	07.02. 2013	17.06. 2013	77	24.06.2013	84 days	May - November
	Rabi	07.02. 2013	11.12. 2013	71	17.12.2013	77 days	November - May

(Source: Data collected from GoO)

Appendix -2.1.7

(Refer paragraph 2.1.7.8 at page 25)

Statement showing delay in settlement of claims

Year	Season	Date of receipt of yield data	Claimed by AIC to GoO/GoI	Claim released by GoO	Claim released by GoI	Claim paid by AIC to Nodal Banks	Period of delay
NAIS							
2009-10	Khariff	15.03.2010	25.03.2010	29.04.2010	31.05.2010	03.06.2010	79
	Rabi	16.08.2010	--	22.11.2010	22.11.2010	24.11.2010	99
2010-11	Khariff	15.03.2011	25.03.2011	07.6.2011	09.05.2011	11.05.2011	
				17.03.2012	--	19.03.2012	
	Rabi	22.09.2011	--	--	--	27.01.2012	126
2011-12	Khariff	21.03.2012	12.07.2012	08.08.2012	09.08.2012	10.08.2012	141
	Rabi	21.08.2012	--	--	--	03.05.2013	252
2012-13	Khariff	30.03.2013	--	--	--	16.11.2013	229
	Rabi	14.08.2013	28.11.2013	11.01.2014	20.01.2014	22.01.2014	160
2013-14	Khariff	06.01.2014	--	--	--	--	--
	Rabi	28.05.2014	--	--	--	--	--
MNAIS							
2010-11	Khariff		--		--	--	--
	Rabi	22.09.2011	--	10.08.2011	--	31.12.2011	100
2011-12	Khariff		--		--		
	Rabi	16.10.2012	--	01.09.2012	--	08.11.2012	45
2013-14	Khariff	16.01.2014	--	26.03.2014	--	13.05.2014	116
	Rabi	06.08.2014	--	--	--	--	--
WBCIS							
2009-10	Khariff	--	--	13.02.2010	--	17.02.2010	--
2010-11	Khariff	--	--		--	31.12.2011	--
2011-12	Khariff	--	--	15.02.2012	--	16.02.2012	--
2012-13	Khariff	--	--	19.03.2013	--	23.03.2013	--

(Source: Data furnished by AIC)

Appendix - 2.2.1
(Refer paragraph 2.2.1 at page 32)

Statement showing list of 44 schemes implemented under Animal Resources Development Sector

Sl. No.	Name of the schemes in ARD Sector
	State Plan
1	Strengthening of Odisha Biological Products Institute
2	Upgradation of skill in self-employment under ARD
3	Strengthening of Livestock Service Infrastructure and Modernisation of Offices
4	Opening of New LAC
5	Utilisation of Crop Residue
6	Training and Demonstration in Fodder Cultivation and Pasture Development
7	Development of know-how for animal welfare - Organization of Exhibition for buyer-seller meet
8	Upgradation of Livestock Healthcare Services
9	Capacity Building and Strengthening of Training Infrastructure under ARD Sector
10	Encouragement of Commercial Poultry Entrepreneurs and Backyard Poultry Production
11	Genetic Upgradation of Small Animals
12	Information, Education and Communication (IEC) Programme
13	Conservation and Improvement of Threatened Indigenous Breeds
14	Strengthening of Disease Surveillance by Animal Disease Research Institute (ADRI)
15	Mobile Veterinary Unit (MVU)
16	Livestock Insurance
17	2404 - Dairy Development Strengthening of Dairy Organisation
18	Promotion of Dairy Entrepreneurship
19	Interest Subvention on Long Term credit support to Dairy Farmers
20	Interest Subvention on Short Term credit support to Dairy Farmers
21	Rural Infrastructure Development Fund (RIDF) for ARD Sector
22	Assistance to Kalyani Project through BAIF Research Foundation
23	Establishment of Odisha College of Veterinary & Animal Science
24	Establishment of Odisha University of Veterinary & Animal Science
25	Price Incentive to Co-operative Dairy Farmers of OMFED
	Central Plan
1	Rural Backyard Poultry Development
2	Livestock Census
3	Skill Development, Technology Transfer and Extension
4	Intensive Dairy Development Programme
5	Grants to OMFED for strengthening of infrastructure for quality and clean milk production
6	National Animal Disease Reporting System (NADRS)
7	Peste Des Pettis Ruminants (PPR) Control Programme
8	Brucellosis Control Programme
9	National Project on Rinderpest Surveillance and Monitoring
10	National Programme on Bovine Breeding (NPBB)
11	National Programme for Dairy Development (NPDD)
	Centrally Sponsored Plan
1	Assistance to States for Control of Animal Disease (ASCAD)
2	Sample Survey for Estimation of Production of Milk, Meat, Egg & Wool
3	Establishment of Poultry Estate
4	Grants to Orissa Veterinary Council for Professional Efficiency Development
5	Establishment & Strengthening of Existing Veterinary Hospitals & Dispensaries
6	National Livestock Mission
7	Flexi Fund
	Rashtriya Krishi Vikash Yojana (RKVY)
1	Sub schemes under RKVY relating to ARD Sector

(Source: Odisha Legislative Assembly Report of departmentally related Standing Committee - II)

Appendix - 2.2.2

(Refer paragraph 2.2.7.1 at page 36)

Statement showing target and achievement in production of semen straw

<i>Year</i>	<i>Target (In lakh doses)</i>	<i>Achievement (In lakh doses)</i>	<i>Shortfall</i>	<i>Percentage of shortfall</i>
2010-11	12.00	11.84	0.16	1.33
2011-12	12.00	11.29	0.71	5.92
2012-13	13.00	6.44	6.56	50.46
2013-14	10.55	8.01	2.54	24.08
2014-15	10.00	9.02	0.98	9.80
Total	57.55	46.60	10.95	19.03

(Source: Data provided by Director, AH&VS)

Appendix - 2.2.3

(Refer paragraph 2.2.7.1 at page 37)

Statement showing target and achievement in fodder seeds and fodder production in departmental farms

Year	Target of fodder production (In Qtls.)			Achievement of fodder production (In Qtls.)			Percentage of shortfall in production of fodder	Target of seed production (In Qtls.)	Achievement in seed production (In Qtls.)	Percentage of shortfall in production of seed	Target area of production (Acres)	Achievement in area of production (Acres)	Mini kits distribution		
	Seed Production Farm	Fodder Farm	Total	Seed Production Farm	Fodder Farm	Total							Target (In numbers)	Achievement (In numbers)	Percentage of shortfall
2011-12	7130	3240	10370	1062	1270.00	2332.00	77.51	458.00	131.00	71.40	220	150.55	29500	17633	40
2012-13	1000	5592	6592	888	1724.49	2612.49	60.37	594.90	186.05	68.73	208.55	167.05	20000	8200	59
2013-14	1350	2520	3870	547	1544.60	2091.60	45.95	560.00	152.65	72.74	221.5	180.55	22800	9879	57
2014-15	10300	10700	21000	6130	4432.00	10562.00	49.70	575.00	153.50	73.30	296	242.71	20000	18419	08
Total	19780	22052	41832	8627	8971.09	17598.09	57.93	2187.90	623.20	71.52	946.05	740.86	92300	54131	41

(Source: Data provided by Director, AH&VS)

Appendix - 2.2.4
(Refer paragraph 2.2.7.3 at page 40)
Statement showing target and achievement under calf rearing scheme (RKVY)

Sl. No.	Name of the District	Target (In numbers)				Total	Achievement (In numbers)				Total	Percentage of achievement
		2010-11	2011-12	2012-13	2013-14		2010-11	2011-12	2012-13	2013-14		
1	Angul	600	492	150	150	1392	290	108	0	0	398	28.59
2	Mayurbhanj	100	675	100	100	975	92	80	69	103	344	35.28
3	Malkangiri	800	110	50	50	1010	128	177	47	49	401	39.70
4	Ganjam	1000	848	150	150	2148	287	331	143	148	909	42.32
5	Nayagarh	400	313	100	100	913	151	156	97	16	420	46.00
6	Khordha	800	765	250	250	2065	487	405	281	109	1282	62.08
7	Rayagada	200	167	50	50	467	107	41	101	50	299	64.03
8	Dhenkanal	600	516	200	200	1516	421	380	163	100	1064	70.18
9	Kalahandi	450	450	150	150	1200	410	193	139	163	905	75.42
10	Gajapati	150	127	125	125	527	103	186	75	50	414	78.56
11	Balangir	700	1075	300	300	2375	591	665	398	380	2034	85.64
12	Cuttack	2800	2711	1250	1250	8011	2979	2792	873	509	7153	89.29
13	Boudh	200	158	75	75	508	179	130	93	75	477	93.90
14	Nuapada	150	111	50	50	361	148	74	68	50	340	94.18
15	Jajpur	600	549	150	150	1449	460	368	166	381	1375	94.89
16	Koraput	250	188	75	100	613	174	143	207	99	623	101.63
17	Sambalpur	600	468	250	250	1568	560	510	425	113	1608	102.55
18	Sonepur	500	423	250	250	1423	452	604	331	259	1646	115.67
19	Puri	2000	2275	1250	1250	6775	2168	2627	1800	1274	7869	116.15
20	Bhadrak	700	647	500	500	2347	579	1106	481	654	2820	120.15
21	Jharsuguda	200	160	75	192	627	216	227	138	187	768	122.49
22	Kendrapara	1100	1202	650	650	3602	1152	1921	1171	384	4628	128.48
23	Bargarh	1300	1694	1250	1250	5494	1298	3116	1252	1456	7122	129.63
24	Jagatsinghpur	1900	2180	1250	1250	6580	3694	3432	2174	450	9750	148.18
25	Nabarangpur	300	295	325	325	1245	300	644	667	300	1911	153.49
26	Keonjhar	700	815	250	250	2015	860	1139	626	502	3127	155.19
27	Balasore	900	593	750	750	2993	900	1872	1059	1451	5282	176.48
	Total	20000	20007	10025	10167	60199	19186	23427	13044	9312	64969	107.92

(Source: Data provided by OLRDS)

Appendix - 2.2.5

(Refer paragraph 2.2.10.1 at page 46)

Statement showing animals affected, animals died and villages affected due to outbreak of different diseases during 2010-11 to 2014-15 in the State

Year	No. of outbreak	Name of diseases	No. of villages affected	No. of district affected	No. of animals affected	No. of animals died	Fatality rate (In per cent)
2010-11	12	Anthrax	12	3	32	32	100.00
	22	HS	22	13	419	309	73.75
	37	BQ	37	12	286	206	72.03
	15	PPR	15	9	416	233	56.01
	5	Goat Pox	5	5	132	52	39.39
	6	CCPP	6	5	228	97	42.54
Total	97		97		1513	929	61.40
2011-12	5	Anthrax	5	4	22	22	100.00
	31	HS	31	8	159	99	62.26
	45	BQ	45	13	198	126	63.64
	1	ENT	1	1	8	5	62.50
	13	PPR	13	7	528	269	50.95
	9	Goat Pox	9	4	146	60	41.10
Total	104		104		1061	581	54.76
2012-13	3	Anthrax	3	1	32	32	100.00
	28	HS	28	10	288	219	76.04
	26	BQ	26	11	124	103	83.06
	5	ENT	5	4	196	85	43.37
	18	PPR	18	6	371	184	49.60
	13	Goat Pox	13	7	168	48	28.57
	3	Blue Tongue	3	2	149	74	49.66
	6	Hog Cholera	6	1	129	74	57.36
Total	102		102		1457	819	56.21
2013-14	8	Anthrax	8	3	41	41	100.00
	5	HS	5	4	73	57	78.08
	24	BQ	24	9	127	94	74.02
	6	ENT	6	2	350	233	66.57
	10	PPR	10	6	214	86	40.19
	5	Sheep & Goat Pox	5	2	82	39	47.56
Total	58		58		887	550	62.01
2014-15	23	Anthrax	13	3	97	97	100.00
	11	HS	11	5	203	138	67.98
	24	BQ	24	11	122	89	72.95
	11	ENT	11	3	238	114	47.90
	12	PPR	12	5	281	97	34.52
	8	Goat Pox	8	1	172	83	48.26
	2	CCPP	2	2	89	48	53.93
Total	91		81		1202	666	55.41
Grand Total	452		442		6120	3545	57.92

(Source: Data provided by ADRI)

Appendix - 3.3.1

(Refer paragraph 3.3 at page 69)

Statement showing non-levy of interest on belated payment of royalty by M/s OFDC Ltd. during 2012-14

<i>Sl. No.</i>	<i>IR No./Year</i>	<i>Name of the Forest Division</i>	<i>No. of lots</i>	<i>Total amount paid belatedly (₹)</i>	<i>Period of delay in months</i>	<i>Interest leviable (₹)</i>
1	2	3	4	5	6	7
1	05/2014-15	Athgarh	3	91245	10	4752
2	10/2014-15	Karanjia	8	910067	6.5	30808
3	12/2014-15	Baripada	43	421919	4 to 16	26721
4	15/2014-15	Rairakhol	44	1858392	11 to 23	139701
5	16/2014-15	Khordha	45	1719255	10 to 142	387593
6	18/2014-15	Nayagarh	97	2405405	10 to 12	127205
7	19/2014-15	Sundergarh	47	1775528	4 to 16	109072
8	20/2014-15	Ghumsar (South)	9	275949	12	17247
9	22/2014-15	Phulbani	23	400380	5 to 18.5	19514
10	23/2014-15	Balliguda	6	440751	2 to 8.5	72473
11	25/2014-15	Boudh	26	6728929	3 to 7	232825
12	26/2014-15	Parlakhemundi	11	353501	11 to 23	21048
13	27/2014-15	Rayagada	30	1277612	6 to 66	94162
14	30/2014-15	Malkangiri	23	1469789	3.5 to 15.5	34643
15	31/2014-15	Nabarangpur	4	4691877	4 to 16	122284
16	33/2014-15	Kalahandi (South)	33	1885750	5	49112
17	35/2014-16	Balangir	34	886571	10 to 34	64775
18	36/2014-16	Jharsuguda	34	475556	4 to 40	63875
Total			520	28068476	2 to 142	1617810

(Source: Information furnished by DFOs)

Appendix - 3.4.1

(Refer paragraph 3.4 at page 69)

Statement showing Division-wise abstract of non-disposal of timber and forest produce seized in undetected forest offence cases during 2010-11 to 2013-14

Sl. No.	IR No./ Year	Para No.	Name of the Division	No. of cases	Volume of logs (cft.)	Rate (₹)	Money value (₹)	Volume in cft. (Size)	Rate (₹)	Money value (₹)	No. of poles	Rate (₹)	Money value (₹)	Fire wood (Stack)	Rate (₹)	Money value (₹)	Total money value (₹)
1	2/2014-15	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	2/2014-15	B.2	Bhadrak (WL)	10	0.00	220	0	93.33	286	26692	0	50	0	0	150	0	26692
2	3/2014-15	B.2	Balasore(WL)	77	0.00	220	0	2287.68	286	654276	33	30	990	58.25	150	8738	664004
3	5/2014-15	B.4	Athgarh	36	170.49	220	37508	124.79	286	35690	115	50	5750	15.74	385	6060	85007
4	10/2014-15	B.1	Karanjia	74	186.42	220	41012	453.24	286	129627	0	50	0	0	385	0	170639
5	12/2014-15	B.2	Baripada	239	618.60	220	136092	369.15	286	105577	210	50	10500	38.15	385	14688	266857
6	13/2014-15	B.2	STR, Baripada	58	164.30	220	36146	129.47	286	37030	0	50	0	0	385	0	73176
7	15/2014-15	B.5 (a)	Rairakhol	10	127.85	220	28127	0.88	286	252	0	50	0	0	385	0	28379
8	16/2014-15	B.2	Khordha	34	662.56	220	145763	151.02	286	43192	23	50	1150	0	385	0	190105
9	17/2014-15	B.4	Deogarh	72	40.79	220	8974	39.77	286	11374	79	50	3950	0	385	0	24297
10	18/2014-15	B.2	Nayagarh	47	249.46	220	54881	140.48	286	40177	165	50	8250	0	385	0	103308
11	19/2014-15	B.3	Sundargarh	7	163.47	220	35963	5.93	286	1696	0	50	0	0	385	0	37659
12	20/2014-15	B.2	Ghumsar (S)	100	660.82	220	145381	224.39	286	64176	50	50	2500	0	385	0	212056
13	21/2014-15	B.3	Ghumsar(N)	43	216.21	220	47566	272.95	286	78064	189	50	9450	0	385	0	135080
14	22/2014-15	B.4	Phulbani	51	506.24	220	111373	21.66	286	6195	0	50	0	0	385	0	117568
15	23/2014-15	B.4	Balliguda	33	795.02	220	174904	111.04	286	31757	60	50	3000	0	385	0	209661
16	26/2014-15	B.4	Paralkhemundi	41	725.27	220	159559	84.92	286	24287	0	50	0	0	385	0	183846
17	27/2014-15	B.4	Rayagada	14	47.69	220	10492	51.99	286	14869	3	50	150	0	385	0	25511
18	28/2014-15	B.3	Bonai	2	140.59	220	30930	0.00	286	0	0	50	0	0	385	0	30930
19	29/2014-15	B.5	Jeypore	74	444.47	220	97783	288.33	286	82461	16	50	800	0	385	0	181044
20	30/2014-15	B.7	Malkangiri	29	1431.96	220	315032	345.17	286	98719	0	50	0	0	385	0	413751
21	33/2014-15	B.3	Kalahandi(S)	8	289.19	220	63622	0.00	286	0	0	50	0	0	385	0	63622
22	34/2014-15	B.4	Khariar	19	190.24	220	41852	18.88	286	5401	64	50	3200	0	385	0	50453
23	35/2014-15	B.2	Balangir	9	142.22	220	31288	0.00	286	0	60	50	3000	0	385	0	34288
Total				1087	7973.85		1754248	5215.08		1491512	1067		52690	112.14		29485	3327935

(Source: Information furnished by DFOs)

Appendix -3.5.1
(Refer paragraph 3.5 at page 70)

Statement showing non-realisation of interest on belated payment of NPV

<i>Name of Division</i>	<i>Name of lessee</i>	<i>Letter No. and date of issue of demand notice for NPV</i>	<i>Amount of NPV demanded (In ₹)</i>	<i>Date of payment</i>	<i>Period of delay for which interest is due</i>	<i>Period of delay in days</i>	<i>Total interest due (In ₹) (4x7/365x9/100)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
DFO, Keonjhar	Harmath Iron Mines	220/ 16.06.2010	175200	27.05.2013	16.07.2010 to 23.05.2013	1042	45014
	Rarungoda Mines	193/ 16.06.2010	289080	15.04. 2014	16.07.2010 to 14.04.2014	1369	97582
	M/s OMC Ltd.-SGBK Iron and Manganese Mines	251/ 19.06.2010	187388080	20.02. 2014	19.07.2010 to 19.02.2014	1312	60621327
	Guruda of Serajuddin Mines	224/ 16.06.2010	5872850	28.02. 2014	16.07.2010 to 27.02.2014	1323	1915836
	Khuntapani Mines	168/ 05.06.2010	11225940	15.04. 2014	05.07.2010 to 14.04.2014	1380	3819895
	M/s OMC Ltd - Sidhamath Iron and Manganese Mines	258/ 19.06.2010	70244250	15.03. 2014	19.07.2010 to 14.03.2014	1334	23105547
Total			275195400				89605201

(Source: Information furnished by DFO, Keonjhar)

Appendix - 3.6.1

(Refer paragraph 3.6.2.4 at page 73)

Statement showing division wise and year-wise Check Dams not completed/dropped/cancelled/not started and completed with delays

Sl. No.	Name of the Division	No. of CDs sanctioned	Completed during the year	completed in subsequent year	2010-11 Completed after				Not completed				
					One year	Two year	Three year	Total completed	Dropped	Cancelled	On going	Not started	Tender stage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Nayagarh	85	11	50	17	3	0	81	2	0	1	1	0
2	Keonjhar	14	0	2	0	2	0	4	10	0	0	0	0
3	Balasore	84	35	34	5	0	0	74	2	2		5	1
4	Balangir	79	0	59	11	3	4	77	0	0	2	0	0
5	Sambalpur	119	0	10	54	9	2	75	9	0	35	0	0
6	Padampur	131	0	64	50	3	1	118	0	0	4	0	9
7	Kalahandi	103	18	58	13	11	0	100	3	0	0	0	0
8	Khariar	38	0	31	6	1	0	38	0	0	0	0	0
	Total	653	64	308	156	32	7	567	26	2	42	6	10
2011-12													
1	Nayagarh	168	35	86	22	5	0	148	9	0	9	2	0
2	Keonjhar	174	13	37	45	14	0	109	49	0	16	0	0
3	Balasore	97	56	21	9	1	0	87	1	5	1	3	0
4	Balangir	168	109	23	15	6	0	153	0	0	6	0	9
5	Sambalpur	196	0	93	33	10	0	136	0	0	60	0	0
6	Padampur	199	79	80	13	1	0	173	0	0	16	0	10
7	Kalahandi	336	47	251	20	6	0	324	12	0	0	0	0
8	Khariar	246	143	100	0	0	0	243	0	0	2	0	1
	Total	1584	482	691	157	43	0	1373	71	5	110	5	20
2012-13													
1	Nayagarh	116	9	50	26	0	0	85	4	0	19	7	1
2	Keonjhar	0	0	0	0	0	0	0	0	0	0	0	0
3	Balasore	73	0	17	22	0	0	39	0	0	23	11	0
4	Balangir	160	69	11	22	0	0	102	0	0	25	0	33
5	Sambalpur	15	0	0	8	0	0	8	0	0	7	0	0
6	Padampur	201		53	39	0	0	92	0	0	103	0	6
7	Kalahandi	22		7	11	0	0	18	0	0	4	0	0
8	Khariar	100	2	79	9		0	90	0	0	10	0	0
	Total	687	80	217	137	0	0	434	4	0	191	18	40
2013-14													
1	Nayagarh	73	1	7	0	0	0	8	1	0	35	0	29
2	Keonjhar	128	12	46	0	0	0	58	8	0	62	0	0
3	Balasore	131	11	30	0	0	0	41	0	1	67	22	0
4	Balangir	93	1	31	0	0	0	32	0	0	50	0	11
5	Sambalpur	168	0	23	0	0	0	23	0	0	143	0	2
6	Padampur	156	0	23	0	0	0	23	0	0	114	0	19
7	Kalahandi	253	8	191	0	0	0	199	0	0	52	0	2
8	Khariar	90	0	67	0	0	0	67	0	0	20	0	3
	Total	1092	33	418	0	0	0	451	9	1	543	22	66
2014-15													
1	Nayagarh	0	0	0	0	0	0	0	0	0	0	0	0
2	Keonjhar	0	0	0	0	0	0	0	0	0	0	0	0
3	Balasore	0	0	0	0	0	0	0	0	0	0	0	0
4	Balangir	0	0	0	0	0	0	0	0	0	0	0	0
5	Sambalpur	0	0	0	0	0	0	0	0	0	0	0	0
6	Padampur	0	0	0	0	0	0	0	0	0	0	0	0
7	Kalahandi	34	0	0	0	0	0	0	0	0	0	0	34
8	Khariar	0	0	0	0	0	0	0	0	0	0	0	0
	Total	34	0	0	0	0	0	0	0	0	0	0	34

Abstract

	Name of the Division	Not started					Dropped/cancelled				
		2010-11	2011-12	2012-13	2013-14	Total	2010-11	2011-12	2012-13	2013-14	Total
1	Nayagarh	1	2	7	0	10	2	9	4	1	16
2	Keonjhar	0	0	0	0	0	10	49	0	8	67
3	Balasore	5	3	11	22	41	4	6	0	1	11
4	Balangir	0	0	0	0	0	0	0	0	0	0
5	Sambalpur	0	0	0	0	0	9	0	0	0	9
6	Padampur	0	0	0	0	0	0	0	0	0	0
7	Kalahandi	0	0	0	0	0	3	12	0	0	15
8	Khariar	0	0	0	0	0	0	0	0	0	0
	Total	6	5	18	22	51	28	76	4	10	118

Ongoing/Tender stage							
	Name of the Division	2010-11	2011-12	2012-13	2013-14	2014-15	Total
1	Nayagarh	1	9	20	64	0	94
2	Keonjhar	0	16	0	62	0	78
3	Balasore	1	1	23	67	0	92
4	Balangir	2	15	58	61	0	136
5	Sambalpur	35	60	7	145	0	247
6	Padampur	13	26	109	133	0	281
7	Kalahandi	0	0	4	54	34	92
8	Khariar	0	3	10	23	0	36
	Total	52	130	231	609	34	1056

(Source: Information furnished by CE, MI)

Appendix - 3.7.1
(Refer paragraph 3.7 at page 76)

Statement showing unwarranted separate provision for base stripping in analysis of rates for excavation of earth from burrow areas

Sl. No.	Name of the work	Estimated cost	Agreement value	Quantity provided	Quantity executed	Amount paid	Estimated rate	Agreement rate	Percentage less (-) / Excess (+)	Actual rate provided in AoR per cum	Extra cost at estimated stage	Extra cost per cum including tender premium	Extra cost already paid	Total extra cost including tender premium
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		(₹ in crore)		(In cum)		(₹ in crore)		(In ₹)				(in ₹)		
1	Haladia Earth Dam	74.04	64.46	1204352	699131	21.01	159.90	117	-26.83	7.30	8791770	5.34	3734383	6433002
2	Jambhira Earth Dam from RD 2830 to 3930 M (Completed)	24.21	19.93	1095477	1051197	20.2	139.70	107	-23.41	5.84	6397586	4.47	4702018	4900084
3	Jambhira Earth Dam from RD 3930 to 4440 M	46.65	40.89	1315862	1315862	22.64	203.80	165	-19.04	7.30	9605793	5.91	7777016	7777016
4	Jambhira Earth Dam from RD 4960 to 6060 M (Completed)	15.89	12.63	664342	729562	16.18	139.70	84	-39.87	5.84	3879757	3.51	2561875	2332853
Total		160.79	137.91	4280033	3795752	80.03					28674906		18775292	21442955

(Source: Data from estimates and agreements of works provided by Divisions)

Appendix - 3.8.1

(Refer paragraph 3.8 at page 77)

Statement showing provision of excess lead for transportation of burrow earth

Sl. No.	Name of the work	Quantity provided (In cum)	Quoted rate	lead provided (In Km)	Estimated cost	Actual lead (In Km)	Actual lead cost	Differential cost	Extra cost as per estimates	Tender premium (In per cent)	Differential cost per cum after tender premium	Extra cost after tender premium	Quantity executed (In cum)	Amount paid to contractor after TP
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Earth Dam RD 720 to 1054 M of Ret (Right Flank)	316473	89	3.5	110	2.5	83.95	26.05	8244122	-19.09	21.08	6670319	45747	964212
2	Earth Dam RD 00 to 570 M of Ret (Left Flank)	1408758	80	3.5	110	2.5	83.95	26.05	36698146	-27.28	18.94	26686892	1231737	23333484
Total		1725231							44942268			33357211	1277484	24297696

(Source: Information furnished by Divisions)

Appendix - 3.12.1

(Refer paragraph 3.12 at page 82)

Statement showing the details of extra cost on award of work to OCC

Name of Division	Sl. No.	Name of the work	Estimated cost	Agreement value	Excess over estimated cost (In per cent)	Overhead charges	Agreement value + OHC	Extra cost	Agreement No./year	Date of commencement/ Scheduled date of completion	Advance paid	Advance adjusted	(₹ in crore)		
													Value of work executed	Penalty leviable for delay	
I	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Kendrapara Irrigation Division	1	Raising and strengthening to CE No. 44 (A) Luna left embankment from Bilalarampur to Marsaghai	14.41	15.6	8.26	1.56	17.16	2.75	9F2/12-13	06.05.2013/ 05.05.2015	9.78	7.85	7.85	0	
	2	Raising and strengthening of Paika left embankment from Nainpur - Eragiri	10.78	11.82	9.65	1.18	13.00	2.22	48IF2/13-14	21.6.2013/ 20.12.2014	7.09	2.28	2.28	1.08	
	3	Raising and strengthening to Chitropala right embankment from 28.590 to 65.190 Km and 6 old spurs	14.47	15.9	9.88	1.59	17.49	3.02	480F2/13-14	21.06.2013/ 20.12.2014	8.38	2.48	2.48	1.45	
	4	Raising and strengthening of Dasmouza gherry	9.82	10.75	9.47	1.08	11.83	2.01	479F2/13-14	21.06.2013/ 20.12.2014	6.92	2.54	2.54	0.98	
Puri Irrigation Division	5	Sourcing 75 MLD drinking water to Puri township	75.73	83.28	9.97	8.33	91.61	15.88	1050F2/13-14	01.08.2013/ 31.07.2015	26.4	12.00	12.00	0	
Aul Embankment Division	6	Protection to scoured bank of Rajnagar - Gopalpur on river Hansua.	2.06	2.26	9.95	0.23	2.49	0.43	1182F2/13-14	26.07.2013/ 25.03.2014	2.26	2.26	2.26	0.21	
	7	Akhadasahi Creek Irrigation Project	5.59	6.99	24.98	0.70	7.69	2.10	1417F2/13-14	22.10.2013/ 21.04.2015	2.27	0	0	0	
	8	Protection to Kani Kharasuan right bank	4.12	4.52	9.8	0.45	4.97	0.85	1418F2/13-14	22.10.2013/ 21.09.2014	3.1	0.4	0.4	0.41	
	9	Protection to scoured bank on Kharashuan left	4.64	5.31	14.47	0.53	5.84	1.20	1183F2/13-14	26.07.2013/ 25.06.2014	5.32	5.32	5.32	0.46	
Jaraka Irrigation Division	10	Repair and restoration of Brahmani Left embankment	9.6	10.37	8.44	1.04	11.41	1.81	6F2/13-14	29.04.2013/ 28.03.2014	6.8	6.8	completed	0	
Jaipur	11	Repair and restoration to	13.38	14.69	9.8	1.47	16.16	2.78	1F2/13-14	04.03.2013/	4.85	0	0	1.34	

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Name of Division	SL No.	Name of the work	Estimated cost	Agreement value	Excess over estimated cost (In per cent)	Overhead charges	Agreement value + OHC	Extra cost	Agreement No./year	Date of commencement/ Scheduled date of completion	Advance paid	Advance adjusted	Value of work executed	Penalty leviable for delay
I	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Irrigation Division		Capital embankment of 2A Kianali								03.03.2014				
	12	Repair and restoration to Capital embankment of 2A, Devigada	12.47	13.71	9.95	1.37	15.08	2.61	2F2/13-14	04.04.2013/ 03.03.2014	8.87	0	0	1.25
	13	Raising and strengthening to right embankment of Baitarani river	14.79	16.26	9.97	1.63	17.89	3.10	1395F2/13-14	07.11.2013/ 06.11.2015	10.6	4.41	4.41	0
Mahanadi South Division	14	Restoration of CE No.78(A) on Mahanadi Right at Musadiha	4.66	5.3	14.98	0.53	5.83	1.17	1F2/13-14	20.05.2013/ 19.05.2014	3.52	3.52	3.52	0.47
	15	Protection to Talada island & Tarasahi gherry	15.91	19.87	24.93	1.99	21.86	5.95	36P2/13-14	27.04.2013/ 26.03.2015	0	0	12.43	1.59
Jagatsinghpur Irrigation Division	16	Protection to scoured bank on Devi left embankment at Garej from RD 66.310 to 67.050 Km	2.86	3.14	9.98	0.31	3.45	0.59	34F2/13-14	27.04.2013/ 26.12.2013	0	0		0.29
	17	Renovation of Spurs at Daleighai of Kathajori left embankment from RD 7.80 to 14.6 Km	12.55	13.8	9.92	1.38	15.18	2.63	9F2/13-14	16.04.2063/ 15.04.2015	0	0	8.20	0
	18	Raising & strengthening of river embankment of Devi left & Bituakhai	6.58	7.5	13.97	0.75	8.25	1.67	35F2/13-14	27.04.2013/ 26.04.2014	0	0	5.31	0.66
	19	Protection to scoured Bank on Devi Left embankment near village Gandakula	11.81	12.98	9.9	1.30	14.28	2.47	10F2/13-14	16.04.2013/ 15.10.2015	0	0	2.02	0
	20	Construction of spur at RD 3.55 Km on Devi Left embankment	5.95	6.52	9.67	0.65	7.17	1.22	8F2/13-14	16.04.2013/ 15.07.2014	0	0	6.00	0.60
		Total	252.18	280.57		28.06	308.63	56.45			106.16	37.86		10.79

(Source: Information furnished by Divisions)

Appendix - 3.13.1

(Refer paragraph 3.13 at page 83)

Statement showing excess cost due to erroneous calculation of lead distance for borrow earth

(In ₹)

Sl. No.	Name of the work	Agreement No.	Agreement cost (₹ in lakh)	Date of commencement / completion	Quantity of borrow earth provided in agreement (In cum)	Estimated item rate per cum	Actual item rate per cum	Item rate per cum as per Agreement	Tender premium (In per cent) as per Agreement	Excess rate in estimate per cum	Excess rate including tender premium	Total excess cost as per Agreement	Quantity executed (In cum)	Amount already paid	Total value of work executed (₹ in lakh)
1	2	3	4	6	7	8	9	10	11	12	13	14	15	16	17
1	Raising and strengthening of Chitropala Badaraula saline embankment package -04 (Nimapara Irrigation)	NCB-04/13-14	1145.11	16.12.2013 15.06.2015	185646.57	124.00	95.84	130.00	4.84	28.16	29.52	5480833	75419.54	2226607	388.32
2	Raising and strengthening of Nagar saline embankment from RD 00 to 6660 mtr package - 01(Nimapara Irrigation)	NCB-02/13-14	1383.00	16.12.2013 15.06.2015	180644.79	124.00	95.84	124.00	0	28.16	28.16	5086957	58279.00	1641137	272.73
3	Raising and strengthening of Tandahara Singarpala saline embankment package 08 (Nimapara Irrigation)	NCB-01/13-14	719.85	16.12.2013 15.06.2015	89064.98	124.00	95.84	158.00	27.42	28.16	35.88	3195782	101359.42	3636925	449.68
4	Raising and strengthening of Keutajanga saline embankment package 02 (Nimapara Irrigation)	NCB-03/13-14	1257.58	16.12.2013 15.06.2015	197073.47	124.00	95.84	130.00	4.84	28.16	29.52	5818189	115013.35	3395533	545.24
5	Raising and strengthening of saline embankment Bandar to Khatagadi sluice from RD 12.847 to 17.380 Km NCRMP-(O) JSD-01 (Reach-01) (Jagatsinghpur Irrigation)	NCB-01/13-14	1875.56	21.12.2013 20.06.2015	326062.00	124.00	95.84	170.00	37.1	28.16	38.61	12588393	277836.51	10726534	1111.79
	Total		6381.10		978491.81							32170155	627907.82	21626736	2767.76

(Source: Information furnished by Divisions)

Appendix - 3.14.1

(Refer paragraph 3.14.2 at page 85)

Statement showing details of Projects not taken up

Sl. No.	Institution	Sl. No. of work	Name of the project	Estimated cost (₹ in lakh)
1	CET, Bhubaneswar	1	Setting up of new laboratories/ strengthening of existing laboratories	500
		2	Academic blocks-cum-library building	2500
		3	Connectivity of faculty blocks (Academic building)	300
		4	3rd Boys hostel building (550 seated)	2500
		5	Lift provision for disabled students (02 Nos., 8-10 capacity)	150
		6	03 bedroom 40 staff quarters (flat type)	1600
		7	Auditorium (2000 seated)	2500
2	IGIT, Sarang	8	Expansion of existing Boys hostel	2500
		9	Hostel for M. Tech. and Research scholars	1500
		10	Renovation of audio visual hall	100
		11	Renovation of electricity supply	500
		12	Construction of 50,000 gallon capacity overhead water tank.	100
		13	Student Activity Centre	100
		14	Motor cycle shed	100
		15	Bank & Post Office	400
		16	Estate maintenance office	100
		17	Construction of C, D & E -Type quarters each 12 nos.	1200
		18	Compound wall to staff quarters	500
		19	Site development	100
		20	500 seated Boys hostel	2500
		21	DG set	130
		22	Lawn Tennis & Basket Ball Court	10
		23	400 seated Ladies hostel	200
		24	Extension of institute Guest House	400
		25	Renovation and construction of 1 st floor building of officers hostel	200
		26	Centre of Excellence(Civil Engineering)	100
		27	Central Research facility	500
		28	Central Computer Centre for 500 users	1500
		29	Central Library	1500
		30	Renovation /Repair of existing Roads and improvement of earth Road to black top Road	400
		31	Wi-Fi connection to all hostels, campus etc.	1500
		32	Central computing Center with 90 nos.	100

<i>Sl. No.</i>	<i>Institution</i>	<i>Sl. No. of work</i>	<i>Name of the project</i>	<i>Estimated cost (₹ in lakh)</i>
			of 17 HP Desktops etc.	
		33	Staff sitting room for 60 numbers of faculties	1500
		34	Laboratory furnishing and setup etc.	100
		35	7 numbers of smart Classes 4 x 20.000 and accessories	300
		36	Class room & laboratories	270
		37	Extension of laboratory Block	300
		38	Laboratory equipment	200
		39	Sewerage system & treatment of hostels	300
		40	Renovation of old hostels	400
		41	Sewerage system & treatment of campus	200
		42	Auditorium	100
		43	Students Recreation facilities	100
		44	Diploma Campus	500
		45	Center of excellence Mech. Engineering (Diploma Stream)	100
3	IMIT, Cuttack	46	Language Lab	29.31
		47	Purchase of Desktop Computer 120 nos.	48
		48	Interior furnishing of computer centre	17.43
		49	Interior furnishing of reading room	17.15
4	PMEC, Berhampur	50	Construction of Academic block (Fourth floor portion)	647.07
Total				31418.96

(Source: Information furnished by test checked Units)

Appendix - 3.14.2

(Refer paragraph 3.14.4.1 at page 86)

Statement showing availability and utilisation of land

Sl. No.	Name of the College/ Universities	Land holding (In Acre)	AICTE norm for land requirement (In Acre)	Percentage of land holding to norm	Land utilised for construction (In Acre)	Unutilised land (In Acre)	Percentage of unutilised land as against land holding	Intake students strength
1	BPUT, Rourkela	134.07	2.50	5362.80	13.83	120.24	89.68	288
2	VSSUT, Burla	212.00	14.00	1696.00	12.96	199.04	93.89	3128
3	IGIT, Sarang	179.00	14.00	1278.57	28.00	151.00	84.36	2076
4	CET, Bhubaneswar	100.00	4.00	2500.00	4.70	95.30	95.30	2854
5	PMEC, Berhampur	82.96	10.00	829.60	3.15	79.81	96.20	1362
6	GCE, Keonjhar	36.90	10.00	369.00	4.72	32.18	87.21	912
7	GCE, Kalahandi	40.28	10.00	402.80	5.70	34.58	85.85	960
8	IMIT, Cuttack	2.50	3.50	71.43	1.07	1.43	57.20	654
9	CIME, Bhubaneswar	2.02	3.50	57.71	0.39	1.63	80.69	558

(Source: Information furnished by test checked Units)

Appendix - 3.14.3

(Refer paragraph 3.14.4.2 at page 87)

Statement showing deficiencies in amenities area in Government Engineering Colleges / Universities

Sl. No.	Amenities Area Name of the Colleges/ Universities	Boys Common Room (In Sq. mtr.)			Girls Common Room (In Sq. mtr.)			Cafeteria (In Sq. mtr.)			Stationery Store and Reprography (In Sq. mtr.)			First Aid cum Sick Room (In Sq. mtr.)		
		Norm	Actual	Deficiency	Norm	Actual	Deficiency	Norm	Actual	Deficiency	Norm	Actual	Deficiency	Norm	Actual	Deficiency
1	BPUT, Rourkela	75	75	No	75	75	No	150	150	No	10	15	No	10	15	No
2	VSSUT, Burla	75	100	No	75	100	No	150	160	No	10	300	No	10	50	No
3	IGIT, Sarang	100	200	No	100	200	No	150	200	No	10	160	No	10	300	No
4	CET, Bhubaneswar	100	0	Yes	100	0	Yes	150	200	No	10	60	No	10	15	No
5	PMEC, Berhampur	75	167.3	No	75	167.3	No	150	226.2	No	10	20	No	10	20	No
6	GCE, Keonjhar	75	112.3	No	75	91.40	No	150	218.7	No	10	14.53	No	10	14.40	No
7	GCE, Kalahandi	75	0	Yes	75	43	Yes	150	0	Yes	10	0	Yes	10	0	Yes
8	IMIT, Cuttack	100	60	Yes	100	60	Yes	150	120	Yes	10	0	Yes	10	10	No
9	CIME, Bhubaneswar	100	112	No	100	112	No	150	156	No	10	18	No	10	12	No
	Deficiency			3			3			2			2			1

(Source: Information furnished by test checked Units)

Appendix - 3.14.4
(Refer paragraph 3.14.4.3 at page 87)

Statement showing availability of hostels

Sl. No.	Name of the College/ Universities	No. of hostels of the College/ Universities	Whether own hostel or hired/ arranged hostel	Capacity of the hostels	No. of students extended hostel facilities	Percentage of occupancy	No. of students admitted	No. of students not extended hostel facilities	Percentage of deficiencies in hostels	Remarks
1	BPUT, Rourkela	0	NA	0	0	0	108	108	100.00	Two own hostels now in construction stage since January 2014.
2	VSSUT, Burla	9	Own	1802	2666	147.95	2965	299	10.08	Two own hostels now in construction stage since March 2014.
3	IGIT, Sarang	6	Own	1470	1488	101.22	2013	525	26.08	One own hostel now in construction stage since May 2014.
4	CET, Bhubaneswar	3	2 Own + 1 Arranged	1142	1069	93.61	2398	1329	55.42	Two own hostel now in construction stage since August 2013.
5	PMEC, Berhampur	3	2 Own + 1 Arranged	490	527	107.55	1331	804	60.41	Two own hostel started functioning from the Academic year 2014-15.
6	GCE, Keonjhar	3	Own	368	298	80.98	849	551	64.90	One part of boys hostel having 250 seat and one ladies hostel of 200 seat will be handed over by IDCO.
7	GCE, Kalahandi	2	Arranged	95	63	66.32	971	908	93.51	Two own hostels already completed but non functioning due to electricity.
8	IMIT, Cuttack	0	NA	0	0		408	408	100.00	Two own hostel now in construction stage since March 2013.
9	CIME, Bhubaneswar	0	NA	0	0		335	335	100.00	One hostel planning to be constructed for which executing agency yet to be finalized.
	Total	26	0	5367	6111		11378	5267	45.74	
* 86 girls student of diploma stream were also accommodated in girls hostel.										
** NA stands for Not available.										
(Source: Information furnished by test checked Units)										

Appendix - 3.14.5 (Refer paragraph 3.14.5 at page 91)

Statement showing manpower position (Faculty)

Sl. No.	Name of the College/ Universities	Sanctioned Strength			Men-in-Position			Vacancies against sanctioned strength	Percentage of vacancies against sanctioned strength	Manpower requirement as per AICTE norm	Vacancies against AICTE norm	Percentage of vacancies against AICTE norm	Remarks (intake capacity of students)
		Professors	Associates Professors	Assistant Professors	Total	Professors	Associates Professors	Assistant Professors	Total				
1	BPUT, Rourkela	5	15	5	25	0	0	2	2	24	22	91.67	UG students-0 PG students-270
2	VSSUT, Burla	44	93	161	298	20	36	105	161	216	55	25.46	UG students-2660 PG students-468
3	IGIT, Sarang	10	24	82	116	7	15	67	89	145	56	38.62	UG students-1680 PG students-396
4	CET, Bhubaneswar	23	67	90	180	7	14	69	90	197	107	54.31	UG students-2300 PG students-534
5	PMEC, Berhampur	8	16	46	70	1	7	37	45	90	45	50.00	UG students-1344 PG students-18
6	GCE, Keonjhar	7	13	35	55	1	2	0	3	60	57	95.00	UG students-840 PG students-0
7	GCE, Kalahandi	8	11	50	69	1	0	34	35	64	29	45.31	UG students-960 PG students-0
8	IMIT, Cuttack	6	8	7	21	1	4	2	7	54	47	87.04	UG students-0 PG students-654
9	CIME, Bhubaneswar	0	0	0	0	2	1	1	4	46	42	91.30	UG students-0 PG students-558
	Total	111	247	476	834	40	79	317	436	896	460	51.34	
* Staff of CIME were employees of Orissa State Electronics Development Corporation Ltd. joined at CIME (previously CITE) on 01.02.2006 as per GoO decision & BPUT approval													
* Manpower requirement as per AICTE norm has been taken considering one teaching staff for 15 UG students and 12 PG students basis.													

(Source: Information furnished by test checked Units)

Appendix - 3.14.6
(Refer paragraph 3.14.6 at page 92)

Statement showing non approved courses of AICTE

<i>Sl. No.</i>	<i>Name of the College/ Universities</i>	<i>Programme</i>	<i>Name of the course</i>	<i>Year of introduction of course</i>	<i>Total intake strength</i>	<i>AICTE non approved intake strength</i>
1	BPUT, Rourkela	Master of Technology (M. Tech)	Electronics & Communication Engineering- Very Large Scale Integration	2013-14	18	18
			Electronics & Communication Engineering- Signal Processing & Communications	2014-15	18	18
			Computer Science Engineering	2013-14	18	18
			Electrical Engineering- Power System Engineering	2013-14	18	18
			Electrical Engineering- Power Electronics & Drives	2014-15	18	18
			Mechanical Engineering- Machine Design Engineering	2013-14	18	18
			Mechanical Engineering- Heat Power & Thermal Engineering	2014-15	18	18
			Mechanical Engineering- Production Engineering	2014-15	18	18
			Biotechnology	2013-14	18	18
			Civil Engineering- Structural Engineering	2014-15	18	18
			Civil Engineering - Water Resources Engineering & Management	2014-15	18	18
2	VSSUT, Burla	Bachelor of Technology (B. Tech)	Civil Engineering	1956	120	60
			Electrical Engineering	1956	120	60
			Mechanical Engineering	1956	120	60
			Information Technology	2003	60	20
			Electronics & Telecommunication Engineering	1972	120	60
			Metallurgy & Material Engineering	2013	60	60
			Chemical Engineering	2014	60	60
		Bachelor of Architecture (B. Arch)	B. Architecture	2013	60	60
		M. Tech	Civil Engineering- Environmental Science & Engineering	2012	18	18
			Civil Engineering- Geotechnical Engineering	2012	18	18

Sl. No.	Name of the College/ Universities	Programme	Name of the course	Year of introduction of course	Total intake strength	AICTE non approved intake strength
			Electronics Engineering- Micro Wave	2014	18	18
			Computer Science Engineering- Information & Communication Technology	2013	18	18
3	IGIT, Sarang	B. Tech	Production Engineering		60	60
		B. Arch	B. Architecture		60	60
		M. Tech	Computer Science Engineering		18	18
			Metallurgical Engineering		18	18
			Electronics & Telecommunication Engineering		18	18
4	CET, Bhubaneswar	M. Tech	Mechanical- Instrumentation & Electronics		18	18
			Electrical Power System Engineering		18	18
			Electronics & Instrumentation Engineering		18	18
			Biotechnology		18	18
			Civil Geotechnical Engineering		18	18
			Civil Water Resources Engineering		18	18
			Mechanical Thermal Engineering		18	18
			Mechanical Design & Dynamics		18	18
			Electrical Power electronics & drives		18	18
			Electrical Energy System Engineering		18	18
			Instrumentation & Electronics- Electronics & Communication Engineering		18	18
			Instrumentation & Electronics- Signal Processing Engineering		18	18
			Textile Engineering		18	18
5	PMEC, Berhampur	B. Tech	Production Engineering	2014-15	60	60
6	IMIT, Cuttack	M. Tech	Computer Science	2014-15	18	18
7	CIME, Bhubaneswar	M. Tech	Computer Science Engineering	2014-15	18	18
			Total		1494	1214

(Source: Information furnished by test checked Units)

Appendix - 3.14.7
(Refer paragraph 3.14.7 at page 92)

Statement on ongoing infrastructure works of BPUT and its constituent Colleges, IGIT and VSSUT as on March 2015

Sl. No.	Name of the College / University for whom work is executed	Name of the work	Estimated cost (₹ in lakhs)	Original Estimate/ Revised Estimate (₹ in lakhs)	Executing Agency	Agreement cost of executing agency with contractor (₹ in lakhs)	Amount received (₹ in lakhs) as on March 2015	Financial progress (amount paid to contractors by executing agencies) as on March 2015 (₹ in lakhs)	Percentage of financial progress to estimated/ revised estimate cost	Scheduled date of commencement of work	Scheduled date of completion of work	Status of work/ reason for delay, if any / EOT granted if any	Delay in months upto March 2015
1	BPUT	Faculty House Building	392.97	861.09	IDCO	352.2	118.44	118.44	13.75	23.02.2010	22.05.2011	Work is going on as per revised drawing and converted from G+2 to G+5	47
2	BPUT	Boys and Girls Hostel buildings	2395.82	2395.82	IDCO	1896.25	477.83	477.83	19.94	18.01.2014	17.01.2016	Work in progress	--
3	BPUT	Boundary wall security shed and main gate complex	492.40	492.40	IDCO	402.76	--	--	0.00	06.01.2015	05.11.2015	BPUT has not given required drawing in time	--
4	BPUT	Library and Computer Centre Building (old)	455.57	1575.01	IDCO	455.84	320.69	320.69	20.36	16.06.2008	15.12.2009	Delay due to non-submission of drawings in time. Old contract was closed due to unwillingness to take up work at old rate and tenderer was done and work awarded	64
5	BPUT	VC quarter (Converted to Guest House)	110.00	110.00	IDCO	101.75	30.44	30.44	27.67	08.02.2010	07.01.2011	Work stopped as per verbal decision of VC, BPUT and	51

Sl. No.	Name of the College / Universities for whom work is executed	Name of the work	Estimated cost (₹ in lakhs)	Original Estimate/ Revised Estimate (₹ in lakhs)	Executing Agency	Agreement cost of executing agency with contractor (₹ in lakhs)	Amount received (₹ in lakhs) as on March 2015	Financial progress (amount paid to contractors by executing agencies) as on March 2015 (₹ in lakhs)	Percentage of financial progress to estimated/ revised estimate cost	Scheduled date of commencement of work	Scheduled date of completion of work	Status of work/ reason for delay, if any / EOT granted if any	Delay in months upto March 2015
6	CET	Const. of 2nd Boys hostel building	1665.93	1665.93	IDCO	1499.07	865.00	865.00	51.92	12.08.2013	11.08.2015	Work in Progress	--
7	CET	Construction of 530 Seated Girls Hostel Building	2008.48	2008.48	IDCO	1470.43	550.00	507.93	25.29	23.04.2014	22.04.2016	Work in Progress	--
8	CET	Extension to Laboratory Building at CET, BBSR	2628.60	3731.59	IDCO	1837.47	1095.00	991.55	26.57	14.04.2014	13.04.2016	Work in Progress	--
9	CET	Construction of Bank Building 2nd floor & Boundary Wall	77.05	77.05	IDCO	69.18	65.50	35.73	46.37	12.08.2014	11.07.2015	Work in Progress	--
10	GCE, Keonjhar	Construction of Workshop Building	185.00	268.08	IDCO	247.11	147.54	147.54	55.04	17.08.2013	16.07.2014	Delayed due to changes in design and hilly terrain removed during layout of unit-3 and 4	9
11	GCE, Keonjhar	Construction of ladies Hostel Building	925.21	925.21	IDCO	666.22	623.30	623.30	67.37	15.07.2013	14.01.2015	Work going on for extra work "Boundary wall" for Ladies Hostel & fixing of almirah for each room is in progress	3
12	GCE,	Construction of	683.60	683.60	IDCO	671.82	143.81	143.81	21.04	01.07.2014	30.09.2015	Work in	--

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Sl. No.	Name of the College / Universities for whom work is executed	Name of the work	Estimated cost (₹ in lakhs)	Original Estimate/ Revised Estimate (₹ in lakhs)	Executing Agency	Agreement cost of executing agency with contractor (₹ in lakhs)	Amount received (₹ in lakhs) as on March 2015	Financial progress (amount paid to contractors by executing agencies) as on March 2015 (₹ in lakhs)	Percentage of financial progress to estimated/ revised estimate cost	Scheduled date of commencement of work	Scheduled date of completion of work	Status of work/ reason for delay, if any / EOT granted if any	Delay in months upto March 2015
	Keonjhar	Academic Block- III										progress	
13	GCE, Keonjhar	Construction of 'C' type 6 nos. Quarters (S+3)	275.35	275.35	IDCO	139.59	83.58	83.58	30.35	13.03.2014	12.12.2014	P.H fittings & finishing is in progress	4
14	GCE, Kalahandi	Construction of Guest House, Canteen and Public Utility having facilities for Dispensary, Post Office, Police Out Post, Co-Operative Store, Bank	400.40	400.40	EE, Kalahandi (R&B) Division	--	156.84	156.84	39.17	26.02.2014	25.01.2015	Work in progress.	2
15	GCE, Kalahandi	Construction of periphery compound wall, internal road and internal drain	367.84	367.84	EE, Kalahandi (R&B) Division	--	184.44	184.44	50.14	15.11.2014	14.02.2015	Work in progress	2
16	PMEC, Berhampur	Construction of guest house building	200.09	200.09	EE, Ganjam (R&B) Division-II, Berhampur	170.19	84.75	84.75	42.36	08.08.2013	07.07.2014	Finishing work in progress	9
17	PMEC, Berhampur	Construction of 2nd floor /3rd floor of academic block I	938.28	938.28	EE, Ganjam (R&B) Division-II, Berhampur	990.55	587.96	587.96	62.66	22.11.2013	21.02.2015	Finishing work in progress	1

Sl. No.	Name of the College / Universities for whom work is executed	Name of the work	Estimated cost (₹ in lakhs)	Original Estimate/ Revised Estimate (₹ in lakhs)	Executing Agency	Agreement cost of executing agency with contractor (₹ in lakhs)	Amount received (₹ in lakhs) as on March 2015	Financial progress (amount paid to contractors by executing agencies) as on March 2015 (₹ in lakhs)	Percentage of financial progress to estimated/ revised estimate cost	Scheduled date of commencement of work	Scheduled date of completion of work	Status of work/ reason for delay, if any / EOT granted if any	Delay in months upto March 2015
18	PMEC, Berhampur	Construction of boundary wall & entrance gate	289.95	289.95	EE, Ganjam (R&B) Division-II, Berhampur	237.14	214.67	214.67	74.04	08.03.2013	07.02.2014	Boundary wall completed. Painting to gate work in progress	14
19	PMEC, Berhampur	Construction of 367 seated boys hostel	1015.58	1015.58	EE, Ganjam (R&B) Division-II, Berhampur	999.25	441.54	441.54	43.48	12.11.2013	11.05.2015	D,E,F&G block finishing work such as plastering in progress, ABC roof 3rd floor completed.	
20	PMEC, Berhampur	Construction of D type 8 nos. quarters for the lecturer staff building No.2	311.43	311.43	EE, Ganjam (R&B) Division-II, Berhampur	286.57	91.5	91.5	29.38	09.07.2014	08.06.2015	First floor brickwork in progress.	--
21	PMEC, Berhampur	Construction of C type 8 nos. of quarters for staff	357.24	357.24	EE, Ganjam (R&B) Division-II, Berhampur	315.55	63.98	63.98	17.91	20.05.2014	19.04.2015	2nd floor upto lintel level completed.	--
22	PMEC, Berhampur	Construction of E type 16 no. of staff quarters	263.75	263.75	EE, Ganjam (R&B) Division-II, Berhampur	236.46	126.6	126.6	48.00	20.05.2014	19.04.2015	Finishing work in progress	--
23	PMEC,	Construction of	58.28	58.28	EE	47.99	16.15	16.15	27.71	20.05.2014	19.08.2014	1st floor roof	7

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Sl. No.	Name of the College / Universities for whom work is executed	Name of the work	Estimated cost (₹ in lakhs)	Original Estimate/ Revised Estimate (₹ in lakhs)	Executing Agency	Agreement cost of executing agency with contractor (₹ in lakhs)	Amount received (₹ in lakhs) as on March 2015	Financial progress (amount paid to contractors by executing agencies) as on March 2015 (₹ in lakhs)	Percentage of financial progress to estimated/ revised estimate cost	Scheduled date of commencement of work	Scheduled date of completion of work	Status of work/ reason for delay, if any / EOT granted if any	Delay in months upto March 2015
	Berhampur	A type 1 no. of quarter for principal			Ganjam (R&B) Division-II, Berhampur							cast finishing in Work progress	
24	CIME, Bhubaneswar	Girls hostel	730.00	730.00	Executive agency yet to be finalized.	--	100.00	--	--	--	---	Work not taken up. Only land cost of ₹37.60 lakh paid to IDCO	--
25	IMIT, Cuttack	100 Seated boys hostel (Ground, 1st & 2nd floor)	187.19	299.48	OSPH & WC	--	187.19	93.54	31.23	26.03.2013	25.03.2015	Work in progress	--
26	IMIT, Cuttack	2nd Floor of MBA Department	173.94	173.94	OSPH & WC	--	84.24	84.24	48.43	01.07.2014	01.07.2016	Work in progress	--
27	IMIT, Cuttack	Boundary wall, gate, cycle stand	48.78	48.78	OSPH & WC	--	24.39	24.39	50.00	01.07.2014	01.07.2015	Work in progress	--
28	IMIT, Cuttack	Boundary wall & Bore Well for Ladies Hostel	20.00	20.00	OSPH & WC	--	14.00	14.00	70.00	04.11.2013	04.11.2014	90 per cent Completed	5
29	IMIT, Cuttack	Repair of 4nos of Staff Qrs.	15.96	15.96	OSPH&WC	--	7.98	7.98	50.00	17.02.2014	17.02.2015	75 per cent Completed	1
30	IMIT, Cuttack	CC Road AC Sheet Store of Ladies Hostel	7.34	7.34	OSPH&WC	--	3.67	3.67	50.00	26.11.2014	25.11.2015	75 per cent Completed	--
31	IMIT, Cuttack	Furnishing of 2 nos. of Computer Lab and 1 no. of server room	68.73	46.24	OSIC	--	25	22.68	49.05	22.02.2013	22.07.2013	One Completed & another not yet started	13

Sl. No.	Name of the College / Universities for whom work is executed	Name of the work	Estimated cost (₹ in lakhs)	Original Estimate/ Revised Estimate (₹ in lakhs)	Executing Agency	Agreement cost of executing agency with contractor (₹ in lakhs)	Amount received (₹ in lakhs) as on March 2015	Financial progress (amount paid to contractors by executing agencies) as on March 2015 (₹ in lakhs)	Percentage of financial progress to estimated/ revised estimate cost	Scheduled date of commencement of work	Scheduled date of completion of work	Status of work/ reason for delay, if any / EOT granted if any	Delay in months upto March 2015
32	IGIT, Sarang	Construction of Community hall at IGIT Sarang	82.86	82.86	IDCO	70.11	30.00	17.82	21.51	17.09.2014	16.03.2015	Due to lack of funds work cannot progress smoothly	1
33	IGIT, Sarang	Construction of New Academic building at IGIT Sarang	2293.43	2293.43	IDCO	1788.30	400.00	451.98	19.71	18.05.2014	17.11.2015	Due to lack of funds work cannot progress smoothly	--
34	IGIT, Sarang	Construction of 400 seated boys hostel at IGIT Sarang	1925.56	1925.56	IDCO	1582.22	400.00	244.94	12.72	18.05.2014	17.11.2015	Due to lack of funds work cannot progress smoothly	--
35	VSSUT, Burla	Construction of second floor & renovation of existing academic building	1971.00	1971.00	IDCO	905.41	445.77	368.52	18.70	01.06.2014	31.08.2015	--	--
36	VSSUT, Burla	Construction of M. Tech hostel building	2868.47	5195.49	IDCO	2354.77	1233.46	1383.67	26.63	12.03.2014	11.03.2016	--	--
37	VSSUT, Burla	Renovation of Arundhati girls hostel	243.00	243.00	IDCO	195.80	201.36	195.8	80.58	02.05.2014	01.02.2015	--	2
38	VSSUT, Burla	Construction of F3R Flat qtrs. Block	97.22	97.22	R&B Division, Bargarh	73.57	97.22	91.66	94.28	16.10.2012	15.07.2013	--	21
39	VSSUT, Burla	Construction of modified qtrs.	193.32	193.32	R&B Division, Bargarh	151.15	174.38	173.87	89.94	05.06.2013	04.09.2014	--	7
40	VSSUT, Burla	Construction 3R qtrs. in Flat	123.98	123.98	R&B Division,	91.75	100.59	100.59	81.13	05.11.2013	04.11.2014	--	5

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Sl. No.	Name of the College / Universities for whom work is executed	Name of the work	Estimated cost (₹ in lakhs)	Original Estimate/ Revised Estimate (₹ in lakhs)	Executing Agency	Agreement cost of executing agency with contractor (₹ in lakhs)	Amount received (₹ in lakhs) as on March 2015	Financial progress (amount paid to contractors by executing agencies) as on March 2015 (₹ in lakhs)	Percentage of financial progress to estimated/ revised estimate cost	Scheduled date of commencement of work	Scheduled date of completion of work	Status of work/ reason for delay, if any / EOT granted if any	Delay in months upto March 2015
		Black-2			Bargarh								
41	VSSUT, Burla	Construction modified 4R qtrs. to B-2	221.10	221.10	R&B Division, Bargarh	166.3	174.72	102.05	46.16	05.11.2013	04.02.2015	--	2
42	VSSUT, Burla	Construction of University guest house	304.92	304.92	R&B Division, Bargarh	211.57	237.39	158.51	51.98	25.11.2013	24.05.2015	--	--
43	VSSUT, Burla	Construction of 300 seated boys hostel	776.30	776.30	R&B Division, Bargarh	610.13	605.14	649.04	83.61	17.01.2013	16.07.2014	--	9
44	VSSUT, Burla	Construction of e-learning centre	772.99	772.99	R&B Division, Bargarh	776.82	140	--	0.00	29.07.2014	28.01.2016	--	--
45	VSSUT, Burla	Renovation of quarters	100.00	100.00	R&B Division, Bargarh	--	100	--	--	--	01.08.2015	--	--
		Total		34915.36			11276.1	10503.22					
No. of ongoing works		45											
Works in respect of which scheduled date of completion already over		22											
Delay in months		1 to 64 months											
No. of Institutions		9											
Note: Amount received for the projects of BPUT and GCE, Keonjhar assumed as equal to fund released to contractor since funds were released to executing agencies for all projects instead of project wise fund													

(Source: Information furnished by test checked Units)

Appendix - 3.14.8
(Refer paragraph 3.14.8 at page 94)

Statement showing utilisation of grants of GoO

<i>Sl. No.</i>	<i>Name of the College/ Universities</i>	<i>Year</i>	<i>Funds sanctioned by GoO (₹ in lakh)</i>	<i>Grants received (₹ in lakh)</i>	<i>Grants utilised (₹ in lakh)</i>	<i>Unutilised grants (₹ in lakh)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1	BPUT, Rourkela	2012-13	400.00	400.00	400.00	0.00
		2013-14	840.00	840.00	840.00	0.00
		2014-15	1650.00	1650.00	1317.34	332.66
2	VSSUT, Burla	2012-13	290.00	290.00	290.00	0.00
		2013-14	1000.00	1000.00	1000.00	0.00
		2014-15	2550.00	2550.00	2464.25	85.75
3	IGIT, Sarang	2012-13	625.00	625.00	625.00	0.00
		2013-14	830.25	830.25	830.25	0.00
		2014-15	950.00	950.00	950.00	0.00
4	CET, Bhubaneswar	2012-13	72.00	72.00	72.00	0.00
		2013-14	125.00	125.00	125.00	0.00
		2014-15	2125.00	2125.00	2125.00	0.00
5	PMEC, Berhampur	2012-13	644.39	0.00	0.00	0.00
		2013-14	0.00	569.39	3.28	566.11
		2014-15	50.00	100.00	563.33	102.78
6	GCE, Keonjhar	2012-13	800.00	800.00	425.13	374.87
		2013-14	700.00	700.00	400.00	300.00
		2014-15	650.00	650.00	1000.00	324.87
7	GCE, Kalahandi	2012-13	768.96	768.96	450.00	318.96
		2013-14	0.00	0.00	0.00	0.00
		2014-15	50.00	50.00	0.00	368.96
8	IMIT, Cuttack	2012-13	121.23	121.23	121.23	0.00
		2013-14	83.24	83.24	83.24	0.00
		2014-15	50.00	50.00	50.00	0.00
9	CIME, Bhubaneswar	2012-13	80.00	80.00	80.00	0.00
		2013-14	80.00	80.00	58.80	21.20
		2014-15	150.00	150.00	94.62	76.58
<i>Total</i>			<i>15685.07</i>	<i>15660.07</i>	<i>14368.47</i>	<i>1291.60</i>

(Source: Information furnished by test checked Units)

Appendix - 3.14.9
(Refer paragraph 3.14.9.3 at page 95)

Statement showing utilisation of MODROB grant

<i>Sl. No.</i>	<i>Name of the College/ Universities</i>	<i>Name of the Project</i>	<i>Grants received (In ₹)</i>	<i>Grants utilised (In ₹)</i>	<i>Grants un-utilised (In ₹)</i>	<i>Year of funds received</i>
1	VSSUT, Burla	Modernisation of Environmental Laboratory	1804000	0	1804000	2013-14
		Machining performance evaluation of CVD/ PVD coated carbides AL203 ceramics and CBN/ Diamond cutting tool inserts	2000000	1720000	280000	
		Modernisation of advanced data communication and networking laboratory	2000000	900000	1100000	
		Modernisation of fluid flow laboratory	2000000	1000000	1000000	
		Total	7804000	3620000	4184000	
2	IGIT, Sarang	MODROB of PC Laboratory	1325000	1325000	0	2013-14
		MODROB of Power System Laboratory	1600000	0	1600000	2013-14
		MODROB of CAD/CAM Laboratory	880000	739035	140965	2013-14
		MODROB of Applied Mechanic Laboratory	1960000	0	1960000	2013-14
		Total	5765000	2064035	3700965	
3	CET, Bhubaneswar	Modernisation of Industrial Automation System Laboratory of EED	171582	169995	1587	2006-07
		AICTE MODROB Project Civil Engineering	500000	0	500000	2005-06
		AICTE MODROB Project Textile Engineering	4300000	4119276	180724	2007-08 & 2010-11
		AICTE MODROB on FMS, Mechanical Engineering Department	1385000	1314817	70183	2005-06
		AICTE MODROB on FMS, Mechanical Engineering Department	1300000	0	1300000	2010-11
		AICTE MODROB - I&EE Department	1000000	988000	12000	2008-09
		AICTE MODROB - F&AT Department	1350000	1345945	4055	2008-09
		Total	10006582	7938033	2068549	
		Grand Total	23575582	13622068	9953514	

(Source: Information furnished by test checked Units)

Appendix - 3.16.1
(Refer paragraph 3.16 at page 99)
Statement showing details of extra cost towards lead charges

Sl. No.	Name of the Division	Name of the work	Estimated cost (₹ in crore)	Agreement value (₹ in crore)	Date of commencement/ Stipulated date of completion	Shortest lead (In Km)	Average lead (In Km)	Excess lead (in Km) (8-7)	Excess lead charges provided in estimates (In ₹)	Description of item	Quantity as per agreement (In cum)	Multiplying factor	Material quantity as per agreement (In cum) (12x13)	Excess amount as per estimate (In ₹) (10x14)	Tender premium (per cent) (4/5)	Total excess amount including tender premium (In ₹) (15x16)	Quantity Executed (In cum)	Material quantity supplied (In cum)	Excess amount already paid (In ₹) (19x10x16)	Total payment made in RA bills (₹ in crore)
1	Ganjam (R & B) Division No. 1, Berhampur	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1		Improvement to Khairaguda-Nuagada Road	17.40	16.43	02.06.14/01.12.15	41	50	9	72.00	GSB	10223	1.28	13085.44	942151.68	0.94	885622.58	641	820.48	55530.09	
									72.00	WMM	8926	1.32	11782.32	848327.04	0.94	797427.42	0	0.00	0.00	
									72.00	BM	1925	1.41	2714.25	195426.00	0.94	183700.44	0	0.00	0.00	
									72.00	SDBC	963	1.46	1405.98	101230.56	0.94	95156.73	0	0.00	0.00	
									72.00	CC	17960	0.90	16164.00	1163808.00	0.94	1093979.52	5571	5013.90	339340.75	
									72.00	Stone	2385	1.00	2385.00	171720.00	0.94	161416.80	0	0.00	0.00	
		Sub Total												3422663.28	0.94	3217303.48		5834.38	394870.84	2.80
2		Improvement to Surala-Railway station to Pitatali Road	13.70	12.92	03.03.14/02.09.15	5	25	20	160.00	GSB	10735	1.28	13740.80	2198528.00	0.94	2066616.32	2081	2663.68	400617.47	
									160.00	WMM	7838	1.32	10346.16	1655385.60	0.94	1556062.46	206	271.92	40896.77	
									160.00	BM	1568	1.41	2210.88	353740.80	0.94	332516.35	0	0.00	0.00	
									160.00	SDBC	784	1.46	1144.64	183142.40	0.94	172153.86	0	0.00	0.00	
									160.00	CC	14756	0.90	13280.40	2124864.00	0.94	1997372.16	9688	8719.20	1311367.68	
									160.00	Stone	1560	1.00	1560.00	249600.00	0.94	234624.00	0	0.00	0.00	
		Sub Total												6765260.80	0.94	6359345.15		11654.80	1752881.92	5.50
3	Ganjam (R & B) Division No. 1, Berhampur	Improvement to Jarada-Tumba Road from 0 to 9 Km	11.76	12.65	11.06.14/10.09.15	42	49	7	56.00	GSB	20021	1.28	25626.88	1435105.28	1.08	1549913.70	701	897.28	54267.49	
									56.00	WMM	11160	1.32	14731.20	824947.20	1.08	890942.98	0	0.00	0.00	
									56.00	BM	2200	1.41	3102.00	173712.00	1.08	187608.96	0	0.00	0.00	
									56.00	SDBC	1100	1.46	1606.00	89936.00	1.08	97130.88	0	0.00	0.00	
									56.00	CC	4836	0.90	4352.40	243734.40	1.08	263233.15	741	666.90	40334.11	
									56.00	Stone	527	1.00	527.00	29512.00	1.08	31872.96	0	0.00	0.00	
		Sub Total												2796946.88	1.08	3020702.63		1564.18	94601.61	0.94
4		Improvement to Chikiti Surangi Road from 38 to 49 Km	13.56	14.17	12.08.13/11.02.15	32	40	8	58.40	GSB	11982	1.28	15336.96	895678.46	1.04	931505.60	10332	13224.96	803231.17	
									58.40	WMM	12555	1.32	16572.60	967839.84	1.04	1006553.43	10227	13499.64	819914.14	
									58.40	BM	2475	1.41	3489.75	203801.40	1.04	211953.46	2015	2841.15	172560.09	
									58.40	SDBC	1238	1.46	1807.48	105556.83	1.04	109779.11	1008	1471.68	89383.96	
									58.40	CC	12176	0.90	10958.40	639970.56	1.04	665569.38	14326	12893.40	783093.54	
									58.40	Stone	962	1.00	962.00	56180.80	1.04	58428.03	791	791.00	48042.18	
		Sub Total												2869027.90	1.04	2983789.01		44721.83	2716225.07	13.49
5	Ganjam (R & B) Division No. 1, Berhampur	Widening of Berhampur-Tyamana-	43.53	43	20.02.14/19.02.16	11	16	5	36.50	GSB	55700	1.28	71296.00	2602304.00	0.99	2576280.96	0	0.00	0.00	
									36.50	WMM	55967	1.32	73876.44	2696490.06	0.99	2669525.16	0	0.00	0.00	
									36.50	BM	11067	1.41	15604.47	569563.16	0.99	563867.52	0	0.00	0.00	

Sl. No.	Name of the Division	Name of the work	Estimated cost (₹ in crore)	Agreement value (₹ in crore)	Date of commencement/ stipulated date of completion	Shortest lead (In Km)	Average lead (In Km)	Excess lead (in Km) (8-7)	Excess lead charges provided in estimates (In ₹)	Description of item	Quantity as per agreement (In cum)	Multiplying factor	Material quantity as per agreement (In cum) (12x13)	Excess amount as per estimate (In ₹) (10x14)	Tender premium (per cent) (4/5)	Total excess amount including tender premium (In ₹) (15x16)	Quantity Executed (In cum)	Material quantity supplied (In cum)	Excess amount already paid (In ₹) (19x10x16)	Total payment made in RA bills (₹ in crore)
		Chikiti-Mandarada Road							36.50	SDBC	5533	1.46	8078.18	294853.57	0.99	291905.03	0	0.00	0.00	
		Sub Total							36.50	Stone	0	1.20	0.00	0.00	0.99	0.00	0	0.00	0.00	
6		Improvement to Bhanjanagar - Daspalla Road	19.78	21.31	11.05.12/ 10.05.14	29	42	13	83.20	GSB	2597	1.28	32764.16	2725978.11	1.08	2944056.36	23178	29667.84	266833.43	
									83.20	WMM	27931	1.32	36868.92	3067494.14	1.08	3312893.68	20557	27135.24	2438264.13	
									83.20	BM	5583	1.41	7872.03	654952.90	1.08	707349.13	3860	5442.60	489050.27	
									83.20	SDBC	2791	1.46	4074.86	339028.35	1.08	366150.62	1504	2195.84	197309.40	
									83.20	CC	6653	0.90	5987.70	498176.64	1.08	538030.77	11073	9965.70	895477.94	
									83.20	Stone	948	1.00	948.00	78873.60	1.08	85183.49	2500	2500.00	224640.00	-
		Sub Total							7364503.74					7364503.74	1.08	7953664.04		76907.22	6910575.16	15.77
7		Improvement to Balipadar - Karsinga Road from RD 0 to 16 Km	15.63	16.22	11.05.12/ 10.05.14	10	37	27	172.80	GSB	10988	1.28	14064.64	2430369.79	1.04	2527584.58	11419	14616.32	2626728.10	
									172.80	WMM	20862	1.32	27537.84	4758538.50	1.04	4948880.37	22380	29541.60	5308980.02	
									172.80	BM	4777	1.41	6735.57	1163906.50	1.04	1210462.76	3918	5524.38	992797.38	
									172.80	SDBC	2374	1.46	3466.04	598931.71	1.04	622888.98	1535	2241.10	402752.56	
									172.80	CC	10525	0.90	9472.50	1636848.00	1.04	1702321.92	5664	5097.60	916099.89	
									172.80	Stone	1550	1.00	1550.00	267840.00	1.04	278553.60	2131	2131.00	382966.27	
		Sub Total							10856434.75					10856434.75	1.04	11290692.14		59152.00	10630324.22	13.63
8		Improvement to Balipadar - Karsinga road from RD 16 to 32 Km	22.29	20.71	26.02.14/ 25.02.16	10	38	28	224.00	GSB	9787	1.28	12527.36	2806128.64	0.93	2609699.64	1671	2138.88	445571.48	
									224.00	WMM	14091	1.32	18600.12	4166426.88	0.93	3874777.00	521	687.72	143265.83	
									224.00	BM	3453	1.41	4868.73	1090595.52	0.93	1014253.83	0	0.00	0.00	
									224.00	SDBC	1727	1.46	2521.42	564798.08	0.93	525262.21	0	0.00	0.00	
									224.00	CC	13232	0.90	11908.80	2667571.20	0.93	2480841.22	662	595.80	124117.06	
									224.00	Stone	2883	1.00	2883.00	645792.00	0.93	600586.56	0	0.00	0.00	
		Sub Total							11941312.32					11941312.32	0.93	11105420.46		3422.40	712954.37	0.92
9		Widening of Sheragada-Badagada-Sorada Road	45.04	46.89	26.02.14/ 25.02.16	12	27	15	109.50	GSB	77513	1.28	99216.64	10864222.08	1.04	11298790.96	0	0.00	0.00	
									109.50	WMM	70782	1.32	93432.24	10230830.28	1.04	10640063.49	0	0.00	0.00	
									109.50	BM	13802	1.41	19460.82	2130959.79	1.04	2216198.18	0	0.00	0.00	
									109.50	SDBC	6901	1.46	10075.46	1103262.87	1.04	1147393.38	0	0.00	0.00	
									109.50	CC	12136	0.90	10922.40	1196002.80	1.04	1243842.91	0	0.00	0.00	
									109.50	Stone	3690	1.00	3690.00	404035.00	1.04	420217.20	0	0.00	0.00	
		Sub Total							799196.88					799196.88	1.04	2696506.13		0.00	0.00	0.00
		Grand Total	202.69	204.30					78108693.28					78108693.28		78999001.73		203256.81	23212433.18	53.05

(Source: Information furnished by Divisions)

Appendix - 3.18.1
(Refer paragraph 3.18 at page 101)

Statement showing road wise CBR values, Traffic density and sanctioned estimated cost

Sl. No.	Name of the division	Name of the work	CBR value of the sub-soil	Traffic density (msa)	Required pavement thickness as per IRC-37 (mm)	Pavement thickness provided (mm)	Difference in thickness	Estimated cost of the work (₹ in crore)	Agreement No. & Date of commencement / Stipulated Date of completion	Agreement value (₹ in crore)	Value of the work executed (₹ in crore)
1	2	3	4	5	6	7	8	9	10	11	12
1	Panikoli R&B Division	Improvement to Dhaneswar-Barunde Road from 0/00 to 12/500 Km under RIDF XVIII	4	2	540	975	435	14.47	234P1/2013-14 24.09.2013/ 23.09.2015	12.85	3.04
2	Bhanjanagar R&B Division	Imp. to Ballipadar Karasingi Road from 0/0 to 16/00 Km under RIDF XVII	5	3	550	675	125	15.63	3 P1/2012-13 11.05.2012/ 10.05.2014	16.22	13.63
3	Sambalpur R&B Division	Imp. to Kuchinda-Kusumi Road MDR -26(A) from RD 00 to 22/820 Km (Part-A) Imp. to Manaswar -Kolpara from 00 to 7/200 Km	10 4	4 4	475 620	760 925	285 305	20.68 8.31	12 P1/2009-10 30.12.2009 29.06.2011 03P1/2012-13 24.04.2012/ 23.10.2013	22.54 7.59	21.19 8.38
4	Kalahandi R&B Division	Imp. to Bhawanipatna-Rayagada Road from 26 to 37 Km Imp. to Bhawanipatna-Rayagada Road from 0 to 26 Km	5 5	5 5	580 580	875 875	295 295	15.81 25.22	1596P1/2012-13 17.11.2012/ 06.11.2014 174P1/2011-12 16.08.2011/ 15.08.2013	16.58 21.19	16.56 15.30
5	Jeypore R&B Division.	Imp. to BKKR from 0/0 to 11/700 Km under RIDF	8	5	475	625	150	12.36	1833P1/13-14 21.11.2014/ 20.11.2015	11.90	1.21
6	Khordha R&B Division	Imp. to Odagaon Bahadajhola-Nuagaon Road Imp. to Dasaapalla - Bhanjanagar Road from 0/0 to 13/32 Km	5 3	3 3	530 660	725 775	195 115	24.41 13.18	11P1/2014-15 26.07.2014/ 25.04.2016 69P1/2013-14 04.03.2014/ 03.03.2015	21.73 11.82	0.00 7.08
7	Kantabanji R&B Division	Imp. to road from NH-217 to Mahakhanda	4	3	652	800	148	7.67	41P1/2013-14 03.03.2014/ 02.06.2015	6.86	6.74

Sl. No.	Name of the division	Name of the work	CBR value of the sub-soil	Traffic density (msa)	Required pavement thickness as per IRC-37 (mm)	Pavement thickness provided (mm)	Difference in thickness	Estimated cost of the work (₹ in crore)	Agreement No. & Date of commencement / Stipulated Date of completion	Agreement value (₹ in crore)	Value of the work executed (₹ in crore)
		Widening of Titlagarh-Paosi Road	3	4	675	975	300	25.68	39P1/2013-14 26.02.2014/ 23.02.2016	23.96	3.29
8		Imp. to road from NH-217 to Pocilima to Balarampur	5	3	530	750	220	10.37	1144P1/2014-15 09.10.2014/ 08.01.2016	10.80	0.47
	Ganjam R&B Division No.I	Karapada to Badadumula	3	2	670	825	155	15.25	345P1/2014-15 30.07.2014/ 29.01.2016	15.82	3.74
		Imp. to Kanshi-Sihala-Tyamana Road	5	2	510	750	240	6.84	1210P1/2014-15 09.11.2014/ 18.05.2015	6.79	1.98
9	Baliguda R&B Division	Imp. to Matrugaon-Belghar-Jhuripani Road	5	2	490	575	85	45.25	10 P1/2014-15 01.06.2014 / 31.05.2017	48.88	1.50
	Total							261.13		255.53	104.11

(Source: Information furnished by Divisions)

Appendix - 3.18.2
(Refer paragraph 3.18 at page 102)

Statement showing details of avoidable extra cost

(Thickness: mm and quantity: cum)

Sl. No.	Name of the division	Name of the work	CBR value of the sub-soil	Traffic density (msa)	Required GSB as per IRC code	GSB Provided		Less(+) /Excess(-)/ equal GSB layer provided in the work			Capping layer of sand provided				Extra cost involved (₹)	Tender premium Less (-) Excess (+)	Extra cost including TP (₹)
						Thickness (mm)	Quantity (cum)	Thickness (mm)	Quantity (cum)	Rate (₹)	Amount (₹)	Thickness (mm)	Quantity (cum)	Rate (₹)	Amount (₹)		
1	R&B Division, Panikoli	Improvement to Dhaneswar-Barunde Road from 0/00 to 12/500 Km under RIDF XVIII	4	5	2	265	9848.00	40	1750.76	11	2183017.10	450	16443.00	347.90	5720519.70	18	3141302
2	(R&B) Division, Bhanjanagar	Improvement to Ballipadar - Karasingi Road from 0/0 to 16/00 Km under RIDF XVII	5	3		230	10988.31	30	1648.25	1219.90	2010695.91	150	21099.41	259.30	5471077.01	3.8	3591876
3	R&B Division, Sambalpur	Improvement to Kuchinda-Kusumi Road MDR -26(A) from RD 00 to 22/820 Km (Part-A)	10	4		210	13842.00	0	0.00	0.00	0.00	225	35092.00	238.80	8379969.60	9	9134167
4	R&B Division, Kalahandi	Improvement to Manaswar-Kolpara from 00 to 7/200 Km	4	4		285	13774.00	85	5853.95	769.02	4501804.63	300	24305.00	269.40	6547767.00	8.7	2223961
		Improvement to Bhawanipatna-Rayagada Road from 26 to 37 Km	5	5		250	13216	50	3304.00	1325.32	4378857.28	350	27065	336.07	9095734.55	10	5188565
		Improvement to Bhawanipatna-Rayagada Road	5	5		250	25996	50	6499.00	1169.60	7601230.40	350	51048	258.9	13216327.20	-16	4716681

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Sl. No.	Name of the division	Name of the work	CBR value of the sub-soil	Traffic density (msa)	Requir ed GSB as per IRC code	GSB Provided		Less(+) /Excess(-)/ equal GSB layer provided in the work				Capping layer of sand provided				Extra cost involved (₹)	Tender premi u m Less (-) Excess (+)	Extra cost including TP (₹)
						Thickn ess (mm)	Quantity (cum)	Thick -ness (mm)	Quantity (cum)	Rate (₹)	Amount (₹)	Thick- ness (mm)	Quantity (cum)	Rate (₹)	Amount (₹)			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
		from 0 to 26 Km																
5	Jeypore R&B Division	Imp. to BKKR from 0/0 to 11/700 km under RIDF	8	5	275	275	24028	0	0.00	0.00	0.00	150	9030	440.3	3975909.00	3975909	-3.3	3844704
		Imp. to Odagaon-Bahadajhola-Nuagaon road	5	3	230	250	13526	-20	1082.08	2021.90	2187857.55	150	9437	293.6	2770703.20	4958561	-10.99	4413615
6	Khordha R&B Division	Imp to Dasapalla -Bhanjanagar Road from 0/0 to 13/32 Km	3	3	335	350	6945	-15	297.64	2132.47	634708.37	150	12775	293.64	3751251.00	4385959	-10.32	3933328
		Imp.to Road from NH-217 to Mahakhanda	4	3	303	225	6245	78	2164.93	1125.89	2437476.79	400	13911	319.1	4439000.10	2001523	-10.5	1791363
7	Kantabanji R&B Division	Widening of Titilagarh-Paosi Road	3	4	150	200	11663	-50	2915.75	1032.69	3011065.87	225	20578	343.28	7064015.84	10075082	-6.7	9400051
		Imp to Road from NH-217 to Pocilima to Balarampur	5	3	225	225	5769	0	0.00	0.00	0.00	150	10683	294.84	3149775.72	3149776	4.1	3278917
8	Ganjam R&B Division	Karapada to Badadumula	3	2	335	300	18090	35	2110.50	1126.92	2378364.66	150	21188	389.92	8261624.96	5883260	3.74	6103294
		Imp to Kansihala-Tyamana Road	5	2	215	300	4872	-85	1380.40	1328.48	1833833.79	150	4524	421.94	1908856.56	3742690	-0.8	3712749
9	Baliguda R&B Division	Imp to Matrugaon-Belghar-Jhiripani Road	5	2	215	200	9038	15	677.85	1770.10	1199862.29	200	19702	311	6127322.00	5167928	10.57	5714178
		Total																70188752

(Source: Information furnished by Divisions)

Appendix - 3.19.1
(Refer paragraph 3.19 at page 103)

Statement showing excess provision of GSB

Sl. No.	Name of the work	Road segment		Status of road	GSB required as per IRC (In cum)	GSB provided as per estimate (In cum)	Excess provision of GSB (In cum)	Rate (In ₹)	Extra cost as per estimate (In ₹)	Tender premium (per cent)	Total extra cost as per agreement value (In ₹)
		From	To								
1	Improvement to Jorada-Tumba Road	0 Km	8 Km	Existing BT	4864.00	19520.00	14656.00	1354.45	19850819	7.6	21359481.46
2	Improvement to Karamdihi-Talasara-Lulkidihi Road	43 Km	45 Km	Existing BT	2275.00	4312.00	2037.00	2151.06	4381709	3.7	20491881.37
		45 Km	46 Km	No BT	1837.50	2854.50	1017.00	2151.06	2187628		
		47 Km	52 Km	Existing BT	4750.00	9835.00	5085.00	2151.06	10938140		
		52 Km	52/680 Km	No BT	1249.50	1941.06	691.56	2151.06	1487587		
		Village Road		No BT	643.13	999.08	355.95	2151.06	765670		
	Sub Total				10755.13	19941.64	9186.51	2151.06	19760734		
	Total				15619.13	39461.64	23842.51		39611553		41851362.83

(Source: Information furnished by Divisions)

Appendix - 3.19.2
(Refer paragraph 3.19 at page 103)

Statement showing excess provision of GSB

Sl. No.	Name of the work	Road segment		Status of road	GSB required as per IRC (In cum)	GSB revised/ provided as per estimate (In cum)	Excess provision of GSB (In cum)	Rate (In ₹)	Extra cost as per estimate (In ₹)	Tender premium (per cent)	Total extra cost as per agreement value (In ₹)
		From	To								
1	Improvement to Jorada-Tumba Road	0 Km	8 Km	Existing BT	8231.00	12688.00	4457.00	1354.45	6036784	7.6	6495579.20
2	Improvement to Karamdihi-Talasara-Lulkidihi Road	43 Km	45 Km	Existing BT	2275.00	4312.00	2037.00	2151.06	4381709	3.7	20491881.37
		45 Km	46 Km	No BT	1837.50	2854.50	1017.00	2151.06	2187628		
		47 Km	52 Km	Existing BT	4750.00	9835.00	5085.00	2151.06	10938140		
		52 Km	52/680 Km	No BT	1249.50	1941.06	691.56	2151.06	1487587		
		Village Road		No BT	643.13	999.08	355.95	2151.06	765670		
	Sub Total				10755.13	19941.64	9186.51	2151.06	19760734		
	Total				18986.13	39461.64	20475.51		25797518		26987460.57

(Source: Information furnished by Divisions)

Appendix - 3.20.1
(Refer paragraph 3.20 at page 104)

Statement showing details of extra cost of overhead charges on conveyance stone materials

Sl. No.	Name of the Division	Name of the Work	Estimated cost (₹ in crore)	Agreement value (₹ in crore)	Date of commencement / Stipulated date of completion	Description of item	Quantity estimated (In cum)	Multiplication factor	Total quantity transported (In cum)	Lead charges (In ₹)	10 per cent overhead charges (In ₹)	Extra cost (In ₹) (10x12)	Tender premium (per cent) (5/4)	Extra cost including Tender Premium (In ₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Raipur (R & B) Division, Raipur	Widening & strengthening of Karanjia - Thakuramunda-Anandapur Road from RD 10 to 30 Km	77.14	84.84	25.01.2014 / 24.01.2016	GSB	30546	1.28	39098.88	806.10	80.61	3151760.72		
		From RD 42 to 64/980 Km				WMM	32365	1.32	42721.80	494.10	49.41	2110884.14		
						BM	7213	1.41	10170.33	494.10	49.41	502516.01		
						SDBC	3627	1.46	5295.42	494.10	49.41	261646.70		
						GSB	33304	1.28	42629.12	644.90	64.49	2749151.95		
						WMM	37138	1.32	49022.16	284.60	28.46	1395170.67		
						BM	8272	1.41	11663.52	284.60	28.46	331943.78		
						SDBC	4155	1.46	6066.30	284.60	28.46	172646.90		
						GSB	29763	1.28	38096.64	218.90	21.89	833935.45		
						WMM	27119	1.32	35797.08	124.00	12.40	443883.79		
						BM	5209	1.41	7344.69	124.00	12.40	91074.16		
						SDBC	2604	1.46	3801.84	124.00	12.40	47142.82		
2	Phulabani (R & B) Division, Phulabani	Sub Total							291707.78			12091757.08	9.98	13298514
		Improvement to Baniogchh-Madhapur Road	93.09	95.43	29.01.2014 / 28.01.2016	GSB	92817	1.28	118805.76	894.00	89.40	10621234.94		
						WMM	60144	1.32	79390.08	582.00	58.20	4620502.66		
						BM	14293	1.41	20153.13	582.00	58.20	1172912.17		
						SDBC	7146	1.46	10433.16	582.00	58.20	607209.91		
		Sub Total							228782.13			17021859.68	2.51	17449108
3		Improvement to Manamunda-Kantamal Road	34.56	38	24.01.2014 / 23.01.2016	GSB	57476	1.28	73569.28	445.20	44.52	3275304.35		
						WMM	45523	1.32	60090.36	124.00	12.40	745120.46		
						BM	8635	1.41	12175.35	124.00	12.40	150974.34		
						SDBC	4318	1.46	6304.28	124.00	12.40	78173.07		
4	Koraput (R & B) Division, Koraput	Sub Total							152139.27			4249572.22	9.95	4672405
		Widening and strengthening of Parvatipur-Laxmipur Road	77.03	96.5	04.03.2014 / 03.03.2016	GSB	107715	1.28	137875.20	512.50	51.25	7066104.00		
						WMM	79369	1.32	104767.08	124.00	12.40	1299111.79		
						BM	16797	1.41	23683.77	124.00	12.40	293678.75		
						SDBC	8399	1.46	12262.54	124.00	12.40	152055.50		
		Sub Total							278588.59			8810950.04	25.28	11038358
5		Widening and strengthening of Bhawanipatna-	33.03	35.7	06.02.2014 / 05.02.2016	GSB	35308	1.28	45194.24	313.80	31.38	1418195.25		
						WMM	24803	1.32	32739.96	124.00	12.40	405975.50		
						BM	6396	1.41	9018.36	124.00	12.40	111827.66		

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Sl. No.	Name of the Division	Name of the Work	Estimated cost (₹ in crore)	Agreement value (₹ in crore)	Date of commencement / Stipulated date of completion	Description of item	Quantity estimated (In cum)	Multiplication factor	Total quantity transported (In cum)	Lead charges (In ₹)	10 per cent overhead charges (In ₹)	Extra cost (In ₹) (10x12)	Tender premium (per cent) (5/4)	Extra cost including Tender Premium (In ₹)
	Bhawanipatna	Gunupur-Kasipur Road				SDBC	3479	1.46	5079.34	124.00	12.40	62983.82		
		Sub Total							92031.9			1998982.24	8.08	2160500
6	Ganjam (R & B) Division No.I, Berhampur	Widening and strengthening of Berhampur-Tamana-Chikiti-Surangi-Mandarda Road	43.53	43	20.02.2014 / 19.02.2016	GSB WMM BM	56699 55967 11167	1.28 1.32 1.41	72574.72 73876.44 15745.47	204.30 124.00 124.00	20.43 12.40 12.40	1482701.53 916067.86 195243.83		
		Sub Total				SDBC	5534	1.46	8079.64	124.00	12.40	100187.54		
7	Bhanjanagar (R & B) Division, Bhanjanagar	Widening and strengthening of Sheragada-Badagada-Sorada Road	45.04	46.89	26.02.2014/ 25.02.2016	GSB WMM BM SDBC	77513 70782 13809 6907	1.28 1.32 1.41 1.46	99216.64 93432.24 19470.69 10084.22	284.60 124.00 124.00 124.00	28.46 12.40 12.40 12.40	2694200.75 2823705.57 1158559.78 241436.56	-1.22	2661332
		Sub Total							222203.79			4348746.23	4.11	4527480
		Grand Total	403.42	440.36					1435729.73			51216068.23		55807697

(Source: Information furnished by Divisions)

Appendix - 3.21.1
(Refer paragraph 3.21 at page 106)

Statement showing calculation of avoidable extra cost due to unwarranted provision of GSB in the existing pavement

Sl. No.	Name of the Division	Name of the work	Estimated cost (₹ in crore)	Agreement No.	Agreement value (₹ in crore)	Date of commencement / completion	Value of work done (₹ in crore)	Length of the Road (In mtr.)	Existing width (In mtr.)	Proposed width (In mtr.)	Quantity of GSB provided (In cum)	Existing thickness of the GSB (In mm)	Existing quantity to be deducted (In cum) (9x10x13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Jeyapore (R&B) Division	Imp. Papadahandi-Kodonga-Kossagumuda Road from 0/0 to 20/0 Km	21.12	8P1/2013-14	18.22	10.06.2013/09.06.2015	13.56	19778	3.00	5.50	25431	100	5933.40
2		Imp. Boriguma-Kamta-Kumuli Road from 0/0 to 11/7 Km	12.36	1833P1/2013-14	11.95	21.11.2014/20.11.2015	1.21	11292	3.00	5.50	24028	150	5081.40
3	Bhadrak (R&B) Division	Imp. Barapada-Angarpada Road from 0/0 to 15/7 km	18.30	IP1/2012-13	16.17	02.04.2012/01.04.2014	14.18	14582	3.66	5.50	27997	150	8005.50
4		Imp. Ichhapur-Basudevpur Road from 12/0 to 24/15 Km	18.90	41P1/2013-14	17.57	04.03.2014/03.09.2015	7.25	9509	3.66	5.50	11601	150	5220.45
5		Imp. Basudevpur-Anantapur Road	11.79	42P1/2013-14	10.90	04.03.2014/01.03.2015	6.74	5802	3.66	5.50	7078	150	3185.25

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Sl. No.	Name of the Division	Name of the work	Estimated cost (₹ in crore)	Agreement No.	Agreement value (₹ in crore)	Date of commencement / completion	Value of work done (₹ in crore)	Length of the Road (In mtr.)	Existing width (In mtr.)	Proposed width (In mtr.)	Quantity of GSB provided (In cum)	Existing thickness of the GSB (In mm)	Existing quantity to be deducted (In cum) (9x10x13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
		from 0/0 to 7/0 Km											
6	Kalahandi (R&B) Division	Imp. to Chhatiguda-Narla-Rampur Road from 0/0 to 20/0 Km	14.14	175P1/2011-12	12.02	16.08.2011/15.08.2013	8.50	16500	3.66	5.50	19859	200	12078.00
7		Imp. to Chhatiguda-Narla-Rampur Road from 16/7 to 38/5 Km	26.78	889P1/2013-14	28.07	30.07.2013/29.07.2015	11.18	20150	3.66	5.50	25075	200	14749.80
8		Imp. to Bhawanipatna - Rayagada Road from 26/0 to 37/0 Km	15.81	159P1/2012-13	16.58	07.11.2012/06.11.2014	16.55	10940	3.66	5.50	13216	200	8008.00
9		Imp. to Bhawanipatna - Rayagada Road from 0/0 to 26/0 Km	25.22	174P1/2011-12	21.19	16.08.2011/15.08.2013	15.30	20590	3.66	5.50	24296	200	15071.80
		Total	164.42		152.67		94.47	129143					77333.60

(Source: Information furnished by Divisions)

Appendix - 3.21.2
(Refer paragraph 3.21 at page 106)

Statement showing calculation of avoidable extra cost due to unwarranted provision of GSB in the existing pavement

Sl. No.	Name of the Division	Name of the work	CBR value	Traffic density in MSA	Required thickness (In mm)	Thickness provided (In mm)	Existing thickness (In mm)	Quantity of GSB provided in estimate (In cum)	Quantity required excluding existing crust (In cum)	Quantity not required (In mm)	Item rate (In ₹)	Extra cost as per estimate (In ₹)	Tender premium (In per cent)	Extra cost including tender premium as per agreement (In ₹)
1	Jeypore (R&B) Division	3	4	5	6	7	8	9	10	11	12	13	14	15
1		Imp. to Papadahandi-Kodinga-Kossagumuda Road from 0/0 to 20/0 Km	3	4	665	775	100	25431	19497.60	5933.40	1234.97	7327571.00	-13.71	6322961.02
2		Imp. to Boriguma-Kanta-Kumuli Road from 0/0 to 11/7 Km	8	5	475	625	150	24028	18946.60	5081.40	1249.80	6350733.72	-3.3	6141159.51
3		Imp. to Barapada-Angarpada Road from 0/0 to 15/7 Km	3	6	700	825	150	27997	19991.50	8005.50	1116.50	8938140.75	-11.6	7901316.42
4	Bhadrak (R&B) Division	Imp. to Ichhapur-Basdevpur Road from 12/0 to 24/15 Km	4	4	610	675	150	11601	6380.55	5220.45	1244.76	6498207.34	-7.01	6042683.01
5		Imp. to Basudevpur-	2	3	750	775	150	7078	3892.75	3185.25	1182.71	3767227.03	-7.51	3484308.28

Sl. No.	Name of the Division	Name of the work	CBR value	Traffic density in MSA	Required thickness (In mm)	Thickness provided (In mm)	Existing thickness (In mm)	Quantity of GSB provided in estimate (In cum)	Quantity required excluding existing crust (In cum)	Quantity not required (In mm)	Item rate (In ₹)	Extra cost as per estimate (In ₹)	Tender premium (In per cent)	Extra cost including tender premium as per agreement (In ₹)
		Anantapur Road from 0/0 to 7/0 Km												
6	Kalahandi (R&B) Division	Imp. to Chhatiguda-Narla-Rampur Road from 0/0 to 20/0 Km	4	5	620	725	200	19859	7781.00	12078.00	1245.30	15040733.40	-15	12784623.39
7		Imp. to Chhatiguda-Narla-Rampur Road from 16/7 to 38/5 Km	4	5	620	725	200	25075	10325.20	14749.80	1284.81	18950690.54	4.8	19860323.68
8		Imp. to Bhawanipatna - Rayagada Road from 26/0 to 37/0 Km	5	5	580	725	200	13216	5208.00	8008.00	1325.32	10613162.56	10	11674478.82
9		Imp. to Bhawanipatna - Rayagada Road from 0/0 to 26/0 Km	5	5	580	625	200	24296	9224.20	15071.80	1169.60	17627977.28	-16	14807500.92
		Total						178581	101247.40	77333.60		95114443.62		89019355.04

(Source: Information furnished by Divisions)

Appendix - 3.22.1
(Refer paragraph 3.22 at page 106)

Statement showing Inspection Reports / Paragraphs issued up to 31 March 2015 but not settled by 30 June 2015

Sl. No.	Name of the Department	Reports awaiting settlement (Up to June 2015)		Reports awaiting settlements for more than 10 years		Reports to which even first reply has not been received
		Number of Reports	Number of Paragraphs	Number of Reports	Number of Paragraphs	Number of Reports
1	Agriculture	637	2039	163	410	25
2	Co-operation	90	326	18	59	9
3	Commercial Tax	856	2930	345	652	122
4	Commerce & Transport	33	226	1	8	5
5	Energy	169	415	66	122	8
6	Skill Development & Technology	146	544	53	117	30
7	Forest & Environment	529	1450	223	664	63
8	F&ARD	477	1563	406	1026	44
9	Industry	12	84	7	64	3
10	MSME	108	454	30	53	4
11	Revenue & Disaster Management	58	198	16	21	123
12	Steel & Mines	96	131	12	13	74
13	State Excise	42	156	0	0	7
14	Textile, Handloom & Handicraft	85	288	18	32	52
15	Tourism	57	181	21	48	39
16	Works	339	827	140	237	26
17	Water Resources	618	1758	287	617	18
Total		4352	13570	1806	4143	652

(Source : As per records of the PAG (E&RSA))

Appendix - 3.22.2
(Refer paragraph 3.22 at page 107)

**Statement showing the year-wise break up of outstanding Inspection Reports /
Paragraphs issued up to 31 March 2015 but not settled by June 2015**

<i>Year</i>	<i>Number of Inspection Reports</i>	<i>Number of Paragraphs</i>
1982-83	1	2
1983-84	1	3
1984-85	1	1
1985-86	6	13
1986-87	4	5
1987-88	6	9
1988-89	5	14
1989-90	17	32
1990-91	16	26
1991-92	24	42
1992-93	43	88
1993-94	33	73
1994-95	37	67
1995-96	44	105
1996-97	59	150
1997-98	50	105
1998-99	63	175
1999-00	92	175
2000-01	96	278
2001-02	101	229
2002-03	130	302
2003-04	179	467
2004-05	184	395
2005-06	542	1049
2006-07	285	681
2007-08	244	660
2008-09	288	737
2009-10	338	917
2010-11	396	1291
2011-12	200	634
2012-13	330	1518
2013-14	275	1508
2014-15	262	1819
Total	4352	13570

(Source : As per records of the PAG (E&RSA))

Appendix - 3.22.3

(Refer paragraph 3.22 at page 107)

Statement showing serious irregularities noticed and reported in Inspection Reports

<i>Sl. No.</i>	<i>Name of the objection</i>	<i>Number of Paragraphs</i>	<i>Amount (₹ in Lakh)</i>
A. Non Compliance with rules and regulations			
1	Infructuous/Unfruitful/Avoidable/Extra liability/Excess expenditure	24	75268.50
2	Inadmissible/irregular payment	9	15420.80
3	Advance payment/less recovery of advance	2	2151.96
4	Surrender of Funds	1	6218.00
Sub Total (A)		36	99059.26
B. Audit against propriety / expenditure without justification			
5	Excess payment to firms/contractors	3	323.91
6	Loss, misappropriation and shortage of stores	29	39571.73
7	Undue financial aid to contractors/firms	6	26261.16
Sub Total (B)		38	66156.80
C. Persistent and pervasive irregularities			
8	Idle store/ surplus/ unserviceable store/ blockage of Government money	21	67293.18
9	Demurrage/ penalty	1	1749.63
10	Short/non realization of Government dues	10	30314.85
Sub Total (C)		32	99357.66
D. Failure of oversight / governance			
11	Irregular purchase/Non accountal of stock/Non adjustment of cost of materials	1	9053.77
12	Non recovery of dues from firms/ contractors and others	3	29042.27
13	Under utilisation of departmental machinery	1	13.85
Sub Total (D)		5	38109.89
Grand total (A+B+C+D)		111	302683.61

(Source : As per records of the PAG (E&RSA))

Glossary of Abbreviations

A

ABP	Anandapur Barrage Project
ACA	Additional Central Assistance
ADRI	Animal Disease Research Institute
AH&VS	Animal Husbandry and Veterinary Services
AI	Artificial Insemination
AIC	Agricultural Insurance Company
AICTE	All India Council for Technical Education
AoR	Analysis of Rates
AP	Annual Plan
ARD	Animal Research Development
ASCAD	Assistance to States for Control of Animal Diseases
AT&P	Architecture and Town Planning

B

B. Arch	Bachelor of Architecture
BAIF	Bharat Agro Infrastructure Foundation
BBDT	Benkelman Beam Deflection Technique
BDO	Block Development Officer
BID	Baitarani Irrigation Division
BM	Bituminous Macadam
BOM	Board of Management
BPUT	Biju Pattnaik University of Technology
BQV	Black Quarter Vaccine
BS	Bituminous Surfacing
BT	Bituminous
BWC	Building and Works Committee

C

CA	Compensatory Afforestation
CB	Commercial Banks
CBR	California Bearing Ratio
CC	Cement Concrete
CCA	Culturable Command Area
CCE	Crop Cutting Experiment
CCE	Chief Construction Engineer
CD	Check Dams
CDVO	Chief Divisional Veterinary Officer
CE	Chief Engineer

CE&BM	Chief Engineer & Basin Manager
CEO	Chief Executive Officer
CET	College of Engineering & Technology
CGWB	Central Ground Water Board
CIME	College of IT & Management Education
CMD	Chairman-cum-Managing Director
CP	Central Plan
CPWD	Central Public Works Division
CS	Chief Secretary
CSP	Centrally Sponsored Plan
CSR	Corporate Social Responsibility

D

DC	District Collector
DCCB	District Central Cooperative Bank
DDO	Drawing and Disbursing Officer
DD	Deputy Director
DFO	Divisional Forest Officer
DH	Directorate of Horticulture
DLMC	District level Monitoring Committee
DoF&E	Department of Forest and Environment
DoWR	Department of Water Resources
DPI&R	Design Planning Investigation and Roads
DTCN	Detailed Tender Call Notice
DTET	Directorate of Technical Education and Training
DTP	Development of Tribal Population

E

EE	Executive Engineer
EMD	Earnest Money Deposit
EPC	Engineering Procurement Contract
E&TE&T	Employment and Technical Education and Training
ETT	Embryo Transfer Technology
EWS	Electronic Weighing Scale

F

F&ARD	Fisheries and Animal Resources Development
FD	Finance Department
FMD	Foot and Mouth Disease
FS&CWD	Food Supplies and Consumer Welfare Department

G

GB	Granular Base
GEC	Government Engineering College
GLC	Ground Level Credit
GoI	Government of India
GoO	Government of Odisha
GP	Gram Panchayat
GSB	Granular Sub Base
GWS &I	Ground Water Survey and Investigation

H

HSV	Haemorrhagic Septicaemia Vaccine
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I

ICMR	Indian Council of Medical Research
IDCO	Odisha Industrial Infrastructure Development Corporation
IEC	Information, Education and Communication
IGIT	Indira Gandhi Institute of Technology
IIT	Indian Institute of Technology
IMIT	Institute of Management and Information Technology
IRC	Indian Road Congress
IS	Bureau of Indian Standard
IT	Information Technology
IVRCL	Iragavarapu Venkat Reddy Construction Limited

K

KB	Krushak Bazar
KBK	Koraput Balangir Kalahandi
KCC	Kissan Credit Card

L

LAC	Livestock Aid Centre
LD	Liquidated Damage
LI	Livestock Inspector
LMB	Lower Mahanadi Basin
LSIP	Lower Suktel Irrigation Project

M

M. Tech	Masters in Technology
MARKFED	Marketing Federation
MBA	Master in Business Administration
MCA	Master in Computer application
MD	Managing Director
MHRD	Ministry of Human Resources Development
MI	Minor Irrigation
MNAIS	Modified National Agricultural Insurance Scheme
MoA	Ministry of Agriculture
MODROB	Modernization and Removal of Obsolescence
MoEF	Ministry of Environment and Forest
MP	Master Plan
MSA	Million Standard Axles
MSP	Minimum Support Price
MTC	Medium Term Crop
MVU	Mobile Veterinary Unit

N

NABARD	National Bank for Agriculture and Rural Development
NAFED	National Agricultural Co-operative Marketing Federation of India
NAIS	National Agricultural Insurance Scheme
NBA	National Board of Accreditation
NCRMP	National Cyclone Risk Mitigation Project
NIAM	National Institute of Agricultural Marketing
NIT	National Institute of Technology.
NOC	No Objection Certificate
NP	Non Plan
NPBB	National Programme for Bovine Breeding
NPCBB	National Project for Cattle and Buffalo Breeding
NPDP	National Pulses Development Programme
NPV	Net Present Value

O

OAPM	Odisha Agriculture Produce Market
OBPI	Odisha Biological Products Institute
OC	Other Crop
OCC	Odisha Construction Corporation
OCTDMS	Odisha Community Tank Development and Management Society
OFDC	Odisha Forest Development Corporation

OHC	Overhead Charges
OI IDC	Odisha Industrial Infrastructure Development Corporation
OLRDS	Odisha Livestock Resources Development Society
OMFED	Odisha State Cooperative Milk Producers Federation Ltd.
OPP	Oilseeds Production Programme
OPSC	Odisha Public Service Commission
OPWD	Odisha Public Works Department
OSAMB	Odisha State Agricultural Marketing Board
OSCB	Odisha State Cooperative Bank
OSDPC	Odisha Sports Development and Promotion Company
OSPH&WC	Odisha State Police Housing and Welfare Corporation Limited

P

PACS	Primary Agricultural Cooperative Society
PC	Personal Computer
PCB	Pollution Control Board
PG	Post Graduate
PMA	Project Management Agency
PMEC	Parala Maharaja Engineering College
POSCO	Pohang Iron and Steel Company
PP	Perspective Plan
PP	Pani Panchayat
PPR	Peste des Petitis Ruminants
PSUs	Public Sector Undertakings
PTB	Price Ticker Board
PWD	Public Works Department

R

R&B	Roads and Buildings
R2BV	Ranikeht Disease Vaccine
RA Bill	Running Accounts Bill
RBI	Reserve Bank of India
RBPD	Rural Backyard Poultry Development
RCS	Registrar of Cooperative Societies
RD	Rural Development
RIDF	Rural Infrastructure Development Fund
RKVY	Rashtriya Krishi Vikas Yojana
RMC	Regulated Market Committee
RO	Range Officer

RRB	Regional Rural Bank
RRHG	Random Rubble Hard Granite

S

SAoR	State Analysis of Rate
SBA	Super Built up Area
SBI	State Bank of India
SCA	Special Component Assistance
SDBC	Semi Dense Bituminous Macadam
SD&TED	Skill Development and Technical Education Department
SDVO	Sub Divisional Veterinary Officer
SE	Superintending Engineer
SFC	Self Finance Course
SH	State Highway
SIM	Subscriber Identification Module
SIP	Subarnarekha Irrigation Project
SLCCI	State Level Coordination Committee on Crop Insurance
SLMC	State Level Monitoring Committee
SLSMC	State Level Sanction and Monitoring Committee
SLTC	State Level Technical Committee
SMP	Skimmed Milk Powder
SNF	Solid Not Fat
SoR	Schedule of Rates
SP	State Plan
SPV	Special Purpose Vehicle
SRL	State Referral Laboratory
STCCS	Short Term Cooperative Credit Structure
STSAO	Short Term Seasonal Agricultural Operation

T

TC	Tender Committee
TEQIP	Technical Education Quality Improvement Programme
TFC	13 th Finance Commission
TMT	Thousand Metric Tonne
TV	Television

U

UA	User Agency
UC	Utilisation Certificate

UD	Undetected
UG	Under Graduate
UGB	Utkal Gramya Bank

V

VC	Vice Chancellor
VS	Veterinary Surgeon
VSSUT	Vir Surendra Sai University of Technology

W

WBCIS	Weather Based Crop Insurance Scheme
WBP	World Bank Project
WD	Works Department
WMM	Wet Mix Macadam
WUA	Water User Association

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