



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



Government of Odisha
Report No. 3 of the year 2016

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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 compliance audit of the Departments of the Government of Odisha and Public Sector Undertakings under the General and Social Services including Food Supplies and Consumer Welfare, Labour & Employees' State Insurance, Home, Women & Child Development, Tourism and Culture and General Administration Departments.

However, Departments of Revenue & Disaster Management, Higher Education, Rural Development, School & Mass Education, Public Grievances & Pension Administration, Sports & Youth Services, Information & Public Relation, Parliamentary Affairs, Public Enterprises, Finance and Science & Technology are not covered in this Report on General and Social Services.

The cases 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; matters 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 (C&AG) on Government of Odisha relates to matters arising from Performance Audit of selected programmes and activities and Compliance Audit of Government Departments.

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 Constitution of India, applicable Rules, Laws, Regulations and 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 I provides a synopsis of the significant audit observations. Chapter II of this Report deals with the findings of one Performance Audit 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 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 39 departments in the State at the Secretariat level headed by Additional Chief Secretaries/ Principal Secretaries/ Commissioner-cum-Secretaries, assisted by Directors and Subordinate Officers. Of these, 24 Departments including PSUs/ Autonomous Bodies/ Local Bodies coming under these Departments are under the audit jurisdiction of the Accountant General (General and Social Sector Audit).

The comparative position of expenditure incurred by the Government of Odisha during 2014-15 and in preceding two years is given in Table 1.1.

Table 1.1: Comparative Position of Expenditure incurred by the Government of Odisha during 2012-15

(₹ in crore)

Particulars	2012-13			2013-14			2014-15		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
Revenue Expenditure									
General Service	79.44	12343.82	12423.26	151.76	13537.65	13689.41	175.33	14353.53	14528.86
Social Service	6629.47	8347.09	14976.56	8642.47	10079.08	18721.55	10481.45	10482.69	20964.14
Economic Service	4883.42	5312.82	10196.24	6213.46	6101.13	12314.59	8220.31	6605.07	14825.38
Grant-in-aid	#	641.49	641.49	#	892.20	892.20	#	817.37	817.37
Total	11592.33	26645.22	38237.55	15007.69	30610.06	45617.75	18877.09	32258.66	51135.75
Capital Expenditure									
Capital Outlay	5603.52	18.66	5622.18	7598.59	157.81	7756.40	11056.65	17.98	11074.63
Loans & Advances disbursed	140.98	75.04	216.02	#	#	463.55	#	#	358.00
Repayment of Public Debt	#	#	3179.86	*	*	2293.22	*	*	4111.45
Public account Disbursed	#	#	24886.31	*	*	31256.60	*	*	22511.40
Total	5744.50	93.70	33904.37	**	**	41769.77	**	**	38055.48
Grand Total	17336.83	26738.92	72141.92	**	**	87387.52	**	**	89191.23

Figures were not available in the Finance Accounts

*Public debt and Public account figures are not segregated as Plan and Non-Plan

**Totaling not made due to non-availability of figures above

(Source: Finance Accounts of respective years)

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. CAG conducts audit of expenditure of the departments of Government of Odisha under Section 13¹ of the CAG's (DPC) Act, 1971. CAG is the sole auditor in respect of 41 Autonomous Bodies² which are audited under Section 20 (1) and 19 (3) of the said Act. Audit of Government companies was also conducted under Section 19 (1) of the DPC Act. In addition, CAG conducts audit of 120 other Autonomous Bodies substantially funded by the State Government. CAG's audit jurisdiction also covers the Urban Local Bodies (ULBs) and Panchayati Raj Institutions (PRIs) as the State Government had entrusted (July 2011) audit of these bodies to CAG as well as to provide Technical Guidance and Support (TGS) to the Local Fund Audit for audit of ULBs and PRIs. Principles

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

² One State Legal Services Authority, 30 District Legal Services Authorities, nine Development Authorities and Odisha Building and other Construction Workers Welfare Board

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, and 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 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 pointed out in these Inspection Reports 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 of Performance Audit

This Report contains one Performance Audit. The focus has been on auditing the specific programmes/ schemes 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 Procurement of paddy, milling and supply of custom milled rice

Decentralised Procurement Scheme (DPS) was introduced to enhance the efficacy of procurement of paddy for Public Distribution System (PDS) by encouraging local procurement and extending the benefits of Minimum Support Price (MSP) to farmers. The Performance Audit was conducted to assess the efficacy of the system of procurement, milling of paddy and supply of custom milled rice.

Food Supplies and Consumer Welfare Department of the State Government implemented an online registration system for farmers during 2014-15. No such system existed up to 2013-14 Kharif Marketing System (KMS) for assessing the quantity of self-consumption. Therefore, the marketable surplus could not be assessed properly as the trend in consumption widely varied and the district-wise targets for procurement fixed by the Department were changed several times. Even during 2014-15 KMS, the targets for marketable surplus were not assessed based on the data available through online system of farmers, as only 52.32 lakh MT (63 *per cent*) out of 83.22 lakh MT was targeted for procurement during 2014-15 KMS. Odisha State Civil Supplies Corporation Limited (OSCSC) procured paddy valuing ₹ 25,509 crore during

2010-15, but subsidy of ₹ 581.68 crore relating to this period was not released by GoI due to delay in finalisation of accounts.

Paddy Procurement Centres (PPCs) were not functioning properly as delay/ non-opening of PPCs, absence of godown facilities, non-calibration of weighing machines and non-intimation of actual dates of procurement to farmers were noticed.

Against marketable surplus of 8,512.44 quintals, 17,981.51 quintals *i.e.* 9,469.07 quintals excess paddy was procured from 25 farmers and 1,914.19 quintals of paddy was procured from 19 farmers who had no agricultural land. Similarly, paddy was also procured without verifying farmers' identity, without issuing vendors receipts, *etc.* The payments to farmers were either delayed or not paid. In seven test checked districts, MSP of ₹ 22.61 crore was paid to 2,635 farmers for procurement of 18,001.96 MT of paddy with a delay ranging from 2 to 188 days. Thus, a robust system to manage the procurement operation of paddy under MSP scheme was not established and the same was not commensurate to the magnitude of the procurement involved (₹ 25,509 crore) for 2010-15.

Instead of conducting required quality analysis, arbitrary deduction of 2 to 4 Kg was made from the quantity offered for sale by the farmers. As a result, an estimated quantity of 2.51 lakh MT of paddy worth ₹ 305.17 crore might have been unduly passed on to the millers during 2010-15.

Cover and Plinth (CAP) covers valuing ₹ 1.24 crore purchased in December 2014 for creating CAP facilities to store procured paddy during the intervening period of delivery to millers was not utilised.

Two hundred eleven millers were selected during 2010-15 KMS without verifying required documents like certificates from State Pollution Control Board, Encumbrance Certificate, DIC registration certificate, *etc.* Against the eligible limit of 5.75 lakh MT of paddy, 170 millers were permitted to take delivery of 9.48 lakh MT of paddy resulting in excess delivery of 3.73 lakh MT.

In 26 cases of four test checked districts, societies were tagged to distant mills by 12 to 185 Kms despite existence of nearby societies leading to excess payment of ₹ 61.14 lakh towards transportation charges. In two test checked districts, there was excess payment towards custody and maintenance charges amounting to ₹ 42.90 lakh. During 2010-14 KMS, there was short delivery of 0.72 lakh MT of Custom Milled Rice (CMR) by millers. There was also misappropriation of 11,243 MT of paddy valuing ₹ 40.78 crore by 20 millers in test checked districts.

Monitoring and supervision was not adequate leading to excess lifting of paddy by the custom millers, misappropriation/ doubtful procurement of paddy, delay in delivery of CMR by millers, *etc.* Shortfalls in holding of District Level Procurement Committee meetings and absence of random check of PPCs/ mills were also noticed.

(Paragraph 2.1)

1.6 Significant audit observations of Compliance Audits

1.6.1 Implementation of safety standards in factories and boilers

The Directorate of Factories and Boilers is responsible for enforcing the provisions of Factories Act. However, it has no effective mechanism to implement the safety standards by factories leading to persistent deficiencies over the years causing accidents. Even training imparted to workers on their safety at work was only 37 *per cent* of the total workers in test checked four units. The Directorate did not file prosecution proceedings against all the accidents. Factories were running without obtaining clearance from the State Pollution Control Board. The inspection and monitoring was inadequate as designated committees were not formed or functioned ineffectively. There were shortfalls in conducting required inspection of the factories even in repeatedly violating factories. As many as 26 *per cent* of factories functioning in the State were unregistered which escaped application of legal provisions of various Acts.

(Paragraph 3.1)

1.6.2 Working of juvenile homes in the State

Functioning of observation homes and special homes in the State was poor due to non-availability of adequate space and keeping under trial and confirmed offenders in the same premises. Accommodating juveniles in conflict with law (JCLs) with multiple crimes along with other inmates in combined Observation Homes (OHs) / Special Homes (SHs) was in violation of law. Delay in disposal of cases by Juvenile Justice Boards (JJBs) and non-completion of enquiries by the Child Welfare Committees (CWCs) within the stipulated period resulted in detention of juveniles/children for longer periods in OH/ SHs and Child Care Institutions (CCIs), resulting in denial of timely justice.

Infrastructure like dormitory, bathrooms, latrines, drinking water, kitchen, playground, *etc.* were either absent or inadequate. Required posts for whole time staff for different homes were not sanctioned. Medical check-up of juveniles, vocational training and counselling facility were almost absent in the juvenile homes. Lack of aftercare rehabilitation, mandated inspections by CWCs and mechanism to track the JCLs after their release rendered the functioning of all the OH/ SHs ineffective in mainstreaming the juveniles.

(Paragraph 3.2)

1.6.3 Preservation and conservation of ancient monuments and historical places

The State of Odisha is known for its wealth of ancient monuments. To protect and conserve the same, Orissa Ancient Monuments Preservations Act was enacted by the State. However, identification of ancient monuments was not done properly due to absence of a comprehensive survey for identifying and declaring monuments as “protected”. Documentation on monuments was poor. Required technical experts were not engaged despite specific directions from the Government.

Various irregularities were noticed in execution of preservation and conservation works done by the Department due to non-adherence to the Odisha Public Works Department Code and financial rules. Monitoring and inspection mechanism was found to be inadequate. Even after directions of the Government to form a technical committee with representatives of Indian Institute of Technology/ All India bodies to oversee execution of conservation works executed under 13th Finance Commission Award, such committee was not formed. Thus, efforts of the State to protect and conserve the ancient monuments were found to be inadequate.

(Paragraph 3.3)

1.6.4 Management of Antiquities

Odisha State Museum (OSM) possesses 39,452 antiquities and the process of documentation of the same was not started for all except in manuscript and palm leaf sections. Photographs of 8,056 antiquities are still to be taken. Only 1,763 antiquities (four *per cent*) were displayed in 18 galleries of OSM, leaving 37,689 antiquities in store. Conservation of antiquities was poor as 5,792 rare items of manuscript were damaged, while many antiquities were kept in open spaces, gardens, verandahs and temporary sheds. ₹ 3.53 crore released for construction of galleries during 2009-12 was not utilised. Annual physical verification of the antiquities was not done despite theft of antiquities from the OSM in three cases. A fire fighting system procured three years ago remained uninstalled. Close circuit television camera, metal detector and alarm system were not installed as of November 2015.

(Paragraph 3.4)

1.6.5 Implementation of Coastal Security Scheme

Odisha has a 476.70 kilometre long coastline which is vulnerable to export/import of illegal arms, contraband articles via sea route, unauthorised fishing, and entry of anti-national elements from the neighbouring countries. The objective of securing the coastline of the State through establishment of Marine Police Stations and sea patrolling was not achieved despite receipt of financial assistance from Government of India (GoI) under Coastal Security Scheme. Utilisation of funds meant for establishing basic infrastructure under the scheme was only 31.07 *per cent* for Phase-II of the scheme even after four years of receipt of funds from GoI. Required infrastructure like buildings for police stations, barracks and jetties are yet to be constructed. Besides, equipment and vehicles were either not purchased or utilised for other purposes. Required manpower in the marine police stations was not deployed. The utilisation of available manpower and equipment was not adequate as sea patrolling was conducted only for 2,805 hours as against requirement of 81,000 hours during 2012-15.

(Paragraph 3.5)

1.6.6 Non-eviction of unauthorised occupants from Government quarters and non-realisation of rent

General Administration (GA) Department possesses 11,636 quarters for allotment to Government employees and others as per the Special Accommodation Rules, 1959. Audit examination revealed that 321 quarters remained under unauthorised occupation of retired/ transferred Government employees and family members of deceased employees for years for which no rent and penalty was realised and ₹ 5.09 crore remained outstanding against the unauthorised occupants as of August 2015. Despite issue of eviction orders in 55 test checked cases, the same were not found to be executed. As the department failed to enforce relevant provisions under Orissa Public Premises (Eviction of Unauthorised Occupation) Act and Orissa Public Demands Recovery Act, such unauthorised occupancies continued despite 3,619 employees in waiting list for availing Government accommodations as of August 2015. Even after vacation of 230 quarters, rent of ₹ 1.12 crore remained unrealised from ex-MLAs for one to 38 years.

(Paragraph 3.6)

1.6.7 Follow up Audit on ‘Allotment of land by General Administration Department in Bhubaneswar city for various purposes’

The Report (G&SSA) of the Comptroller & Auditor General of India for the year ended March 2012 (Report No.4 of 2013), Government of Odisha included Performance Audit on ‘Allotment of land by General Administration (GA) Department in Bhubaneswar city for various purposes’. The Performance Audit included, *inter alia*, the fact of arbitrariness in allotment of land due to absence of land allotment policy, non-consideration of market value of land in fixing land premium, non-utilisation/ mis-utilisation of allotted land and encroachment of Government land. The Department adequately addressed two out of the three recommendations accepted. However, it did not take effective steps for strengthening monitoring mechanism to prevent mis-utilisation and encroachment of Government land and also did not review all cases of violations. Out of seven encroachment cases reported in the aforesaid earlier Audit Report, action was taken only in one case. Encroachment cases booked under OPP (EUO) Act were not dealt with effectively as in 16 cases, the Estate Officer issued directions for eviction with delay ranging from 43 to 418 days beyond the prescribed time of 45 days. With regard to cases of unutilised allotted land, Department could resolve the issues in 28 out of 33 cases reported in Audit Report while adequate steps were not taken to resolve the issue in the remaining five cases.

(Paragraph 3.7)

1.7 Recommendations

This Report contains specific recommendations on a number of issues involving non-observance of the prescribed internal procedure and systems, compliance which would help in promoting good governance and better oversight on implementation of departmental programmes and objectives at large.

Chapter II

Performance Audit

Para Number	Topic	Page
2.1	Procurement of paddy, milling and supply of custom milled rice	9-30

Chapter II Performance Audit

This chapter contains the findings of Performance Audit on Procurement of paddy, milling and supply of custom milled rice.

Food Supplies and Consumer Welfare Department

2.1 Procurement of paddy, milling and supply of custom milled rice

EXECUTIVE SUMMARY

Decentralised Procurement Scheme (DPS) was introduced to enhance the efficacy of procurement of paddy for Public Distribution System (PDS) by encouraging local procurement and extending the benefits of Minimum Support Price (MSP) to farmers. The Performance Audit was conducted to assess the efficacy of the system of procurement, milling of paddy and supply of custom milled rice.

Food Supplies and Consumer Welfare Department of the State Government implemented an online registration system for farmers during 2014-15. No such system existed up to 2013-14 Kharif Marketing Season (KMS) for assessing the quantity of self-consumption. Therefore, the marketable surplus could not be assessed properly as the trend in consumption widely varied and the district-wise targets for procurement fixed by the Department were changed several times. Even during 2014-15 KMS, the targets for marketable surplus were not assessed based on the data available through online system of farmers, as only 52.32 lakh MT (63 per cent) out of 83.22 lakh MT was targeted for procurement. Odisha State Civil Supplies Corporation Limited (OSCSC) procured paddy valuing ₹ 25,509 crore during 2010-15, but subsidy of ₹ 581.68 crore relating to this period was not released by GoI due to delay in finalisation of accounts.

Paddy Procurement Centres (PPC) were not functioning properly as delay/non-opening of PPCs, absence of godown facilities, non-calibration of weighing machines and non-intimation of actual dates of procurement to farmers were noticed.

Against marketable surplus of 8,512.44 quintals, 17,981.51 quintals i.e. 9,469.07 quintals excess paddy was procured from 25 farmers and 1,914.19 quintals of paddy was procured from 19 farmers who had no agricultural land. Similarly, paddy was also procured without verifying farmers' identity, without issuing vendors receipts, etc. The payments to farmers were either delayed or not paid. In seven test checked districts, Minimum Support Price (MSP) of ₹ 22.61 crore was paid to 2,635 farmers for procurement of 18,001.96 MT paddy with a delay ranging from 2 to 188 days. Thus, a robust system to manage the procurement operation of paddy under DPS was not established and the same was not commensurate to the magnitude of the procurement involved (₹ 25,509 crore) for 2010-15.

Instead of conducting required quality analysis, arbitrary deduction of 2 to 4 Kg was made from the quantity offered for sale by the farmers. As a result, an estimated quantity of 2.51 lakh MT of paddy worth ₹ 305.17 crore might have been unduly passed on to the millers during 2010-15.

Cover and Plinth (CAP) covers valuing ₹ 1.24 crore purchased in December 2014 for creating CAP facilities to store procured paddy during the intervening period of delivery to millers was not utilised.

Two hundred eleven millers were selected during 2010-15 KMS without verifying required documents like certificates from State Pollution Control Board, Encumbrance Certificate, registration certificate from District Industries Centre, etc. Against the eligible limit of 5.75 lakh MT of paddy, 170 millers were permitted to take delivery of 9.48 lakh MT of paddy resulting in excess delivery of 3.73 lakh MT.

In 26 cases of four test checked districts, societies were tagged to distant mills by 12 to 185 kilometres despite existence of nearby societies leading to excess payment of ₹ 61.14 lakh towards transportation charges. In two test checked districts, there was excess payment towards custody and maintenance charges amounting to ₹ 42.90 lakh. During 2010-14 KMS, there was short delivery of 0.72 lakh MT of Custom Milled Rice (CMR) by millers. There was also misappropriation of 11,243 MT of paddy valuing ₹ 40.78 crore by 20 millers in test checked districts.

Monitoring and supervision was not adequate leading to excess lifting of paddy by the custom millers, misappropriation/ doubtful procurement of paddy, delay in delivery of CMR by millers, etc. Shortfalls in holding of District Level Procurement Committee meetings and absence of random check of PPCs/ mills were also noticed.

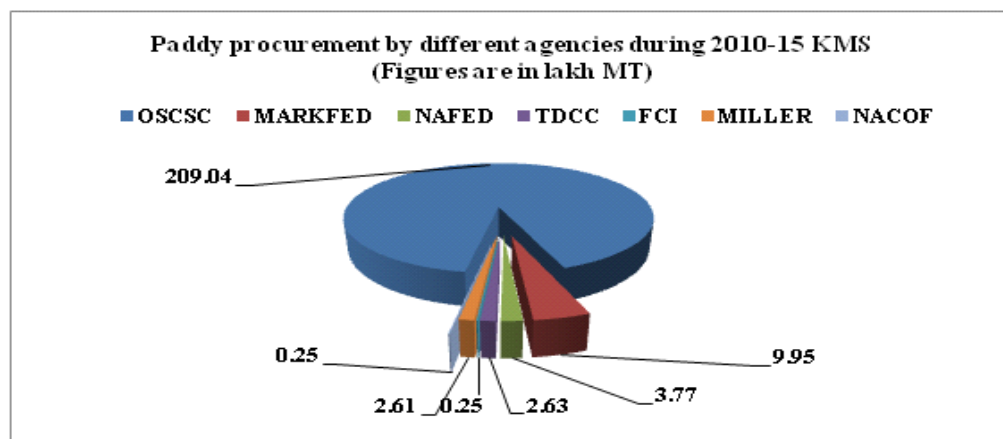
2.1.1 Introduction

Government of India (GoI) introduced (1997-98) Decentralised Procurement Scheme (DPS) for paddy with a view to enhance the efficacy of procurement for Public Distribution System (PDS) and encourage local procurement to the maximum extent for extending the benefits of Minimum Support Price (MSP) to local farmers. Under the scheme, the Food Supplies and Consumer Welfare (FS&CW) Department of the State Government undertakes purchase of paddy directly from the farmers, mill to Custom Milled Rice (CMR), store and distribute under PDS. Out of the surplus, an agreed quantity of CMR is delivered to the Food Corporation of India (FCI).

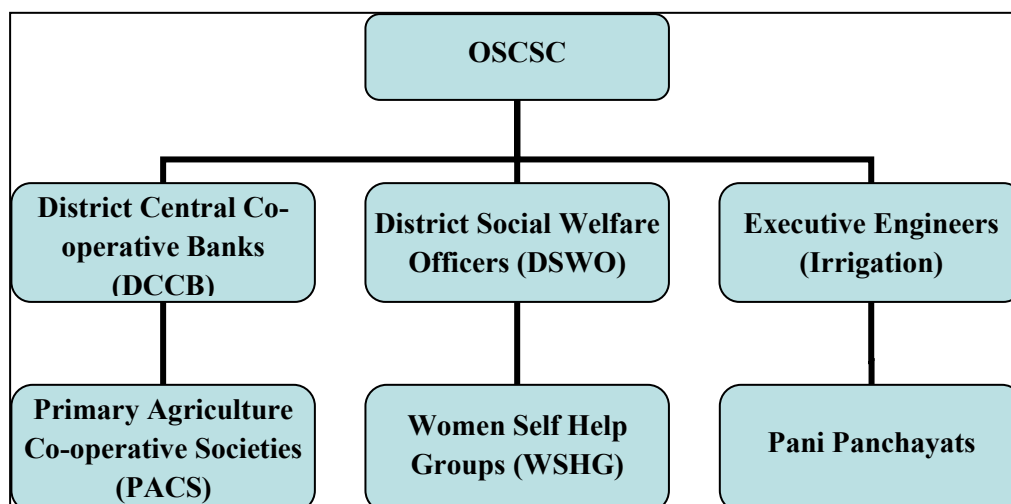
The State Government implemented Decentralised Procurement Scheme (DPS) in the State from 2003-04 Kharif Marketing Season¹ (KMS). Accordingly, the State Government issues Food and Procurement Policy (FPP) for each KMS, which, *inter alia*, envisages the quantity of paddy to be

¹ 1 October to 30 September

procured in the State, as well as target for procurement by different Government agencies. During 2010-15, seven² agencies were engaged for procurement of paddy including Odisha State Civil Supplies Corporation Limited (OSCSC). The share of different agencies in total procurement of 228.50 lakh MT paddy in the State during 2010-15 KMS is depicted in the following pie chart.



While OSCSC procured 91 *per cent* (209.04 lakh MT) of the total procurement during 2010-15, the balance (19.46 lakh MT) was procured by other agencies. OSCSC frames Operational Guidelines for the entire procurement operation every year in line with the FPP of the State Government, which provides detailed procedure to be observed by the sub-agencies at the field level. OSCSC procures paddy through different sub-agencies (referred to as societies). The process of procurement by OSCSC is depicted in the chart below:



OSCSC executes agreements with DCCB, DSWO and Executive Engineer (Irrigation) separately for each KMS with a provision of commission at a rate

² Odisha State Civil Supplies Corporation Limited, Odisha State Co-operative Marketing Federation Limited (MARKFED), National Agricultural Co-operative Marketing Federation of India Limited (NAFED), Food Corporation of India (FCI), Tribal Development Co-operative Corporation of Odisha Limited (TDCC), National Agriculture Co-operative Federation (NACOF) and private rice millers

of two *per cent* of MSP. A Committee formed under the chairmanship of the District Collector in each district *viz.* District Level Procurement Committee (DLPC) prepares a list of eligible societies for paddy procurement. The farmers register themselves with these societies by specifying proposed quantity of paddy to be sold.

The societies procure paddy through Paddy Procurement Centres (PPC). The DLPCs identify places for opening PPCs on the basis of quantity of paddy available for procurement and distance from the surrounding villages/ Gram Panchayats. The DLPCs specify the dates on which paddy shall be procured and accordingly, the farmers bring paddy to PPCs. After verification of proof of identity of farmers, quality tested paddy is procured from farmers and value of paddy at MSP is paid to the farmers. Up to 2013-14 KMS, MSP was paid through account payee cheques and from 2014-15 KMS, online payment was made. The societies deliver the procured paddy to the custom millers by issuing transit pass.

2.1.2 Organisational set up

The entire operation of paddy procurement and milling under DPS is done under the overall supervision of the FS&CW Department, which is headed by the Commissioner-cum-Secretary and the OSCSC, the lead Government agency for procurement, headed by the Managing Director. At district level, the District Collector is responsible for selection of sub-agencies and custom millers, execution of agreement with custom millers, deployment of Purchase Officers, *etc.* The District Collectors are assisted by the Civil Supplies Officer-cum-District Manager (CSO-cum-DM).

2.1.3 Audit objectives

The objectives of the Performance Audit were to assess whether:

- A robust system was in place for procurement of paddy in conformity with Food and Procurement Policy of the State;
- Milling of procured paddy was conducted in an economic and efficient manner;
- Delivery of CMR was done in time and in conformity with prescribed norms; and
- Monitoring and supervision was adequate and effective.

2.1.4 Audit criteria

Performance Audit was evaluated with reference to the following criteria:

- Food and Procurement Policies of the State Government;
- Operational guidelines framed by OSCSC;
- Agreements entered into with Custom Millers; and
- Instructions issued by GoI and State Government from time to time.

2.1.5 Scope and methodology of Audit

Audit was conducted during May-September 2015, covering the KMS from 2010 to 2015. Audit test checked records of FS&CW Department, OSCSC and eight out of 30 CSO-cum-DMs. The samples were selected through Stratified Random Sampling Without Replacement, on the basis of quantity of paddy procured, CMR delivered and shortage of CMR. Audit randomly selected two Blocks from each sampled district and two societies from the sample Blocks. Accordingly 31³ societies were selected to scrutinise records relating to procurement. The list of sampled CSO-cum-DMs and societies are in *Appendix 2.1.1*. In the presence and at the request of Audit, CSO-cum-DMs conducted physical inspection of mills of 24 Custom Millers. Photographs were taken, wherever considered necessary. Feedback from 331 farmers were also obtained through an administered questionnaire.

The Audit objectives, criteria, scope and methodology of the Performance Audit were discussed with the Commissioner-cum-Secretary, FS&CW Department in an Entry Conference held on 27 May 2015. The draft report was also discussed with the Commissioner-cum-Secretary in an Exit Conference held on 15 December 2015. Their views have been incorporated appropriately, wherever required.

Audit Findings

2.1.6 Financial management

During 2010-15, the OSCSC made a budget provision of ₹ 22,464 crore and procured paddy worth ₹ 25,509 crore under DPS as detailed in the table given below:

Table 2.1.1 Budget provision vis-a-vis value of paddy procured during 2010-15

Year	Budget provision	Value of paddy procured
2010-11	3676	3107
2011-12	3676	4083
2012-13	3971	6253
2013-14	5393	5284
2014-15	5748	6782
Total	22464	25509

(Source: Records of OSCSC)

Expenditure on procurement of paddy during 2010-15 was in an increasing trend except during 2013-14, which was less due to occurrence of a cyclonic storm 'Phailin'. The expenditure on procurement always exceeded the budgeted amount as the target for procurement was fixed on an *ad hoc* basis.

Further, as per Memorandum of Understanding signed between the GoI and Government of Odisha for Decentralised Procurement, 95 per cent of the admitted claim of the agencies of the State Government is to be paid as provisional subsidy. The balance five per cent is to be released based on the audited accounts and determination of final economic cost. Audit noticed that

³ In Bissamcuttack Block, since there was only one society total sampled societies are 31

the accounts of the OSCSC were finalised only up to 2012-13. Against the subsidy claim of ₹ 15,769.06 crore during the years 2010-15, the Corporation received only ₹ 15,187.38 crore. The balance of ₹ 581.68 crore was not released due to non-finalisation of accounts and non-submission of the same to GoI in time.

2.1.7 Production vis-a-vis Procurement target

One of the main objectives of DPS was to procure surplus paddy from the farmers at MSP for providing assured financial support for their produce. The FPPs for the KMS envisaged assessment of yield per hectare and area under cultivation of paddy by the Agriculture Department to assess the total production. Further, all societies were to prepare a database of farmers and CSO-cum-DMs were to consolidate the figures of the societies and transmit it to the FS&CW Department.

The KMS-wise area under paddy cultivation in the State, production and target of procurement fixed by the FS&CW Department during 2010-15 KMS is shown in the table below:

Table 2.1.2: KMS-wise area under paddy cultivation, production and target of procurement of paddy

KMS	Area under paddy cultivation (in lakh hectare)	Production (in lakh MT)	Target (in lakh MT)	Change in target comparing to previous year	Consumption (Production less target) (in lakh MT)
2010-11	42.26	103.45	47.06	--	56.39
2011-12	40.04	89.32	46.46	-0.6	42.86
2012-13	40.23	143.89	58.64	12.18	85.25
2013-14	41.80	115.35	47.74	-10.9	67.61
2014-15	41.66	148.98	52.32	4.58	65.76 ⁴
Total	205.99	600.99	252.22		

(Source: Data furnished by FS&CW and Agriculture Departments)

The mechanism to assess the quantity for self-consumption and marketable surplus was not in place for the period 2010-14 KMS. The societies also did not prepare the database of farmers to determine the marketable surplus. Therefore, the quantity of paddy set aside in each KMS towards consumption was not properly assessed and thus there was no definite trend in consumption pattern. During 2014-15 KMS, Government introduced an online system for registration of farmers with all details, including extent of land cultivated under paddy for assessment of marketable surplus and online payment of MSP directly to the farmers' bank account through Paddy Procurement Automation System. But, it was observed that the target fixed for procurement was not found to be based on the marketable surplus of paddy assessed through the online system as discussed below.

- During 2014-15 KMS, the marketable surplus of 83.22 lakh MT of paddy was assessed through the online system of registration of farmers. However, the Department fixed a target of 52.32 lakh MT

⁴ Production in the KMS (148.98 lakh MT) less assessed marketable surplus (83.22 lakh MT)

which was only 63 *per cent*, thereby leaving 30.90 lakh MT of surplus paddy not covered under the DPS scheme.

- The initial district-wise target for procurement fixed by the Department was changed several times in a KMS on the basis of representation of farmers and recommendations of the District Collectors. The initial targets fixed for eight sampled districts and subsequent changes made during 2010-15 KMS are indicated in the **Appendix 2.1.2**. It was observed that for all KMSs, the initial targets were revised and the extent of change ranged from (-) 22.18 to 210.88 *per cent*.

Thus, even after introduction of the new system of registration of farmers during 2014-15 KMS, targets were fixed on *ad hoc* basis and were not based on a realistic assessment of marketable surplus using the data from the above system.

The Department admitted (December 2015) in the Exit Conference that the database of farmers were not prepared up to 2013-14. It had been prepared from 2014-15 and registration of farmers had been made mandatory for procurement of paddy.

2.1.7.1 Target and achievement in procurement

The quantity of paddy procured in the State *vis-a-vis* target for KMSs 2010-15 were as follows:

Table 2.1.3: Target and achievement in procurement of paddy

KMS	Target			Procurement			Shortfall		
	OSCSC	Others	Total	OSCSC	Others	Total	OSCSC	Others	Total
2010-11	33.80	13.26	47.06	31.00	5.97	36.97	2.80	7.29	10.09
2011-12	39.69	6.77	46.46	37.81	5.09	42.90	1.88	1.68	3.56
2012-13	53.05	5.59	58.64	50.02	4.15	54.17	3.03	1.44	4.47
2013-14	42.25	5.49	47.74	40.34	1.67	42.01	1.91	3.82	5.73
2014-15	49.79	2.53	52.32	49.87	2.58	52.45	(+)0.08	(+)0.05	(+)0.13
Total	218.58	33.64	252.22	209.04	19.46	228.50	9.54	14.18	23.72

(Source: Information furnished by FS & CW Department)

There was a shortfall in achievement of targets ranging from 3.56 lakh MT to 10.09 lakh MT during 2010-14 KMS. The share of OSCSC was 9.54 lakh MT (40.22 *per cent*), out of total shortfall of 23.72 lakh MT due to various reasons as discussed in the succeeding paragraphs.

The Department stated (December 2015) in the Exit Conference that target for procurement was allocated based on surplus paddy as per farmers' registration and not based on production data furnished by the Agriculture Department. The fact, however, remains that the societies had not prepared database of farmers during 2010-14 KMS and the target fixed for 2014-15 KMS was less than the marketable surplus of the registered farmers.

2.1.7.2 Poor functioning of PPCs

As per the Operational Guidelines, the location of PPCs shall be decided by the Collectors taking into account availability of sufficient infrastructure.

Procurement of paddy from farmers shall be made from 1 October in each KMS.

Audit noticed the following:

- **Delay in opening of mandi:** In two districts namely Jharsuguda and Kalahandi, early variety of paddy is harvested during November. All the PPCs in these two districts (Jharsuguda: 28 to 32 and Kalahandi: 85 to 132) were opened only in late November or after December despite representation of the farmers to the Collectors for procuring early variety of paddy. As a result, farmers were forced to sell paddy to middle men at much lower rates (*i.e.* ₹ 700 to ₹ 800 per qtl.) than the MSP (₹ 1,310 per qtl.) as was reported (25 November 2013) by the farmers' association to the Collector, Kalahandi.

The Department stated (December 2015) in the Exit Conference that exact quantity of production of early variety of paddy was not known and Revenue Department was being requested to distinguish between Autumn and Winter paddy. The reply is, however, silent on the reason for not heeding to the request of farmers.

- **Non-opening of PPCs:** In three⁵ test checked districts, PPCs were opened without considering the convenience of farmers. In case of seven PPCs, farmers had to cross a river to sell their paddy as well as bring paddy from a distance of 10 to 35 km. One PPC (Bandigaon of Kalahandi district) was to be closed (2012-13 KMS) on the ground of non-availability of staff, despite the demand from farmers' representative before the DLPC to continue the same.
- **Absence of godown facilities:** Out of 31 sampled societies, 23 societies had no godown and cemented platform. 1,516 to 4,68,562 quintals of paddy were procured during 2010-15 KMS and were stored in open space.

In the Exit Conference, the Department, while admitting (December 2015) non-availability of godown facilities with the societies, stated that it was beyond their scope as societies were under the Co-operation Department. The fact, however, remains that the Department did not take into account availability of godown space with the societies while selecting them for procurement of paddy.

- **Non-verification of weighing machines:** Regulated Marketing Committees (RMCs) were responsible for providing verified weighing machines to the PPCs for procurement of paddy. However, RMCs at Kesinga and Utkela in Kalahandi district did not get their weighing machines verified regularly, before providing to PPCs, in order to ensure that quantity of paddy was weighed correctly.

The Department stated (December 2015) in the Exit Conference that instructions would be issued to the Controller of Legal Metrology to sort out the problem.

⁵ Jharsuguda, Kalahandi and Sambalpur

- **Non-intimation to farmers:** As per the Operational Guidelines, farmers were to be intimated the date and quantity of purchase at PPCs. However, during 2010-15 KMS, individual farmers were not informed about the exact date of their procurement in 18 Primary Agriculture Co-operative Societies (PACS). Only the date of opening of *mandi* was informed. This led to congregation of farmers with accumulation of huge quantity of paddy *i.e.* up to 306 farmers with 17,451 quintals of paddy on one day and very thin attendance with very less arrivals of paddy (one farmer with 14.34 quintals of paddy) on another day.

There were also grievances posed to the Collector that the farmers had to sleep in the *mandis* for nights together due to delay in procurement of paddy at PPCs. In reply, the CSO-cum-DM agreed to look into the matter in future.

Thus, functioning of PPCs was found to be deficient as these were opened belatedly, not equipped with necessary facilities for smooth procurement operation.

2.1.7.3 Procurement of paddy from farmers without verification of identity

As per FPP, farmers can sell their paddy through any of the Government declared documents like Kissan Credit Card (KCC), Land Pass Book, Record of Rights (RoR), Farmer's Identity Card (FIC) and Elector's Photo Identity Card (EPIC). The Purchase Officer shall verify the above documents before purchase of paddy and also enter the document number in the vendor receipt and purchase register. Further, as per the Operational Guidelines, the farmers are eligible to sell only their marketable surplus. The society shall purchase paddy from the registered farmers whose new authenticated land details are available in the office of the Revenue Inspector (RI). After weighment of paddy, payment would be made based on the vendor receipt issued to the farmers.

Audit noticed the following deviations:

- **Procurement of paddy more than the marketable surplus:** In five societies⁶ of four sampled districts, 25 farmers sold 17,981.51 quintals of paddy as against their marketable surplus of 8,512.44 quintals *i.e.* 9,469.07 quintals in excess were procured during 2012-15 KMS.
- **Purchase of paddy from persons having no agricultural land:** In three societies⁷, 1,914.19 quintals of paddy valuing ₹ 18.22 lakh was purchased during 2013-15 KMS from 19 persons who had no agricultural land in their names, as verified from the records available at the concerned RIs. CSO-cum-DMs stated (August 2015) that PACSs and DCCBs had been instructed to clarify the position.

⁶ Jharmunda (Jharsuguda), Dharamgarh (Kalahandi), Remed (Sambalpur), Ambadala and Bissamcuttack (Rayagada)

⁷ Dharamgarh (Kalahandi), Muniguda (Rayagada) and Liang (Sundargarh)

- **Procurement of paddy without farmers' identity:** In four⁸ societies of three sampled districts, 4,035 MT of paddy valuing ₹ 5.05 crore was procured during 2012-14 KMS from 666 farmers without verifying their proof of identity. Further, despite introduction of online registration from 2014-15 KMS, 1,877 MT of paddy valuing ₹ 2.57 crore was procured from 108 farmers without any proof of identity in Sambalpur district (Remed Society).
- **Purchase of paddy without issuing vendor receipt:** In three⁹ societies of two sampled districts, vendor receipts were not issued to 71 farmers for procurement of 4,915 quintals valuing ₹ 61.56 lakh during 2010-14. In five¹⁰ societies of three sampled districts, 47,187 quintals of paddy worth ₹ 6.05 crore was shown as purchased from 542 farmers and vendor receipts though prepared, signature of the farmers were not obtained thereon. In the absence of farmers' signature in vendor receipt, authenticity of the farmers could not be confirmed.

The Department assured (December 2015) in the Exit Conference that it would examine the issues pointed out by Audit.

2.1.8 Delay/ non-payment of MSP to farmers

FPP provides that payment of MSP to farmers for the procured paddy should be made on the spot by Account Payee cheque or through online transfer to the bank account of the farmers within three days, but not later than seven days in any case.

Audit noticed the following:

- **Delay in payment of MSP:** In seven¹¹ out of eight test checked districts, 2,635 farmers were paid ₹ 22.61 crore for procurement of 18,001.96 MT paddy with a delay ranging from 2 to 188¹² days due to delay in processing of records by the societies. Further, in Sundargarh district, payment of ₹ 13.96 lakh for 103 MT purchased from 12 farmers between 17 January and 12 March 2015 was made in September 2015, only after being pointed out (August 2015) in Audit.
- **Non-payment of MSP:** Under DCCB Koraput, against purchase of 219 MT of paddy from 25 farmers during 2014-15 KMS, MSP amounting to ₹ 29.82 lakh was not paid till June 2015 due to issue of cheques to incorrect bank accounts.

⁸ Dharamgarh and Khairpadar (Kalahandi), Bissamcuttack (Rayagada) and Remed (Sambalpur)

⁹ Khairpadar and Santpur (Kalahandi) and Bissamcuttack (Rayagada)

¹⁰ Laikera (Jharsuguda), Dharamgarh, Khairpadar and Santpur (Kalahandi) and Bissamcuttack (Rayagada)

¹¹ Jharsuguda, Kalahandi, Rayagada, Kandhamal, Sambalpur, Sundargarh and Ganjam

¹² Delay up to 30 days: 2027 farmers, 31-60 days: 561 farmers, 61-90 days: 34 farmers, above 90 days: 13 farmers

The Department stated (December 2015) in the Exit Conference that detailed report had been called for from the districts and on receipt of the same, necessary action would be taken.

2.1.9 Purchase of paddy without quality test

As per the Operational Guidelines, a quality test analyst shall be appointed in each society by the OSCSC. On arrival of paddy, sample should be drawn for quality analysis and the findings shall be entered in the quality test report. The RMC shall provide equipment like moisture meter, sample divider, analysis kit, weighing scale, mini grader, set of sieves, *parkhi*, etc. for quality testing and the paddy conforming to the required FAQ¹³ specification shall be purchased.

Audit noticed that:

- In 21 out of 31 sampled societies, there was no evidence of conducting quality analysis as the reports were not maintained for 1.34 lakh MT of paddy procured during 2014-15 KMS. It was also observed that in three¹⁴ districts farmers complained to the Collectors against arbitrary cut of quantity ranging from 2 to 4 kg per quintal, on a random basis, without conducting quality test. During 2013-14, one farmer in Kalahandi district lodged an FIR with a copy to CSO that 4 kg of paddy per quintal was deducted while procuring 65 quintals of paddy from him. The possibility of such instances in other PPCs in the State could not be ruled out. Due to such arbitrary deduction of paddy, an estimated quantity of 2.51 lakh MT of paddy valuing ₹ 305.17 crore¹⁵ might have been passed on to the millers while causing personal loss to the farmers.
- In three¹⁶ districts, RMCs did not provide equipment like sample divider to 49 societies, mini grader to 26 societies, set of sieves to 38 societies, *parkhi* to 49 societies, analysis kit to 15 societies. Due to non-availability of these equipment, procurement of FAQ paddy in these societies could not be ensured though the arbitrary cut of 2 to 4 kg of paddy per quintal was made.

Thus, the quality assurance mechanism failed to ensure procurement of paddy conforming to FAQ specifications.

¹³ FAQ: Fair Average Quality (Specifications: Maximum limit for moisture content: 17 per cent; foreign matter: 1 per cent; admixture of lower mix: 6 per cent; immature, shrunken and shrivelled grains: 3 per cent; damaged, discoloured, sprouted: 5 per cent)

¹⁴ Bargarh, Jharsuguda and Kalahandi

¹⁵ At the rate of 2 kg per quintal of paddy of 55 per cent of total procurement of 228.50 lakh MT (₹ 305.17 crore for 2.51 lakh MT) made during 2010-15. (2010-11: ₹ 40.70 crore for 4.07 lakh qtl. at ₹ 1000; 2011-12: ₹ 50.98 crore for 4.72 lakh qtl. at ₹ 1080; 2012-13: ₹ 74.50 crore for 5.96 lakh qtl. at ₹ 1250; 2013-14: ₹ 60.52 crore for 4.62 lakh qtl. at ₹ 1310; 2014-15: ₹ 78.47 crore for 5.77 lakh qtl. at ₹ 1360 per qtl.)

¹⁶ Kalahandi, Sambalpur and Sundargarh

The Department stated (December 2015) in the Exit Conference that in the absence of adequate number of Quality Analysts in the societies, required quality analysis could not be done.

2.1.10 Milling of paddy

Paddy procured at procurement centre is milled into CMR through private millers for delivery to FCI and Rice Receiving Centres (RRC). As per FPP, the millers are to register their mills online in the website of the OSCSC indicating their milling/ storage capacity, status of clearance certificates from State Pollution Control Board (SPCB), Inspectors of Factories and Boilers, District Industries Centre (DIC), RMC, etc. Before executing agreements with the selected millers, the district authorities should verify the above documents and certificates including previous record in timely delivery of CMR by the millers.

Audit noticed that the CSO-cum-DMs failed to verify the documents/ certificates before selection of millers leading to the following irregularities.

2.1.10.1 Selection of millers without valid documents

During 2014-15 KMS, 1,523 rice mills were operating in the State. Audit noticed that the validity period of certificates/ licenses issued by the SPCB, Inspector of Factories and Boilers and RMC had expired in respect of 1,002 mills (66 per cent) as on 1 September 2014. This comprised of 769, 904 and 565 mills which had no valid certificate/ license of SPCB, Inspector of Factories and Boilers and RMCs respectively.

In six¹⁷ out of eight test checked districts, 211 millers were selected during 2010-15 KMS, though they had not submitted certificates from SPCB (50 millers) and did not furnish encumbrance certificate (70 millers), DIC registration certificate (19 millers), RMC license (15 millers), immovable property certificate (34 millers) and license from Inspector of Factories and Boilers (23 millers). In three¹⁸ cases, despite default in delivery of 2,594 MT of CMR valuing ₹ 5.44 crore by the millers, personal property of the millers could not be attached as per the terms and conditions of agreement due to non-availability of property details.

Audit further noticed that MARKFED, Bhawanipatna, (another Government procuring agency) intimated (12 November 2012) the CSO-cum-DM, Kalahandi of non-delivery of 948 MT of CMR by three millers. As such, these millers should not have been selected further for milling of paddy. Despite this, the CSO-cum-DM selected (17 November 2012) these millers for KMS 2012-13. As a result, one miller (M/s Balaji Food Products, Mingur) again defaulted in delivery of 950 MT of CMR valuing ₹ 1.76 crore during 2012-13 KMS.

¹⁷ Bargarh, Jharsuguda, Kalahandi, Rayagada, Sambalpur and Sundargarh

¹⁸ M/s Balaji Food Products, Mingur; M/s Kapileswar Rice Mill, Dasghara and Maa Gouri Rice Mill (P) Limited, Shivrapur

Thus, the CSO-cum-DMs failed to undertake the required verification before executing agreements for milling of paddy. The CSOs assured that they would look into the matter and also stated that the said millers were selected due to excess procurement. However, this was in violation of the operational guidelines which do not provide any relaxation for engaging defaulting millers in any circumstances.

2.1.10.2 *Delivery of paddy in excess of the eligibility limit of millers*

As per the Operational Guidelines, the Custom Millers shall be allowed to lift paddy after execution of agreement. The millers are to deposit security amount, based on which the quantity of paddy to be lifted is decided. Audit noticed that:

- **Delivery of paddy disproportionate to security deposit:** In five¹⁹ sampled districts, 170 millers deposited ₹ 64.09 crore as security deposit against which they were eligible to lift only 5.75 lakh MT of paddy during 2012-15 KMS. However, they lifted 9.48 lakh MT paddy *i.e.* excess of 3.73 lakh MT valued at ₹ 496.70 crore. Out of this, 92 millers received excess delivery of 1.08 lakh MT of paddy over their eligibility limit and as per their security deposit, as the district administration tagged one mill to a number of PACSs and did not intimate these PACSs the exact quantity to be lifted by a miller from each PACS.
- **Lifting of paddy in excess of storage capacity:** As per the Operational Guidelines, the quantity of paddy, to be in custody of miller, shall not be more than the storage capacity of the mill. In 62 out of 715 millers in five²⁰ out of eight sampled districts, the accumulation of stock with the millers were in excess of their storage capacity by 0.47 to 225 *per cent*²¹ during KMS 2011-12 to 2013-14, due to allocation of paddy ignoring their storage capacity. Such excess stock was kept by the millers in open space for a period ranging from one to nine months. Resultantly, 923 quintals of paddy stored in open space at Samaleswari Mill premises in Jharsuguda district was damaged in rain during the 2012-13 KMS. The loss was, however, borne by the miller.
- **Delivery of paddy in excess of milling capacity:** During 2012-13 and 2014-15 KMS, two²² custom millers of Bargarh district were delivered 48,801 MT paddy against their milling capacity of 43,844 MT²³ resulting in excess delivery of 4,957 MT paddy. As a result, the millers



Open storage of paddy in miller's premises in Sri Ganesh Modern Rice Mill at Rayagada

¹⁹ Bargarh, Jharsuguda, Kalahandi, Sambalpur and Sundargarh

²⁰ Bargarh, Jharsuguda, Kalahandi, Rayagada and Sambalpur

²¹ Up to 100 *per cent* excess: 46 millers, 100-200 *per cent* excess: 12 millers and more than 200 *per cent* excess: 4 millers

²² Gajalaxmi Food and Rice Processing Private Limited and Jagannath Rice Mill

²³ In terms of paddy

could deliver only 65 to 71 *per cent* of CMR by the end of respective KMSs.

Thus, the system for regulating and monitoring the performance of millers as per the operational guidelines was not adequate to ensure effective control over the milling process. Delivery of paddy in excess of capacity had also delayed receipt of CMR from the millers.

2.1.10.3 Tagging of millers to distant societies

As per the Operational Guidelines, the CSO-cum-DM shall ascertain the distance of mills to the societies and tag mills with the societies as per shortest distance after obtaining approval of the Collector. FS&CW Department also instructed (January 2014) the Collectors to recast the tagging of millers to the nearest PPCs and RRCs as far as practicable.

Test check of records of eight sampled districts revealed that in four²⁴ districts, the distance of mills to societies was not ascertained and the distance chart was not approved by the Collectors during 2011-14 KMS. In 26 cases, where societies were tagged to distant mills, up to 12 to 185 km despite existence of nearby societies for 0 to 125 km which led to an excess payment of ₹ 61.14 lakh towards transportation charges as ₹ 1.76 crore was paid against ₹ 1.15 crore. Further, in the absence of approval of distance chart by the Collectors, the same custom miller was shown at different distances on different occasions, during kharif and rabi season, leading to excess payment of ₹ 0.76 lakh towards transportation charges. Thus, due to tagging of mills to distant societies and non-approval of distance chart by the Collectors, there was avoidable excess payment of ₹ 61.90 lakh towards transportation charges.

The Department assured (December 2015) in the Exit Conference that it would examine the issues for taking appropriate action.

2.1.10.4 Excess payment towards Custody and Maintenance Charges

The procured paddy at PPCs is transported to the millers' premises where it is stored under the joint custody of OSCSC and miller concerned. On the basis of the progress in milling, further stock of paddy is released to the miller for milling. During the period of joint custody, the Operational Guidelines envisaged payment of Custody and Maintenance Charges (CMC) to the millers. The guidelines provided CMC at ₹ 2.40 per quintal per month for a maximum period of four months for 2013-14 and 2014-15 KMSs. OSCSC decided (March 2014) that CMC would be limited to four months in case average period of storage was four months or above. In case, the same was less than four months, CMC would be paid for actual months of storage of paddy, subject to a minimum of two months.

Audit noticed in two out of eight sampled districts (Sundargarh and Kalahandi) that:

²⁴ Jharsuguda, Rayagada, Sambalpur and Sundargarh

- The average storage period of 80,800 MT paddy was five months during 2013-14 KMS with nine test checked millers of Sundargarh district. As against payment of CMC charges for four months amounting to ₹ 77.57 lakh, an amount of ₹ 97.04 lakh was paid for five months resulting in excess payment of ₹ 19.47 lakh.
- The average storage period of 71,993 MT ranged from two to three months during 2013-14 and 2014-15 KMSs in case of 17 out of 25 millers verified in Kalahandi district. The CSO-cum-DM paid ₹ 64.10 lakh towards CMC for four months instead of ₹ 40.67 lakh for actual period of storage, since the average period of storage was less than four months, resulting in excess payment of ₹ 23.43 lakh.

The Department assured (December 2015) in the Exit Conference that it would examine the issues and take appropriate action.

2.1.10.5 Questionable transport of paddy

In seven²⁵ societies of four test checked districts, 1,875.45 quintals of paddy valued ₹ 23.99 lakh was shown as transported from the societies to millers' premises by 18 vehicles during 2011-15 KMS. Records of Regional Transport Officers, however, showed that these vehicles were registered as two wheelers. As transportation of such quantities of paddy ranging from 37.30 to 210 quintals in two wheelers was impossible, the transportation of 1,875.45 quintal of paddy from the societies to the mill was thus questionable. In reply, the CSO-cum-DMs stated that final compliance would be furnished after getting clarification from the respective societies.

2.1.10.6 Non-conduct of re-analysis of CMR for quality check

RRCs and Quality Analyst are responsible for carrying out lot-wise sample analysis of CMR before receipt and to preserve physical sample in RRC till the lot of CMR is issued. Five *per cent* of reference samples are to be re-analysed at Quality Analysis Cell of the district.

Audit noticed that in six²⁶ out of eight test checked districts, 113.32 lakh MT of CMR was received in different RRCs during the 2010-15 KMS. In these districts, no sample was preserved for re-analysis after quality analysis was done and the same was not sent to the District Quality Analysis Cell. Thus, quality of CMR received from millers at RRCs was not re-analysed at district level due to which possibility of receipt of poor quality of rice cannot be ruled out.

The Department stated (December 2015) in the Exit Conference that instructions had been issued to Quality Analysts to check quality of rice received from millers.

²⁵ Keshaipali, Jhiliminda, Chadeigaon (Bargarh); Kirimira, Jharmunda (Jharsuguda); Rupra Road (Kalahandi) and Remed (Sambalpur)

²⁶ Bargarh, Jharsuguda, Kalahandi, Rayagada, Sambalpur and Sundargarh

2.1.11 Non-creation of Cover and Plinth storage centre

In order to store the procured paddy at PPCs in proper manner, Cover and Plinth (CAP) storage centre was introduced in 2014-15 KMS to protect stacks of paddy bags kept in open ground from rain/ sunlight. The objective was to store paddy for a longer period so that delivery to millers can be limited to their eligible limit. To create CAP storage facilities with a capacity of 9.60 lakh MT in 30 districts, OSCSC purchased (December 2014) 1,250 CAP covers valuing ₹ 1.24 crore and supplied these to 16 districts. Training in CAP storage was also imparted (January 2015) to 124 officials.

Audit noticed that CAP storage facility was not created in any of these 16 districts. Accordingly, OSCSC instructed (March 2015) the CSO-cum-DMs to sell the CAP covers to the millers. As of August 2015, though Nayagarh district had sold all 30 CAP covers supplied, the same were not disposed by other districts and the remaining were lying idle. Non-implementation of CAP storage facility resulted in unfruitful expenditure of ₹ 1.24 crore. In addition, non-utilisation of CAP covers resulted in expenditure of ₹ 4.61 crore²⁷ towards CMC paid to the millers which could have been avoided.



CAP covers lying idle at RRC, Bargarh

The Department stated (December 2015) in the Exit Conference that CAP storage facility could not be created due to some unresolved issues, which were likely to be sorted out soon. This indicated that CAP covers were procured without assessing their requirement.



Paddy stored in open space at Sri Ganesh Modern Rice Mill at Rayagada

2.1.12 Delivery of CMR by millers

As per the terms of the agreement, the millers were to deliver 67 kg of raw CMR or 68 kg of boiled CMR per quintal of paddy delivered to them. Further, the delivery shall be made within 120 days of the release of paddy from the joint custody. Paddy delivered to the millers is kept in the miller's premises under joint custody of the miller and an Authorised Officer appointed by the Collector. The paddy stock is issued to the miller in a phased manner, based on his milling capacity and quantity of CMR delivered by him. The custom miller shall be responsible for any damage/ deterioration of the quality of paddy received due to unsafe and unscientific storage.

²⁷ At the rate of ₹ 2.40 per quintal per month for 9.60 lakh MT of paddy for minimum two months (96,00,000 quintals X ₹ 2.40 X 2)

Audit noticed short/ non-delivery as well as delay in delivery of CMR as discussed below.

2.1.12.1 Short delivery of CMR

During 2010-15²⁸ KMS, OSCSC procured 209.11 lakh MT of paddy and delivered to the custom millers for milling into 141.81 lakh MT of CMR.

The KMS-wise quantity of paddy delivered to the millers, CMR due and actually delivered by the millers as of August 2015 is tabulated below:

Table 2.1.4: Statement of delivery status of CMR of paddy procured by OSCSC (In lakh MT)

KMS	Paddy received by millers	CMR due	CMR delivered	Short delivery
2010-11	31.07	21.06	20.97	0.09
2011-12	37.81	25.71	25.66	0.05
2012-13	50.02	33.93	33.62	0.31
2013-14	40.34	27.36	27.09	0.27
2014-15	49.87	33.75	33.03	Not due
Total	209.11	141.81	140.37	0.72

(Source: Information furnished by FS&CW Department)

0.72 lakh MT of CMR was not received as of August 2015 including non-delivery of 0.32 lakh MT of CMR in test checked districts. Against short delivery of 0.72 lakh MT of CMR valuing ₹ 168.56 crore, Government had recovered only ₹ 3.38 crore from the defaulting millers. Though, legal action had been initiated to recover the balance amount, the same was not realised till the date of audit.

In Ganjam district, during 2012-13 KMS, 27 out of 49 millers defaulted in delivery of 3,920 MT of CMR valuing ₹ 7.31 crore on the ground of damage caused due to the cyclone *Phailin* in October 2013. Though, OSCSC extended period of delivery to 10 October 2014, the millers had not delivered the balance quantity as of August 2015. The CSO-cum-DM, Ganjam did not take any action for recovery except withholding their security deposit and milling charges amounting to ₹ 1.58 crore.

The Department stated (December 2015) in the Exit Conference that steps had been taken to check the short delivery.

2.1.12.2 Misappropriation of paddy by the millers

As per the Operational Guidelines, the District Manager of OSCSC or its Authorised Officer shall conduct physical verification of the paddy stocks on weekly basis. The paddy stock kept in joint custody shall be issued to the miller in a phased manner, based on his milling capacity and delivery of equivalent quantity of CMR.

²⁸ The final due date for delivery of CMR against paddy procured during 2014-15 KMS was not over till the date of completion of Audit

Audit noticed that during 2010-14 KMS, 60 millers did not deliver 61,562 MT of CMR valuing ₹ 126.61 crore. During the same period, 20 millers in three test checked districts received 34,167 MT of paddy and were required to deliver 23,229 MT CMR. However, they delivered only 15,100 MT CMR. Physical verification by district authorities revealed that 11,243 MT paddy valuing ₹ 40.78 crore was not available with these millers.

Audit further noticed that though the DMs appointed Authorised Officers, they did not conduct regular physical verification of the stock of paddy kept in joint custody at millers' premises. During joint physical inspection of 21 premises of the millers in eight sampled districts, it was noticed that paddy was not stacked in scientific manner, due to which the actual quantity of paddy available with the millers could not be ascertained. This indicated that the authorised officers were not conducting regular inspections to ensure availability of actual quantity of paddy with the millers.



Paddy stacked in Maruti Food Products, Jharsuguda

The Department stated (December 2015) in the Exit Conference that online inspection module for the millers was being introduced to know the exact stock of paddy/ CMR available with the millers.

2.1.12.3 Non-deduction of weight of gunny bags

As per the Operational Guidelines, CMR shall be received at RRC on 100 *per cent* weightment. Further, OSCSC had instructed (24 March 2008) that Acceptance (AC) Note shall be prepared for the net weight of CMR, after deducting the weight of gunny bag (665 gram *per* gunny bag) from the gross weight.

Scrutiny of records revealed that in three²⁹ sampled districts weight of gunny bag (223 MT) was not deducted while receiving CMR with gross weight of 16,796 MT in 3,35,920 bags. This not only resulted in short receipt of CMR from millers by 223 MT valued at ₹ 47.13 lakh, but also led to undue benefit to the millers.

The Department assured (December 2015) in the Exit Conference that appropriate action would be taken.

2.1.12.4 Non-recovery towards higher moisture content

As per the Operational Guidelines, in case moisture content of CMR delivered by millers exceeds stipulated 14 *per cent*, necessary value cut shall be effected. In such case, AC Note of CMR would mention the percentage of value cut as per the moisture content. The differential amount would be recovered from the bills of the millers.

²⁹ Kandhamal, Jharsuguda and Rayagada

Scrutiny of records of seven out of 72 custom millers in Bargarh district revealed that the moisture content of the CMR was between 14.1 and 14.9 per cent in 7,142 MT of CMR delivered to FCI during the 2013-14 KMS. As per the AC note submitted by the FCI, value cut for 226.44 quintal valuing ₹ 5.29 lakh was required to be effected from the millers. However, the CSO-cum-DM recovered only ₹ 0.30 lakh from one miller, thereby resulting in less recovery of ₹ 4.99 lakh from the millers.

The Department assured (December 2015) in the Exit Conference that it would take appropriate action.

2.1.12.5 Delay in delivery of CMR due to inadequate storage space at RRCs

The millers are required to deliver CMR within 120 days of receipt of paddy at the RRC. Thus, OSCSC should have created adequate storage space to store CMR.

Audit noticed that due to inadequate storage space, in three³⁰ sampled districts, though 29 millers were issued delivery certificate to deliver 12,371 MT CMR valued at ₹ 29.52 crore, the same were received after 4 to 300³¹ days of issue of delivery certificate due to lack of storage space in RRCs. Consequently, the delivery of CMR by millers was delayed, thereby affecting subsequent milling of paddy.

The series of violations occurred due to the failure of CSO-cum-DMs in enforcing the provisions of the Operational Guidelines relating to milling of paddy and the same had unduly benefitted the millers. Thus, the milling operations were not handled efficiently by the CSO-cum-DMs.

The Department stated (December 2015) in the Exit Conference that online inspection module for the millers was being introduced to ascertain the exact stock of paddy/ CMR available with the millers.

2.1.13 Monitoring and Inspection

2.1.13.1 Shortfall in holding of DLPC meeting

District Level Procurement Committee (DLPC) meeting was to be held in each KMS before commencement of procurement in Kharif and Rabi seasons separately to finalise the date of commencement of procurement, number and name of the societies and location of PPCs, review the preparation for procurement in the district.

Audit noticed in eight test checked districts that DLPC met only once before start of Kharif procurement. No meetings of DLPC were held for Rabi procurement (except Bargarh, Sambalpur, Kalahandi for 2012-13 KMS and Sundargarh for 2014-15 KMS) during 2010-15. Though Society Level

³⁰ Ganjam, Jharsuguda and Kandhamal

³¹ Delay up to 90 days: 9410 MT, 91-120 days: 1671 MT, 121-180 days: 927 MT and above 180 days: 363 MT

Procurement Committee (SLPC) was constituted, it did not meet in all the test checked districts. Various irregularities like incorrect assessment of paddy, delay in procurement, transfer of paddy directly to millers' premises, excess delivery of paddy to millers, *etc.* occurred due to lack of monitoring of procurement by DLPC or SLPC.

2.1.13.2 *Absence of random check*

As per the Operational Guidelines, District Collectors shall appoint a team of officers for random check of PPCs, mills, *etc.* to make paddy procurement more transparent and to ensure timely payment of MSP to farmers.

Audit noticed that no such check was conducted in all the test checked PPCs in the sampled districts during 2010-15 KMS which resulted in purchase of paddy without quality check, non-maintenance of record, delay/ non-payment of MSP, *etc.*

2.1.13.3 *Non-verification of farmers with higher sale*

As per the Operational Guidelines, the District Collector shall ensure verification of land records of at least 20 *per cent* of the farmers who have sold more than 200 quintals of paddy, through jurisdictional Revenue Officers.

Audit noticed in 14 out of 55 test checked cases in eight sampled districts that farmers sold more than 200 quintals of paddy during 2011-14 KMS. However, they did not possess required land holding to produce surplus paddy of 200 quintals considering per acre yield in their concerned locality. Despite this, the Collectors had not initiated any action for verification of land records as envisaged in the Operational Guidelines.

For instance, 1,086 quintals of paddy was procured from a farmer in Muniguda Society of Rayagada district during 2013-14 KMS. The society had not verified the capacity of the farmer for selling such a large quantity. The land details, eligible limit of the farmer, *etc.* was not furnished to Audit though called for.

2.1.13.4 *Loss of paddy due to non-reconciliation of daily transaction*

The Operational Guidelines stipulated that the Purchase Officer shall issue AC Note and record the purchase details in the Paddy Purchase Register for the paddy purchased at societies. The societies shall deliver paddy to the custom miller on issue of transit pass for each vehicle. The Purchase Officer shall ensure reconciliation of paddy purchased and delivered to custom millers. The Purchase Officer shall be responsible for any shortage between procurement of paddy and delivery to custom millers.

Audit noticed that in Sambalpur district, 311 MT of paddy was purchased from 42 farmers in seven³² PACSs during 2013-14 KMS for ₹ 40.71 lakh. However, this quantity of paddy was not transported to the millers as was reported (10 May 2014) by the DCCB. Further scrutiny revealed that millers

³² Sankarma, Remed, Baham, Jujomura, Bargon, Sahaspur and Parmanpur

had not received the paddy. Though the DCCB did not release MSP, the societies paid MSP to the farmers from their own funds after two months of procurement. As the Purchase Officer did not reconcile the purchase of paddy and its delivery to millers on daily basis, the stock could not be accounted for properly.

Thus, monitoring and supervision was inadequate and ineffective.

The Department stated (December 2015) in the Exit Conference that it would take steps to improve the position.

2.1.14 Conclusion

The marketable surplus of paddy with the farmers was not assessed during 2010-14 KMS and the societies engaged in procurement of paddy did not prepare database of farmers. Though online registration of farmers was implemented in 2014-15 KMS, the target for procurement was not fixed based on the marketable surplus assessed from the system. Procurement was made from unidentified farmers, land-less persons without verifying farmers' identity, *etc.* indicating lacuna in the system of procurement.

The prescribed quality analysis was not undertaken and instead arbitrary deductions from the quantity offered for sale by the farmers were made. The procuring agencies *i.e.* Societies were lacking required infrastructure. Cover and Plinth storage facility was not created to store paddy at Paddy Procurement Centres. Some millers were selected without considering their past performances, which led to default in delivery of equivalent CMR. Economy in milling was not observed as millers were tagged with the societies ignoring the shortest distance leading to excess expenditure on transportation. Instances of misappropriation of paddy and non-delivery of CMR by the custom millers were also noticed.

Monitoring and supervision required strengthening since there were cases of excess lifting of paddy by the custom millers, misappropriation/ doubtful procurement of paddy, delay in delivery of CMR by millers, *etc.*

2.1.15 Recommendations

The Government may like to consider the following recommendations:

- Assess marketable surplus of paddy accurately by using the data provided by the farmers through online registration system for each KMS and realistic target may be fixed accordingly to arrest distress sale;
- The mechanism of payment of MSP to farmers be made efficient. Systems of weighment and quality check of paddy needs streamlining at the societies level;
- Required infrastructure facilities like godown and cemented platform may be constructed at the societies and *mandis* opened, as per requirement of farmers;

- Adequate storage facility may be created to avoid excess lifting of paddy by the custom millers and to minimise the payment of custody and maintenance charges;
- Custom Millers may be tagged on the basis of shortest distance, to avoid payment of excess transportation charges; and adequate security deposit may be collected to avoid misappropriation of paddy and short delivery of CMR;
- Create adequate storage facility at RRCs to store CMRs received from the millers; and
- Regularly supervise paddy procurement centres, millers' premises and ensure coordination among different agencies involved.

In the Exit Conference, the Department accepted (December 2015) the above recommendations.

Chapter III

Compliance Audit

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Chapter III

Compliance Audit

Labour & Employees' State Insurance Department

3.1 Implementation of safety standards in factories and boilers

3.1.1 Introduction

The Factories Act, 1948 and the Orissa Factories Rules (OFR), 1950 stipulate various regulatory functions on safety, health, welfare, *etc.* of workers working in factories. The Labour and Employees' State Insurance (L&ESI) Department, headed by the Secretary, is the nodal agency for enforcing the provisions of the Act and is assisted by the Director of Factories & Boilers (F&B). The Director is assisted by two Joint Directors, one Deputy Director (Safety) and three Assistant Directors in Headquarters office at Bhubaneswar. At field level, there are seven divisions, further divided into 22 zones. While each division is headed by a Deputy Director, a zone is headed by an Assistant Director (Inspector of Factories). Directorate of F&B is responsible for enforcing the safety norms by conducting regular inspections, monitoring and initiating prosecution against violators.

As of December 2014, there were 4,848 factories functioning in the State under different categories (Major Accident Hazard (MAH) factories: 24; Factories under Section 2(cb)¹: 582; and others: 4242 factories). In these factories, 895 accidents occurred during 2012-15, including 196 fatalities, as shown below:

Table 3.1.1 Showing year-wise position of accidents occurred during 2012-15

Year	Nature of accidents			Total
	Fatal	Serious injury	Others	
2012	78	31	332	441
2013	58	27	165	250
2014	46	29	115	190
2015 (Up to March)	14	0	0	14
Total	196	87	612	895

(Source: Records of Directorate of Factories and Boilers)

In order to ascertain whether the Department enforced various provisions of Acts/ Rules/ Regulations effectively and monitored corrective actions taken by the factories to ensure safety, Audit was conducted during June to August 2015 covering the period 2012-15 through test check of records of L&ESI Department, Directorate of F&B, one division (Angul) and three zones (Balasore, Dhenkanal and Jeypore), selected through Stratified Random Sampling Without Replacement. Joint physical inspections were also conducted by the Directorate in the presence of Audit in 19 out of 28 factories, selected from 553 registered factories within the sampled units.

During Audit, it was noticed that safety norms of workers in the factories,

¹ Factories, having hazardous processes which would cause material impairment to the health of the person engaged in or connected therewith or result in the pollution of the general environment

prescribed under the Act were not adequately enforced by the Directorate as discussed in the following paragraphs:

3.1.2 Ineffective enforcement of safety norms

The provisions in the Factories Act, 1948 prescribe installation/ availability of different equipment/ articles for health, safety, *etc.* of the workers. The Factory Inspectors are required to inspect the factories to ensure availability and functioning of the prescribed safety equipment/ articles for safety of the workers.

Audit noticed that 540 accidents had occurred in 37 factories (MAH: 4; Section 2(cb): 22 and others: 11) of four test checked units due to violation of safety standards in which 57 workers lost their lives and 32 were seriously injured. Records of 28 factories under the jurisdiction of four sampled units and joint physical inspections of 19 factories conducted by Assistant Directors in presence of Audit, revealed deviations in safety standards in 16 factories as per the provisions of the Act as detailed at **Appendix 3.1.1**.

As may be observed from the Appendix, 9 out of 16 factories did not have fully equipped Emergency Control Centres (ECC). Due to non-provision of Personal Protective Equipment (PPE) and non-adherence of Standard Operating Procedure (SOP), 12 accidents occurred in seven factories during 2012-15 claiming four lives and injuring 10 other workers. Though these deficiencies were pointed out during 2012-15 by the Factory Inspectors in their inspection reports, the factories did not take corrective action and the Directorate did not prosecute the violators. One such serious case is discussed below:

3.1.2.1 Repeated accidents due to wilful disregard to safety standards

In Bhushan Steel Limited (BSL), Dhenkanal, 30 accidents occurred during 2012-15 claiming lives of 22 workers due to persistent failure in maintaining safety standards. Examination of the inspection reports submitted by the Assistant Directors, after their routine inspection during the period 2012 to 2015, revealed the following:

- In the inspections conducted during March 2012 to October 2013, Assistant Directors pointed out the deficiencies like non-adherence to traffic control guidelines, speed limit, *etc.* However, BSL did not take corrective measures to adhere to the recommendations immediately. Lack of effective enforcement by the Assistant Directors and not taking corrective action by BSL resulted in six vehicular accidents during June 2012 to December 2013 which caused death of five workers and serious injury to one worker.
- Non-use of personal protective equipment like safety shoes, helmets, goggles, gloves, non-preparation of accident prevention plan, non-practice of height permit system, *etc.* resulted in five accidents (May 2012 to January 2014), involving death of three workers and causing serious injury to two workers.
- Further, during the inspections conducted during March 2012 and February 2013, deficiencies in adherence of SOP and safe maintenance practice were pointed out. However, BSL did not operationalise the

SOP which resulted in an accident (November 2013), claiming three lives and injuring six workers.

- Recommendations/ suggestions² of Safety Audit conducted (November 2013) by IIT, Kharagpur and National Safety Council, Mumbai were also not followed by the factory.

Audit observed that the Assistant Director had not filed prosecution cases against BSL immediately for not taking corrective measures against the violations pointed out in the inspection reports as required under Section 92 of the Factories Act. Instead, prosecution cases were initiated only after occurrence of fatal accidents. Thus, the Department did not enforce the prescribed safety norms to check accidents in this factory despite occurrence of 30 accidents during 2012-15 which claimed 22 lives and injured 21 workers.

The Department assured (November 2015) that it would improve enforcement to minimise the loss of human lives. As regards wilful disregard to safety standards, the Department stated that it would initiate suitable action prior to occurrence of accidents by way of effective implementation of safety standards in the factory.

3.1.2.2 Non-approval of appointment of Safety Officers

As per Rule 61-A (1) (c) of Orissa Factories Rules, 1950, a person possessing qualification required under clauses (a) and (b) of sub-rule (1) shall only be appointed as Safety Officer on acceptance by the Director of F&B on submission of details of his/ her qualification and experience. The Safety Officers are to advise and assist the factory management in fulfilment of its obligations concerning prevention of personal injuries and maintenance of safe working environment.

While examining records of four sampled units, Audit noticed that in 28 factories, only 91 Safety Officers were appointed by the factory managements, against the requirement of 106 Officers as of March 2015. The Directorate of F&B did not ensure appointment of required number of Safety Officers by the factories despite occurrence of regular accidents. Audit also noticed that the Directorate had accepted appointment of only 11 Officers out of these 91 Safety Officers and no action was taken on appointment of others. Audit verified nine applications relating to three factories and noticed that appointment of only three Safety Officers were accepted and other six were pending for examination since 2013. These six Safety Officers were continuing in the factories since the Directorate neither accepted nor rejected their appointments.

Thus, the purpose of advising and assisting the factory management by Safety Officers for prevention of personal injuries and maintaining safe working environment remained largely unfulfilled as is evident from the fact that 508

² (i) Carrying out periodical training/ refresher training/ retraining of workers at regular intervals; (ii) Develop a standard site specific safety audit check to identify unsafe acts and unsafe conditions on regular basis; (iii) Strict enforcement of use of PPEs by the Management and Safety Officers; (iv) Mention the tenure of the safety committee as two years; (v) Implementation of permit to work requiring electrical isolation, etc.

accidents occurred in these factories during 2012-15 which claimed 43 lives and injured 30 workers seriously.

The Department stated (November 2015) that applications received for acceptance of Safety Officers were being disposed off after scrutiny of documents and proper assessment.

3.1.2.3 Inadequate training on safety to the workers

As per Section 111A of Factories Act, 1948, every worker shall have the right to get trained within the factory wherever possible, or to get sponsored by the occupier for getting trained at a Training Centre or Institute, duly approved by the Director of F&B, where training is imparted for workers' health and safety at work. Details regarding the training imparted to workers in respect of 17 out of 28 factories under the four sampled units are in *Appendix 3.1.2*. Audit noticed that:

- In the four sampled units, only 16,103 out of 43,761 workers were trained on safety standards, which constituted 37 *per cent* coverage as of March 2015.
- Only four out of 17 factories could impart training to all the workers. Even 33 *per cent* of the regular workers of five factories of MAH category were not trained despite the fact that 53 accidents occurred in these factories during 2012-15 which claimed 14 lives of workers and injured 15 workers seriously.
- Only 22 *per cent* of (5,034 out of 23,101) workers were imparted training in the five MAH factories.
- In 12 factories coming under Section 2(cb) having hazardous processes, only 11,069 (54 *per cent*) out of 20,660 workers were trained on safety standards, even though 433 accidents occurred during 2012-15 which claimed 12 lives and injured 16 workers in these factories.
- Even in the four³ factories of two Public Sector Undertakings, trainings on safety standards were not imparted to all the workers. The percentage of trained workers in PSUs ranged between 8.7 and 85.3.

Despite shortfall in training, none of the Assistant Directors of sampled units had pointed out the same in their inspection reports. Further, no target or schedule was fixed for ensuring training to all the workers in a time bound manner.

The Department stated (November 2015) that it was the responsibility of the management of the concerned factories to impart training to its workers. However, it is the responsibility of the Department to direct the factories to train its workers as per the Act which it failed to do.

³ Captive Power Plant, NALCO, Angul (32.15 *per cent*); Smelter Plant, NALCO, Angul (85.3 *per cent*); Hindustan Aeronautics Limited (HAL), Sunabeda (8.7 *per cent*) and NALCO (M&R), Damanjodi (19.2 *per cent*)

3.1.3 Inadequate action against the violators

As per Section 92 of the Factories Act, 1948, if the owner or occupier of a factory contravenes any of the provisions of the Act, then he or she is to be held guilty of an offence and is punishable with imprisonment for a term, which may extend to two years or with fine which may extend to rupees one lakh or with both.

The Assistant Director, after approval of the Director (F&B), files prosecution case against violators before the concerned Sub-Divisional Judicial Magistrate (SDJM). Prosecutions were to be filed within three months of the date on which the offence came to the knowledge of the Assistant Directors. The deficiencies in initiating prosecution against violators are discussed in the following paragraphs:

3.1.3.1 Non-filing of prosecution cases for accidents

As per Section 106 of the Factories Act, 1948, no Court shall take cognizance of any offence punishable under this Act unless complaint thereof is made within three months of the date on which the alleged commission of the offence came to the knowledge of an Inspector.

Examination of records of four sampled units revealed that 540 accidents occurred in 37 factories during 2012-15 and prosecution cases were filed only in 88 accidents (16 per cent) by the Assistant Directors. No action was taken on the remaining 452 accidents as summarised in the following table:

Table 3.1.2 Showing number of accidents vis-à-vis prosecution cases in the factories of four sampled units

Year	Number of accidents				Number of prosecution cases filed				Number of accidents against which no case filed
	Fatal	Serious injury	Others	Total	Fatal	Serious injury	Others	Total	
2012	20	14	237	271	18	7	2	27	244
2013	22	7	136	165	19	6	10	35	130
2014	12	11	71	94	12	9	1	22	72
2015 ⁴	3	0	7	10	3	0	1	4	6
Total	57	32	451	540	52	22	14	88	452

(Source: Data furnished by Assistant Directors of Factories and Boilers of sampled units)

Reasons for non-filing of cases within three months against the violators were not on record. The Directorate could not initiate the prosecution proceedings in case of 452 accidents as the same were barred by limitation of time. In 89 fatal and serious accidents, prosecution was filed only in 74 cases which are yet to be disposed off. Even in 5 death and 10 serious injury cases, the Directorate did not file prosecution cases within the timeframe. Two such instances of non-filing of prosecution cases against repeated violators are discussed below:

- Two workers died in accidents on 28 January 2012 at Bhushan Steel Limited, Dhenkanal and at BILT Graphic Paper Products Limited (BGPPL), Jeypore on 14 October 2012. However, no action was taken to file prosecution cases against the occupiers. The Assistant Director

⁴ Up to March 2015

(F&B), Jeypore stated (September 2015) that cases were not filed against the occupiers due to non-receipt of instructions from the Director.

- One accident occurred on 4 March 2013 at Bhushan Steel Limited, Dhenkanal injuring two persons. Investigation report was prepared by the Assistant Director and sent (April 2013) to the Director of F&B for approval for filing prosecution case. However, approval for the same was received only on 4 June 2013 *i.e.* after three months of reporting of accident. Therefore, prosecution against the occupier could not be filed as it was barred by limitation of time.

Thus, the Director of F&B failed to comply with the provisions of Factories Act in both these cases. The Department stated (November 2015) that utmost care was being taken to file prosecutions in almost all fatal cases. However, the Department had not filed prosecution cases against 452 accidents including five fatal cases.

3.1.3.2 Non-pursuance of prosecution cases

The Department instructed (April 2010) the Deputy Directors to conduct periodical review of prosecution cases with the District Magistrate (DM) involving concerned Superintendent of Police, Public Prosecutor to enable the DM to take up the pendency of cases in the police-magistracy meeting. The year-wise pendency of prosecution cases in four test checked units as of March 2015 is depicted in Table 3.1.3:

Table 3.1.3 Showing pendency of prosecution cases in the test checked units

Year	Number of prosecution cases ⁵ pending			Total
	Fatal	Serious injury	Others	
Up to 2011	79	13	146	238
2012	17	6	26	49
2013	20	9	22	51
2014	11	9	13	33
2015 ⁶	4	0	1	5
Total	131	37	208	376

(Source: Compiled by Audit from records of Assistant Directors)

Despite having 131 deaths in 376 cases of pending prosecution, the Directorate did not pursue the same with the Public Prosecutor to dispose off the cases at the earliest. The instructions of the Department to pursue the matter through the DM were not followed. As a result, 376 prosecution cases remained undisposed as of March 2015 including 54 cases pending for more than 20 years.

It was noticed that 2,137 cases were pending for prosecution at various zones of the State. In the sampled units covering 553 registered factories, repeated accidents occurred in 37 factories and the Directorate could not enforce the preventive measures against the violating factories. Thus, the Department failed to pursue the prosecution cases effectively.

⁵ Prosecution cases include accidents, non-registration of factories, *etc.*

⁶ Up to March 2015

3.1.3.3 *Withdrawal of prosecution cases*

Audit noticed that two prosecution cases were withdrawn by the Directorate, as discussed below:

- A fatal accident occurred on 3 October 2009 at chlorine washer screw conveyor at BILT Graphic Paper Products Limited, Jeypore in which one contractual worker died. Both preliminary and final investigation reports (October/ December 2009) of the Assistant Director, Jeypore indicated that adequate precaution was not taken, while starting screw conveyor and the victim was allowed to stand near the vat wall⁷ during rotation of the conveyor causing the accident. The Assistant Director filed (December 2009) a prosecution case⁸ before the Hon'ble SDJM, Jeypore. But, the Director citing the instructions of Government to withdraw the case on the ground of good record of the management on safety and rehabilitation of the family of the deceased person, instructed (April 2010) the Assistant Director to withdraw the case. Subsequently during 2011-15, six accidents occurred in this factory in which three workers died and one worker was seriously injured.
- Another fatal accident (toppling of hydra crane⁹) occurred on 23 January 2008 at Mining & Refinery Complex of National Aluminium Company Limited, Damanjodi, Koraput in which one contractual worker died. The Investigation Report (March 2008) of Deputy Director, Rayagada suggested that the accident occurred due to unsafe position of hydra crane deviating SOP. The prosecution was filed (April 2008) before the Hon'ble SDJM, Koraput. But, the Assistant Director withdrew (October 2010) the prosecution case as Government directed (April 2010) to withdraw the same on the ground that adequate steps had been taken for rehabilitation and ensuring safety at the work place. Six accidents have occurred subsequently during 2011-15 in this factory in which one worker died.

Audit observed that there was no provision for such withdrawal of prosecution for the violations within the framework of the Factories Act, 1948. The Department stated (November 2015) that it would prevent such withdrawal of cases in future.

3.1.4 **Factories operating without addressing environmental issues**

Section 12 of the Factories Act, 1948 provides that arrangements should be made in every factory for treatment of wastes and effluents and for their effective disposal. As per Sections 25 and 26 of Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention & Control of Pollution) Act, 1981 and Rules framed thereunder, every factory should obtain Consent to Operate (CTO) from State Pollution Control Board (SPCB) before commencement of operation of the factory.

⁷ Retaining wall of a tank containing liquid material

⁸ Case No. 2 (C) CC-01/2010

⁹ A vehicle used for lifting and carrying heavy goods

Audit noticed, in two out of four test checked units, that 399 factories were operating under four zones as of March 2015 without obtaining CTO from SPCB as detailed below:

Table 3.1.4: Showing number of factories running without obtaining CTO from SPCB

Name of the Region	No. of factories	Number of factories running without obtaining CTO
Balasore	365	297
Rayagada	139	102
Total	504	399

(Source: Data furnished by the Regional Offices of State Pollution Control Board)

Out of 399 factories running without obtaining CTO, 191 factories had not submitted applications for obtaining CTO. The other factories were not given CTO by the SPCB for want of documents, fees, etc. Audit further noticed that environmental issues were not properly addressed by the factories as is evident from the following two cases:

- Sai Rameswara Solvents (P) Limited, a solvent extraction plant for processing of rice bran oil obtained (December 2005) CTO which was valid up to 31 March 2012. SPCB did not issue CTO for subsequent periods due to non-deposit of prescribed fees and the factory continued to run without obtaining CTO since April 2012. Besides, the license of the factory was not renewed after December 2011 and it was functioning without a valid license under the Factories Act, 1948.
- BILT Graphic Paper Products Limited, Jeypore, a Pulp and Paper manufacturing unit was discharging its effluents (treated/ untreated) to the river (Kolab) through open drain. Due to breach of the channel, the effluents of the factory ran through nearby paddy fields causing damage to the crop and creating skin diseases to the farmers working in the field.

Though the factories were running without environmental clearance, the Directorate had not taken action against these factories and renewed the licenses without insisting for the same though prescribed in the Forms for registration/ renewal.

The Department stated (November 2015) that it would examine the issue and bring it to the notice of SPCB for taking necessary action. However, the Department failed to insist on clearance from SPCB during registration/ renewal of licenses.

3.1.4.1 Non-functioning of Industrial Hygiene Laboratory

An Industrial Hygiene Laboratory (IHL) functions in the Directorate for priority inspection of MAH factories, conducting air monitoring studies in hazardous factories to assess the level of chemical pollutants and other physical parameters like heat, noise, etc. in work room and conducting training programmes, workshops, seminars, etc. for industrial workers.

GoI released ₹ 28.69 lakh (November 2006 and August 2008) for strengthening of infrastructure of Directorate of Factories. Out of this, the Director utilised ₹ 9.35 lakh towards purchase of instruments to measure toxic gas, noise and dust concentration (₹ 4.34 lakh), procurement of vehicle (₹ 4.03

lakh), remodeling of IHL room (₹ 0.98 lakh) and ₹ 19.34 lakh towards procurement of computers, peripherals, contingencies, etc.

Audit noticed that the instruments were not put to use and were lying idle as of March 2015.

Due to non-functioning of IHL, the effect of chemical pollutants, etc. on the health of workers could not be assessed. Therefore, the entire expenditure of ₹ 28.69 lakh incurred on various items did not yield the desired results.

The Department stated (November 2015) that only a few of the equipment were in use at present and action was being taken to repair the non-functional equipment.

3.1.5 Inspection and Monitoring

For managing crisis situations in case of chemical accidents, the Chemical Accident (Emergency Planning, Preparedness and Response) Rules, 1996 envisaged a three tier arrangement. As per Paragraph 6 of the said Rules, a State Crisis Group¹⁰ (SCG) and as per Paragraph 8 *ibid*, District Crisis Group (DCG) and Local Crisis Groups (LCG) are to be constituted.

As required under Paragraph 6 of the said Rules, the SCG is to meet quarterly and deal with major chemical accidents and provide expert guidance for handling major chemical accidents. SCG shall review off-site emergency plans, assist in planning, preparedness and mitigation of major chemical accidents, monitor post-accident situation and review the reports submitted by DCGs. As per Paragraph 8 of the said Rules, the DCG is to meet every 45 days while the LCG should meet every month and forward a copy of the proceedings to the DCG.

Audit, however, noticed that:

- SCG met only thrice (August 2002, October 2008 and January 2014) since its constitution (2002) against the requirement of 52 meetings as of February 2015.
- No follow up action was taken on the decisions taken by the SCG. A decision was taken in the SCG meeting held on 18 January 2014 to form a sub-committee which shall inspect and furnish report on 13 major accident hazard (MAH)/ accident prone factories within three months. Though, the sub-committee was formed (February 2014), no MAH factories were inspected by the sub-committee.
- Though DCG was formed in five¹¹ out of seven test checked districts, no meetings were held in four¹² districts. In one district (Dhenkanal), only two meetings were held against the requirement of 24 meetings during 2012-15.
- LCGs were not formed in six¹³ out of the seven districts. Though LCG was formed in Dhenkanal district, only six members were included in

¹⁰ Chief Secretary being the Chairperson, Secretary (Labour) being the Member Secretary and 14 members

¹¹ Angul, Balasore, Dhenkanal, Koraput and Nabarangapur

¹² Angul, Balasore, Koraput and Nabarangapur

¹³ Angul, Balasore, Bhadrak, Koraput, Malkangiri and Nabarangapur

the Group against requirement of 14. Further, the LCG had neither prepared local emergency plan for the industrial pockets nor conducted any full-scale mock-drill for chemical accident though the same was required to be conducted once in every six months.

Due to non-formation of Crisis Groups/ non-conduct of required number of meetings and lack of follow up action on decision taken at the meetings, the remedial measures/ preparedness in case of chemical accidents could not be ascertained.

The Department assured (November 2015) that it would take steps to convene meetings of SCGs. It also stated that instructions would be issued to other districts to form DCGs and convene meetings to address issues on safety of workers.

3.1.5.1 Inadequate inspection of factories

As per Government instructions (September 1997) and proceedings of review meeting (2 November 2011) of the Director, factories prone to accidents, MAH and factories categorised under Section 2 (cb)/ Section 87 of Factories Act, 1948, were required to be inspected by Inspector of Factories four times a year to ensure effective application of relevant legal provisions.

Details of factories categorised under Section 87, Section 2 (cb) and MAH, number of inspections required to be conducted and number of inspections actually conducted are given in the table below:

Table 3.1.5: Showing number of inspections required to be conducted, actually conducted and shortfall during 2012-14

Year	Number of factories coming under Section 87, 2 (cb) and MAH	Number of inspections required to be conducted	Number of inspections actually conducted	Shortfall in inspection	Percentage of shortfall
2012	172	688	235	453	66
2013	182	728	253	475	65
2014	186	744	218	526	71
Total		2160	706	1454	67

(Source: Annual Administrative Report)

Audit noticed that:

- The Inspectors did not conduct required number of inspections and the shortfall in inspection during 2012-14 ranged from 65 to 71 *per cent* and the overall shortfall was 67 *per cent* in test checked units. Even in MAH factories, the shortfall in inspections was 61 *per cent*.
- As per the norm¹⁴ prescribed (March 1982) by GoI, 32 Inspectors are required for inspection of 4,848 factories (December 2014) against which only 18 Inspectors were working in the State.

Thus, inspection of factories was not adequate, affecting safety standards adversely.

The Department assured (November 2015) that steps would be taken to ensure that adequate inspections were conducted once the vacant posts are filled up. It

¹⁴ One Inspector for inspection of 150 factories

further added that action would be initiated to earmark the accident prone factories to take pointed action for reducing the rate of accidents.

3.1.6 Continuance of unregistered factories

Section 6 of Factories Act, 1948 and Rule 11A of OFR, 1950 provide that all the factories are to be registered and an occupier shall not use any premises as a factory or carry on any manufacturing process in a factory unless a license has been issued. Factories functioning without registration would escape different legal provisions prescribed under relevant Acts/ Rules.

Out of 4,848 factories functioning in the State as of December 2014, 1,238 factories¹⁵ (26 per cent) were unregistered as detailed in *Appendix 3.1.3*. In four sampled units, 271 (33 per cent) out of 824 factories were unregistered.

Audit noticed that:

- Out of 1,238 unregistered factories, prosecution cases were filed against 312 factories (25.20 per cent) and notices were served for submission of documents to 210 factories (16.96 per cent). However, no action was taken against the remaining 716 unregistered factories (57.84 per cent) as of March 2015.
- Even though 20 applications were received during 2012-15 from factories under four sampled units for registration, no effective action was taken by the Directorate to register them.
- Due to non-registration, these factories escaped the provisions of Factories Act and its prescribed safety norms apart from non-levy of registration fee of ₹ 10.63 lakh during 2012-15 in respect of 135¹⁶ unregistered factories in four sampled units.
- The Directorate could not prosecute any factory for occurrence of accidents due to non-reporting of such incidences by the unregistered factories.

Though 1,238 factories remained unregistered flouting the statutory provisions, the other Government departments, however, continued to provide essential services like electricity, water, Sales Tax (ST) registration, etc. to these unregistered factories. Thus, the Directorate did not establish a proper mechanism (using the different departments of the Government) to check the violations of Factories Act at different stages.

The Department assured (November 2015) that it would initiate action for early registration of the factories.

3.1.7 Conclusion

The Directorate of F&B is responsible for enforcing the provisions of Factories Act. However, it had no effective mechanism to implement the safety standard by factories leading to persistent deficiencies over the years

¹⁵ Factories were of other categories (small scale industries) like stone crusher, cashew industries, fly ash bricks, rice mills, flour mills, automobiles, etc.

¹⁶ In respect of remaining 136 unregistered factories, due to non-availability of required data viz., contract demand of electricity and manpower, the license fee could not be calculated in Audit

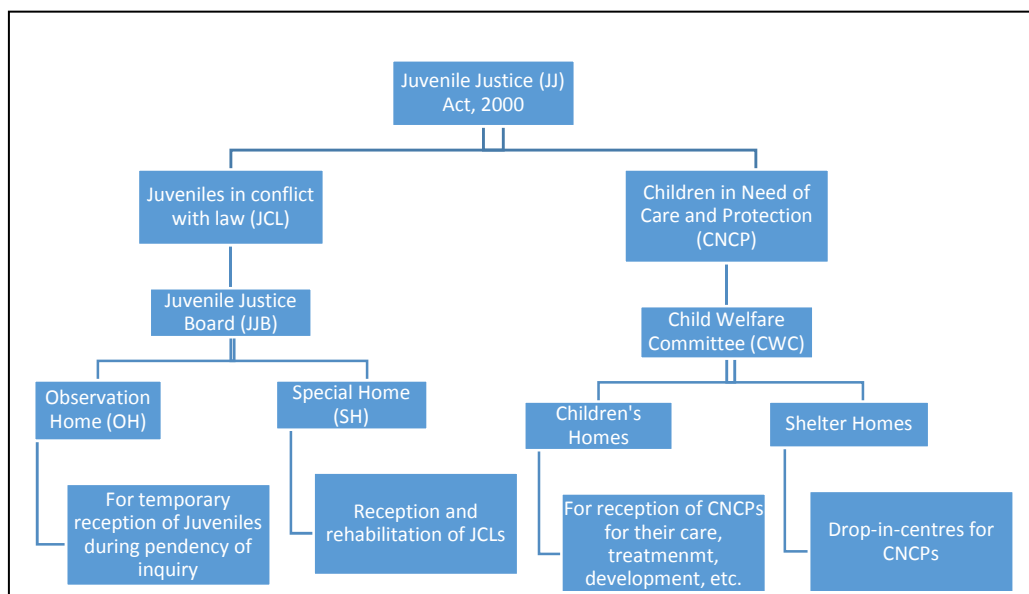
causing accidents. Even training imparted to workers on their safety at work was only 37 per cent of the total workers in test checked four units. The Directorate did not file prosecution proceedings against all the accidents. Factories were running without obtaining clearance from the State Pollution Control Board. The inspection and monitoring was inadequate as designated committees were not formed or functioned ineffectively. There were shortfalls in conducting required inspection of the factories even in repeatedly violating factories. As many as 26 per cent of factories functioning in the State were unregistered which escaped application of legal provisions of various Acts.

Home Department and Women & Child Development Department

3.2 Working of juvenile homes in the State

3.2.1 Introduction

The Constitution of India¹⁷ imposes on the State a primary responsibility of ensuring that all the needs of children *i.e.* aged below 18 years are met and their basic human rights are fully protected. Accordingly, Government of India (GoI) enacted Juvenile Justice (Care and Protection of Children) Act, 2000 (JJ Act) with the objective of providing proper care, protection and treatment to the juveniles in conflict with law (JCL) and children in need of care and protection (CNCP). The JJ Act was amended in 2006, which, *inter alia*, provided for constitution of Child Protection Units at both State and District level for implementation of the Act for JCLs and CNCPs.



Section 4 (1) of the JJ Act, 2000 provides that one or more Juvenile Justice Boards (JJBs) for a district or a group of districts shall be constituted to adjudicate and dispose of cases of JCLs. Further, Sections 4, 8 and 9 of the Act envisaged establishment of Observation Homes (OH) for retention of JCLs during their adjudication and Special Homes (SH) for their reception and rehabilitation after they are confirmed to be in conflict with law.

¹⁷ Clause (3) of Article 15, clauses (e) and (f) of Article 39 and Articles 45 and 47

In case of CNCP, the JJ Act provides for constitution of Child Welfare Committee (CWC) in each district or group of districts which are responsible for necessary care and protection, including immediate shelter by passing necessary directions to parents, guardians or fit persons/ institutions.

In pursuance of this, the State Government framed the Juvenile Justice (Care and Protection of Children) Orissa Rules, 2002 which were amended in 2009. The Rules, *inter alia*, provided for establishment of SHs, OHs, Shelter homes and Child Care Institutions (CCIs) for accommodation of JCLs/ CNCPs and to provide mandatory standards of care to juveniles. While, Shelter homes are to act as drop-in-centres for children in urgent support, CCIs are responsible for providing subsequent care, treatment, education, training, development and rehabilitation.

A Centrally Sponsored Scheme *viz.* Integrated Child Protection Scheme (ICPS) was introduced in 2009 aimed at building a protective environment through Government-Civil Society partnership for children in difficult circumstances as well as other vulnerable positions. The scheme is implemented through a society *i.e.* the Odisha State Child Protection Society (OSCPS) at State level which is assisted by the District Child Protection Units (DCPU) at district level. OSCPS functions under the administrative control of the Women and Child Welfare (W&CD) Department. The Director of W&CD Department also acts as the Director of OSCPS who supervises and monitors the functions of DCPUs, which are headed by District Child Protection Officers. Three OH/ SHs functioning under W&CD Department are funded under ICPS.

As per the information furnished to Audit, four OHs and four SHs¹⁸ were functioning in the State as on 31 March 2015, with total capacity of 290¹⁹. However, at all four locations, OHs and SHs were functioning in same premises with the name 'OH/ SH'. Further, there were six Government run and 86 NGO run CCIs in the State (March 2015). While one OH/ SH at Angul was under administrative control of the Home Department, remaining OH/ SHs and CCIs were functioning under the W&CD Department. During 2012-15, OSCPS released ₹ 54.37 crore to the DCPUs, CCIs and the Superintendents of OHs/ SHs, out of which ₹ 52.32 crore was utilised as of March 2015 as indicated in the table below:

Table 3.2.1: Receipt and utilisation of grant under ICPS during 2012-15

Year	Total receipt (including grants and interest, etc.)	OH/ SHs		DCPUs/ CCIs		Total utilisation
		Grants released	Grants utilised	Grants released	Grants utilised	
2012-13	10.05	0.42	0.36	9.63	11.63	11.99
2013-14	17.61	0.49	0.41	17.12	19.51	19.92
2014-15	26.71	0.71	0.53	26.00	19.88	20.41
Total	54.37	1.62	1.30	52.75	51.02	52.32

(Source: Information furnished by OSCPS, OH/ SHs)

¹⁸ Rourkela: OH (1), SH (1); Angul: OH (1), SH (1) and Berhampur: OH (2), SH (2) (separately for boys and girls).

¹⁹ OH: Angul: 20; Berhampur (Boys): 50; Berhampur (Girls): 25; Rourkela: 50; SH: Angul: 20; Berhampur (Boys): 50; Berhampur (Girls): 25; Rourkela: 50

Expenditure incurred by OH/ SH and CCIs were mainly towards diet, bedding and clothing of juveniles as well as towards training, administrative expenses, Information, Education, Communication and Advocacy, etc.

To assess the infrastructure and human resource availability as well as care and protection extended to JCLs and CNCPs in OH/ SHs and CCIs, Audit was conducted during July to September 2015 covering the period 2012-15. Audit examined records of four OH/ SHs and 11 CCIs (including 10 CCIs run by NGOs), W&CD Department and Home Department, Directorate of Prison and Correctional Services, OSCPS and DCPUs of three districts (Ganjam, Khurda and Sundargarh). Joint physical inspection of assets/ facilities of these OH/ SHs and CCIs were also conducted.

Audit Findings

3.2.2 Non-segregation of JCLs

Section 8 (4) of JJ (C&PC) 2000 Act, *inter alia*, required retaining JCLs in OHs according to their age giving due consideration to the offences committed. Year-wise position of juveniles admitted, released and housed in all the eight homes of the State during 2012-15 is given below:

Table 3.2.2: Trend of juveniles admitted and disposal of their cases

Year	Juveniles at the beginning of the year	Juveniles admitted during the year	Total	Juveniles released	Juveniles at the end of the year
2012	121	687	808	640	168
2013	168	863	1031	845	186
2014	186	877	1063	836	227
2015 (up to March 2015)	227	228	455	220	235
Total		2655		2541	

(Source: Information compiled by Audit from OH/ SHs)

During 2012-15, the admitted 2,655 juveniles comprised of 514 JCLs charged with theft, 337 with burglary, 147 with attempt to murder, 212 with murder, 381 with rape and 1,064 with other crimes.

Audit noticed that:

- All four OHs and four SHs were functioning at four locations with common infrastructure and man-power. These homes were using the same dormitory for accommodation of under-trial JCLs and confirmed offenders. The JCLs were not segregated which was in violation of provisions of the JJ Act. As a result, all 2,655 juveniles admitted during the period 2012-15 were kept together without segregation at these four 'OH/ SHs'. As on 31st March 2015, 235 JCLs comprising of 216 under-trial JCLs and 19 confirmed offenders were accommodated together in these homes. The Department assured (December 2015) that segregation of inmates would be ensured after completion of construction of new building at Berhampur and Rourkela.
- Out of 120 juveniles accommodated in OH Rourkela, 57 Boys were involved in multiple offences and were admitted in same OH more than once. Number of JCLs committing multiple crimes in the State

also increased from eight in 2010 to 73 in 2013. Thus, co-inhabitation of under-trial and confirmed offenders acted against the objective of bringing JCLs to the mainstream of the society.

- Despite instructions (September 2013) of the W&CD Department, segregation of JCLs who attained 18 years of age was not ensured as 11²⁰ JCLs over 18 years of age were retained in three OHs at Angul, Berhampur (Boys) and Rourkela (March 2015). The Department stated (December 2015) that number of such JCLs above 18 years came down to three.

3.2.3 Delay in finalisation of cases of Juveniles

As per Rule 22 (3) of the JJ (C&PC) Orissa Rules, 2009, cases of JCLs are required to be finalised within a maximum period of six months.

Audit noticed that there were 76 juveniles in the OH/ SHs of the State as of March 2015, whose cases were pending for disposal for periods ranging from 6 to 24 months and above²¹. The reasons for pendency are attributable to non-review of non-serious cases, holding of lesser number of JJB meetings and delay in production of juveniles before the JJB as discussed below.

3.2.4 Deficiencies in functioning of JJBs

3.2.4.1 Non-termination of proceedings by JJBs in non-serious cases

As per Rule 22 (3) of the JJ (C&PC) Orissa Amendment Rules, 2009, every enquiry should be completed within four months after the first summary enquiry and in exceptional cases, such period may be extended by two months. Delay beyond four to six months shall lead to termination of the proceeding of cases except where the nature of alleged offence is serious.

Test check of four DCPUs revealed that 1051²² non-serious cases were pending for completion of inquiry beyond six months in four JJBs. Despite this, the proceedings were not terminated. As a result, JCLs were retained in OHs for longer periods denying them timely justice besides overcrowding in OHs.

The Department stated (December 2015) that it was resolved in meeting dated 30 November 2015 of Hon'ble JJ Committee of Odisha High Court that JJBs would strictly adhere to Rule 22 (c) of JJ (C&PC) Odisha Rules, 2002 and its subsequent amendments. It also stated that four additional JJBs would be set up in Sambalpur, Khurda, Ganjam and Sundargarh, where the number of cases was high.

3.2.4.2 Inadequate number of JJB sittings

Rule 3 (1) of the JJ (C&PC) Orissa 2002, *inter alia*, envisaged that JJB shall meet on all working days of a week, unless pendency of the case is less in a particular district. As per Rule 22 (3) (b) of JJ (C&PC) Orissa Rules, 2002 read with Section 14 of the Act, the JJB would complete every inquiry within a period of four months, which may be extended by two months, on recording of the reasons thereof by the Board.

²⁰ Angul (3), Berhampur (2) and Rourkela (6)

²¹ Six months to one year: 47 cases, more than one year to two years: 24 cases and two years and above: five cases

²² Angul (125), Ganjam (251), Khurda (446) and Sundargarh (229)

The number of pending cases *vis-a-vis* number of sittings of JJB in three test checked DCPUs during 2012-14 were as follows:

Table 3.2.3: Pending cases vis-a-vis sittings of JJBs

Name of the DCPU	2012		2013		2014	
	Total number of cases pending for disposal	No. of days/ meetings held (cases disposed)	Total number of cases pending for disposal	No. of days/ meetings held (cases disposed)	Total number of cases pending for disposal	No. of days/ meetings held (cases disposed)
Ganjam	472	28(86)	521	53(17)	640	193(228)
Khurda	526	40(49)	603	40(43)	673	123(96)
Sundargarh	NA	46(NA)	628	30(339)	535	33(220)

(Source: Compiled from records of DCPO and information furnished by JJBs)

JJB meetings were not conducted on every working day despite large pendency. JJB, Khurda held only 203 sittings against requirement of 720 sittings during 2012-2014. Similarly, JJBs Ganjam and Sundargarh held only 274 and 109 sittings respectively against required 720. Though JJBs have to conduct the meeting in the premises of OHs, the same were not conducted in OHs at Berhampur (boys and girls).

3.2.4.3 Delay in production of JCLs before JJB

Audit noticed that 137 JCLs out of 216 in OHs as of March 2015 were produced before concerned JJBs after one and a half to 28 months²³ from the date of their last production. Further, in two test checked JJBs (Khurda and Sundargarh), it was noticed that 135 out of 1208 JCLs were not produced before concerned JJBs since their first appearance before JJBs even after four months.

Superintendent of OH/ SH (girls), Berhampur attributed the delay in production of JCLs before JJBs to non-arrival of police escort party. The Department stated (December 2015) that directions have already been issued to reduce the pendency by 31 December 2015.

3.2.5 Deficiencies in CWC sittings

Section 29 (1) of the JJ Act provides for constitution of Child Welfare Committee (CWC) in each district or group of districts for CNCP. As per Rule 27 (3) CWC must complete the inquiry within four months. Section 25 (1) provides that the Committee shall hold its sittings in the premises of the children's home and shall meet on at least three days a week *i.e.* at least 156 sittings per year. Further, as per Section 18 (3) of JJ Act 2006, the State Government shall review the pendency of cases of the Committee at every six months and shall direct the Committee to increase the frequency of its sittings or may cause the constitution of additional Committee.

In five test checked open shelters²⁴, the period of stay in case of 70 out of 406 children (17 *per cent*) was more than four months as of March 2015. Test

²³ Up to four months-14, four to 12 months-105, 13-24 months-15, above 24 months-3

²⁴ Ruchika Social Service Organisation, Bhubaneswar; Bhairabi Club, Khurda; Biswa Jeevan Seva Sangha, Bhubaneswar; Disha Open Shelter, Sundargarh and ISRD Open shelter, Ganjam

check of three DCPUs revealed that during 2012-15, the shortfall in sittings ranged from six to 156²⁵ in Ganjam and Sundargarh districts as against the required 156 sittings per year of CWCs. Thus, due to less number of sittings of CWC, cases were pending for disposal beyond the prescribed limit of four months. Moreover, test check of 11 CCIs in three sampled districts revealed that CWCs conducted their sittings only in the district headquarters in contravention to the above Rules.

The Department stated (December 2015) that it had issued instructions to CWCs in its meeting (November 2015) to hold more number of sittings for speedy disposal of pending cases and assured of appropriate action in the matter.

3.2.6 Availability of required infrastructure/ facilities

3.2.6.1 Availability of physical infrastructure in OH/ SHs and CCIs

Rules 8 and 9 of JJ (C&PC) Rules, 2002, *inter alia*, stipulate that each OH/ SH/ CCI shall have dormitory (40 sft. per juvenile), bathrooms (at least one bathroom for ten children and one latrine for seven children), fly-proof kitchen and sufficient playground according to the number of juveniles. Joint Physical Inspection (JPI) was conducted in all OH/ SHs by Superintendent and in 11 CCIs by staff of CCIs with concerned DCPUs in presence of Audit.

Audit noticed inadequate infrastructure in all test checked juvenile homes as indicated in table below:

Table 3.2.4: Requirement vis-a-vis availability of infrastructure in eight OHs and SHs

Type of infrastructure	Requirement	Availability
Dormitory (floor space)	40 sft. per juvenile	In eight OH/ SHs, only 5818 sft. (50 per cent) was available which could accommodate only 145 JCLs as per norm. However, 235 JCLs were accommodated resulting in overcrowding of wards. In OH/ SH, Rourkela 120 JCLs were accommodated in two rooms (2698 sft.) <i>i.e.</i> 22 sft. per JCL only. In six out of 11 test checked CCIs in Khurda (one), Sundargarh (two) and Ganjam (three), 261 children were provided only 25 sft. space per child on an average.
Bathrooms/ Latrines	At least one bathroom for 10 children and one latrine for seven children	No bathroom was available in six homes located at Berhampur (4) and Rourkela (2). JCLs were bathing in open space. In six CCIs (Khurda-1, Sundargarh-2, Ganjam-3), 41 latrines were available against 65 required as per norm. Condition of existing latrines was also found to be unhygienic as there was no piped water supply to the latrines. No bathroom was available within the institutions.
Drinking water	Sufficient and treated drinking water	Treated drinking water facility was available at three OH/ SHs at Berhampur (2) and Angul (1), whereas the same was not available at OH/ SH, Rourkela. In three ²⁶ out of 11 CCIs, treated drinking water facilities were not available.

²⁵ Meetings held in Ganjam: 2012-72, 2013-150, 2014-132; Khurda: 2012-158, 2013-163, 2014-237; Sundargarh: 2012-57, 2013-0, 2014-79

²⁶ Jayasankar Sevashram, Belsara; Roman Catholic Mission Boys, Surada and Balmikeswar Anathashrama, Dharakote

Kitchen	Fly-proof kitchen	None of the four OH/ SHs and 11 test checked CCIs had fly-proof kitchens.
Playground	Sufficient playground area	In all four OH/ SHs and 11 test checked CCIs, no playground was available for outdoor games and physical exercise of JCLs/children.

(Source: Joint physical inspection of OH/ SHs)

As per Rules 8 and 9 of JJ Rules, 2002, the responsibility for providing adequate space and hygienic living condition to the inmates of the OH/ SHs is of Government. Audit noticed the following:

- One out of three dormitories at Angul was in dilapidated condition and water was leaking. Though ₹ 6 lakh was placed (2014-15) with the Executive Engineer (R&B) Division, Angul for repair of the existing building, the same could not be completed. The Superintendent stated (March 2015) that the Executive Engineer (R&B Division) expressed his inability to complete the renovation work due to insufficient funds. The Department stated (December 2015) that it had proposed for ₹ 56.27 lakh under ICPS in the Programme Implementation Plan of 2015-16 for improvement works of OH/ SH, Angul.
- For renovation of existing structures available in the campus of Central home for Women, Berhampur and improving/ converting the same to OH/ SH for boys as well as girls, two estimates of ₹ 55.65 lakh and ₹ 50 lakh were approved by W&CD Department in July 2011 and December 2014 respectively. The entire amount was placed with the Executive Engineer, R&B Division, Ganjam for execution of the work. Though civil works were completed, these were not made functional due to non-completion of electrical works. W&CD Department stated (December 2015) that the work of OH/SH, Berhampur was nearing completion and inmates would be shifted to the new building soon.
- Similarly, to shift the OH/ SH Rourkela functioning in special jail premises to another site, W&CD Department accorded (July 2011) administrative approval for ₹ 3.77 crore²⁷ and released (October 2010) ₹ 59.73 lakh. The balance of ₹ 3.17 crore was released between December 2014 and February 2015. As of 30 September 2015, only ₹ 1.09 crore was utilised by the Executive Engineer and the work remained incomplete. W&CD Department stated (December 2015) that the matter was being expedited.

Thus, the basic infrastructure required as per the guidelines of the Government and ICPS at OH/ SHs could not be ensured despite availability of adequate funds.

3.2.7 Non-transfer of OH/ SH, Angul to W&CD Department

Project Approval Board under ICPS directed (September 2011) the transfer of OH/ SH, Angul from Home Department to W&CD Department. However, the same was not transferred as of December 2015.

Audit noticed that in respect of three OH/ SHs run under W&CD Department, maintenance charges were allowed at ₹ 750 per child per month up to

²⁷ Excluding *pro rata* charges out of total estimated cost of ₹ 436.88 lakh

September 2014 and ₹ 2000²⁸ thereafter as per funds received under ICPS while in respect of OH/ SH at Angul, which is run by Home Department, the maintenance cost was ₹ 1,350 per child per month (₹ 45 per day) up to September 2013 and ₹ 1800 per child per month (₹ 60 per day) thereafter. Thus, there were differential maintenance charges for the inmates of OH/ SHs of the State.

W&CD Department stated (December 2015) that action for transfer of the OH/ SH at Angul to W&CD Department and ensuring equal diet, bedding and clothing cost had been initiated.

3.2.8 Human Resource

3.2.8.1 Non-availability of adequate manpower

Rule 48 (5) of JJ (C&PC) Rules, 2002 required deployment of 20 whole time and five part time staff for an institution with a capacity of 100 juveniles/ children. Requirement as well as availability of manpower in the two test checked OH/ SHs {(Rourkela, Berhampur (boys))} as on March 2015 are indicated in Table 3.2.5:

Table 3.2.5: Requirement vis-a-vis availability of manpower in test checked homes

Type of manpower	Norm (for 100 children)	Requirement as per norm	Posts sanctioned	Actual availability	Shortage against norm
Superintendent	1	2	2	2	0
Doctor	1(Part time)	2	2	2	0
Para medical staff	1	2	2	1	1
Probation Officer	3	6	0	0	6
Cook	2	4	2	2	2
House father/mother	4	8	0	0	8
Counsellor	2	4	0	0	4
Educator	2 (Part time)	4	2	2	2
Vocational Instructor	1	2	0	0	2
Store keeper cum accountant	1	2	2	2	0
Helper	2	4	2	2	2
Art & craft cum music teacher	1 (part time)	2	0	0	2
Gardener	1 (part time)	2	0	0	2
Peon/sweeper	2	4	3	3	1
Driver	1	2	0	0	2
Total	25	50	17	16	34

(Source: Information furnished by the sample OH/ SHs)

Only 17 posts (34 per cent) were sanctioned by Government and 16 posted against the required 50 as per norm. The shortage of critical staff such as Counsellor, Vocational trainer, Educator and Helper affected counselling service, vocational training and periodic health check-ups as discussed below:

- **Absence of counselling facility:** Counselling facility, though crucial for correcting JCLs, was not available in any of the OH/ SH in the State. Out of 11 sampled CCIs, Counsellors were available only in four CCIs. No organisations or agencies were deployed in remaining CCIs

²⁸ Diet: ₹ 1400 and bedding, clothing, etc: ₹ 600

for counselling the inmates in absence of Counsellors. W&CD Department assured (December 2015) it would make provision for Counsellors in Programme Implementation Plan 2016-17 under ICPS.

- **Vocational training:** In six out of eleven test checked CCIs, vocational training was not conducted as the posts of vocational instructors were not filled up. W&CD Department assured (December 2015) that it would extend vocational training to CCIs.

Audit also noticed the following deficiencies in rendering health service to juveniles, though doctors and paramedical staff were available:

- **Medical check-up at the time of admission:** Rule 10 (2) of JJ (C&PC) Rule, 2000 required examination of each JCL by the Medical Officer within 24 hours of admission to OH in normal cases and within 48 hours in special cases. JCLs transferred to SHs were also to be examined within such time. However, in none of the test checked homes, where the juveniles were admitted and transferred to OH/ SHs, were the juveniles medically examined at their admission. W&CD Department assured (December 2015) that it would take appropriate action in the matter.
- **Quarterly health check-up:** The health of juveniles was not checked quarterly in any of the test checked OH/ SHs. Similarly, in 11 test checked CCIs, though medical register was maintained, neither any monthly medical check-up nor any Health Card was maintained. W&CD Department assured (December 2015) that it would enquire into the matter and take appropriate action.
- **Non-availability of specialised medical care:** As per Section 48 (2) of JJ Act, 2000, juveniles suffering from sexual disease, tuberculosis, etc. shall have to be kept separately. On examination of records of OH/SHs, Audit noticed that two juveniles, though suffering from Abdomen Tuberculosis with HIV positive at Berhampur and at Rourkela, they were kept with other juveniles. In OH/ SH Rourkela, no provision of bed was made for the HIV affected juvenile. Besides, 17 JCLs, affected with scabies, were kept along with other juveniles in same room and special medical care was absent for them. W&CD Department assured (December 2015) to ensure availability of specialised medical care in such OH & SHs.

3.2.9 Safety and security at OH/ SHs

As per Rule 17 (2) of State JJ Rules, 2002, in the event of escape of juvenile, the parents/ guardians shall be informed immediately about such escape.

Audit noticed the following:

- **Escape of JCLs:** As per the records produced and information furnished by the Superintendents, during 2010-15, 36 JCLs escaped from OH/ SH, Berhampur (Boys)²⁹ and Rourkela (Boys)³⁰ out of which 24 JCLs were recaptured and remaining 12 JCLs were not recaptured (September 2015). Out of 27 JCLs of Berhampur, only 21

²⁹ 27 JCLs in May 2014

³⁰ 2 in 2010 and 7 in 2012

were recaptured. However, the parents of all these escaped JCLs were not intimidated of the fact, as required. The Department stated (December 2015) that Superintendents of Police of both Berhampur and Rourkela were instructed (September 2015) to deploy six additional guards at each such OH/ SH to ensure more security.

- ***Non-conducting regular checking of JCLs:*** Regular checking of JCLs to detect possession of any intoxicating/ prohibited material was not conducted by either the Superintendents or the Police despite knowing the fact that four JCLs had brought intoxicating materials to OH Rourkela at the time of admission. W&CD Department assured (December 2015) that it would look into the matter.

3.2.10 Rehabilitation and resettlement

3.2.10.1 Absence of mechanism to track JCLs during post-release period

As per Rule 36 of JJ Rules, 2002, there shall be an aftercare organisation to organise programmes for the children after leaving SH/ OH to integrate them with the mainstream of the society. During 2012-15, 82 confirmed juveniles in conflict with law were released from four SHs. However, information on JCLs corrected, rehabilitated and integrated with mainstream after their release was not available as there was no mechanism in Home/ W&CD Departments to track their activities after release from SHs. In absence of any such tracking mechanism, the Government could not even confirm mainstreaming of Juveniles.

W&CD Department stated (December 2015) that it would address the Home Department to develop a post release tracking mechanism for JCLs.

3.2.10.2 Non-establishment of aftercare organisations

Rule 38 of Central Rules as well as Rule 36 of State Rules provides that the State Government shall set up an aftercare organisation for care of juveniles or children, after they leave special/ children homes, to facilitate their transition from an institution-based life to mainstream society, for social re-integration.

Audit noticed that though 82 JCLs were released from four SHs and 414 children were released from 11 test checked CCIs during 2012-15, they were not provided aftercare due to absence of any such organisations. However, one CCI (Utkal Balashram, Berhampur), despite non-availability of aftercare organisation, arranged training for 14 children in painting in Government Industrial Training Institute, Berhampur out of which five children were placed after completion of training.

W&CD Department stated (December 2015) that preparation of aftercare guidelines was under process and an aftercare organisation would be identified after formulation of the guidelines.

3.2.11 Inspection and monitoring

3.2.11.1 Non-constitution of Management Committee

Rule 22 of the JJ (C&PC) Orissa Amendment Rules, 2009 provides that every institution shall have a Management Committee comprising of District Child Protection Officer as the Chairperson, Officer-in-Charge as Member-Secretary

and six other members³¹ for management of the institution³² and monitoring the progress of every juvenile and child. The Committee was to meet every month to consider and review custodial care, individual problems of juveniles, vocational training and education, guidance and counselling, planning of post release rehabilitation programme, etc.

Audit noticed that no such Committee was constituted for effective functioning of the OH/ SHs, Angul and Berhampur (boys and girls) while the same for Rourkela, though constituted (August 2009), met only thrice. Due to non-constitution of the Committee and non-convening of meetings regularly, progress on care of juveniles could not be monitored. W&CD Department assured (December 2015) that it would issue suitable instructions for ensuring constitution of Management Committees and their regular meeting.

3.2.11.2 Deficiency in inspection

Rule 21 of the JJ (C&PC) Orissa Amendment Rules, 2009 provided that Government shall constitute State/ District Inspection Committee which shall visit and oversee the conditions in the institutions and appropriateness of the processes for safety, wellbeing, permanence, etc., review the standards of care and protection being followed by the institutions. The inspection shall be carried out once in every three months.

Audit noticed that the OH/ SH at Angul, Berhampur (Girls) and Rourkela were never inspected by the State/ District Committee during 2012-15. However, the OH/ SH (Boys) Berhampur was inspected twice (October 2013 and September 2014) by the State Committee. The District Committee inspected the home on 27 May 2014, only after the escape of JCLs on 26 May 2014.

3.2.12 Conclusion

Functioning of observation homes and special homes in the State was poor due to non-availability of adequate space and keeping under trial and confirmed offenders in the same premises. Accommodating JCLs with multiple crimes along with other inmates in combined OH/ SHs was in violation of law. Delay in disposal of cases by JJBs and non-completion of enquiries by the CWCs within the stipulated period resulted in detention of juveniles/children for longer periods in OH/ SHs and CCIs, resulting in denial of timely justice.

Infrastructure like dormitory, bathrooms, latrines, drinking water, kitchen, playground, etc. were either absent or inadequate. Required posts for whole time staff for different homes were not sanctioned. Medical check-up of juveniles, vocational training and counselling facility were almost absent in the juvenile homes. Lack of aftercare rehabilitation, mandated inspections by CWCs and mechanism to track the JCLs after their release rendered the functioning of all the OH/ SHs ineffective in mainstreaming the juveniles.

³¹ Probation Officer, Medical Officer, Psychologist or Counsellor, Workshop Supervisor or Vocational Instructor, teacher, Social worker, Member of JJB or Member of CWC and a juvenile or child representative being members

³² OH or SH or Children's Home or Shelter Home

Tourism and Culture Department

3.3 Preservation and conservation of ancient monuments and historical places

3.3.1 Introduction

As per provisions of Entry 12 of List II of the Seventh Schedule of the Constitution, ancient and historical monuments, other than those declared to be of national importance, fall under the domain of State Government. The State of Odisha is known for its wealth of ancient monuments and to protect and conserve the same, the Orissa Ancient Monuments Preservation (OAMP) Act, 1956 was enacted. The Act defined 'ancient monument' as any structure, erection or monument or any cave, sculpture of stone, metal or *tera-cotta*, etc., which is of historical, archaeological or artistic interest but excludes monuments of national importance which come under Archaeological Survey of India (ASI).

The Culture Department headed by the Commissioner-cum-Secretary is responsible for preservation³³ and conservation³⁴ (P&C) of ancient monuments in the State through the offices of the Director of Culture (DC) and the Superintendent, Odisha State Archaeology (OSA). Identification, exploration and conservation of important Buddhist monuments are done by 'Orissan Institute of Maritime and South East Asian Studies (OIMSEAS), an autonomous body, functioning under the DC. Besides, P&C of ancient monuments in coastal areas are executed under Integrated Coastal Zone Management Project (ICZMP), where DC also acts as the Project Director. DC and Superintendent, OSA are the main functionaries to execute the P&C works.

Audit of the entities involved in P&C of ancient monuments was conducted during June to August 2015, covering the period 2012-15, through examination of records of 114³⁵ out of 361 works and joint physical inspection (JPI) of 70³⁶ monuments, including four Buddhist sites were undertaken.

Audit Findings

3.3.2 Deficient planning and institutional arrangements

3.3.2.1 Planning

- **Absence of conservation plan:** OAMP Act empowers the State Government to identify the ancient monuments and notify the same as 'protected'. Thereafter, activities relating to preservation and conservation of monuments were to be undertaken by OSA and OIMSEAS. For this purpose, long term conservation plan for each protected monument was to be prepared and funds for P&C were to be proposed each year for allotment under the State Plan. However, no long or short term plan was prepared and only ₹ 1.87 crore was provided under State Plan during 2012-15 for P&C work of 218

³³ Preservation: The activity of protecting a monument from loss or danger

³⁴ Conservation: The activity relating to maintenance of monument in its present shape

³⁵ OSA: 96; OIMSEAS: 14; ICZMP: 4 works

³⁶ Protected: 43, Unprotected: 27 (INTACH: 10, ICZMP: 3, OIMSEAS: 4, OSA: 53)

protected monuments. Thus, the annual fund availability per monument worked out to only ₹ 28,593. As a result, 111 protected monuments were left without any P&C for over five years out of which 47 had no P&C work for last 20 years.

- **Delay in preparation of Action Plan under 13th Finance Commission (FC):** For utilisation of 13th FC grants, High Level Monitoring Committee (HLMC) headed by the Chief Secretary instructed (August 2010) the Department to furnish the Action Plan by November 2010 through the Finance Department for its consideration. It also advised to select around 100 heritage monuments/ temples located on the tourist route and not to thinly spread the fund on a large number of such monuments. The Department, however, included large number of monuments and *mutts* which were not agreed to by Finance Department and the plan had to be revised repeatedly. In absence of any comprehensive list of ancient monuments indicating the priority of P&C works, the Department had to depend on the public representation and other means to prepare the Action Plan. Ultimately, the Plan for P&C work of 328 ancient monuments including 107 protected and 221 unprotected monuments was put up to HLMC and got approved in May 2012. Thus, the Department was constrained to execute the works within three years, as it lost one full year during the project period, due to delay in preparing the plan.

3.3.2.2 Inadequate institutional arrangement

- **Vacancies in critical posts:** Availability of adequate manpower is necessary for ensuring proper maintenance of monuments as well as their safety and security. There were acute shortages of staff in all key positions in the OSA. Two posts of Curator (50 *per cent*), 32 Monument Attendants (38 *per cent*), one post each of Assistant Curator and Accountant, remained vacant for years. Despite instructions from the Government (October 2010) to fill these vacancies, no fruitful action was taken by the Department in this regard (October 2015). Only 85 posts of Monument Attendants were created to maintain 218 protected monuments and further requirement was not assessed till December 2015.
- **Non-appointment of experts:** OSA had only one Assistant Engineer, two Conservation Assistants and a non-technical head as Superintendent when ₹ 65 crore was granted by 13th FC for P&C works. Government decided (December 2010) to set up a 'Project Odisha Cell (Archaeology)' (POC) with a number of professionals like Project Management Expert, Financial Consultant, Chemical Expert, Conservation Consultant and post an Executive Engineer (EE) with expertise in conservation of heritage structures/ monuments as the Superintendent, OSA for smooth execution of P&C works.

Though POC was set up with Director of Culture as Project Director, but experts required were not appointed to execute the highly technical P&C work. Instead, OSA appointed one Assistant Engineer and 25 civil engineering diploma holders as Senior Consultants (SC) and Junior Consultants (JC) respectively on contract basis to execute the

projects both on OSA as well as OIMSEAS. Thus, the specialisation required for execution of P&C works was not given priority.

3.3.3 Issues relating to ‘protected monuments’

Section 3 of the OAMP Act, 1956 requires the State Government to notify ancient monuments as “protected” and accordingly, the Department notified 218 monuments as “protected” under said Act as of March 2015, last being in December 1998.

Audit noticed the following deficiencies:

3.3.3.1 *Lack of documentation of protected monuments*

Out of 218 monuments notified as “protected”, copies of notifications were not available with OSA in respect of 59 monuments and the artistic, archaeological and cultural heritage, importance, photographs, details of sculptures, *etc.* were not documented for all. Further, the requirements of P&C works for these protected monuments were not assessed periodically though the works were executed in 171 protected monuments during last 20 years. History of the same including “before” and “after” photographs was not documented. In absence of these details, it could not be verified whether the monuments were restored to their original shape or not. The Department stated (December 2015) that the notifications were misplaced during shifting of the office.

3.3.3.2 *Failure to acquire guardianship of the monuments*

Section 4 of the OAMP Act provides that the Government may purchase, take on lease or accept guardianship of protected monument. Section 5 provides that Government may execute agreements with the owners/ trustees for preservation of any protected monument with restriction on owner’s right to destroy, remove, alter and deface the monument or to build new structure on or near the site of the monument. Section 7 empowers the Government for enforcement of such agreement. Section 10 provides for compulsory acquisition of protected monuments under Land Acquisition Act in case the monuments are in danger of being destroyed or injured or allowed to fall into decay.

Audit observed that the Department had not initiated any action to take control of any of the 218 protected monuments, despite having such requirement in 215 cases³⁷. The Department also executed P&C works in 107 out of 218 monuments during 2012-15 without having the guardianship rights over the same.

3.3.3.3 *Failure to impose penalty for damage*

Section 16 of the OAMP Act, *inter alia*, provides that any person who destroys, removes, injures, alters, defaces or imperils a protected monument and any owner who destroys, removes, injures, alters, defaces a monument maintained by the State Government, shall be punishable with fine which may extend to five thousand rupees, or with imprisonment which may extend to three months, or with both. During joint physical inspection of 43 protected

³⁷ Excluding three forts (Amarabati Fort, Raibania Fort and Khurdagarh Fort) for which there were no owner except the Department

monuments, Audit noticed defacing of monuments, soot formation, unauthorised construction and unauthorised activities, *etc.* as indicated below:

- Original monuments were defaced in 11 cases and temple arts were covered under cement plaster in three cases.
- New buildings were constructed on or near nine protected monuments and additions and alterations were made in the monuments in two cases.
- Marble and modern art replaced the original temple art in four cases.
- *Mandaps* were constructed for commercial activities in four cases, *i.e.* for conducting marriage, thread ceremony, *etc.* within the premises of monuments, though not permissible under OAMP Act.
- Soot formation was noticed in two monuments due to burning of camphor, oil and incense sticks, *etc.*
- In Dapanahakani temple, Iswarpur, Bhadrak, the wooden carving was completely dismantled and a new modern temple was constructed by the villagers. But no penal action was taken. OSA spent 13th FC Fund of ₹ 9.60 lakh on construction of boundary wall and pavement in the same temple premises.
- Protection signboard declaring the monument as “protected” and “prohibited area” was not found in 32 out of 43 cases (74 *per cent*).
- Notice board indicating the historical, cultural and artistic importance was not found in any of the sites.

Since the Department did not take the ownership of all these monuments, it could not initiate any penal action against the trustee or persons responsible for such unauthorised activities carried out in these protected monuments.

3.3.4 Absence of mechanism for identification and documentation of ancient monuments

Section 3 (1) of the Act empowers the State Government to declare an ancient monument by notification to be a ‘protected monument’ while Section 11 (1) requires the Government to ensure maintenance of all such monuments. In order to notify ancient monuments as “protected”, it is essential for the Department to conduct a comprehensive survey of all ancient sites/monuments in the entire State, to identify, profile and document the same. Such a comprehensive documentation or a database should be the basis for prioritisation of ancient monuments for notifying the same as protected and executing P&C works.

Audit observed that OSA did not conduct any comprehensive survey except the survey conducted only in five river basins around Bhubaneswar prior to 1974-75. Only one survey report (Prachi Valley) was published so far. Further, notification declaring ancient monument as ‘protected’ was last issued in December 1998. However, under 10th, 11th and 12th Finance Commission awards (1995-2010), the Department executed P&C works at a cost of

₹ 33 crore for 826³⁸ monuments which were not declared as ‘protected’. None of these unprotected monuments were notified as protected and profiles of the same were not documented by recording their archaeological, historical and artistic importance. The Department did not devise any criteria to prioritise their notification and further to carry out the P&C work.

The Department stated (November 2015) that OSA had surveyed and documented a large number of monuments in different phases since inception. The reply indicates that the Department adopted only an *ad hoc* method and did not follow a structured approach to identify all ancient monuments comprehensively for notifying them as protected and prioritising the P&C works.

3.3.5 Deficiencies in excavation works

Excavation of archaeological remains of Buddhist era to explore Buddhist archaeological sites is the main objective of the OIMSEAS. During 2011-15, conservation works of four Buddhist excavated sites³⁹ were done, utilising ₹ 2.10 crore up to March 2015.

- **Non-submission of reports on excavation:** As per the GoI guidelines (November 2004), no excavation was to be treated as complete till the report of such excavation is published and made available to public. Besides, the excavator must publish the report within five years of completion of excavation. Otherwise, excavation or exploration becomes a futile exercise in the absence of reporting of the findings and the same would not provide inputs for further research and analysis.

Audit observed that eight Buddhist sites⁴⁰ (two protected and six unprotected) were excavated by OIMSEAS during 1989-90 to 2012-13, but the report on findings of such excavation was not published in seven cases⁴¹ for over 8 to 24 years as concerned excavators who were ex-Director of the Institute, had already retired. OIMSEAS, however, showed these excavations as completed which was irregular. As a result, descriptive catalogue of antiquities, artifacts and sculptures unearthed during excavation at Tarapur, Deuli, Kyama and Vajragiri was not prepared (September 2015) for preservation.

The Department stated (November 2015) that both the Directors who executed the excavation works had already retired and did not submit the reports. The reply confirms non-compliance of GoI guidelines regarding excavation and timely submission of reports.

- **Excavation done without declaring sites as protected:** In two cases (Tarapur and Solampur), ₹ 1.05 crore was utilised during 2012-15 on conservation of excavated sites without declaring the sites as protected. Besides, excavation started at Aragada during 2012-13 remained

³⁸ 10th FC: 256; 11th FC: 291; 12th FC: 279

³⁹ Protected: Brahmabana (Nischintkoili); Aragada (Khurda); Unprotected: Solampur (Bhadrak) and Tarapur (Jajpur)

⁴⁰ Excepting Aragada taken up during 2012-15 which were under progress

⁴¹ Manikpatna: 1989-93; Olandaz Sahi: 1990-91; Langudi: 1996-2002; Kayama: 2005-06; Deuli: 2005-06; Tarapur: 2005-07 and Vajragiri: 2005-06

incomplete as of March 2015. The Department, in reply, assured (November 2015) to declare these sites as protected and complete the work at Aragada.

3.3.6 Safety and security of monuments

3.3.6.1 Inadequate watch and ward

The Department and OSA are responsible for safety and security of protected ancient monuments. Audit noticed that watch and ward were provided only for 46 out of 218 protected monuments due to non-filling of 32 vacant posts of Monument Attendants (MAs) and non-assessment of need for further posts for remaining protected monuments. Four sculptures were stolen (2011-15) from different protected monuments as per the records of OSA and final report from police was awaited (November 2015).

3.3.6.2 Lightening arrester in high rise temples

Technical Expert Committee (TEC) set up (September 2011) by the State Government to aid and advise the Department on P&C works, advised (24 October 2014) the OSA to collect data on all monuments having height of 10 meter and above and take steps to fix lightening arrester system on the temples in descending order, starting from the tallest temple. However, such list was not prepared by the Superintendent and 24 out of 43 protected monuments inspected by Audit had no lightening arrester.

3.3.6.3 Excavated sites and sculptures left unsecured

All excavations were required to be protected from inclement weather. Protective sheds (Iron/PVC/Acrylic) were also required over the excavated site to protect the excavation and excavated materials from vagaries of nature.

Audit noticed that in three out of four excavated sites, Buddhist sculptures/antiquities were left in open space while in the remaining site (Tarapur), the same was kept in a dilapidated shed. In Solampur and Brahmabana, though sculpture sheds were completed since January 2014, the sheds were kept idle and sculptures were left unsecured in open space without any watch and ward.

3.3.7 Irregularities in execution of P&C works

Out of 361 P&C works taken up during 2012-15, 216⁴² were completed, one was not taken up while remaining 144 were under progress as of March 2015. Scrutiny of the records revealed the following irregularities:

- **Delay in execution of P&C works:** Indian National Trust for Art and Cultural Heritage (INTACH) was selected by the Department for execution of 26 works at a cost of ₹ 8.49 crore through a Memorandum of Understanding (February 2013). However, despite not having adequate technical manpower to execute remaining 302 P&C works involving ₹ 56.51 crore, the Department allowed both OSA and OIMSEAS to execute these works departmentally. This ultimately led to delay in execution, non-completion of 144 (40 per cent) works and non-submission of completion certificates.

⁴² State Plan: 27, 13th FC: 185 and ICZMP: 4

- **Non-execution of structural works of main monuments:** In 12 test checked monuments, instead of executing essentially required structural works needed for the monuments, routine civil works like construction of stone or brick boundary walls, kitchen shed (*rosaghar*), stone pavement, concrete road, *etc.* were executed at a cost of ₹ 4.01 crore as confirmed in JPI.
 - **Total absence of chemical conservation:** Despite provision in the Action Plan (13th FC) approved by HLMC for chemical conservation of monuments, the same was not made in any of the works taken up during 2012-15. Joint physical inspection of 52 monuments revealed that 20 monuments required chemical conservation as vegetation growth, shrubs and fungus were noticed on the monuments.
 - **Unauthorised P&C works on unprotected monuments:** As per OAMP Act, the Department has to notify the monument as protected before taking up P&C works. In contravention of this, OSA utilised ₹ 20.04 crore on P&C of 221 unprotected monuments including 77 monuments which were not registered with Commissioner of Endowment. All these remained under the ownership of persons or trustees or managing committees. On joint physical inspection of 11 such monuments where ₹ 4.64 crore was utilised, Audit noticed that ₹ 74.62 lakh was utilised on two monuments which did not have any carving or archaeological structure or artistic importance. In two other cases⁴³, structural restoration work was left incomplete after utilising ₹ 1.25 crore due to want of required funds. In three other monuments having artistic and heritage structures P&C work, though required, was not done.
-
- P&C works of Purbeswar temple left incomplete*
- **Incomplete P&C works in protected monuments:** Instead of assessing the requirement of P&C works in totality, estimates were restricted to availability of funds which led to many works being left incomplete. Main structures of four⁴⁴ ancient forts were not restored to appropriate level as revealed in JPI. Instead, ₹ 1.47 crore was utilised on construction of boundary walls and stone paving. In two cases⁴⁵, restoration works were left incomplete after spending ₹ 1.03 crore.
 - **Execution of works on monuments without having approach road:** HLMC instructed the Department to select monuments for P&C works only after ensuring availability of the approach road. But in three

⁴³ Purbeswar temple: ₹ 92.92 lakh and Sikharchandi temple: ₹ 32.43 lakh

⁴⁴ Amarabati Fort, Chhatia: ₹ 50 lakh; Ganjam Fort: ₹ 12.70 lakh; Raibania Fort: ₹ 29.96 lakh and Khurdagarh Fort: ₹ 54.56 lakh

⁴⁵ Chandesar temple, Khurda: ₹ 53.68 lakh and Bankada excavated site: ₹ 49.75 lakh

cases⁴⁶, ₹ 1.20 crore was utilised on sites where no approach road was available and visitors were deprived of visiting these monuments.

- **Construction of new structure replacing the monument:** Conservation of ancient monuments requires maintenance of monument in its present shape. However, in case of Tarapur excavated site, a completely new stupa and boundary wall was constructed by OIMSEAS in place of an excavated brick stupa, utilising ₹ 56.77 lakh during 2012-15.
- **Irregularities in payment of wages:** The procedure for engagement of labourers for execution of works departmentally and payment of wages through muster roll has been prescribed in Appendix XIV of OPWD Code Vol. II. Based on recommendation of Culture Department, HLMC and Finance Department agreed (May 2012) for execution of P&C works under 13th FC award, at higher labour rate of Archaeological Survey of India (ASI).

However, on examination of muster rolls furnished by the departmental officials in respect of 114 test checked conservation works where ₹ 8.81 crore was shown to have been paid towards wages of labourers through muster rolls, irregularities like payment of wages (₹ 8.81 crore) in cash, not mentioning identity number (₹ 8.81 crore), address not mentioned in muster rolls (₹ 70.61 lakh), payment of wages for engagement on national holidays (₹ 19.04 lakh), payment of wages to third party other than the labourer (₹ 25.76 lakh), engagement of same labourer on same days twice (₹ 13.38 lakh), details of work done, not indicated (₹ 63.10 lakh), etc. were noticed.

The Department agreed (December 2015) to ensure transparency in wage payment as most of the workers have their bank account and to issue suitable instructions in the matter for non-recurrence of such irregularities in future.

- **Irregularities in purchase of materials:** The OPWD Code prescribed for procurement of stores with cost exceeding ₹ 50,000 through open tender process. OSA paid ₹ 9.12 crore to JCs towards cost of materials purchased wherein irregularities like purchase of materials of ₹ 9.12 crore in 1,370 purchase vouchers on cash payment for amount ranging from ₹ 1,190 (Sairaj Traders, Jatani) to ₹ 7.92 lakh (Akhandalmani Hardware & Paints store, Dasarathpur, Jajpur), purchase of materials without inviting tender in 551 cases (₹ 7.12 crore), purchase of materials with false TIN Numbers in 64 cases (₹ 1.06 crore), etc. were noticed. Besides, materials were also shown as purchased from far off places, ranging from 80 km to more than 500 km without keeping any proof of transportation in case of six works.

The Department stated (December 2015) that possibly due to work pressure, due vigilance could not be observed and assured to issue

⁴⁶ Amarabati Fort, Chhatia: ₹ 50 lakh; Panchpandav temple, Dhanish: ₹ 24.68 lakh and Brahmabana: ₹ 45 lakh

suitable instructions for non-recurrence of such irregularities in future.

- **Irregular splitting of estimates:** OIMSEAS was entrusted with execution of 33 works. Out of this, estimates of 15 works were split into 85 works, limiting the estimated costs between ₹ 9.90 lakh and ₹ 10 lakh to avoid sanction of the higher authority.
- **Excess payment to JCs:** The Department approved three⁴⁷ P&C works of monuments under ICZMP at a cost of ₹ 1.33 crore. The approved estimates provided for execution of work of stone pavement and laterite stone masonry and the same were executed by JCs.

Scrutiny of records revealed that the approved estimates were prepared considering the Orissa Analysis of Rates (OAR) which provided for 2.13 man days⁴⁸ of labour for execution of one cubic metre (cum.) of stone paving work. As against this, the JCs changed and increased the labour requirement to 21.01⁴⁹ man days per cum. without obtaining the approval of the competent authority. This resulted in utilisation of 8,700 man days of labour against the requirement of 2,512 man days for 363.58 cum. of stone work actually executed, which led to excess payment of ₹ 20.21 lakh on 6,188 man days. The Department stated (November 2015) that the matter was under examination and action as deemed proper would be initiated for realisation of excess payments.

- **Payment for materials beyond the permissible limit:** The Department utilised 421.525 cum. of rough stone, sand stone and khandolite stone in four works. After taking into account permissible 10 per cent wastage (42.15 cum.), total quantity of stone required was 463.675 cum. Instead, the JCs procured 532.48 cum. of stone for ₹ 58.46 lakh. This resulted in excess quantity of 68.805 cum. of stone costing ₹ 6.59 lakh.

The Department stated (November 2015) that 10 per cent wastage of conservation materials were allowed. However, Audit observation is on the utilisation of the materials beyond the permissible limit.

3.3.8 Awareness, interpretation and visitor amenities

The primary objective of managing heritage is to communicate its significance and need for its conservation to the community and to the visitors. It is important to interpret and explain the cultural and historical significance. Audit noticed in 43 protected monuments that cultural notice board interpreting the history and cultural heritage of the monument was not available. Besides, visitor amenities like toilets, drinking water, parks, etc. were also not available in any of these monuments.

⁴⁷ Harachandi Temple, Baliharachandi (₹ 46.10 lakh), Bateswar Temple, Kantiagarh (₹ 43 lakh) and Harihar Temple, Nairi (₹ 43.80 lakh)

⁴⁸ Stone pecker, skilled *mulia* and man *mullia* each at the rate of 0.710 man days

⁴⁹ First Class temple mason (15.420 man days), skilled man *mulia* (5.340 man days) and unskilled man *mulia* (0.250 man days)

3.3.9 Fund management

Audit examined the fund availability as well as its utilisation for P&C of monuments and noticed that during the period 2012-15, ₹ 50.55 crore⁵⁰, out of ₹ 73.18 crore⁵¹ provided under various schemes/ programmes was utilised for P&C of 361 ancient monuments⁵². This included only ₹ 1.87 crore released by State Government under State Plan. Audit, however noticed the following deficiencies:

- **Loss of Central assistance:** 13th FC at the request of State Government recommended release of ₹ 65 crore to the State for conservation of ancient monuments including Buddhist heritage sites. GoI guidelines (April 2011) on utilisation of 13th FC grant, *inter alia*, required preparation of Action Plan considering the spending capacity and its approval as well as monitoring by the High Level Monitoring Committee (HLMC) headed by the Chief Secretary of the State on quarterly basis. The guidelines also envisaged submission of all completion certificates (CCs) well before expiry of 13th FC period *i.e.* by 31 March 2015. In case of non-submission, 10 *per cent* of grants was to be withheld. Audit observed that the preparation and approval of Action Plan was delayed by more than a year due to absence of comprehensive list of ancient monuments for prioritising the need of P&C works. For this reason, 144 works could not be completed by 31 March 2015 and only ₹ 46.10 crore out of ₹ 65 crore released by the State in anticipation of receipt of full Central assistance, could be utilised by the Department by that date. Consequently, GoI did not release the withheld grant of ₹ 6.50 crore and the State could not avail Central assistance of ₹ 6.50 crore.
- **Outstanding advance:** Department instructed (June 2015) both the Superintendent, OSA and Secretary, OIMSEAS not to pay any advance to the contractual JCs beyond 30 June 2015 and adjust or recover the advances by 30 September 2015 before their disengagement. Contrary to above instructions, advance of ₹ 2.14 crore was released to 12 JCs during July to September 2015 and adjustment or refund of ₹ 95.43 lakh was awaited.
- **Non-refund of unspent contingency:** As per approved Action Plan, five *per cent* (₹ 3.25 crore) contingent expenditure was allowed to OSA to meet the expenses *i.e.*, hiring vehicle, office contingencies, furniture and payment to contractual staff, *etc.* Audit noticed that only ₹ 1.77 crore was utilised up to March 2015 and the balance amount of ₹ 1.48 crore was not refunded to the Government even after completion of 13th FC period.

⁵⁰ State Plan: ₹ 1.54 crore, 13th FC: OSA: ₹ 40.83 crore, OIMSEAS: ₹ 5.27 crore and ICZMP: ₹ 2.91 crore

⁵¹ State Plan: ₹ 1.87 crore, 13th FC Award: ₹ 65 crore (Central Government : ₹ 58.50 crore, State Government: ₹ 6.50 crore); ICZMP: ₹ 5.99 crore and other receipts including interest: ₹ 0.32 crore

⁵² Under State Plan: 27; 13th FC: 327 out of 328 planned and ICZMP: 7

The Department assured (December 2015) that it would refund the unspent contingency to the Government, compliance of which was awaited (January 2016)

- **Avoidable loss of interest:** Instructions (October 2012 and November 2014) of Finance Department required retention of unspent fund in flexi accounts instead of keeping it in savings bank accounts. Audit noticed that the Superintendent, OSA retained the 13th FC fund of ₹ 53 crore in savings bank account while OIMSEAS kept the allocated ₹ 12 crore in a non-interest bearing account. As a result, while interest of only ₹ 46.38 lakh was earned on unspent fund of OSA, no interest was earned by OIMSEAS. Thus, due to non-compliance to the instructions of Finance Department, additional interest of ₹ 40.31 lakh could not be earned by OSA. Bank pass book of OIMSEAS was also not produced to Audit.

3.3.10 Inspection and monitoring

- **Inspection of the Monuments:** Regular and systematic inspections of monuments are to be carried out annually or even more frequently. However, no such inspection was conducted by the Superintendent, OSA and no documentary proof of inspection by any other officer during 2012-15 could be produced to Audit excepting for 11 monuments inspected by the Technical Expert Committee⁵³. In absence of inspection records, it was not possible for Audit to ascertain the date on which a particular site was last visited.
- **Joint inspection with Revenue Department:** OSA was required to carry out a joint physical inspection with the concerned Tahasildar to ascertain the exact area of the notified monument and to ensure that the protected area was free from encroachment. However, no such inspection was conducted by OSA during 2012-15.
- **Monitoring:** Even after directions of the Government to form a technical committee with representatives of Indian Institute of Technology/ All India bodies to oversee execution of conservation works executed under 13th FC Award, such committee was not formed. Monitoring by the Department of Culture was found deficient on aspects of adequacy of guidelines, financial management, monitoring of conservation projects and provision of human resources to OSA as discussed in preceding paragraphs.

3.3.11 Conclusion

The State of Odisha is known for its wealth of ancient monuments. To protect and conserve the same, OAMP Act was enacted by the State. However, identification of ancient monuments was not done properly due to absence of a comprehensive survey for identifying and declaring monuments as “protected”. Documentation on monuments was poor. Required technical experts were not engaged despite specific directions from the Government.

⁵³ Headed by a retired Works Secretary constituted by Government in September 2011 to aid and advise the Department on P&C

Various irregularities were noticed in execution of P&C works done by the Department due to non-adherence to the OPWD Code and financial rules. Monitoring and inspection mechanism was found to be absent. Even after directions of the Government to form a technical committee with representatives of Indian Institute of Technology/ All India bodies to oversee execution of conservation works executed under 13th FC Award, such committee was not formed. Thus, efforts of the State to protect and conserve the ancient monuments were found to be inadequate.

3.4 Management of Antiquities

Antiquities and Art Treasures (AAT) Act, 1972 of GoI defines antiquity as any coin, sculpture, painting, epigraph or other work of art or craftsmanship, any article, object or thing detached from a building or cave which is of historical interest or declared by the GoI to be an antiquity which has been in existence for not less than one hundred years. This also includes any manuscript, record or other document which was of scientific, historical, literary or aesthetic value existing at least for 75 years. In the State, Odisha State Museum (OSM) is responsible for acquiring, preserving and displaying antiquities including registration of antiquities possessed by private individuals and organisations. Superintendent, OSM working under the administrative control of Commissioner-cum-Secretary of Tourism and Culture Department is responsible for registration, acquisition and management of antiquities in the State. OSM acquires antiquities through direct collection from excavated sites, purchase, gifts, loan and antiquities seized by police. During 2012-15, OSM acquired 257⁵⁴ antiquities. As of March 2015, OSM possessed 39,452 antiquities.

During 2012-15, the State Government provided ₹ 7.71 crore (Plan: ₹ 1.88 crore and Non-plan: ₹ 5.83 crore) to OSM. This included ₹ 6.23 crore towards staff salary/ office expenses and ₹ 1.48 crore⁵⁵ for maintenance works. The entire fund was utilised by OSM as of March 2015.

Audit examined (July to August 2015) the records of OSM and two out of 10 site museums (Balasore and Salipur) covering the period 2012-15. Besides, funds received in earlier years from different sources for construction of galleries and utilised during 2012-15, were also covered. The findings are as follows:

3.4.1 Incomplete documentation of antiquities

Guidelines for Museums of Archaeological Survey of India (2013) serve as checklist for maintaining minimum standard in collection, preservation, documentation, interpretation, publication, *etc.*

Audit noticed the following:

- ***Inadequate photography and cataloguing of antiquities:*** GoI guidelines required OSM to catalogue and photograph the antiquities

⁵⁴ Gift: 26; Seized by police: 88 and Purchase: 143

⁵⁵ Maintenance of gallery: ₹ 1.11 crore, maintenance of museum garden: ₹ 11 lakh, purchase of library books: ₹ 13.20 lakh, organisation of seminar and workshop: ₹ 7.50 lakh and publication of palm leaf manuscript: ₹ 5.75 lakh

detailing their origin, importance, *etc.* and publish the same. Though photography of 31,396 out of total 39,452 antiquities (80 *per cent*) was completed in four sections of OSM, the same was not taken up in remaining six sections⁵⁶ (July 2015). Similarly, cataloguing of 16,401 antiquities (42 *per cent*) was done in four sections while the same was not taken up in remaining six sections of OSM. Besides, catalogue prepared for 16,401 antiquities was not published.

- **Poor documentation of antiquities in OSM:** In nine out of 10 sections of OSM like natural history, archaeology, armoury, epigraphy, art and craft, anthropology, *etc.*, the process of digital documentation of antiquities was not taken up as of July 2015. However, in manuscript and palm leaf section, 16,226 out of 19,774 manuscripts were documented and digitised.
- **Improper maintenance of accession registers:** Only one accession register was maintained to document the antiquities but source of collection and value of the gifted antiquities were not mentioned in the said register.
- **Registration of antiquities with individuals and private collections:** AAT Act required registration of antiquities with individuals and private collections but the same was not made mandatory. Number of antiquities available with private parties and that registered in the State as of March 2015, were not available with OSM.

The Department stated (November 2015) that digitised documentation of Museum exhibits and collections were under process. It also assured to arrange exhibition of important collections and reorganise the exhibits.

3.4.2 Non-availability of adequate infrastructure

As of March 2015, OSM had 18 galleries with a capacity to display 1,763 antiquities as against 39,452 possessed by it. Despite availability of funds with OSM, galleries were not constructed and antiquities could not be displayed and left unsecured in sun and rain for long period of time as discussed below:

3.4.2.1 Utilisation of funds

For construction of six galleries⁵⁷, ₹ 4.35 crore was released by the State Government (₹ 3.85 crore) and Orissa Mining Corporation Limited (₹ 50 lakh) during April 2009 to December 2011 of which only ₹ 82 lakh was utilised on two galleries. The balance ₹ 3.53 crore remained unutilised. Construction of remaining four galleries was not taken up (September 2015).

⁵⁶ Archeology, Armoury, Art and Crafts, Central store, Natural history and *Patta* paintings

⁵⁷ Freedom Fighter gallery (2008-12): ₹ 1.05 crore; Maritime gallery (August 2012): ₹ 1.15 crore; Mining and Geology gallery (July 2011): ₹ 50 lakh; Painting and palm leaf gallery (2009-10): ₹ 45 lakh; Manab Sangrahalaya (2009-10): ₹ 35 lakh and Odisha Through Ages gallery (2009-10): ₹ 85 lakh

Audit noticed that:

- An amount of ₹ 7 lakh meant for freedom fighter gallery was diverted and utilised for other routine maintenance.
- A cement concrete pond with coloured tiles in OSM premises was constructed during 2012-14 utilising ₹ 75 lakh from funds allocated for a maritime gallery.



Maritime gallery left unutilised and damaged

During joint physical inspection (July 2015), it was noticed that the pond was in damaged condition, rendering entire expenditure of ₹ 75 lakh unfruitful.

3.4.2.2 Antiquities left in unprotected environment

Antiquities discovered on excavation were to be preserved and conserved in site museums. GoI guidelines required preparation of a collection care plan for bimonthly monitoring of objects on display and storage. However, no such plan was prepared.

Audit noticed that 5,025 antiquities were collected during archaeological excavation at nine excavated sites by OIMSEAS. However, 2,975 were kept in the office of OIMSEAS, 850 in a thatched house at Langudi and 675 in a site store constructed by the National Highway Authority of India at Tarapur. The remaining antiquities were kept at different site museums.

Further, in two site museums (Salipur and Balasore), conservation of all the 124 antiquities was not taken up due to paucity of funds and therefore, many objects were destroyed. In Salipur museum, 22 objects were found lying on the floor.



Antiquities lying on floor in Museums

In Anthropology Section of OSM, a handloom weaving set was kept on the verandah. Many objects were also kept in open spaces in garden and under the shed, thereby exposing these antiquities to sun and rain.

3.4.2.3 Inadequate conservation of antiquities

GoI guidelines required preventive conservation of antiquities to restore the same in original shape by involving archaeological chemists and art conservators for preservation work.

Audit noticed that OSM held 39,452 antiquities of which only 14,755⁵⁸ (37.40 per cent) were conserved as of March 2015. In seven out of 10 categories of antiquities, preventive as well as chemical conservation of 16,481 antiquities

⁵⁸ Natural history: 204; Anthropology: 569; Palm leaf and Manuscript: 13,982

in archaeology (265), epigraphy (143), numismatics (13,514), armoury (202), art and craft (676), *patta* painting (100) and others (1,581) was not taken up (August 2015). Further, OSM had neither prepared any conservation plan nor had any conservation wing for taking up conservation works on remaining antiquities available with it. Audit also found that 5,792 rare items of manuscript kept in OSM were damaged due to want of chemical conservation. Besides, a conservation laboratory established (May 2014) at a cost of ₹12.34 lakh was non-functional since its inauguration due to non-availability of required manpower.

The Department while admitting (November 2015) that the fund provided for conservation was not adequate, assured that it would augment the same.

3.4.3 Absence of rotation policy for display of antiquities

Art objects displayed in the museum depict rich and diverse heritage of the State. With space constraints, museums are to devise a policy for periodic rotation of display items.

OSM displayed only 1,763 antiquities (4 *per cent*) out of 39,452 antiquities in 18 galleries leaving 37,689 antiquities reserved in central and other stores. As a periodical rotation policy was not prescribed by the Department, the visitors were unable to view the remaining antiquities. The Department assured (November 2015) that it would display the art objects of all sections on rotation basis.

3.4.4 Safety and security of antiquities

GoI Guidelines required each museum to employ latest techniques to ensure security of museum premises, objects and storage, *etc.*

Audit noticed that:

- **Fire security:** Fire fighting devices procured (October 2013) at a cost of ₹ 43.19 lakh for OSM remained uninstalled. Besides, eight valves and 25 fire extinguishers were found uninstalled in electrical store. The devices were not tested and no staff of OSM was trained for operation of the fire fighting system in case of emergency.
- **Other security system:** Security systems like close circuit television (CCTV) camera, metal detector and alarm system were not installed. Manual checking was not done for the visitors and their belongings during their entry and exit to and from OSM.
- **Theft of antiquities:** During 2000, 2001 and 2005, one precious bronze image, armoury (curve knife) and *Bhagabat Gitamala* were stolen/ found missing from OSM. As per OSM, valuable items like coins,



Fire extinguishers lying without installation

ivory works, ornaments and other precious antiquities were not also displayed in the galleries due to inadequate security.

- **Annual physical verification of antiquities:** As per Rule 111 of Odisha General Financial Rules, physical verification of all stores should be made at least once in every year by the Head of the office concerned. However, no annual physical verification of antiquities in OSM was conducted since 1985.

The Department assured (November 2015) that it would take steps to provide security system like CCTV, metal detector, alarm system, luggage scanner, armed personnel, *etc.* and to operationalise the fire fighting devices. It further stated that due to inadequate staff, annual physical verification of antiquities could not be conducted.

3.4.5 Conclusion

OSM possesses 39,452 antiquities and the process of documentation of the same was not started for all except in manuscript and palm leaf sections. Photographs of 8,056 antiquities are still to be taken. Only 1,763 antiquities (4 *per cent*) were displayed in 18 galleries of OSM, leaving 37,689 antiquities in store. Conservation of antiquities was poor as 5,792 rare items of manuscript were damaged, while many antiquities were kept in open spaces, gardens, verandahs and temporary sheds. ₹ 3.53 crore released for construction of galleries during 2009-12 was not utilised. Annual physical verification of the antiquities was not done, despite theft of antiquities from the OSM in three cases. A fire fighting system procured three years ago remained uninstalled. Close circuit television camera, metal detector and alarm system were not installed as of November 2015.

Home Department

3.5 Implementation of Coastal Security Scheme

Government of India (GoI) launched (January 2005) a centrally sponsored Coastal Security Scheme (CSS) in nine coastal States including Odisha, with the objective of plugging critical gaps in policing the long Indian coastline and territorial coastal waters. Under the scheme, GoI provides 100 *per cent* assistance for creation of infrastructure, procurement of equipment, interceptor boats, vehicle, arms and ammunitions, *etc.* State Government is to bear the cost of manpower. The scheme was implemented in the State in two phases with effect from 2005 (Phase-I: 2005-11 and Phase-II: 2011-16) and GoI had released ₹ 15.85⁵⁹ crore as of March 2015. Under the scheme, the State Government has set up 5 Marine Police Stations (MPSs) during Phase-I and 13 MPSs during Phase-II. **Appendix 3.5.1** gives the details of these MPSs, along with date of their establishment and date on which these started functioning.

Audit of implementation of the scheme covering the period 2012-15 including construction of MPS under Phase-I was conducted during June to August

⁵⁹ Phase-I (2005-11): ₹ 3.49 crore and Phase-II (2011-16): ₹ 12.36 crore

2015, through test check of records of Home Department, State Police Headquarters and nine⁶⁰ sample MPSs. Joint physical inspections of assets created and facilities available at MPSs were also conducted by authorised representatives of concerned MPSs in presence of Audit. Audit findings are discussed in the succeeding paragraphs.

3.5.1 Poor utilisation of Central assistance

GoI released ₹ 12.36 crore under Phase-II as of March 2015. The receipt and utilisation of funds received from GoI under Phase-II and expenditure thereof are detailed below:

Table 3.5.1: Summarised receipt and expenditure of GoI grant under Phase-II

(₹ in crore)		
Component	Receipt	Utilisation
Construction of MPS buildings, barracks and staff quarters	6.24	0.72
Construction of jetties	2.50	0
Purchase of vehicles	1.07	0.91
Purchase of furniture/ equipment	1.95	1.61
Re-imbursement of POL cost by GoI	0.60	0.60
Total	12.36	3.84

(Source: Records of DGP)

Audit observed that:

- Only 31.07 per cent of the total funds received under Phase-II was utilised. The reasons for poor utilisation were mainly due to non-construction of buildings, jetties, etc.
- Out of ₹ 3.49 crore received under Phase-I during 2005-11, ₹ 23.87 lakh was not utilised as of September 2015, even after delay of more than five years.
- The Department utilised ₹ 76.31 lakh towards POL expenses during 2011-15 against ₹ 60 lakh released (April 2014) by GoI for the same purpose. Reimbursement of the remaining ₹ 16.31 lakh could not be obtained due to non-submission of required information to GoI.
- An amount of ₹ 2.50 crore received (March 2012) for construction of five jetties was parked in the current account of the Director General of Police (DGP), instead of flexi accounts deviating from the instructions of Finance Department (October 2012 and November 2014) and this resulted in loss of interest of ₹ 32.50 lakh as of June 2015.
- GoI released (December 2013) ₹ 1.07 crore for purchase of 39 vehicles (13 four-wheelers and 26 two-wheelers) for 13 MPSs to be set up under Phase-II. DGP procured all 39 vehicles at a cost of ₹ 90.94 lakh. The balance of ₹ 15.66 lakh was not refunded to GoI. The Department stated (December 2015) that the Finance Department was requested to concur with the proposal to purchase additional two new vehicles out of the surplus fund.

⁶⁰ Phase-I MPSs: Jamboor, Paradeep, Aryapalli, Dhamara and Balaramgadi; Phase-II MPSs: Astaranga, Chandrabhaga, Sonapur and Penthakata

3.5.2 Infrastructure

The actual availability of civil infrastructure, interceptor boats, vehicles and weapons as per norm and percentage of shortfall as revealed from the scrutiny of records and joint physical inspection are detailed at *Appendix 3.5.2*. On scrutiny of records, Audit noticed the following:

- ***Non-construction of MPS buildings and barracks:*** Out of nine sample MPSs, buildings for five⁶¹ MPSs were yet to be constructed despite availability of ₹ 5.52 crore and these MPSs were housed in rented buildings. Similarly, barracks and staff quarters for none of the nine sample MPSs had been constructed. Quick mobilisation of forces, in case of need, was not possible due to absence of barracks and staff quarters. MPS, Aryapalli was constructed within 100 metres of high tide zone, contrary to the provisions of Coastal Regulation Zone.
- ***Non-construction of jetties:*** GoI approved (November 2010) construction of five jetties each for two to three adjoining MPSs and released (March 2012) ₹ 2.50 crore. The amount was kept in the current account of DGP as of June 2015 on the ground of insufficient funds for creation of exclusive jetty for each MPS. In absence of exclusive jetties for marine police, MPSs were using fisheries jetties situated at faraway places. Therefore, secrecy in patrolling, efficiency and promptness in police operations could not be maintained.

The Department stated (December 2015) that a proposal was given to the Fisheries and Animal Resources Development Department to develop fishery jetties with additional infrastructure from the scheme funds. The fact remains that the Department failed to initiate action in time, despite having funds to create its infrastructure.

- ***Non-availability of interceptor boats:*** Out of nine sample MPSs, four MPSs were established under Phase-II and became functional during May to October 2014. However, two 12 tonne interceptor boats for each MPS were not received from GoI due to non-construction of jetties. In MPS, Aryapalli, both the boats received under Phase-I were damaged in October 2013 and had not been repaired so far (July 2015). As a result, all the 19 crew members remained idle during November 2013 to June 2015.

The Department stated (December 2015) that estimate for repair of damaged boats was submitted to GoI and some crew members of damaged boat were being utilised in other operational boats, as well as for maintenance of damaged boats. The reply is not acceptable as crew members were re-deployed only after this being pointed out in audit in June 2015.

- ***Diversion of vehicles for non-coastal security work:*** The Department issued 37 vehicles to nine sample MPSs. Joint physical inspection of assets of sample MPSs revealed that only 14 vehicles were available. The remaining 23 vehicles were used for activities other than marine policing.

⁶¹ Paradeep, Sonapur, Chandrabhaga, Astaranga and Penthakata

- **Non-procurement/ non-utilisation of equipment:** Under Phase-II, GoI released ₹ 1.95 crore for purchase of equipment/ articles for MPSs. DGP procured (November 2014) only 23 out of 56 prescribed items (41 *per cent*) like surveillance equipment, digital camera and office equipment like desktop computers, office furniture, *etc.* at a cost of ₹ 1.61 crore. Of these, equipment/ articles worth ₹ 83.02 lakh (52 *per cent*) were lying unutilised in the Central store (July 2015) and not issued to MPSs. The remaining 33 types of equipment were not purchased, despite availability of ₹ 34 lakh with DGP (July 2015). The Department stated (December 2015) that remaining articles would be purchased locally by observing purchase procedures.

Thus, Government could not operationalise fully equipped MPS even nearly 10 years after the start of the scheme.

3.5.3 Delay in identification and alienation of Government land and execution of civil works

GoI provided 100 *per cent* Central assistance (₹ 33.35 lakh per MPS under Phase-I and ₹ 48 lakh per MPS under Phase-II) for construction of MPS building, staff quarters and barracks; any excess expenditure was to be borne by the State Government. As of March 2015, GoI released ₹ 7.91 crore (Phase-I: ₹ 1.67 crore; Phase-II: ₹ 6.24 crore).

Home Department decided to execute the works through Odisha State Police Housing & Welfare Corporation Limited (OSPHWC). Accordingly, it placed entire ₹ 7.91 crore received from GoI for construction of 18 MPS buildings with OSPHWC as deposit works. OSPHWC issued (January 2007 to April 2013) work orders for construction of nine⁶² MPSs. As of March 2015, OSPHWC completed five⁶³ MPS buildings at a cost of ₹ 3.88 crore, after a delay of 7 to 23 months⁶⁴. Execution of four MPSs buildings was in progress (September 2015). Construction of remaining nine MPSs was not taken up so far (September 2015) due to the following reasons:

- Land for MPS at Paradeep (Phase-I) was not acquired from the Paradeep Port Trust (PPT) as of August 2015. The Department stated (December 2015) that land for this MPS had been finalised and assured to start the construction work soon.
- In three MPSs (Kasia, Chandrabhaga and Penthakata), forest clearance of identified sites had not been obtained.
- In two MPSs (Jatadhari muhan and Arakhakuda) despite identification of land, estimate had not been prepared (March 2015).
- In another MPS (Sonapur) despite availability of land, preparation of estimate and receipt of administrative approval (January 2015), work had not been started (March 2015).

⁶² Phase-I: Balaramgadi; Dhamara; Jamboo; Aryapalli and Phase-II: Bandar; Tantiapal; Talchua; Astaranga; Talasari

⁶³ Phase-I: Balaramgadi; Dhamara; Jamboo; Aryapalli and Phase-II: Bandar

⁶⁴ Delay of 7 months: 1 MPS, 9 months: 1 MPS, 13 months: 2 MPSs and 23 months: 1 MPS

- In two MPSs (Kashaphal and Chudamani), land had not been handed over to OSPHWC.
- Out of 13 MPSs under Phase-II, administrative approval for 10 MPSs had been accorded at revised estimated cost of ₹ 8.58 crore, as against estimated cost of ₹ 4.80 crore approved and released by GoI. Thus, due to delays in execution of works, there is every likelihood of bearing additional liability of ₹ 3.78 crore.

Thus, identification and transfer of suitable Government land for construction of Police stations at these locations was not made even after 10 years since the proposal of 18 MPSs was submitted to GoI in 2005.

The Department stated (December 2015) that land issues of seven MPSs were sorted out and assured to sort out the same for remaining two MPSs soon.

3.5.4 Non-engagement of required manpower

As per the guidelines of CSS, the State Government is to engage required manpower, as per the norm prescribed by the Bureau of Police Research and Development (BPRD). As per the norm, each MPS should have 82 non-technical police personnel and six technical boat crew (ex-Navy) per boat. As of March 2015, against the requirement of 1,890 personnel (police: 1,458 and boat crew members: 432) as per GoI norm⁶⁵ for 18 MPSs, only 849 (45 *per cent*) posts (Police: 729 and Boat crew members: 120) were sanctioned by the State Government for nine MPSs⁶⁶ in August 2015.

In respect of nine test checked MPSs, against norm of 945 personnel, the Department sanctioned only 687 posts (73 *per cent*) and persons in position (PIP) was only 174 as of August 2015.

Audit noticed that:

- The posts sanctioned by the State Government were only 45 *per cent* of the norm as no post was sanctioned for nine⁶⁷ Phase-II MPSs, though these MPSs were notified as functional during May 2014 to August 2014. As a result, these MPSs were manned by the police personnel of the concerned districts.
- In respect of nine sample MPSs, even the actual persons in position were 25.33 *per cent* of the sanctioned strength (SS) as of March 2015 which affected the marine policing as discussed at **Paragraph 3.5.6**. Though 48 constables were recruited, only five were posted in MPS, Dhamara and other 43 were posted in non-coastal police stations.

The Department stated (December 2015) that the sanctioned posts of 729 police personnel would be redistributed among 18 MPSs. The reply is not acceptable as the Government failed to fill the posts as per the norm of GoI.

⁶⁵ Police personnel: 81 and boat crew members: 24 per MPS as prescribed by the Bureau of Police Research and Development, GoI

⁶⁶ All five Phase-I MPSs and four Phase-II MPSs (Kasaphal, Penthakata, Talasari and Sonapur)

⁶⁷ Jatadhari muhan, Kasia, Tantiapal, Talchua, Astaranga, Arakhakuda, Chandrabhaga, Bandar and Chudamani

3.5.5 Non-engagement of trained staff

The State Government committed (May 2005) to GoI that it would formulate a standardised training syllabus for the marine police personnel and that the training would be provided by the Indian Coast Guard. As per Standard Operating Procedure (SOP), all the Police personnel posted to MPSs were to be given specialised and intensive training. Audit noticed that:

- Only 15 out of 98 marine police personnel posted in MPSs were trained in marine policing at Indian Coast Guard centre, Paradeep as of March 2015. However, only one trained police personnel was deployed in one MPS (Aryapalli).
- None of the technical staff (ex-Navy boat crew) were imparted training in marine patrolling. The reason for not imparting training as well as non-deployment of trained personnel in MPSs was not furnished to Audit by the SP/DGP.

The Department stated (December 2015) that concerned SPs were instructed to identify the marine trained police personnel and post them in MPSs.

3.5.6 Inadequate marine patrolling

The marine police are responsible for patrolling in sea up to five nautical miles. As per GoI norm (October 2010), each boat should be tasked for patrolling for a minimum 150 hours in a month and 1,800 hours per annum. Out of nine sample MPSs, only five MPSs had been equipped with 15 interceptor boats. The actual hours of patrolling done by the boats in these five MPSs during 2012-15 *vis-a-vis* prescribed norm is depicted below:

Table 3.5.2: Norm vis-a-vis actual patrolling hours in sample MPSs

Name of the MPSs	No. of boats	Patrolling hour as per norm	Actual patrolling hours				Shortfall (per cent)
			2012-13	2013-14	2014-15	Total	
Aryapalli	2	10800	41	19	0	60	99.44
Balaramgadi	4	21600	434	438	547	1419	93.43
Dhamara	3	16200	263	93	92	448	97.23
Jambo	3	16200	153	114	171	438	97.30
Paradeep	3	16200	33	217	190	440	97.28
Total	15	81000	924	881	1000	2805	96.54

(Source: Records of DGP and sample MPSs)

Audit noticed that:

- As against patrolling of at least 81,000 hours during 2012-15 as per norm, the actual patrolling hours was only 2,805 hours (3.46 per cent). The shortfall in patrolling hours ranged from 93.43 to 99.44 per cent. The reason for shortfall in patrolling was not furnished to Audit.
- Under Aryapalli MPS, no patrolling had been done during 2014-15 due to breakdown of boats. In MPS, Balaramgadi, the shortfall of 93.43 per cent in patrolling was due to use of the fisheries jetty situated at a distance of about 70 kilometres. Besides, patrolling in two MPSs (Dhamara and Jambo), were done in the river as sea mouth was far away (10 to 35 km).

- Despite provision in the SOP for night patrolling, neither had the Department nor the DGP prescribed any criteria for night patrolling. As a result, night patrolling was not done at all in Aryapalli MPS, while in remaining four MPSs, this was done for only 115 hours which was only four *per cent* of total patrolling hours.
- Though the SOP envisaged checking of fishing boats during patrolling and boarding operations⁶⁸ to prevent infiltration of hostile forces, smuggling of arm and ammunitions, contraband, *etc.*, none of the nine test checked MPSs checked the fishing boats/ boarding operations.
- During January 2012 to December 2014, 298⁶⁹ cases were registered in the sampled nine MPSs and included only five marine related cases. One case relating to apprehension of foreign fishermen registered at Paradeep MPS was effected by the Indian Coast Guard.

The Department stated (December 2015) that shortfall in patrolling was due to boats supplied by GoI not being seaworthy, inclement weather and tidal sea condition. The reply is not acceptable as the unworthiness of boats for sea patrolling was not brought to the notice of GoI.

3.5.7 Other deficiencies

Audit also noticed the following other deficiencies:

- ***Inadequate inspections:*** It was noticed that there was no inspection of MPSs at the level of Inspector General and Deputy Inspector General during 2012-15 as against norm of five inspections each as per the SOP. Inspections done by SP were 10 (63 *per cent*) against required 16 and those by Sub-Divisional Police Officer were 9 (26 *per cent*) against required 35.
- ***Absence of monitoring:*** The CSS guidelines framed by the GoI envisaged formation of a Committee under the Joint Secretary in charge of CSS to monitor the physical and financial progress of the scheme. However, no such committee was constituted in the State. The Department stated (December 2015) that the matter was under process.
- ***Non-formation of committee:*** The SOP provides for constitution of a District Level Security Co-ordination Committee (DLSCC) in the coastal districts under the chairmanship of SP, which is to meet every month and review the security measures. No such committee was constituted in any of the concerned districts of the sample MPSs. Further, though Indian Coast Guard convened intelligence sharing meetings every month, the SPs/ DSPs of the concerned sample MPSs did not attend any such meetings during 2012-15, as revealed from information furnished by Indian Coast Guard. The Department stated

⁶⁸ Boarding at intercepted boat/ ship/ vessel and searching them

⁶⁹ 2012: 85; 2013: 135 and 2014:78

(December 2015) that SPs of all coastal districts were instructed to constitute DLSCC at district level.

3.5.8 Conclusion

Odisha has a 476.70 kilometre long coastline which is vulnerable to export/import of illegal arms, contraband articles via sea route, unauthorised fishing, and entry of anti-national elements from the neighbouring countries. The objective of securing the coastline of the State through establishment of Marine Police Stations and sea patrolling was not achieved despite receipt of financial assistance from GoI under Coastal Security Scheme. Utilisation of funds meant for establishing basic infrastructure under the scheme was only 31.07 *per cent* for Phase-II of the scheme even after four years of receipt of funds from GoI. Required infrastructure like buildings for police stations, barracks and jetties are yet to be constructed. Besides, equipment and vehicles were either not purchased or utilised for other purposes. Required manpower in the marine police stations was not deployed. The utilisation of available manpower and equipment was not adequate as sea patrolling was conducted only for 2,805 hours as against requirement of 81,000 hours during 2012-15.

General Administration Department

3.6 Non-eviction of unauthorised occupants from Government quarters and non-realisation of rent

The General Administration (GA) Department is responsible for allotment and management of Government quarters. The Director of Estates in the GA Department is responsible for allotment of quarters and the Rent Officer (RO) is responsible for cancellation of allotment, recovery of license fees and enforcement activities like detection of subletting, unauthorised construction, *etc.*

As of March 2015, there were 11,636 quarters at Bhubaneswar (11,496) and Cuttack (140) under the administrative control of the GA Department. Out of this, 11,546 quarters⁷⁰ were under occupation as of March 2015. Remaining 90 quarters were under repair/ vacated by allottees. This included 376 MLA quarters which were placed at the disposal of Odisha Legislative Assembly (OLA) secretariat and allotted by OLA but rent is collected by GA Department. As on 31 March 2015, 3619 employees were in the waiting list for Government quarters at these two places.

Audit examined the records of the RO and Estate Officer (EO) during June to July 2015 covering the period 2012-15 to assess timeliness in cancellation of allotment of quarters, eviction of unauthorised occupants and timely collection of license fee. The Audit findings are discussed in the succeeding paragraphs.

⁷⁰ At flat license fee: State Government employees: 11,329; MPs/ MLAs: 58, Journalists: 77; Media/ news agencies: 11; other State and Central Government agencies: 23; At standard license fee (four times of flat license fee): Non-Government Organisations (NGOs): 34; Service Associations: 7; Political parties: 7

3.6.1 Non-eviction of unauthorised occupation/ construction, etc.

3.6.1.1 Non-eviction of unauthorised occupants

As per provisions of Special Accommodation Rules (SAR), 1959 of Odisha Service Code read with Paragraph 10 (i) of Government’s Resolution of 18 September 1998, any officer in occupation of Government quarters, in case of transfer, can retain the quarter for one month from the date of relief on payment of normal license fee and for subsequent two months on payment of standard license fee⁷¹. For retention of quarters beyond three months, the allottee shall have to pay five times of the standard license fee. However, in the event of death, superannuation, etc. of the employee, the allotted quarter may be allowed⁷² for retention for a maximum period of four months on payment of normal license fee in advance and beyond that on payment of five times of the standard license fee followed by eviction as per Rule. In case of overstay, the Rent Officer (RO) shall cancel the allotment order and refer the matter to the Estate Officer⁷³ for initiating action under the provisions of the Orissa Public Premises (Eviction of Unauthorised Occupants) Act (OPP EUO) 1972.

There were 321 quarters under unauthorised occupation as of March 2015 since 2 to 35 years⁷⁴. The unauthorised occupants included retired employees (244), families of deceased employees (31) and transferred employees (46) as of March 2015. Though the Department had cancelled allotment of these quarters, the same were not vacated. On test check of 69 cases, Audit noticed delay in initiation of cases for eviction of unauthorised occupants as indicated in the table below:

Table 3.6.1: Showing delay at various levels

Stages	Pendency as of August 2015 (in days)			
	Minimum	Maximum	Average	Number of cases pending
Cancellation of allotment and intimation to EO by RO	6	2209	331	0
Issue of show cause notice by EO	5	365	60	0
Issue of vacation notice by EO	186	1043	276	14
Issue of eviction notice by EO		1333	97	0
Eviction of unauthorised occupation by RO	13	1347	725	55

(Source: Records of RO and EO)

Thus, delay on the part of the RO in cancelling the allotments/ intimating the fact of cancellation to EO and carrying out the eviction orders issued by the EO, delay in issuing eviction order, as well as delay in disposal of cases by the EO resulted in prolonged unauthorised occupation of quarters. This also led to non-recovery of arrear dues from such unauthorised occupants and deprivation of Government accommodation to eligible Government servants.

⁷¹ Two times of flat license fee which was revised to four times of the flat license fee as per Finance Department Resolution dated 1 November 2008

⁷² The provision of Rule 107 A of the Odisha Service Code

⁷³ Additional Director of Estate acting as the Estate Officer under Orissa Public Premises (Eviction of Unauthorised Occupants) Act, 1972

⁷⁴ 2 to 10 years: 317; more than 10 to 20 years: 3 and more than 20 to 35 years: 1

The Department stated (November 2015) that execution of eviction orders were delayed partly due to non-availability of police force and magistrates. It also stated that unauthorised occupants were vacated from 50 quarters. The reply is not acceptable as the delay occurring in other stages like cancellation of allotment, issue of show cause notices, *etc.* was not addressed to.

3.6.1.2 Non-cancellation of allotment orders despite non-vacation of quarters after retirement

SAR 1959 permitted retention of Government accommodation after retirement for a maximum period of four months on payment of license fee in advance. In the event of non-vacation of such accommodation after the timeline, the RO has to cancel the allotment order and refer the case to EO for filing eviction case.

Audit noticed from 170 out of 188 test checked cases furnished by two Departments (Home and Agriculture) that employees did not vacate the Government accommodation even after one to three years of retirement for which gratuity was withheld. However, the RO did not cancel the allotment order and referred the cases to EO for filing eviction cases.

This facilitated overstayal of 170 employees and denied opportunity to the waitlisted employees.

3.6.1.3 Subletting of quarters

As per Rule 25 (i) of 'The Special Accommodation (Amendment) Rules, 2011', no officer shall sublet a residence allotted to him or any portion thereof or any of the out houses appurtenant thereto, except with the permission of Director of Estates. As per Rule 25 (ii), if an officer sublets his residence, allotment of quarters in his favour shall be cancelled and he shall be charged five times of the standard license fee as applicable to the said quarter from the date of detection of such subletting till the date of his vacation. Both the EO and RO are responsible for monitoring such cases.

Test check of records and information made available to audit revealed that incidence of subletting of 56 quarters were detected (March 2013 to March 2015) by the RO on the basis of complaints received from third parties and the same were confirmed after first verification. Out of the above, allotment of nine quarters was cancelled (October 2009 to December 2014) and penalty of ₹ 6.23 lakh was imposed after the second verification. However, penalty was not realised as of August 2015. Out of remaining 47 cases, subletting investigation was stopped in 44 cases (March 2013), reasons of which were not on record. One case was dropped (December 2014) by the Department due to vacation of quarters, while in respect of the remaining two cases, the allottees had ousted (April 2015) the sublettees.

The Department stated (November 2015) that investigation could not be carried out due to vacancies in field staff. These were filled in May 2015, after which second round verification of unauthorised occupation was being carried out.

3.6.1.4 Unauthorised construction in quarters

As per Rule 30 (ii) of the Special Accommodation (Amendment) Rules, 1959, allotment of quarter shall be cancelled in addition to taking disciplinary action against the allottee, in case of erecting any unauthorised structures in any part of the residence so as to be potentially damaging to the existing structures or to cause inconvenience to occupant of adjoining quarter. Further, as per Rule 31, the rent of the resident shall be charged five times of the standard license fee as applicable to the said residence from the date of detection of such unauthorised construction till the date of his vacation of such unauthorised occupation.

Test check of records and information made available to audit revealed that complaint of unauthorised construction in 30 quarters was received (May 2012) in the Department and confirmed (January 2013) after first enquiry. Of the above, the Department cancelled (April 2013 to February 2015) allotments of five quarters and imposed penalty of ₹ 12.76 lakh. As of July 2015, only two quarters were vacated but the remaining 28 quarters were still in occupation of the allottees (September 2015). Further, the penal rent remained unrealised from the allottees as of August 2015 as RO did not issue demand notices to the concerned departments. Besides, no disciplinary action was taken against the allottees for unauthorised construction.

The Department stated (November 2015) that in five cases, OPP cases had been booked for eviction after cancellation of allotment and 22 cases were pending for enquiry.

3.6.2 Non-realisation of rent

3.6.2.1 Non-realisation of license fee from retired, deceased, and transferred Government employees

The EO/ RO after giving proper notice can file certificate cases with the Collector for recovery of the amount as arrears of land revenue under the provisions of the Orissa Public Demands Recovery (OPDR) Act.

Audit noticed that an amount of ₹ 5.09 crore of license fee remained unrealised from 321 ex-employees as of March 2015 as detailed in table below:

Table 3.6.2: Showing pendency of unauthorised occupation and rent outstanding against retired/ deceased/ transferred employees

Type of employees	Number of employees	Total dues outstanding (₹ in crore)	Period of unauthorised occupation (in days)		Highest defaulters
			Maximum	Minimum	
Retired	244	3.05	7696	211	One Ex-Senior Assistant ⁷⁵ of office of Registrar of Cooperative Societies retired in 1994 (₹ 8.16 lakh)

⁷⁵ Quarter No. 2/2, Type-IV, Unit-1, Bhubaneswar

Deceased	31	0.65 ⁷⁶	3817	219	A deceased Superintendent ⁷⁷ of Office of Engineer in Chief, Water Resources Department expired in December 2004 (₹ 5.84 lakh)
Transferred	46	1.39	2647	242	An ex-Sub-Inspector ⁷⁸ transferred in October 2010 and two others transferred in January 2002 and October 2010 (₹ 6.96 lakh each)
Total	321	5.09			

(Source: Records of RO)

In all these cases, the quarters remained (August 2015) under unauthorised occupation of the retired, transferred Government employees and the family members of the deceased Government employees. However, steps were not initiated to recover outstanding rent as per the provisions of OPDR Act.

GA Department did not take any step either to collect advance rent from the retired employees or to recover the outstanding dues from the gratuity (November 2015) of defaulting retired employees. Audit also noticed that GA Department had no information on the quantum of gratuity withheld by the concerned departments. Audit further noticed on test check that in 10 cases, against rent of ₹ 25.83 lakh recoverable up to August 2015, gratuity of only ₹ 20.27 lakh was withheld by the concerned pension sanctioning authorities and the possibility of realising the remaining rent of ₹ 5.56 lakh appears doubtful.

The Department stated (November 2015) that in case it fails to recover the outstanding rent from their gratuity and dearness relief on pension, certificate cases under OPDR Act would be filed. It also stated that unless the quarters are vacated, it is not possible to file certificate cases as exact rent recoverable cannot be ascertained. The reply confirms non-initiation of action for realisation of outstanding license fees from the occupants.

3.6.2.2 Non-realisation of rent from persons other than Government employees

As per Rule 4 (1) of Special Accommodation Rules, 1959, the officers of departments of Government and other offices as specified in Schedule A thereto, will normally occupy Government quarters in New Capital, provided that Government reserves the power of allotting quarters to those who are not normally entitled to them in exceptional cases. In such cases the rent will be the standard license fee which is to be realised in advance. The Department had allotted 159 quarters to other than Government employees (excluding MLAs) as of August 2015.

Audit noticed that rent amounting to ₹ 65.34 lakh remained outstanding for

⁷⁶ 2005-2008: 7 cases: ₹ 28,87,907; 2009-2011: 11 cases: ₹ 26,63,436 and 2012 to 2015: 13 cases: ₹ 9,55,023

⁷⁷ Quarter No. 18/1, CRP, Bhubaneswar

⁷⁸ Quarter No.2/1, D-6, Sainik School area, Bhubaneswar

recovery against 127⁷⁹ persons/ agencies/ organisations belonging to other than normally entitled categories who retained the allotted quarters for a period ranging from 2 to 35 years⁸⁰ as of March 2015 and no action was taken by the Department for recovery of the same under the provision of OPDR Act (September 2015).

Further scrutiny revealed that the NGO⁸¹ in occupation of Quarter No. VA 3/1, was the highest defaulter with outstanding rent of ₹ 6.51 lakh while ₹ 6.77 lakh remained outstanding against two ex-journalists⁸² and ₹ 10.06 lakh against a political party⁸³ being in occupation of Quarter No.VIB 5/1 of Unit III.

Audit further noticed that after death (June 2012) of an allottee⁸⁴, the family members continued to occupy the quarters, which remained undetected till March 2015 as the Department had not conducted any verification of occupiers of quarters during that period.

The Department stated that six cases were under litigation against which ₹ 27.47 lakh was outstanding. It also stated that steps for recovery of rent would be taken only after vacation/ eviction of quarters. The reply is not acceptable as in all these cases rent should have been collected in advance as per Rule. Besides, delay in eviction is also attributable to inaction of EO/RO who are responsible for vacation/ eviction of unauthorised occupation

3.6.2.3 Rent outstanding against ex-MLAs

Rule 33 of 'The Special Accommodation Rules, 1959' as amended from time to time, required the GA Department to earmark sufficient number of quarters for occupation of Members of Legislative Assembly (MLAs) which should be placed at the disposal of the Secretary, OLA for allotment to the MLAs by the House Allotment Committee (HAC) of the OLA. However, as per Circular of GA Department of February 1987, MLAs can apply to the Director of Estates of GA Department for allotment of quarters other than MLA quarters and they shall pay normal rent and other charges as are applicable to Government servants. Further, they have to pay standard rent and penal rent, if the quarters are not vacated and handed over within the stipulated period of one month, upon ceasing to be MLAs.

Audit scrutiny revealed that rent of ₹ 1.12 crore remained outstanding for recovery from 225 ex-MLAs against 230 quarters (five MLAs were allotted two quarters each) as of March 2015. These quarters were vacated since 1 to 38 years⁸⁵ ago. Year-wise break up of outstanding rent against ex-MLAs is given in the Table 3.6.3.

⁷⁹ Journalists (54): ₹ 13.16 lakh; NGOs (37): ₹ 25.16 lakh; media (6): ₹ 0.37 lakh; Political parties (4): ₹ 10.06 lakh; service associations (6): ₹ 4.51 lakh and other State/ Central Government organisations (20): ₹ 12.00 lakh

⁸⁰ 2 to 10 years: 47; more than 10 to 20 years: 45 and more than 20 to 35 years: 35

⁸¹ Sudhansumala Kanhucharan Mission

⁸² Quarter No. 3/2, Type-VI D/S, Unit-II, Bhubaneswar (₹ 4,42,577) and Quarter No. 38/3, Type IV, Unit-1, Bhubaneswar (₹ 2,34,584)

⁸³ Orissa Communist Party

⁸⁴ Quarter No. 4/1, Type-IVR, Unit-III, Bhubaneswar

⁸⁵ Except 9 out of 230 quarters where data on vacation was not available

Table 3.6.3: Showing rent outstanding against ex-MLAs

Period of pendency	No. of Quarters	Amount outstanding (₹ in lakh)
10 to 38 years	124	14.94
5 to 10 years	44	31.14
2 to 5 years	42	33.80
Less than 2 years	11	22.29
Date of vacation not available	9	9.46
Total	230	111.63

(Source: Rent Officer (GA Department) Bhubaneswar)

Further scrutiny revealed that the outstanding amount against individual MLAs varied from ₹ 178 to ₹ 8.43 lakh. Against five defaulters, rent of more than ₹ 5 lakh was outstanding since 2 to 38 years, the highest defaulter was an ex-MLA⁸⁶ (₹ 8.43 lakh) since 21 July 2006. Further, ₹ 13.16 lakh remained unrealised from two⁸⁷ ex-MLAs, who had vacated on 12 October 2009 and 8 August 2014 and both had expired in the meantime.

The matter was not taken up by the Director of Estate/ Department with the OLA Secretariat/ HAC of OLA/ Speaker of OLA for recovery of outstanding Government dues from the dearness relief on pension of these ex-MLAs or for recovery through filing certificate cases under OPDR Act.

The Department stated (November 2015) that five ex-MLAs had cleared the rent and cases under OPDR Act have already been initiated against eight others. It also assured to take steps for filing of certificate cases under OPDR Act in remaining cases.

3.6.3 Conclusion

GA Department possesses 11,636 quarters for allotment to Government employees and others as per the Special Accommodation Rules, 1959. Audit examination revealed that 321 quarters remained under unauthorised occupation of retired/ transferred Government employees and family members of deceased employees for years for which no rent and penalty was realised and ₹ 5.09 crore remained outstanding against the unauthorised occupants as of August 2015. Despite issue of eviction orders in 55 test checked cases, the same were not found to be executed. As the Department failed to enforce relevant provisions under OPP (EUO) Act and OPDR Act, such unauthorised occupancies continued despite 3,619 employees in waiting list for availing Government accommodations as of August 2015. Even after vacation of 230 quarters, rent of ₹ 1.12 crore remained unrealised from ex-MLAs for 1 to 38 years.

3.7 Follow up Audit on 'Allotment of land by General Administration Department in Bhubaneswar city for various purposes'

The Report (G&SSA) of the Comptroller & Auditor General of India for the year ended March 2012 (Report No.4 of 2013), Government of Odisha

⁸⁶ Quarter No.5, VII C, Unit-1, Bhubaneswar

⁸⁷ Quarter No. 11/2, Type VI C, Unit-1, Bhubaneswar (₹ 7.63 lakh) and Quarter No. 13/3, Type MLA D/S, Unit-IV, Bhubaneswar (₹ 5.53 lakh)

included Performance Audit on ‘Allotment of land by General Administration (GA) Department in Bhubaneswar city for various purposes’. The Performance Audit included, *inter alia*, the fact of arbitrariness in allotment of land due to absence of land allotment policy, non-consideration of market value of land in fixing land premium, non-utilisation/ misutilisation of allotted land and encroachment of Government land. Three out of six recommendations of audit were accepted by Government. A follow up Audit was conducted (August 2015) in order to assess steps taken to implement those recommendations.

Two out of the three accepted recommendations *i.e.* formulation of well-defined land grant policy and timely fixation and realisation of lease premium were adequately addressed by Department by framing a ‘Land Grant Policy’ in February 2015. The Department also revised the Benchmark Value (BMV) of land in July 2012 and December 2014 and allotted 24.593 acre land at revised BMV.

The third recommendation envisaged the strengthening of monitoring mechanism to prevent mis-utilisation and encroachment of Government land and review of all cases of violations. It was found that encroachment in only one case was effectively removed, out of seven cases reported in Audit Report. In remaining six cases, the Department failed to remove encroachment as of August 2015. The Department replied that it had booked cases under the Orissa Public Premises (Eviction of Unauthorised Occupation) Act (OPP (EUO) Act) in three cases. In one case, Department stated that the same person encroached the land after the eviction done in February, 2015. In the other two cases, Department stated (October 2015) that new sites had been allotted for encroachers and construction work under Rajib Awas Yojana and in Public Private Partnership mode has been entrusted to Bhubaneswar Development Authority and Bhubaneswar Municipal Corporation. However, the fact remains that the encroachment of the Government land could not be removed as yet, in all the six cases.

The Department also did not take adequate steps to strengthen the monitoring mechanism to prevent further encroachment of land as it did not invoke the provisions under the Orissa Prevention of Land Encroachment (OPLE) Act/ Rules which envisaged submission of annual certificate by Revenue Inspectors (RIs) reporting the cases of encroachment. But, such mechanism was not devised by the GA Department. The Department noted (October 2015) the same for future guidance.

Even cases of encroachment booked under OPP (EUO) Act were not dealt with effectively. Test check of 21 finalised EUO cases revealed that, the Estate Officer issued directions for eviction with delay ranging from 43 to 418 days⁸⁸ beyond the prescribed time of 45 days in 16 cases. Reasons for such delay were not found on record. The Department attributed (October 2015) the delay to heavy workload and shortage of staff.

Moreover, the Land Officer (LO) responsible for enforcement of eviction order could not produce any record to Audit confirming the eviction of encroachers. Though required under OPP (EUO) Act, the fact of eviction was

⁸⁸ Up to 100 days: one case; 102 to 200 days: eight cases; 201 to 300 days: two cases; 301 to 400 days: four cases and 418 days: one case

also not intimated by the LO to the EO in any of the test checked cases. The same was not followed up by the EO as well. As a result, implementation of eviction orders could not be ensured. The Department stated that it would take appropriate action in the matter.

With regard to cases of unutilised allotted land, the Department could resolve the issues in 28 out of 33 cases reported in the Audit Report while it had not taken adequate steps to resolve the issue in five cases. These remained vacant as of August 2015.

Bhubaneswar
The

(R. Ambalavanan)
Accountant General (G&SSA)
Odisha

Countersigned

New Delhi
The

(Shashi Kant Sharma)
Comptroller and Auditor General of India

Appendices

Appendix 2.1.1

(Refer Paragraph 2.1.5)

Statement showing the list of sampled CSO-cum-DMs and societies covered under Audit

Sl. No.	Sample units	Sample societies in sample units
1.	CSO cum DM, Bargarh	1. Chadeigaon 2. Kshaipali 3. Lahanda 4. Jhiliminda
2.	CSO cum DM, Ganjam	5. Bahadurpetta 6. Gaunju 7. Potalampur 8. Bipulingi
3.	CSO cum DM, Jharsuguda	9. Kirmira 10. Jharmunda 11. Laikera 12. Sahaspur
4.	CSO cum DM, Kalahandi	13. Dharamgarh 14. Khairpadar 15. Rupra Road 16. Santpur
5.	CSO cum DM, Kandhamal	17. Tikabali 18. Gutingia 19. Khajuripada 20. Dutipada
6.	CSO cum DM, Sambalpur	21. Remed 22. Kardolla 23. Lapanga 24. Rengali
7.	CSO cum DM, Sundargarh	25. Liang 26. Rajgangpur 27. Bhedabahal 28. Birbira
8.	CSO cum DM, Rayagada	29. Bissamcuttack 30. Muniguda 31. Ambadala

Appendix 2.1.2

(Refer Paragraph 2.1.7)

Statement showing quantity of paddy produced, initial and revised target of procurement fixed and actual procurement in eight test checked districts

(Figures in lakh MT)

Year	Name of districts	Total Production	Marketable surplus	Initial target	Revised target	Percentage of change in target
2010-11	Bargarh	10.53	NA	6.00	10.23	70.50
	Ganjam	6.55	NA	2.84	2.21	-22.18
	Jharsuguda	0.49	NA	0.41	0.44	7.32
	Kalahandi	9.63	NA	4.71	4.99	5.94
	Kandhamal	1.06	NA	0.04	0.04	0.00
	Rayagada	1.91	NA	0.91	1.09	19.78
	Sambalpur	3.35	NA	3.75	4.49	19.73
	Sundargarh	2.09	NA	0.74	0.73	-1.35
2011-12	Bargarh	9.98	NA	5.87	9.19	56.56
	Ganjam	2.35	NA	2.15	2.88	33.95
	Jharsuguda	0.72	NA	0.43	0.52	20.93
	Kalahandi	3.14	NA	2.47	3.35	35.63
	Kandhamal	0.65	NA	0.06	0.07	16.67
	Rayagada	1.13	NA	0.72	1.22	69.44
	Sambalpur	3.76	NA	2.90	4.42	52.41
	Sundargarh	5.26	NA	0.38	0.86	126.32
2012-13	Bargarh	14.43	NA	6.22	11.88	91.00
	Ganjam	6.93	NA	2.19	3.27	49.32
	Jharsuguda	1.51	NA	0.43	0.87	102.33
	Kalahandi	9.93	NA	2.32	4.97	114.22
	Kandhamal	1.08	NA	0.06	0.12	100.00
	Rayagada	1.79	NA	0.94	1.43	52.13
	Sambalpur	6.31	NA	3.03	5.09	67.99
	Sundargarh	7.19	NA	0.57	1.31	129.82
2013-14	Bargarh	11.22	NA	5.44	10.88	100.00
	Ganjam	1.4	NA	1.15	1.37	19.13
	Jharsuguda	0.79	NA	0.38	0.5	31.58
	Kalahandi	9.4	NA	2.38	4.85	103.78
	Kandhamal	1.08	NA	0.06	0.18	200.00
	Rayagada	2.57	NA	0.72	1.57	118.06
	Sambalpur	4.89	NA	2.43	3.82	57.20
	Sundargarh	6.24	NA	0.65	1.17	80.00
2014-15	Bargarh	2.07	12.56	4.12	11.15	170.63
	Ganjam	4.93	4.54	1.18	2.8	137.29
	Jharsuguda	6.57	0.68	0.44	0.56	27.27
	Kalahandi	2.7	9.04	2.35	5.19	120.85
	Kandhamal	8.37	0.3	0.06	0.17	183.33
	Rayagada	9.76	2.2	0.59	1.45	145.76
	Sambalpur	10.84	4.9	1.47	4.57	210.88
	Sundargarh	10.42	1.82	0.74	1.36	83.78
Total		205.02	36.04	74.30	127.26	71.28

(Source: Records of FS&CW Department)

Appendix 3.1.1
(Refer Paragraph 3.1.2)

Statement showing safety issues not adequately addressed in test checked factories

Zone	Sl. No.	Name of the factory	ECC	Rubber mat	SOP	Other mock drill	PPE	Safety Committee	Representation from contract worker	Wind socks	Abstract of Factories Act	Display of Safety and health policy
Balasore	1	M/s Shakti Chrome, Balgopalpur, Balasore	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
	2	M/s Biotech Ayur Private Limited, Manakahani, Khantapada, Balasore	No	No	Yes	Yes	No	Yes	Yes	Yes	No	No
	3	M/s Oriplast, OT Road, Balasore	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	4	M/s Emami Paper Mills, Balagopalpur, Balasore	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
	5	M/s Everest Industries, Sommathpur, Balasore	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	6	M/s Balasore Alloys Limited, Balagopalpur, Balasore	No	Yes	No	Yes	No	Yes	Yes	No	Yes	No
	7	M/s Indane Bottling Plant, Kuruda, Balasore	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
	8	M/s Ferro Alloys Corporation Limited, Randia, DP Nagar, Bhadrak	No	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes
	9	M/s Birla Tyres, Chhanapur, Balasore	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Angul	10	Smelter Plant of NALCO Limited, Angul	No	No	Yes	Yes	Yes	Yes	No	No	No	No
	11	C.P.P. of NALCO Limited, Angul	No	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
	12	M/s Jindal Steel & Power Limited, Nisha	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
Jeypore	13	M/s Hindustan Aeronautics Limited, Sunabeda	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
	14	M/s Tosali Cements, Ampalli, Koraput	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
	15	M/s Umery Distillery Private Limited, Jeypore	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes
	16	M/s Sai Rameswari Solvents Private Limited, Majurmunda, Koraput	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Total (No)			9	5	2	2	2	1	5	4	8	6

(Source: Joint inspection of sampled factories)

Note: ECC: Emergency Control Centre; SOP: Standard Operating Procedure; PPE: Personal Protective Equipment

Appendix 3.1.2
(Refer Paragraph 3.1.2.3)

Statement showing the position of training imparted to workers of factories in the test checked units

Sl. No.	Name of the factory	Regular Worker	Worker employed by contractor	Total	Regular Worker trained	Percentage of regular worker trained	Worker employed by contractor trained	Percentage of worker engaged by contractor trained	Total trained	Percentage of total workers trained
	Factories under MAH category									
1	CPP of NALCO, Angul	1359	2218	3577	137	10.08	1013	45.67	1150	32.15
2	M/s Jindal Steel and Power Limited, Angul	1614	15759	17373	1614	100	383	2.43	1997	11.49
3	M/s BRG Iron and Steel Company Limited, Dhenkanal Unit-II	396	0	396	300	75.76	0	0	300	75.76
4	M/s BRG Iron and Steel Company Limited, Dhenkanal Unit-III	351	0	351	245	69.80	0	0	245	69.80
5	M/s BILT GPPL, Jeypore	682	722	1404	650	95.31	692	95.84	1342	95.58
	Total	4402	18699	23101	2946	66.92	2088	11.17	5034	21.79
	Factories under 2 (cb) category									
1	Smelter plant of NALCO, Angul	3111	3306	6417	2890	92.90	2585	78.19	5475	85.32
2	M/s MGM Steel Limited, Dhenkanal	274	318	592	16	5.84	71	22.33	87	14.70
3	M/s GMR Kamalanga Energy Limited, Dhenkanal)	421	2950	3371	421	100	2950	100	3371	100.00
4	M/s Orissa Air Products, Dhenkanal	21	10	31	21	100	10	100	31	100.00
5	M/s UAL, Odisha, Dhenkanal	207	219	426	188	90.82	196	89.50	384	90.14
6	M/s Dibyajyoti Chemicals (P) Limited, Dhenkanal	15	0	15	15	100	0	0	15	100.00
7	M/s Toshali Cements (P) Limited, Jeypore	115	91	206	44	38.26	22	24.18	66	32.04
8	M/s Sri Sai Rameswari Solvents, Jeypore	16	25	41	16	100	20	80	36	87.80
9	M/s HAL ,Sunabeda, Jeypore	3714	928	4642	343	9.24	60	6.47	403	8.68

Sl. No.	Name of the factory	Regular Worker	Worker employed by contractor	Total	Regular Worker trained	Percentage of regular worker trained	Worker employed by contractor trained	Percentage of worker engaged by contractor trained	Total trained	Percentage of total workers trained
10	M/s NALCO Damanjodi, Jaypore	1858	2409	4267	306	16.47	514	21.34	820	19.22
11	M/s Mangalam Timber Products Limited, Nabarangpur	202	429	631	142	70.30	218	50.82	360	57.05
12	M/s Umery Distillery, Jaypore,	13	8	21	13	100	8	100	21	100.00
	Total	9967	10693	20660	4415	44.30	6654	62.23	11069	53.58
	Grand Total			43761					16103	36.80

(Source: Information furnished by Assistant Director of Factories)

Appendix 3.1.3
(Refer Paragraph 3.1.6)

Statement showing registered/ unregistered factories in the State as of December 2014

Name of the Division	Sl. No.	Name of the zone	No. of registered factories	No. of unregistered factories	Total
Angul	1	Angul-I	43	45	88
	2	Angul-II	28	10	38
	3	Dhenkanal	74	37	111
Bhubaneswar	4	Bhubaneswar-I	331	50	381
	5	Bhubaneswar-II	436	94	530
	6	Berhampur	135	134	269
Cuttack	7	Cuttack-I	305	156	461
	8	Cuttack-II	37	9	46
	9	Paradeep	107	30	137
Jajpur Road	10	Jajpur Road	111	32	143
	11	Keonjhar	292	52	344
	12	Balasore	240	125	365
Sambalpur	13	Sambalpur-I	165	47	212
	14	Sambalpur-II	167	77	244
	15	Jharsuguda	93	57	150
Rourkela	16	Rourkela-I	12	0	12
	17	Rourkela-II	278	66	344
	18	Rourkela-III	159	27	186
Rayagada	19	Rayagada	89	50	139
	20	Kalahandi	118	18	136
	21	Bolangir	223	68	291
	22	Jeypore	167	54	221
Total			3610	1238	4848

(Source: Compiled from the information furnished by Director of Factories and Boilers)

Appendix 3.5.1

(Refer Paragraph 3.5)

Statement showing period-wise establishment and functioning of MPSs

Sl. No.	Name of the MPS	Date of establishment	Date of functioning
Phase-I			
1	Paradeep	25 February 2009	1 March 2009
2	Aryapalli	25 February 2009	1 March 2009
3	Balaramgadi	25 February 2009	1 July 2009
4	Dhamara	25 February 2009	24 July 2009
5	Jamboo	25 February 2009	26 July 2009
Phase-II			
6	Penthakata	15 May 2014	22 May 2014
7	Sonapur	15 May 2014	8 June 2014
8	Kasaphal	15 May 2014	27 August 2014
9	Talsari	15 May 2014	27 August 2014
10	Chandrabhaga	15 May 2014	16 October 2014
11	Arakhakuda	15 May 2014	16 October 2014
12	Astaranga	15 May 2014	16 October 2014
13	Talchua	17 May 2014	4 June 2014
14	Tantiapal	17 May 2014	16 January 2015
15	Chudamani	17 July 2014	29 August 2014
16	Kasia	17 July 2014	19 December 2014
17	Jatadhari muhan	8 August 2014	22 November 2014
18	Bandar	8 August 2014	16 January 2015

(Source: Compiled from the records of DGP)

Appendix 3.5.2

(Refer Paragraph 3.5.2)

Statement showing availability of infrastructure and equipment in nine sampled MPSs

(Figures are in numbers)

Particulars	As per norm	Sanctioned by Government	Actual availability	Percentage of shortfall
MPS Building	9	9	4	56
Barrack	9	0	0	100
Staff quarters	351	0	0	100
Jetty	9	5	0	100
Interceptor boats-12 tonne	18	10	10	44
Interceptor boats-5 tonne	5	5	5	Nil
Four wheeler	14	14	7	50
Motor cycle	23	23	7	70
Machine gun	207	0	0	100
AK 47	18	0	0	100
9 mm Pistols	90	0	0	100
Binocular (night)	27	18	0	100
Binocular	27	27	5	81

(Source: Records of sample MPSs and JPIs)

GLOSSARY

AAT	Antiquities and Art Treasures
AC Note	Acceptance Note
ASI	Archaeological Survey of India
BGPPL	BILT Graphic Paper Products Limited
BMV	Bench Mark Value
BPRD	Bureau of Police Research and Development
BSL	Bhushan Steel Limited
CAP	Cover and Plinth
CC	Completion Certificate
CCI	Child Care Institution
CCTV	Close Circuit Television
CMC	Custody and Maintenance Charge
CMR	Custom Milled Rice
CNCP	Children in need of Care and Protection
CSO-cum-DM	Civil Supplies Officer-cum-District Manager
CSS	Coastal Security Scheme
CTO	Consent to Operate
CWC	Child Welfare Committee
DC	Director of Culture
DCCB	District Central Co-operative Bank
DCG	District Crisis Group
DCPU	District Child Protection Unit
DGP	Director General of Police
DIC	District Industries Centre
DLPC	District Level Procurement Committee
DLSCC	District Level Security Co-ordination Committee
DM	District Magistrate
DPS	Decentralised Procurement Scheme
DSWO	District Social Welfare Officer
ECC	Emergency Control Centre
EE	Executive Engineer
EO	Estate Officer
EPIC	Elector's Photo Identity Card
F&B	Factories and Boilers
FAQ	Fair Average Quality
FCI	Food Corporation of India
FIC	Farmer's Identity Card
FPP	Food and Procurement Policy
FS&CW	Food Supplies and Consumer Welfare
GA	General Administration
GoI	Government of India
GP	Gram Panchayat
HAC	House Allotment Committee
HLMC	High Level Monitoring Committee
ICPS	Integrated Child Protection Scheme
ICZMP	Integrated Coastal Zone Management Project

IHL	Industrial Hygiene Laboratory
INTACH	Indian National Trust for Art and Cultural Heritage
JC	Junior Consultant
JCL	Juveniles in conflict with law
JJ Act	Juvenile Justice (Care and Protection of Children) Act
JJB	Juvenile Justice Board
JPI	Joint Physical Inspection
KCC	Kissan Credit Card
KMS	Kharif Marketing Season
L&ESI	Labour and Employees' State Insurance
LCG	Local Crisis Group
LO	Land Officer
MA	Monument Attendant
MAH	Major Accident Hazard
MARKFED	Odisha State Co-operative Marketing Federation Limited
MLA	Member of Legislative Assembly
MPS	Marine Police Station
MSP	Minimum Support Price
NACOF	National Agriculture Co-operative Federation
NAFED	National Agricultural Co-operative Marketing Federation of India Limited
OAMP	Orissa Ancient Monuments Preservation
OAR	Orissa Analysis of Rates
OFR	Orissa Factories Rules
OH	Observation Home
OIMSEAS	Orissan Institute of Maritime and South East Asian Studies
OLA	Odisha Legislative Assembly
OPDR	Orissa Public Demands Recovery
OPLE	Orissa Prevention of Land Encroachment
OPP (EUO) Act	Orissa Public Premises (Eviction of Unauthorised Occupants) Act
OPWD	Odisha Public Works Department
OSA	Odisha State Archaeology
OSCPS	Odisha State Child Protection Society
OSCSC	Odisha State Civil Supplies Corporation Limited
OSHB	Odisha State Housing Board
OSM	Odisha State Museum
OSPHWC	Odisha State Police Housing & Welfare Corporation Limited
P&C	Preservation and Conservation
PACS	Primary Agriculture Co-operative Society
PDS	Public Distribution System
PIP	Persons in Position
POC	Project Odisha Cell
PPC	Paddy Procurement Centre
PPE	Personal Protective Equipment
PPT	Paradeep Port Trust

RI	Revenue Inspector
RMC	Regulated Marketing Committee
RO	Rent Officer
RoR	Record of Rights
RRC	Rice Receiving Centre
SAR	Special Accommodation Rules
SC	Senior Consultant
SCG	State Crisis Group
SDJM	Sub-Divisional Judicial Magistrate
SH	Special Home
SLPC	Society Level Procurement Committee
SOP	Standard Operating Procedure
SPCB	State Pollution Control Board
SS	Sanctioned Strength
ST	Sales Tax
TDCC	Tribal Development Co-operative Corporation of Odisha Limited
TEC	Technical Expert Committee

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