SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

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# Report of the Comptroller and Auditor General of India for the period ended March 2024

## Government of Odisha

### Report No. 5 of 2026

### (Performance & Compliance – Civil)

# Report of the
# Comptroller and Auditor General of India
# for the period ended March 2024

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# Preface

This Report for the period ended March 2024 has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution of India for being laid before the State Legislature.

The Report contains significant results of Performance Audit on 'Implementation of Jal Jeevan Mission in the State' and Compliance Audits of Revenue & Disaster Management, Rural Development, School & Mass Education, Sports & Youth Services, Health & Family Welfare, Parliamentary Affairs and Excise Departments.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2019-20 to 2023-24, as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2023-24 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 1

## Overview

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## 1.1 Introduction

This Report covers matters arising out of the Performance Audit of Panchayati Raj and Drinking Water Department and compliance audit of some selected departments of the Government of Odisha. The primary purpose of this Report is to bring to the notice of the Legislature the important results of Audit. The findings of Audit are expected to enable the Executive to take corrective action as also to frame policies and directives that will improve financial management of the organisations, contributing to better governance.

## 1.2 Structure of the Report

The Report has been organised in following chapters:

**Chapter 1** contains the profile of the Auditee Departments with a brief profile of the receipt/ expenditure for the last five years, the authority for audit, planning and conduct of audit, response of the Government to various Audit products, namely Inspection Reports, Compliance Audit Paragraphs, follow up action on Audit Reports *etc*.

**Chapter 2** contains the observations relating to Performance Audit on "Implementation of Jal Jeevan Mission in Odisha."

**Chapter 3** contains observations relating to Subject Specific Compliance Audits of 'Monitoring of End-utilisation of land for intended purposes' and 'Implementation of Pradhan Mantri Gram Sadak Yojana in the State' and other compliance audit paragraphs.

## 1.3 Audit Universe and Profile of the Auditee Departments

As per the Budget documents of the State, the Government of Odisha releases 44 grants, related to various departments. The Audit Universe under the Office of the Principal Accountant General (PAG) (Audit-I), Odisha, comprises 11,990 units, related to 24 Grants of 21 Departments. The audit purview of the Office also includes 118 bodies/ authorities, which are either substantially financed from the Consolidated Fund of the State or audit of which has been entrusted by the Government under various sections of the Comptroller and Auditor General's (CAG's) DPC (Duties, Powers and Conditions of Service)Act, 1971. List of Departments and Autonomous Bodies/ Authorities/ Corporations under the audit jurisdiction of the Office of the PAG (Audit-I), Odisha, is shown in ***Appendix 1.1***.

The trend of expenditure in major Departments under the audit jurisdiction of the Office of the PAG (Audit-I), Odisha during financial years (FYs) 2019-20 to 2023-24, is shown in **Table 1.1**.

***Table 1.1: Trend of expenditure in major Departments during 2019-20 to 2023-24***

***(₹ in crore)***

| Sl. No. | Name of the Department | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|---|
| 1 | Finance | 16,438.34 | 16,260.98 | 18,994.58 | 36,270.08 | 32,215.53 |
| 2 | School and Mass Education | 15,292.46 | 15,123.72 | 16,460.99 | 20,495.46 | 21,737.61 |
| 3 | Panchayati Raj and Drinking Water | 16,856.22 | 15,595.04 | 16,238.48 | 13,890.11 | 22,127.95 |
| 4 | Health and Family Welfare | 6,378.67 | 7,923.25 | 10,420.45 | 12,539.94 | 16,021.29 |
| 5 | Water Resources | 6,127.89 | 5,384.69 | 7,094.89 | 10,156.20 | 12,229.62 |
| 6 | Housing and Urban Development | 5,258.03 | 4,815.53 | 5,616.05 | 7,035.59 | 7,801.69 |
| 7 | Rural Development | 3,325.78 | 3,880.11 | 3,822.55 | 6,148.65 | 7,198.55 |
| 8 | ST and SC Development, Minorities & Backward Classes Welfare | 2,764.93 | 2,779.80 | 3,078.64 | 3,555.44 | 4,851.88 |
| 9 | Higher Education | 2,069.42 | 2,181.59 | 2,209.15 | 2,603.62 | 3,544.47 |
| 10 | Co-operation | 1,572.39 | 1,690.49 | 1,850.98 | 1,885.35 | 2,470.55 |
| 11 | Planning and Convergence | 707.84 | 991.76 | 1,127.37 | 1,401.26 | 4,073.06 |
| 12 | Revenue and Disaster Management | 1,013.64 | 973.95 | 990.25 | 1,237.64 | 1,457.73 |
| 13 | Skill Development and Technical Education | 704.47 | 681.50 | 597.22 | 829.32 | 1,176.29 |

***(Source: Appropriation Accounts of Government of Odisha for FYs 2019-20 to 2023-24)***

## 1.4 Mandate for Audit

Authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the CAG's DPC Act, 1971. CAG conducts audit of expenditure of State Government Departments under Section 13 of the CAG's DPC Act. CAG also conducts audit of other Bodies, which are substantially financed by the Government under Section 14 of the DPC Act. Section 16 of the CAG's DPC Act authorises the CAG to audit all receipts (both revenue and capital) of the Government of India and of the Government of each State and of each Union Territory having a legislative Assembly. Besides this, CAG also conducts audit of bodies/ PSUs, audit of which is entrusted under Section 19(2), 19(3) and 20(1) of the DPC Act. Principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2020 and Auditing Standards, issued by the Indian Audit and Accounts Department.

### 1.4.1 Planning and conduct of Audit

Performance and Compliance Audits are conducted as per the Annual Audit Plan. Audit units are selected on the basis of risk assessment of the Apex units, Audit units and Implementing agencies. This risk assessment is carried out on the basis of financial criteria, matters of social relevance, internal control issues, past instances of defalcation, misappropriation, embezzlement *etc*., as well as audit findings reported in previous Audit Reports.

Audit of Government Departments is conducted to check for compliance with rules and regulations in transactions and to verify the regularity in maintenance of important accounting and other records, as per the prescribed rules and procedures. After these audits, Inspection Reports (IRs) are issued to the Heads of the Offices inspected with copies to the next higher authorities. Based on the replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed further for inclusion in the Audit Reports.

Audit Reports are laid before the State Legislature under Article 151 of the Constitution of India.

### 1.4.2 Response of the Government to Audit

***Response of the Government to Inspection Reports***

On intimation of any serious irregularity by Audit, the Government would undertake *prima facie* verification of facts and send a preliminary report to Audit, confirming or denying the facts, within three weeks of receipt of intimation. Where the fact of major irregularity is not denied by the Government in the preliminary report, the Government shall further send a detailed report to Audit, within two months of the preliminary report, indicating remedial action taken to prevent recurrence and action taken against those responsible for the lapse.

Besides the above, instructions from time to time have also been issued by the Finance Department of Government of Odisha for prompt response by the executive to IRs issued by the Accountant General, and to take timely corrective action as also to ensure accountability for deficiencies, lapses, *etc*., observed during audit.

A six monthly report showing the pendency of IRs, is sent to the Principal Secretary/ Secretary of the concerned department, to facilitate monitoring and settlement of outstanding audit observations in the pending IRs.

The status of IRs issued up to March 2024, relating to 21 departments, showed that 44,013 paragraphs of 10,085 IRs, remained outstanding, as of June 2024. Department-wise and year-wise break-upof the outstanding IRs and Paragraphs is detailed in ***Appendix 1.2***.

The unsettled IRs contained 1,210 paragraphs involving serious irregularities, such as theft, defalcation, misappropriation *etc*., of Government money, loss of revenue and shortages, losses not recovered/ written off, amounting to ₹ 2,194 crore. The Department-wise and nature-wise analysis of outstanding paragraphs of serious nature, is shown in ***Appendix 1.3***.

During April 2023 to March 2024, Audit Committees, comprising representatives of the respective Administrative Departments, Finance Department and Audit, held 152 meetings relating to 18 Departments[1], out of the 21 departments under the Office of the PAG (Audit-I), for expeditious settlement of outstanding IRs/ Paragraphs. Audit Committee meetings were not held for the remaining three Departments[2]. In the 18 Departments, where Audit Committee meetings were held during April 2023 to March 2024, 2,420 Paragraphs and 335 IRs were settled.

It is recommended that a procedure may be put in place by the Government for (i) action against officials, failing to send replies to IRs/ Paragraphs as per the prescribed time schedule (ii) recovery of losses/ outstanding advances/ overpayments *etc*., in a time-bound manner and (iii) holding at least one meeting of each Audit Committee, every quarter.

### 1.4.3 Response of the Departments to Compliance Audit Paragraphs

Regulations on Audit and Accounts, 2020, stipulate that responses to Draft Audit Paragraphs proposed for inclusion in the Report of the CAG should be submitted within the specified period.

Finance Department, Government of Odisha, in its order of August 2021, directed all the Departments to submit their responses to proposed Draft Audit Paragraphs, within four weeks.

Draft Performance Audit Reports, Draft Compliance Audit Paragraphs and Draft Paragraphs are forwarded to the Principal Secretaries/ Secretaries of the concerned Departments as well as to the Finance Department, drawing attention to the audit findings and requesting them to send response within the prescribed time frame. It is also brought to their personal attention that, in view of the likely inclusion of such paragraphs in the Audit Reports of the CAG, which are to be placed before the Legislature, it would be desirable to include their comments on these audit findings.

Between November 2024 and August 2025, one Performance Audit Report, two Subject Specific Compliance Audit Paragraphs and 12 Paragraphs, proposed for inclusion in this Report, were forwarded to the Principal Secretaries/ Secretaries of the concerned Departments and to the Finance Department, through Official/ Demi-official letters, addressed to them by name. The concerned Departments did not send replies to eight Draft Paragraphs, featuring in this Audit Report.

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1 Departments of Excise; Panchayati Raj and Drinking Water; Rural Development; Housing and Urban Development; School & Mass Education; Revenue and Disaster Management; Women and Child Development; Finance; Higher Education; Labour & Employees' State Insurance; Health and Family Welfare; Electronics & Information Technology; ST&SC Development; Social Security and Empowerment of Persons with Disabilities; Skill Development and Technical Education; Sports & Youth Services; Information & Public Relations; and Planning & Convergence

2 General Administration and Public Grievance; Parliamentary Affairs; and Mission Shakti

Responses of the Departments, as well as the replies to initial audit memos, wherever received, have been suitably incorporated in the Report.

### 1.4.4 Follow up on Audit Reports

After tabling of the Reports of the CAG in the State Legislature, Departments of the State Government are required to submit *suo motu* replies to the audit observations within three months. Review of outstanding replies on Paragraphs included in the CAG's Audit Reports on the Government of Odisha up to FY 2021-22[3], showed that replies relating to 12 Paragraphs and three PAs, involving four Departments, remained outstanding, as of September 2024 ***(Appendix 1.4)***. Out of 609 Paragraphs pertaining to FYs 2007-08 to 2021-22, 214 Paragraphs were selected for discussion by the Public Accounts Committee (PAC)/ Committee on Public Undertakings (COPU).

As stipulated in the Rules of Procedure of the PAC and COPU, Administrative Departments were required to take suitable action on the recommendations made by these Committees in the Reports presented by them to the State Legislature. Comments on the action taken or proposed to be taken on those recommendations were to be submitted within a period of four months.

Action Taken Notes on 15 Paragraphs, contained in one Report[4] of the PAC, presented to the Legislature during FY 2018-19, had not been submitted by two Departments[5] to the Legislative Assembly, as of September 2024. These Reports of the PAC had recommended action related to recovery, disciplinary action, *etc*. A few significant cases are elaborated in ***Appendix 1.5***.

### 1.4.5 Recovery at the instance of Audit

During FY 2023-24, Audit pointed out recovery of ₹ 3,535.77 crore, out of which, ₹405.82 crore was accepted by the audited entities. Of the accepted amount, only ₹ 0.39 crore was recovered, as of March 2024. Besides, ₹ 72.66 crore was also recovered during the year, which pertained to previous years' outstanding amount.

## 1.5 Significant Audit Observations

The present Report contains one Performance Audit Paragraph, two Subject Specific Compliance Audit Paragraphs and 12 individual Compliance Audit Paragraphs. The significant observations therein, are presented in brief in the following paragraphs:

### 1.5.1 Performance Audit on Implementation of Jal Jeevan Mission in the State

Government of India launched (August 2019) the flagship scheme, 'Jal Jeevan Mission (JJM)' to provide piped water supply to each of the rural households of

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3 These include Audit Reports on General & Social Sector up to 2019-20, Compliance Audit Reports for 2020-21 and Audit Reports on Local bodies up to 2020-21

4 17th PAC Report 2018-19

5 Department of Panchayati Raj & Drinking Water; and Department of Rural Development

the country through Functional Household Tap Connections (FHTCs) by 2024. The goal of the Mission was to assist, empower and facilitate the States in planning participatory rural water supply strategy for ensuring potable drinking water security on long-term basis to every rural household and public institutions.

***Significant Audit findings are:***

- The State could not provide FHTCs to all households by 2024 and 31 *per cent* households in the State remained uncovered. Out of the five test-checked districts, coverage of households was maximum in Kandhamal district (69.65 *per cent*) and minimum in Malkangiri district (11.20 *per cent*).
- Government of Odisha had taken up 207 Mega water supply projects across the State during 2019-24, out of which 133 projects were being executed under JJM. Only two of these Mega water supply projects were completed in all respects, as of June 2024.
- Audit observed delays in preparation of Village Action Plans (VAPs). In 24 out of 39 villages, where VAPs were prepared, Gram Sabha was not held for their approval, which was a requirement under the guidelines.
- District Action Plans (DAPs) were not prepared in any of the districts except Kandhamal. As such, the State Action Plan which was to be derived from DAP was also not prepared, thereby compromising the bottom-up planning approach.
- One of the main functions of State Water and Sanitation Mission (SWSM) Apex committee was to develop an Operation and Maintenance (O&M) strategy and to lead Information Education and Communication (IEC) plans to spread awareness about water conservation among communities. Audit noticed that there was absence of a robust O&M plan and the State had not conducted sufficient IEC activities for spreading awareness and sensitising communities regarding water conservation, community ownership, *etc*., for long term sustainability of the water supply projects.
- Village Water Supply Committees (VWSCs) were to act as legal entities responsible for ensuring FHTCs to all households. 45,044 VWSCs had been constituted in the State against the target of 46,422, impacting the success of the scheme.
- The expenditure on Support activities and Water Quality Management and Surveillance (WQM&S) was insignificant with 2.20 *per cent* and 0.38 *per cent* of the allotted funds, against the permissible limit of five and two *per cent,* respectively. Such minimal expenditure on Support activities and WQM&S indicated that the performance of the scheme had remained sub-optimal, in regard to execution of activities planned under these components.
- Out of 77 laboratories in the State, only 26 were NABL accredited and 17 laboratories were NABL recognised. The remaining 34 laboratories had neither got NABL accreditation nor recognition. In the Districts and

sub-divisions, the laboratories failed to test the required number of parameters for water quality. Besides, shortage of manpower, lack of trainings and defunct equipment compromised the quality of water testing in the laboratories.

- Monitoring mechanism in the State suffered due to non-use of prescribed technology in planning and non-installation of sensors/ water meters in FHTCs to ensure supply of adequate quantity of water and control wastage of water.

***It is recommended that:***

1. ***The Government may take steps to constitute VWSCs in all villages and to strengthen their functioning through monitoring, capacity building, IEC activities etc., so that they effectively discharge their role for ensuring sustainable water supply.***
2. ***The Government may formulate a Strategic Plan to cover the left over habitations on priority basis for supplying adequate and safe potable water to the rural people. SWSM may also formulate plans for capacity building, training, O&M and IEC activities among the rural people, which should be closely monitored by RWSS divisions in their jurisdiction to achieve the objectives of the Mission.***
3. ***The Government may enhance its spending on Support activities and Water Quality Monitoring and Surveillance up to the limit permissible under the guidelines to ensure long term sustainability of water supply systems and supply of quality water***.
4. ***The Government may take effective action for expediting completion of piped water supply projects including Mega projects, so that all rural households are provided with FHTCs within the Mission period.***
5. ***The Government should focus on measures to enhance source sustainability while planning and undertake steps to ensure sustainability of projects for their full design period.***

***(Paragraph 2.1)***

### 1.5.2 Monitoring of End-utilisation of land for intended purposes

The Revenue and Disaster Management Department is responsible for governing the conversion of land, both public and private, for public purposes and industrial and infrastructure projects.

A Subject Specific Compliance Audit on 'Monitoring of end utilisation of land for intended purposes' was conducted in eight Collectorates and 24 Tahasils to examine (i) whether the land allotted for industrial purposes was in compliance with sanction order and used for the intended purpose, and (ii) whether the conversion of agricultural land was in accordance with the law and was utilised for the purpose for which it was converted.

***Significant Audit findings are:***

- 12,393.651 acres of land allotted during 1981-2021, for establishment of industries/ allied activities had not been utilised for the intended purposes. Further, 252.692 acres of allotted land were utilised for purposes other than those for which the same were sanctioned.

- In the absence of village-wise land banks stipulated by the Odisha Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Rules, 668.893 acres of government land, valued at ₹597.87 crore, remained under unauthorised occupation.
- In 24 sampled Tahasils, 504.768 acres of agricultural land were utilised for non-agricultural purposes, such as setting up of educational institutions, industries, religious organisations *etc*.
- In two Tahasils, 10.085 acres of agricultural land were converted to homestead category, without availability of genuine approach roads to the converted plots.
- In six sampled Tahasils, 568.876 acres of forest land were utilised for non-forest activities without prior approval of the Central Government. Further, 13.65 acres of land coming within Wild Life Sanctuary area were sold by making 156 sub plots by disregarding the stipulations made in the Wild Life Protection Act. In Puri and Khordha districts, 41.65 acres of land, falling within the Eco Sensitive Zones (ESZ) were utilised for activities, not permitted in ESZ notification.
- Monitoring mechanism like submission of Monthly/ Quarterly Progress Reports in regard to utilisation of allotted land for intended purposes, resumption of unutilised lands, and detection of unauthorised use of agricultural land for non-agricultural purposes, was not in place.

***It is recommended that:***

- ***The RDM Department may take effective steps for utilisation of allotted land for intended purposes within the stipulated period. In cases, where the allotted land is not utilised for the intended purpose within the stipulated period, the same may be resumed.***
- ***The RDM Department may form land bank as envisaged under Odisha RFCTLARR Rules, 2016 and take effective steps to prevent encroachment of government land and eviction of encroachments.***
- ***The RDM Department may ensure that conversion of agricultural land may be done after following the due procedure. Further, a robust mechanism may be adopted to prevent unauthorised use of agricultural land for non-agricultural purpose and strict action may be initiated to limit the same.***

***(Paragraph 3.1)***

### 1.5.3 Implementation of Pradhan Mantri Gram Sadak Yojana in the State

The Government of India (GoI) launched (25 December 2000) the 'Pradhan Mantri Gram Sadak Yojana' (PMGSY) to provide all-weather road connectivity to unconnected habitations in rural areas. Later in August 2013, PMGSY-II was launched with the aim to upgrade roads built under the Scheme to facilitate growth of rural market centres and rural hubs. Thereafter, PMGSY-III was launched in 2019 and was aimed at upgrading existing routes and links, prioritizing critical facilities like rural markets, education and health facilities. A Subject Specific Compliance Audit of 15 Rural Works (RW) Divisions in seven sampled districts was conducted to assess (i) the adequacy of the planning processes, (ii) allocation and release of funds and (iii) the effectiveness of the monitoring and quality control mechanisms for achieving the programme objectives. Under PMGSY Detailed Project Reports (DPRs) are prepared in accordance with the prescribed manuals and instructions issued by the National Rural Infrastructure Development Agency (NRIDA).

***Significant Audit findings are:***

- Despite approvals under PMGSY-III, the Department failed to provide connectivity to 2,428 habitations covering 20.71 lakh people by the targeted deadline of March 2025.
- In 32 projects, failure to ensure land and forest clearances before awarding works resulted in wasteful expenditure of ₹48.52 crore.
- In cost estimates of 488 projects taken up by 16 RW Divisions, inflated Contractor's Profit and Overhead Charges resulted in excess payment of ₹32.39 crore to contractors.
- In 107 works across 11 divisions, unwarranted inclusion of lead charges led to an avoidable extra expenditure of ₹15.90 crore.
- Poor contract management led to mid-way closure of projects due to slow progress, rendering ₹32.27 crore unfruitful.
- Additional lapses included award of works to ineligible contractors, non-realisation of ₹40.55 crore in liquidated damages in 127 works, and ₹23.02 crore in avoidable expenditure due to non-execution of routine maintenance in 30 projects.
- Non-rectification of three defective roads resulted in infructuous expenditure of ₹15.19 crore in three roads.
- There was 67 *per cent* shortfall in inspections by State Quality Monitors (SQM) to ensure quality execution of work. Further, failure to de-empanel SQMs who failed to meet the required Performance Evaluation Criteria, resulted in undue favour to SQMs.

***It is recommended that:***

- ***The Department may ensure adequate survey and investigation of sites and conduct transect walks, based on which requirement for acquisition of land or obtaining forest clearance may be worked out for inclusion in the DPRs.***
- ***Cost Estimates should be prepared in all cases as per the prescribed IRC standards and NRIDA norms to ensure uniformity, quality, cost-effectiveness and fiscal control.***
- ***Progress of execution of road projects under PMGSY should be closely monitored so that the works are completed within the specified time frame. The Department may also ensure contractor's accountability for delays in completion and non-maintenance of assets created.***

- ***The Department may ensure effective fund management with timely transfer of funds and remittance of the interest earned on the parked funds.***
- ***A Digital Action Taken Report (ATR) Management Module may be developed within Online Management, Monitoring and Accounting System (OMMAS) to monitor SQM/NQM observations to ensure compliance with the 30-day response timeline.***
- ***The Department may mandate a three-stage inspection process (pre-construction, mid-construction and post-completion) by SQMs for every project. OMMAS may be configured to withhold final contractor payments until the third and final inspection is completed and marked as 'Satisfactory.'***

***(Paragraph 3.2)***

### 1.5.4 Implementation of 5T High School Transformation Programme in the State

The School and Mass Education (SME) Department introduced (2021) '5T High School Transformation Programme (HSTP)' for infrastructural transformation in schools and to make schools better learning places. The schools covered under the HSTP were to undergo major transformations in the shape of new smart classrooms, well-developed e-library, state-of the-art laboratory-cum-interactive science centre, new sports equipment and other advanced amenities.

Audit test-checked records of SME Department, *Mo School Abhiyan Parichalana Sangathan* (MSAPS), Odisha School Education Programme Authority (OSEPA) and records of District Education Officers, Block Education Officers and schools of six sampled districts.

***Significant Audit findings are:***

- HSTP guidelines stipulated that all Government or Government aided secondary schools (Classes IX and X) would be eligible for funding under HSTP. A sum of ₹ 57.95 lakh out of the HSTP fund had been spent for "Badachana Women's Higher Secondary School", which was a private educational institution imparting education for Class XI and Class XII, and not eligible for assistance under HSTP.
- MSAPS had released (April 2022) ₹ 18.93 crore as matching grants to 42 schools in Ganjam district, ranging from ₹ 30.67 lakh to ₹ 1.07 crore per school, against the admissible amount of ₹30 lakh each. Thus, the allotment of funds was irregular and lacked transparency.
- Suspected misappropriation of HSTP and *Mo School Abhiyan* funds amounting to ₹12.48 lakh was found in Ranihat High School, Cuttack.
- Suspected Fraudulent payment of ₹30 lakh was found in Nandipur High School under Dasarathpur Block as the amount had been transferred from the bank account of Nandipur High School through cheques to the bank account of a third party, instead of the account of BDO, Dasarathpur.

- Suspected fraudulent payment of ₹ 4.95 lakh was made (May 2022) by the BDO, Jaleswar, by falsely showing the repair of dual desks.
- Contrary to the provisions of the Procurement Guidelines and instruction of the Finance Department, 16 sampled executing agencies procured dual desks for ₹ 42.71 crore from different agencies, through either quotation call notices or on nomination basis, resulting in excess expenditure of ₹24.30 crore.
- Due to lack of co-ordination between OSEPA and the District Administration of Jajpur, wasteful expenditure of ₹ 7.39 crore was noticed in duplicate procurement of e-content by OSEPA as well as from M/s EDCIL for 430 schools of the District.
- During joint physical inspection of 54 schools, Audit found that (i) in six schools, smart classrooms were non-functional due to non-installation/ defective smart panels or want of electrification; (ii) 32 schools had non-functional science laboratories due to non-availability of water/ gas connections, required equipment and chemicals, (iii) Internet access was not available in 13 schools, limiting possibility to explore e-books or learn online and in 19 schools, e-libraries lacked e-book content, reducing their effectiveness as learning resources.

***(Paragraph 3.3)***

### 1.5.5 Construction, Maintenance and Utilisation of Sports Infrastructure in the State

The Sports and Youth Services (S&YS) Department, Government of Odisha is responsible for the development and promotion of sports and administration of youth affairs in the State. During the last three years from 2021-22 to 2023-24, the Department had provided ₹ 2,760.38 crore for the development of sports infrastructure like construction of Multi-purpose Indoor Hall, Hockey stadium, mini hall *etc.,* in the State. Out of this, the Department had incurred ₹ 2,444.54 crore on sports infrastructure during the period 2021-2024.

A compliance audit was conducted during September to November 2024, covering the period from 2021-22 to 2023-24 with the objective of verifying whether sports infrastructure had been constructed/ maintained and was being utilised for the intended purposes.

***Significant Audit findings are:***

- The S&YS Department had sanctioned construction of 463 Mini stadiums (Rural: 314 and Urban: 149) during 2013-18 and released ₹92.60 crore to the District Collectors for their construction. Out of these, 389 stadiums had been completed with a cost of ₹77.80 crore, as of November 2024.
- Construction work for 24 Mini stadiums had not commenced as of November 2024, despite availability of funds for these works. The reasons for non-commencement of construction were non-identification of sites, land dispute and non-completion of tendering process.

- Construction of 43 Mini stadiums was in progress as of November 2024. As no timeline was fixed by the District Collectors for completion of the stadiums, these stadiums were lying incomplete, even after 6-10 years of release of funds, which also indicated lack of monitoring by the Department.
- During joint physical inspection (JPI) of 45 out of 107 completed Mini stadiums, constructed in eight test-checked districts, Audit noticed that the Mini stadiums lacked mandatory/ ancillary sports infrastructure like perimeter security walls (24 stadiums), drainage facility (41 stadiums), ground surfacing (29 stadiums) and grass turfing (34 stadiums).
- The Department had released ₹18.90 crore to the Collectors during 2017-18 to construct open gym, mini hall and toilets in 126 out of 389 completed Mini stadiums. The construction works of these infrastructure had been completed in 79 Mini stadiums, whereas works had not commenced in 29 Mini stadiums and in 18 cases, works had not been completed (as of November 2024).
- There were shortages of coaches for sports disciplines like table tennis (18 *per cent*), weight lifting (94 *per cent*) and yoga (100 *per cent*) in the 88 Multi-Purpose Indoor Halls across 89 Urban Local Bodies of the State. In the absence of coaches for different sports discipline, the objective of promoting sports, health and fitness of the youth remained unachieved and the sports facilities created in MPIHs for these disciplines remained idle.

***(Paragraph 3.4)***

### 1.5.6 Procurement and Distribution of Drugs by OSMCL

The Odisha State Medical Corporation Limited (OSMCL) procures medicines, surgical, equipment, instruments, furniture *etc*., for eventual distribution to Government-run healthcare institutions. The Company monitors distribution and stock position of drugs centrally through the *e-Niramaya* application system for ensuring uninterrupted supply of medicines at healthcare institutions.

A Compliance Audit was conducted covering the period from April 2019 to January 2025 to assess the extent of adherence to the guidelines/ instructions on procurement of drugs.

***Significant Audit findings are:***

- The Health & Family Welfare Department, on the recommendations of its Technical Committee (TC), procured 4,550 Cocktail vials of Casirivimab and Imdevimab-120 mg/ml in three tranches through OSMCL to combat the menace of Covid-19 pandemic. However, only 711 vials could be utilised and 84 *per cent* of the procured vials, costing ₹ 42.21 crore had not been utilised, and eventually expired.
- For treatment of Mucormycosis, a skin disease associated with COVID-19, the OSMCL had procured 10,000 vials of a drug namely Amphotericin-B-Liposomal 50 mg vials costing ₹ 5.51 crore in July 2021. However, only 550 vials from the procured 10,000 vials were utilised and 9,450 vials costing ₹5.21 crore remained unutilised, as of 31 July 2024, resulting in wasteful expenditure.

- 15.43 crore units of 700 categories of drugs worth ₹ 167.91 crore and sanitary napkins worth ₹ 94.05 lakh expired during the period from April 2019 to January 2025, due to improper inventory management and procurement of drugs with shorter shelf-life. The value of drugs expired included drugs worth ₹ 68.90 crore, received as donation from different entities and balance drugs worth ₹ 99.01 crore that had been procured by the Company.

***(Paragraph 3.5)***

### 1.5.7 Irregularities in hiring and utilisation of aircraft and helicopter

Government of Odisha had framed rules governing the use of government owned aircraft/ helicopter for official use. In order to undertake air travel for official works, GoO was availing the services of a private service provider. Audit scrutinised the records (for the period from April 2019 to March 2024) relating to selection of the private operator and expenditure incurred towards air travel *via* the State hired aircraft and helicopter.

***Significant Audit findings are:***

- The process of selection of the agency (M/s OSS Air Management Private Limited) for providing air services to the State Government was non-transparent and the Government failed to obtain the most competitive market rates for aircraft services by going with a single bidder. Despite this, the tenure of the contract with M/s OSS was extended from time to time up to August 2024.
- The State Government hired chartered aircrafts on 22 occasions during the period from January 2019 to November 2023 for conducting long distance inter-State journeys, incurring an expenditure of ₹ 6.91 crore towards hire charges, despite having unutilised 751.34 flying hours in the already hired aircraft (with M/s OSS), during the same period.
- In addition to availing aircraft services, GoO also availed helicopter services from the same private vendor, M/s OSS, for 100.90 flying hours on 29 occasions, for conducting journeys to places within the State having airstrip length of 3,000 feet or more, between 5 September 2019 to 21 March 2023. A sum of ₹ 1.30 crore had been paid towards flying hour charges of the helicopter, although during the same period, the unutilised committed flying hours of the hired aircraft to the tune of 566.44 hours were available. These could have been utilised instead, and thereby expenditure of ₹ 1.30 crore could have been avoided.

***(Paragraph 3.6)***

### 1.5.8 Other Compliance Audit Observations

- Non-consideration of Security Deposit and erroneous calculation of Annual Average Rent resulted in short realization of Stamp Duty and Registration Fee to the tune of ₹19.02 lakh on Lease Agreement instruments.

***(Paragraph 3.7)***

- Non-imposition and realisation of Stamp Duty and Registration Fee on Power of Attorney instruments as per the provisions of the Indian Stamp Act, resulted in short realisation of Government revenue of ₹ 2.37 crore.

***(Paragraph 3.8)***

- Short levy of Stamp Duty and Registration Fee on Lease Agreements executed to let-out or sub-let the immovable property on rent for commercial use led to loss of revenue amounting to ₹ 1.93 crore.

***(Paragraph 3.9)***

- Registration authorities, while assessing Stamp Duty and Registration Fee on Agreement to Sell documents had erred in applying the provisions of the Indian Stamp Act. Consequently, there was short realisation of Government revenue of ₹1.03 crore.

***(Paragraph 3.10)***

- Despite enhancement of production level of three mines in Keonjhar and Jajpur, the differential Stamp Duty and Registration Fees had not been levied and realised on the enhanced production level, resulting in non-realisation of Government revenue of ₹ 148.46 crore.

***(Paragraph 3.11)***

- Negligence of the Registering Authorities in adhering to the building valuation guidelines for valuing buildings for the purpose of assessing Stamp Duty and Registration Fee, resulted in loss of Government revenue amounting to ₹ 27.42 lakh.

***(Paragraph 3.12)***

- Despite provisions in the Odisha Excise Rules, an amount of ₹1.02 crore towards extra hour operation charges was not demanded by District Excise Officer, Ganjam from M/s ASCIL, which operated the distillery for 3,404 extra hours.

***(Paragraph 3.13)***

- Failure of the District Excise Officers in taking timely steps for recovery of consideration money from the licensees of the retail shops led to non-realisation of Government revenue amounting to ₹53.27 lakh.

***(Paragraph 3.14)***

# Chapter 2

## Performance Audit

# PANCHAYATI RAJ AND DRINKING WATER DEPARTMENT

## 2.1 Implementation of Jal Jeevan Mission in Odisha

### EXECUTIVE SUMMARY

Government of India launched (August 2019) the flagship scheme, 'Jal Jeevan Mission (JJM)' to provide piped water supply to each of the rural households of the country through Functional Household Tap Connections (FHTCs) by 2024. The goal of the Mission was to assist, empower and facilitate the States in planning participatory rural water supply strategy for ensuring potable drinking water security on long-term basis to every rural household and public institutions.

***The Performance Audit of the scheme highlighted that:***

- The State failed to provide FHTCs to all households by 2024 and 31 *per cent* households in the State remained uncovered. Out of the five test-checked districts, coverage of households was maximum in Kandhamal district (69.65 *per cent*) and minimum in Malkangiri district (11.20 *per cent*).
- Government of Odisha had taken up 207 Mega water supply projects across the State during 2019-24, out of which 133 projects were being executed under JJM. Only two of these Mega water supply projects were completed in all respects, as of June 2024.
- Audit observed delays in preparation of Village Action Plans (VAPs). In 24 out of 39 villages, where VAPs were prepared, Gram Sabha was not held for their approval, which was a requirement under the guidelines.
- District Action Plans (DAPs) were not prepared in any of the districts except Kandhamal. As such, the State Action Plan which was to be derived from DAP was also not prepared, thereby compromising the bottoms-up planning approach.
- Village Water Supply Committees (VWSCs) were not involved in implementation and Operation and Maintenance (O&M) of water supply schemes under JJM, in violation of the guidelines. As a result, community participation in decision making at the planning, implementation and management stages was not achieved. This adversely affected completion of projects and post-operation sustainability.
- The expenditure on Support activities and Water Quality Management and Surveillance (WQM&S) was insignificant with 2.20 *per cent* and 0.38 *per cent* of the allotted funds, against the permissible limit of 5 *per cent* and 2 *per cent,* respectively. Such minimal expenditure on Support activities and WQM&S indicated that the performance of the scheme had remained sub-optimal, in regard to execution of activities planned under these components.

- Contrary to the guidelines, community contributions towards user charges and O&M of the projects were not collected from the beneficiaries. Thus, the State failed to instil a sense of ownership amongst the beneficiaries and make the schemes self-sustainable.
- Out of 77 laboratories in the State, only 26 were NABL accredited and 17 laboratories were NABL recognised. The remaining 34 laboratories had neither got NABL accreditation nor recognition. In the Districts and sub-divisions, the laboratories failed to test the required number of parameters for water quality. Besides, shortage of manpower, lack of trainings and defunct equipment compromised the quality of water testing in the laboratories.
- Monitoring mechanism in the State suffered due to non-use of prescribed technology in planning and non-installation of sensors/ water meters in FHTCs to ensure supply of adequate quantity of water and control wastage of water.

***To overcome the above issues, it is recommended that:***

1. ***The Government may take steps to constitute VWSCs in all villages and to strengthen their functioning through monitoring, capacity building, IEC activities etc., so that they effectively discharge their role for ensuring sustainable water supply.***
2. ***The Government may formulate a Strategic Plan to cover the left over habitations on priority basis for supplying adequate and safe potable water to the rural people. SWSM may also formulate plans for capacity building, training, O&M and IEC activities among the rural people, which should be closely monitored by RWSS divisions in their jurisdiction to achieve the objectives of the Mission.***
3. ***The Government may enhance its spending on Support activities and Water Quality Monitoring and Surveillance up to the limit permissible under the guidelines to ensure long term sustainability of water supply systems and supply of quality water.***
4. ***The Government may take effective action for expediting completion of piped water supply projects including Mega projects, so that all rural households are provided with FHTCs within the Mission period.***
5. ***The Government should focus on measures to enhance source sustainability while planning and undertake steps to ensure sustainability of projects for their full design period.***

### 2.1.1 Introduction

Government of India launched (August 2019) the flagship scheme, 'Jal Jeevan Mission (JJM)' to provide safe and adequate drinking water to all rural households in the country through Functional Household Tap Connections

(FHTCs)[1] by 2024[2]. The Mission aimed to assist, empower and facilitate the States in planning participatory rural water supply strategy for ensuring potable drinking water security, on long-term basis to every rural household and public institution. As per the JJM operational guidelines, the States were to create water supply infrastructure so that every rural household has FHTC with provision of water in adequate quantity (minimum 55 lpcd[3]), and of prescribed quality (BIS:10500 standard) on regular basis in the long term.

The Mission was also to implement source sustainability measures as mandatory elements, such as recharge and reuse through grey water management, water conservation and rainwater harvesting. The Mission was based on a community participation approach and included extensive Information, Education and Communication measures as a key component.

### 2.1.2 Piped water supply scenario in the State before JJM

Before JJM, various Central and State schemes were under implementation in the States for providing piped water supply to rural households. The Central schemes included Accelerated Rural Water Supply Programme (ARWSP) and National Rural Drinking Water Programme (NRDWP), while the Odisha Government schemes included Rural Infrastructure Development Fund (RIDF), Buxi Jagabandhu Assured Drinking Water to all Habitations (BASUDHA), Water supply schemes under Odisha Mineral Bearing Areas Development Corporation (OMBADC) and District Mineral Fund (DMF).

After the introduction of JJM, six programmes[4] implemented under erstwhile NRDWP were subsumed under JJM and the remaining State schemes like RIDF, BASUDHA *etc*., continued along with JJM.

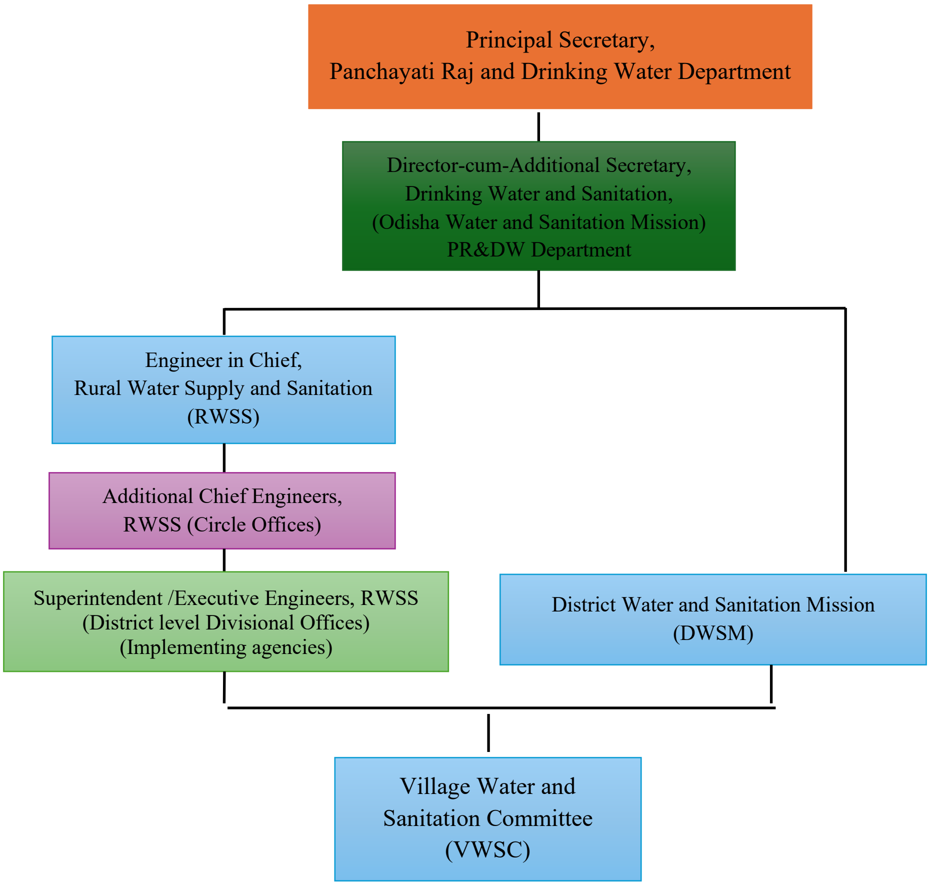
Prior to August 2019, only 3.11 lakh rural households in the State had been covered under different schemes for provisioning piped water supply. After implementation of JJM, 64.71 lakh out of 88.68 lakh rural households in the State were provided with FHTCs, as of March 2024.

### 2.1.3 Organisational set up

The Panchayati Raj and Drinking Water (PR&DW) Department is the nodal department for implementation of JJM in the State. The Engineer-in-Chief (EIC), RWSS is the implementing agency under the nodal department. The organisational set-up and functionaries responsible for implementation of JJM in the State, are shown in **Chart 2.1.1**.

1 FHTC refers to a tap connection to a rural household for providing drinking water in adequate quantity of prescribed quality on regular basis.
2 The mission period was extended up to 2028
3 Litres per capita per day
4 (i) Rural Water Supply & Sanitation for low income States, (ii) National Water Quality Sub-Mission, (iii) Water supply schemes for Japanese Encephalitis-Acute Encephalitis Syndrome affected areas, (iv) Swajal, (v) Water Quality Monitoring and Surveillance and (vi) Support Activities

**Chart 2.1.1: Organisational structure of JJM in Odisha**




## 2.1.4 Audit Objectives

The Performance Audit was conducted to ascertain whether:

- An efficient institutional framework was in place for implementation and post operational management of the Scheme;
- Financial resources were employed in an economic and efficient manner; and
- Scheme objectives were achieved successfully and assets created were sustainable in nature, without compromising water security for future generations.

## 2.1.5 Audit Criteria

The Audit criteria for the Performance Audit, were derived from the following:

- Operational Guidelines for Implementation of JJM issued by Ministry of Jal Shakti, Government of India, Department of Drinking Water and Sanitation, National Jal Jeevan Mission;
- Water Quality Monitoring and Surveillance Framework issued by Ministry of Jal Shakti, Government of India, Department of Drinking Water and Sanitation, National Jal Jeevan Mission;

- Sustainable Development Goals' (SDG) obligations and Standard Operating Procedure for Sustaining Water, Sanitation and Hygiene in Schools (WASH) standards issued by Department of Economic and Social Affairs, United Nations and Ministry of Education, Government of India respectively;
- Orders issued by the State Government/ Department facilitating implementation of JJM;
- Orders issued by the State Government pertaining to devolution of powers as envisaged in 73rd Amendment Act of the Constitution of India.
- Central Ground Water Board Report on 'Ground Water Quality in Shallow Aquifer of India' (2023).

### 2.1.6 Scope and methodology of audit

The Performance Audit of JJM, covering the period from August 2019 to March 2024, was conducted between June and September 2024. Audit examined records in five selected districts[5] and sampled block level units.

Under each district, two Blocks were selected and under each Block, four villages were selected for detailed examination of status of implementation of JJM in the State. A total of 10 blocks and 40 villages were covered under this Performance Audit. The list of sampled units is given in ***Appendix 2.1***.

Selection of all units was made by adopting the Stratified Random Sampling method. The audit process, *inter alia*, involved conduct of Focus Group Discussion (FGD)[6], Joint Physical Inspection of Piped Water Supply (PWS) schemes, interview of at least 20 beneficiaries[7] in each sampled village provided with FHTC, taking of photographic evidences wherever necessary, collection of information from other stakeholders, such as Director, Economics and Statistics *etc*.

The objectives, criteria, scope and methodology of the Performance Audit were shared with the Principal Secretary, PR&DW Department in an Entry Conference, held on 25 June 2024. The audit findings were discussed with the Principal Secretary of the Department in an Exit Meeting, held on 5 May 2025. The Department accepted all the recommendations of Audit and assured to take remedial action to mitigate the gaps. The responses received from the Department have been suitably incorporated in the report.

### 2.1.7 Acknowledgement

We acknowledge the cooperation and assistance extended by PR&DW Department for providing information during the conduct of this Performance Audit.

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5 Balasore, Baragarh, Kandhamal, Malkangiri and Puri

6 Focus Group Discussion (FGD) is a qualitative research method that involves a group of people discussing a topic or issue in-depth. For conducting FGD for JJM, audit teams interacted with rural communities, Village Water and Sanitation Committees, Gram Panchayat representatives, NGOs/ Implementing Support Agencies and Implementing Agencies *etc*.

7 Audit interviewed 816 beneficiaries in 40 villages of 10 Blocks of five test-checked districts during July to September 2024

## Audit Findings

### 2.1.8 Institutional framework

As per JJM Operational Guidelines, a robust institutional framework was required for successful implementation of the Scheme and to achieve the stated goals. Hence, a four-tier institutional mechanism was to be set up at the National, State, District and Village levels.

At the National level, there would be National Jal Jeevan Mission (NJJM). In case of the State, there would be a State Water and Sanitation Mission (SWSM) and in each district, there would be a District Water and Sanitation Mission (DWSM). At the village level, Gram Panchayat (GP) and/ or its sub-committee, *i.e.* Village Water and Sanitation Committee (VWSC)/ Paani Samiti/ User Group, *etc.,* would function as the legal entity to provide FHTC to all existing rural households. Institutional arrangements were to be established at all levels with linkages and convergence of other programmes for successful implementation of JJM in the State, as detailed below:

**Institutional framework**

| SWSM<br>**Responsible for overall implementation of JJM in the State** | **DWSM**<br>**Responsible for implementation of JJM at the District level** | **VWSC**<br>**Responsible for taking lead role in planning, implementation, management, operation and maintenance of in-village water supply system** |
|---|---|---|
| **Function**:<br>• To provide policy guidance for overall planning, strategising and implementation of JJM in the State<br>• Developing Operation & Maintenance (O&M) strategy and monthly tariff for ensuring financial sustainability of the system/ scheme<br>• Monitoring of physical and financial performance<br>• Create and maintain digital inventory of JJM assets on a GIS platform<br>• Engage third party inspection agencies for inspection of work before payment | **Function:**<br>• To approve the Village Action Plans (VAPs) that would contain the estimate for in-village infrastructure *viz.* retrofitting or new scheme and its implementation timeline.<br>• Finalise a District Action Plan to provide FHTC to every rural household by 2024<br>• Coordinate with Gram Panchayat and its subcommittee, *i.e.* VWSC<br>• Monitor and evaluate physical and financial performance at district level<br>• Identify individuals to be trained as master trainers<br>• Conduct awareness campaigns with regard to JJM | **Function:**<br>• Provide FHTC to every rural HH<br>• Preparation of VAP for water supply scheme<br>• Plan, design, implement, operate and maintain the in-village water supply schemes and decide seasonal supply hours<br>• Mobilise and motivate the community to contribute towards O&M charges<br>• Supervise construction of in-village infrastructure including source sustainability, greywater reuse, water conservation measures *etc.* |

***Source: JJM Operational Guidelines***

In this context, Audit observed the following:

### *2.1.8.1 Improper functioning of SWSM*

Paragraph 5.2 of JJM Guidelines stipulated that in order to provide specialised support, SWSM would hire consultants for which funds would be provided under a component, namely Support activities. Audit observed that prior to implementation of JJM, the State had appointed (April 2019) one consultant as the Project Monitoring Unit[8] (PMU) under *BASUDHA* scheme to oversee all water supply schemes of the State Government. To achieve the objectives of JJM, the State in its State Level Scheme Sanctioning Committee (SLSSC) approved (June 2021) the continuity of the existing PMU under SWSM and the same was made effective from February 2022 onwards.

Initially, the PMU was assigned with works such as (i) procurement support, (ii) technical support, (iii) tracking of progress of projects (iv) programme management, institutional strengthening, IEC and Capacity development; and (v) documentation, knowledge management and information dissemination. In February 2022, while extending the terms of the PMU for two more years (upto March 2024) for the purposes of JJM, the EIC, RWSS assigned the agency some additional tasks such as monitoring of progress of FHTC, quality control measures, O&M sustainability, project preparatory activities and community participatory measures.

On scrutiny of the records of the EIC and during detailed examination of test-checked districts, Audit observed that the PMU had not functioned properly, as envisaged in the scheme guidelines, as discussed below:

- There were data discrepancies between JJM web portal and figures reported by the EIC, raising doubts about the actual coverage of villages and households with FHTCs, as detailed in ***Paragraph 2.1.12.3***. This indicated that tracking of progress of FHTCs by the PMU was not correctly done.
- Audit observed in the sampled RWSS Divisions that in the past five years, no IEC activities or awareness campaigns on water security and management were conducted in schools, AWCs or health centres or GPs, as discussed in detail in ***Paragraph 2.1.13.1***. Audit further noticed that the information on water quality tests and water quality testing laboratories were not shared within the community (***Paragraph 2.1.14.7***). Thus, the PMU had not carried out the assigned responsibility of institutional strengthening, knowledge management and information dissemination.
- Capacity building programmes, as part of project preparatory activities, were not taken up in villages during the period 2019-24.
- The State did not have a durable O&M plan for the water supply projects (***Paragraph 2.1.10***), which was to be developed by the PMU.
- The PMU had also not carried out the assigned functions properly under water quality monitoring, as Audit observed deficiencies like shortage and non-upgradation of testing laboratories, shortfall in accreditation of water testing laboratories, malfunctioning of

[8] M/s Ernst and Young LLP, New Delhi.

laboratories, testing on inadequate number of parameters *etc.* (***Paragraph 2.1.14).***

Thus, the PMU was not functioning properly, as prescribed under JJM guidelines, which impacted successful implementation of the programme to achieve the Mission goals.

In reply, the Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that the engagement of already existing PMU for implementation of JJM was done in order to ensure efficient utilisation of resources and continuity in programme management across schemes. The reply is not convincing as the department did not monitor the functioning of the PMU to ensure successful implementation of the scheme.

### *2.1.8.2 Working of DWSMs*

As per Paragraph 5.3 of the JJM Operational Guidelines, DWSMs at the district level were responsible for overall implementation of the Scheme. The DWSM had to discharge functions like convening monthly meetings to consider and accord administrative approval of the in-village water supply schemes, plan protection and preservation of village water sources, manage greywater, prevent water bodies/ sources from getting polluted, prepare a district annual action plan, monitor and evaluate physical and financial performance, analyse data on health indicators, water-borne diseases, *etc.,* for corrective action and grievance redressal.

On scrutiny of records in test-checked districts, Audit noticed that the DWSMs had not carried out their mandated functions either properly or in their entirety, as envisaged in the guidelines, as discussed below:

- **Consolidation of Village Action Plans (VAP[9])**: Out of 8,800 villages in the five test-checked districts, 1,237 villages (14 *per cent*) had not prepared VAPs. As such, the VAPs could not be consolidated by DWSM to form a part of District Action Plan (DAP) ***(Paragraph 2.1.9.1).***
- **Finalisation of DAP**: The VAPs of all villages in a district were to be aggregated for preparing the DAP. Except Kandhamal, none of the sampled districts had prepared a DAP. In other districts, only a database namely the District Saturation Plan was prepared, which lacked the prescribed details ***(Paragraph 2.1.9.2).***
- **Help in formation of VWSC and Coordination with Gram Panchayats (GPs)/ VWSCs**: VWSCs were not constituted in 1,230 villages of test-checked districts. In the remaining villages, where these VWSCs were constituted, these committees were either inactive or were bypassed in preparation of VAPs. The VAPs were directly prepared by Implementation Support Agencies (ISA) without involvement of GPs ***(Paragraphs 2.1.8.3).*** Thus, the DWSM had no role in formation of VWSC and it had not ensured that the ISA had coordinated with GPs for formation of VWSC and preparation of VAP.

[9] Plan prepared by the GP/ VWSC to provide FHTC to every rural household based on survey, resource mapping and felt needs of village community

- **Monitoring and evaluation**: Against 255 meetings required to be held during 2019–24, only 33 meetings (13 *per cent*) were held in the test-checked districts, with proceedings available for only 12 meetings. The shortfall in meetings significantly impacted monitoring of both physical and financial performance, resulting in shortfalls in physical progress due to non-completion of projects ***(Paragraph 2.1.12.4)***, along with retention of large unspent balances ***(Paragraphs 2.1.11.1 and 2.1.11.2).***
- **Implementation of IEC strategy**: One of the functions of DWSM was to implement IEC strategy and ensure effective utilisation of the earmarked support fund for the same. However, neither any awareness campaigns nor IEC activities on water security, community contribution towards user fees/ O&M or judicious use of potable water were conducted in test-checked districts ***(Paragraph 2.1.13.1).***

Thus, the DWSMs were not functioning properly, as prescribed under JJM guidelines, resulting in inadequate planning and monitoring, thereby hampering effective implementation of the Mission.

The Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that the DWSMs had been actively contributing to the successful implementation of JJM. The reply is not tenable as in none of the test-checked districts, Audit could find any record/ documents regarding involvement of DWSMs in implementation of the JJM scheme.

### *2.1.8.3 Constitution of VWSCs*

As per Paragraph 5.4 of the Operational Guidelines of JJM, the Gram Panchayat or its sub-committee *i.e.*, VWSC was to act as a legal entity responsible for ensuring FHTCs to all households. The functions of the VWSCs, *inter-alia* included preparation of VAP, O&M of in-village water supply schemes, mobilisation of community for contributing towards O&M charges (user fees), accounts and asset record maintenance, supervising construction of in-village infrastructure and sustainability measures, ensuring inclusive participation through regular meetings and social audits, *etc*.

As per the information furnished by EIC (July 2024), 45,044 VWSCs (97 *per cent*) had been constituted in the State against the target of 46,422. Thus, there was a shortfall of about 1,378 VWSCs to be formed in respective villages. In five test-checked districts, Audit noticed that VWSCs were formed in 7,570 out of 8,800 villages, as of March 2024 and the remaining 1,230 villages had no VWSCs, even after four years of launching of JJM. Non-formation of VWSCs impacted the success of the programme, as these were key institutions for planning, implementing and operating the FHTCs in a sustainable manner, with community participation at the ground level.

Audit further noticed that the VWSCs suffered from various deficiencies, as was noticed during the Focused Group Discussions (FGD) and beneficiary interviews conducted by Audit, as discussed in the subsequent paragraphs.

**(i) Engagement of Implementation Support Agency**

As per Paragraph 5.5 of the Operational Guidelines, non-Government Organisations (NGOs)/ village organisation (VOs)/ women SHGs/

Community based organisations (CBOs)/ Trusts/ Foundations are referred to as Implementation Support Agencies (ISAs), who play a critical role as partners in mobilising and engaging communities to plan, design, implement, manage, operate and maintain in-village water supply infrastructure under JJM. DWSMs were to engage ISAs from the empanelled[10] list prepared by SWSM.

Audit observed that the EIC, RWSS had engaged (June-July 2021) six ISAs for all the 30 districts for preparation of VAPs and formation of VWSCs with a timeline of one year. As per the agreement entered into between the ISAs and respective RWSS Circles, the ISA would be paid ₹5,500 per village for preparation of VAP and formation of VWSC. Audit, however, observed that in the test-checked districts, even though an amount of ₹4.57 crore had been paid to the ISAs (as of September 2024), they had not discharged their responsibilities towards preparation of VAPs, mobilising people for community ownership, *etc*., as discussed in ***Paragraphs 2.1.8.3, 2.1.9.1*** and ***2.1.9.2***.

**(ii) Deficient functioning of VWSCs**

Based on examination of records, beneficiary interviews, interaction with VWSC members and FGDs conducted by Audit[11] in 39 villages, the following deficiencies were noticed in functioning of VWSCs:

- One of the key functions of ISA was to provide handholding support to GPs and VWSCs in all the functions mandated for VWSCs in the guidelines. The members of 24 out of 39 VWSCs expressed during the FGD that they were not aware of their roles and responsibilities, regarding supervision of creation of in-village infrastructure for FHTCs under JJM or of any post operational activities, *etc*. Due to this, one of the major objectives of the Scheme, *i.e.,* to instill a sense of community participation and ownership of assets among users, could not be achieved.

- The willingness of community, reflected through resolution in Gram Sabha and community contribution, was the foremost criterion for planning of water supply systems in villages. As per JJM guidelines a VAP had to be prepared by GP and/or its sub-committee *i.e*. VWSC and approved by the Gram Sabha for the implementation of the Scheme. In 24 out of 39 sampled villages, the formation of VWSCs had not been approved by the Gram Sabha. In 23 villages, the ISA had not contacted the VWSC/ the Sarpanch for preparation of the VAP and had prepared the VAPs without the approval of the Gram Sabha. Thus, the GPs were not aware of the VAPs prepared by the ISA and were therefore not involved in the activities of the VWSCs.

[10] The organisations willing to get empanelled are to get registered on JJM portal and SWSM is to adopt a transparent selection process for ISAs from the portal and empanel them for the State; only such organisations having a good track record in the related fields are to be considered and preference is to be given to ISAs with technical expertise of facilitating community-based rural water supply.

[11] While beneficiary interview and interaction with VWSC members was conducted in all 40 sampled villages, FGD was conducted in 39 villages only due to some local issues

- The VWSCs were required to take a lead role in the planning, implementation, and supervision etc., of the JJM Scheme at the village level. However, during 2019-24, a maximum of only two meetings had been held by each VWSC against a minimum requirement of four meetings a year, highlighting that the role of the VWSCs needed to be strengthened.
- JJM Guidelines required opening of bank account/ use of existing account of GP for depositing community contribution towards O&M and user fees *etc*. In 16 out of 39 villages, VWSCs had opened bank accounts, but the executives as well as the members were not aware of the amount to be collected and deposited in these accounts. In the remaining 23 villages, no bank accounts had been opened.
- Audit examined 27 VAPs in the test-checked villages of five selected districts. In villages like Machhapada (Gualipada GP, Delang) and Saragailo (Teishipur GP, Pipili), the VWSC executives stated that they had not signed the VAPs, even though their signatures were present on the said documents. In most of the cases, it was observed during interaction with the VWSC executives that except one to two executives, all other members of the committee, had not signed the VAP or the Resolution of VWSC, raising doubt on genuineness of the signatures in the VAPs.
- In 31 villages, timing and duration of water supply had not been decided by the respective Panchayats as stipulated under Para 5.4 of the JJM Guidelines. During beneficiary survey, 547 beneficiaries (67 *per cent*) of 30 villages stated that water was not supplied for a fixed duration *i.e.* at least for four hours in a day. Also, 285 villagers (35 *per cent*) of 18 villages complained that water was supplied for less than two hours and therefore, they were not able to get sufficient water for their daily needs.

Thus, the very purpose behind the formation of VWSCs remained unachieved after lapse of five years of the Mission period. Lack of control of the RWSS Divisions over the functioning of ISAs was the main reason behind failure of the VWSCs.

The Director, Drinking Water and Sanitation, PR&DW Department acknowledged (January 2025) the issues raised by Audit on the role of VWSCs and stated that several corrective measures were initiated to empower VWSCs and to fulfill their intended responsibilities as per the JJM guidelines.

## 2.1.9 Planning for implementation of JJM

Under JJM, States were to plan for achieving drinking water security and provide FHTC to every rural household. To achieve 100 *per cent* FHTC, Action Plans were to be prepared and executed at village, district and State level.

Village Action Plan (VAP) was to be prepared based on a baseline survey, resource mapping and felt needs of village community. The VAPs of all villages in a district were to be aggregated for preparing the District Action Plan (DAP). Similarly, DAPs of all districts in the State would be aggregated to formulate the State Action Plan (SAP). Further, the State had to prepare an Annual Action Plan (AAP) detailing yearly targets commensurate with the annual allocation under JJM made by GOI.

Audit however, observed deficiencies in preparation of action plans at different levels, as discussed in the succeeding paragraphs.

### *2.1.9.1 Preparation of VAP*

Paragraph 3.6.1 Operational Guidelines of JJM stipulated that VAP should be prepared by Gram Panchayat or its sub-committee (VWSC), based on baseline survey, resource mapping and felt needs of the village community with support from ISA and approval of the Gram Sabha. The VAPs should include the components as detailed in **Table 2.1.1**.

***Table 2.1.1: Major Components of VAP***

| | | | |
|---|---|---|---|
| **1** | History of water supply/ availability in the village | **5** | Plan for providing water to public institutions |
| **2** | Current availability of water in water source (yield measured) and its long-term sustainability | **6** | Identify barefoot technician for minimal repair works, O&M, *etc*. |
| **3** | Willingness including affordability of people to contribute towards partial capital cost in cash/ kind | **7** | Identify dedicated persons in village to conduct water quality tests through Field Test Kits and train them for the same |
| **4** | Water safety and security plan | **8** | Greywater management measures |

***(Source: JJM Operational Guidelines)***

The ISAs were initially given time up to April 2023 for preparation of VAPs. Audit noticed that out of the total 46,422 revenue villages planned under JJM in the State, VAPs had been formulated by the ISAs in 44,241 villages (95 *per cent*). The VAPs for the remaining 2,181 villages had not been prepared as of July 2024. In five test-checked districts, VAPs had been prepared and approved for 7,563 out of 8,800 revenue villages and VAPs for the remaining 1,237 villages (14.06 *per cent*) were yet to be prepared (July 2024) by the ISA. Even after extension of time, *i.e.* up to April 2024, the work could not be completed by the ISAs, as was noticed in sampled districts. The reasons of failure of ISAs were lack of field survey, non-receipt of complete data about villages, and lack of co-ordination with respective RWSS Sections and GPs.

Moreover, documentary evidence in support of approval of VAPs by Gram Sabhas was available only for 316 GPs of Balasore district and the same was not available in case of the remaining sampled districts. Further, FGD revealed that in 24 out of 39 sampled villages, Gram Sabha was not held for approval of the VAP.

Audit further noticed that the VAPs prepared by ISAs were largely uniform, following a common template covering aspects like population projections, baseline survey, existing infrastructure, water quality, source sustainability, *etc*. The uniformity across all VAPs reflected a mechanical, format-driven approach. This standardisation, while useful for consistency, failed to capture the actual requirements and felt-needs of the community, challenges and priorities of individual villages, thereby diluting the essence of participatory and need-based planning, as envisaged under JJM. The VAPs lacked realistic approach and were not based on any field assessment or coordinated efforts with GP or its sub-committee, as revealed during JPI of 40 villages (discussed in the subsequent paragraphs).

Thus, delay in preparation and approval of VAPs, over-standardisation of VAPs and absence of approval of Gram Sabha compromised the bottoms-up planning approach, as envisaged under the scheme guidelines and also delayed implementation of the scheme in the villages, where VAPs had not been prepared.

The Director, Drinking Water and Sanitation (January 2025) attributed delays in preparation of VAPs to local challenges such as technical issues, discrepancies in names of villages *etc*.

### *2.1.9.2 Preparation of DAP*

As per the Paragraph 3.6.1 of JJM Operational Guidelines, the District Action Plans which were to be prepared by respective DWSMs should include the components as detailed in **Table 2.1.2**.

***Table 2.1.2: Major Components of DAP***

| | | | |
|---|---|---|---|
| **1** | Strategic plan for FHTC to all rural households by 2024 | **6** | Identification of villages where water supply system will be based on local water source, and estimation of type of water sources and other ancillary requirements |
| **2** | Aggregation of all VAPs | **7** | Plan for capacity building, training, third party inspection, O&M and IEC activities |
| **3** | Analysis and preparation of a database of various components emerging from the VAPs | **8** | Plan and identify models for block/ village level water quality testing |
| **4** | Timelines for all the activities identified for FHTCs coverage and financial requirement | **9** | Identification of sources of convergence to meet the requirements emerging from VAP |
| **5** | Overall human resource requirement at different levels of execution and O&M of project | **10** | Submission of final DAP to SWSM *etc.* |

***(Source: JJM Operational Guidelines)***

As VAPs for 2,181 villages had not been prepared, the DAPs of the respective districts could not be prepared. In case of five test-checked districts, DAPs had only been prepared for Kandhamal district, with a delay of about 663 days from the scheduled date of preparation (May 2022). Audit further observed that the VAPs had been prepared and approved for 2,293 villages in Kandhamal district, whereas the DAP reflected 2,367 villages, resulting in discrepancy of 74 VAPs. Thus, correctness of the DAP was doubtful.

In other four sampled districts (Bargarh, Puri, Balasore and Malkangiri), District Saturation Plans (DSP) in the name of DAP had been prepared for 6,239 villages. The DSP was only an excel sheet containing the data relating to the district, division, block, GP, number of FHTCs *etc*., and did not include the relevant details, as envisaged in the JJM Guidelines. As the database /DSPs did not present a proper plan and did not meet the prescribed conditions for preparing a DAP, the same could not be treated as a valid DAP. In the absence of DAPs for the districts, the SAP prepared by the Department failed to reflect the actual status of division level planning.

### *2.1.9.3 Preparation of SAP*

The SWSM was responsible for preparation and finalisation of SAP. The State plan was to be based on aggregation of all DAPs prepared in the State. The plan, apart from giving the roadmap to achieve the target of providing FHTCs, would also include long term drinking water security of the State. The SAP would include the components, as given in **Table 2.1.3.**

***Table 2.1.3: Major Components of SAP***

| | | | |
|---|---|---|---|
| **1** | Accord priority to retrofitting of existing infrastructure identifying completed and ongoing PWS schemes and ensure their completion in the first two financial years | **6** | Preparing detailed action plans for ensuring functionality of household tap connections (HTCs) and Water Quality Monitoring & Surveillance (WQM&S) |
| **2** | Making efforts to improve the water availability through convergence of resources and efforts | **7** | Specifically identifying areas (hilly/ tribal/ forest/inaccessible) requiring innovative Technological Interventions to provide assured water supply using renewable energy |
| **3** | Taking decision for transfer of water from surplus regions to scarce regions and develop distribution network for MVS | **8** | Planning for convergence for source sustainability and grey-water management measures |
| **4** | Mentioning institutional reforms required including unbundling the existing water supply departments into different agencies focusing on specific aspects of water supply | **9** | Intimating timelines for all the activities identified under district-wise FHTCs coverage and financial requirement |
| **5** | Specifying bulk water tariffs for both accessing water from source and supply from the grid | **10** | Assessing human resource management including capacity building and training |

***(Source: JJM Operational Guidelines)***

Audit noticed that the SAP had been prepared in 2020-21 aggregating DSPs and DAPs (wherever prepared) by the PR&DW Department. However, the SAP did not include the remaining components of the above table, as prescribed under the operational guidelines. As the SAP did not include all DAPs, it thus did not follow a bottoms-up approach in the preparation of a road-map to achieve the target of provision of FHTCs to all by 2024.

The Director, Drinking Water and Sanitation stated (January 2025) that the divisions had been given instructions for immediate necessary action.

## 2.1.10 Non-availability of a robust O&M plan

As per Paragraph 3.6.1 of JJM Operational Guidelines, the VAPs *inter alia* should contain long-term O&M plan/ arrangement. Similarly, the DAP should contain O&M plan for both in-village as well as regional water supply, financial and institutional requirement, while the SAP needed to incorporate, a comprehensive O&M plan for the system. One of the main functions of SWSM Apex committee was to develop an O&M strategy and make a firm policy for the accounts meant for operation of O&M (comprising of community contribution and user fees) and its operation process by GP and/ or its sub-committee.

Audit examined 27 VAPs and noticed that the VAPs of one village of Balasore district did not include any O&M plan/ arrangement. In case of the remaining 26 VAPs although, there was a plan, yet no such activities were carried out at the ground level. Even the DAPs did not have a concrete plan for O&M focusing on in-village and regional water supply systems. Absence of a robust O&M plan/ arrangement contributed to non-sustainability of water supply projects, interrupting supply of drinking water to the targeted households, as discussed in ***Paragraph 2.1.12.7.***

The Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that the State would develop a new O&M policy that would incorporate the suggestion from GoI. The policy would address all aspects of O&M, including financial sustainability, institutional roles, user fee structures and long-term planning for both in-village and regional water supply systems.

***Recommendation 1:***

***The Government may take steps to constitute VWSCs in all villages and to strengthen their functioning through monitoring, capacity building, IEC activities etc., so that they effectively discharge their role for ensuring sustainable water supply.***

***Recommendation 2:***

***The Government may formulate a Strategic Plan to cover the left over habitations on priority basis for supplying adequate and safe potable water to the rural people. SWSM may also formulate plans for capacity building, training, O&M and IEC activities among the rural people, which should be closely monitored by RWSS divisions in their jurisdiction to achieve the objectives of the Mission.***

### 2.1.11 Financial Management

Jal Jeevan Mission was to be funded both by the Central and State Government. The components of JJM were broadly divided into three major categories *viz*., Coverage or programme expenditure, Support Activities (IEC, human resource development and training, community mobilisation *etc*.) and Water Quality Management and Surveillance (WQM&S). The fund sharing pattern between the Centre and the State under JJM was 50:50 for Coverage or programme expenditure (creation of assets) and 60:40 for Support Activities and WQM&S. The earmarked expenditure for Support activities and WQM&S was up to five and two *per cent* of total allocation, respectively.

During 2019-24, the State had mobilised ₹14,534.59 crore under JJM. This included Central share of ₹7,343.68 crore and State share of ₹7,190.91 crore. Out of this, ₹13,568.78 crore had been utilised. The year-wise receipt and utilisation of funds is given in **Table 2.1.4**.

***Table 2.1.4: Receipt and expenditure of JJM funds from 2019 to 2024 (₹in crore)***

| Year | OB | Receipt | Interest | Total | Expenditure | Refund | CB | Percentage of unspent funds |
|---|---|---|---|---|---|---|---|---|
| 2019-20 | 96.66* | 720.97 | 4.57 | 822.20 | 549.16 | 0.00 | 273.04 | 33 |
| 2020-21 | 273.04 | 1,204.01 | 10.64 | 1,487.69 | 1,314.74 | 0.00 | 172.95 | 12 |
| 2021-22 | 172.95 | 4,946.37 | 35.91 | 5,155.23 | 2,589.46 | 8.63 | 2,557.14 | 50 |
| 2022-23 | 2,557.14 | 3,495.36 | 50.64 | 6,103.14 | 4,175.92 | 22.53 | 1,904.69 | 31 |
| 2023-24 | 1,904.69 | 4,167.88 | 45.82 | 6,118.39 | 4,939.50 | 45.82 | 1,133.07 | 19 |
| **Total** | | **14,534.59** | **147.58** | | **13,568.78** | **76.98** | | |

***(Source: Audited Accounts and PFMS account of EIC, RWSS, Odisha)***
**** Unutilised funds of erstwhile NRDWP, which was subsumed into JJM***

It can be seen from **Table 2.1.4** that the State could utilise only ₹13,568.78 crore out of the available funds of ₹14,682.17 crore (receipt of ₹14,534.59 crore + interest of ₹147.58 crore) during 2019-24. The unspent balance ranged between 12 *per cent* to 50 *per cent* of the available funds during 2019-24.

### *2.1.11.1 Receipt and utilisation of funds in test-checked districts*

In the five test-checked districts, the RWSS Divisions had received ₹2,706.77 crore under JJM for providing FHTC to 8,800 villages, against which ₹2,565.99 crore had been spent during 2019-24, as detailed in **Table 2.1.5**.

***Table 2.1.5: Component-wise financial status of JJM in five selected districts during 2019-24***

***(₹in crore)***

| Sl. No. | Name of the district | Allotment received | Programme expenditure | Expenditure on Support Activities | Expenditure on WQM&S | Unspent fund |
|---|---|---|---|---|---|---|
| 1 | Balasore | 1,053.32 | 939.61 | 14.39 | 0.55 | 98.77 |
| 2 | Bargarh | 401.09 | 396.68 | 3.99 | 0.42 | 0.00 |
| 3 | Kandhamal | 642.45 | 600.60 | 0.44 | 1.37 | 40.04 |
| 4 | Malkangiri | 339.99 | 335.73 | 3.29 | 0.97 | 0.00 |
| 5 | Puri | 269.92 | 260.24 | 6.85 | 0.86 | 1.97 |
| **Total** | | **2,706.77** | **2,532.86** | **28.96** | **4.17** | **140.78** |

***(Source: Information furnished by the respective RWSS Divisions)***

Audit observed that:

- Unutilised amount of ₹140.78 crore was lying with three RWSS Divisions (Balasore, Kandhamal and Puri) without being surrendered to the State Government, as of August 2024.
- Overall expenditure on Support activities in five test-checked districts was 1.07 *per cent* of the available funds, against the permissible limit of five *per cent*. RWSS Division, Kandhamal could spend only 0.07 *per cent* of the allocation, while RWSS Division, Puri incurred 2.54 *per cent* expenditure. Such minimal expenditure indicated that the interventions under Support activities were either not executed or partially implemented.
- Similarly, against the permissible limit of two *per cent* of funds received under the WQM&S component, only 0.15 *per cent* expenditure had been made in these test-checked districts.

The Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that the unutilised amount of ₹98.77 crore in Balasore Division was surrendered to the Government and the funds lying with Kandhamal Division, had been spent during FY 2024-25. However, no documentary evidence in support of surrender and expenditure of unspent amount was made available to Audit. The reply was also silent about the unutilised funds of ₹1.97 crore in Puri Division.

### *2.1.11.2 Short utilisation of funds on Support activities and Water Quality Monitoring and Surveillance*

As per JJM Guidelines, a provision of up to five *per cent* of the annual allocation to the States was to be made as funds for Support Activities. These funds were to be used to spread awareness and sensitise communities about judicious use of water, community contribution and ownership, capacity building of GPs and/or their sub-committees to plan, implement, manage, operate and maintain in-village infrastructure, focus on setting up long-term sustainable institutional mechanisms, build skills of various human resources required, *viz*. masons, plumbers, electricians, motor mechanics, pump operators, *etc*. Further, WQM&S was essential for ensuring supply of safe and clean water to communities. To achieve this goal, a provision of up to two *per cent* of the allocation to States had been made for carrying out WQM&S activities which included setting up of laboratories at the State/District/Sub-divisional level, laboratories under PPP mode, upgradation of existing water quality testing laboratories which *inter alia* included procurement of equipment, instruments, chemicals/reagents, *etc*.

Audit observed that while the expenditure on Coverage / creation of assets, which included construction of Mega Water Supply projects[12], single village scheme (SVS)[13]/ multi village scheme (MVS)[14] *etc*., (₹13,186.70 crore) for provisioning of FHTCs to households constituted 96.43 *per cent* of the allocation (₹13,673.68 crore), the expenditure on Support activities (₹325.74 crore) and WQM&S (₹56.30 crore) was insignificant with 2.20 *per cent* and 0.38 *per cent* of the allotted funds[15] respectively.

| **Receipts (₹14,534.59 crore)** | **Expenditure (₹13,568.78 crore)** |
|---|---|
| • ₹13,673.68 crore under Coverage<br>• ₹614.94 crore under Support Activities<br>• ₹245.98 crore under WQM&S | • ₹13,186.70 crore (97.19 *per cent*) on Coverage<br>• ₹325.74 crore (2.40 *per cent*) on Support Activities<br>• ₹56.30 crore (0.41 *per cent*) on WQM&S |

Such minimal expenditure on WQM&S and Support activities indicated that the performance of the EIC, RWSS Divisions was not satisfactory, in regard to execution of activities planned under these components, as discussed in ***Paragraphs 2.1.13*** and ***2.1.14.***

#### *2.1.11.3 Inadmissible expenditure of ₹1.38 crore*

As per JJM Operational Guidelines, expenses due to cost escalation, tender premium and other programme expenses were not to be funded under the Central share of JJM. The State Government/ SWSM was to decide about the source of funds for bearing such expenditure.

Audit test-checked records of 80 piped water supply projects executed under JJM in five selected districts and observed inadmissible expenditure of ₹1.38 crore from the Central share in 22 PWS projects taken up during July 2019 to June 2022.

[12] Mega Water Supply Project is a large scheme aiming to supply drinking water to multiple villages across various GPs and Blocks using surface water.

[13] SVS is a groundwater/ spring based/ local surface water scheme, which is planned and managed by Gram Panchayat and/ or its sub- committee, *i.e.* VWSC/ Paani Samiti/ User Group *etc.*

[14] MVS is a ground water/ surface water based scheme that caters to multiple villages and is usually planned by Public Health Engineering Department/ RWS Department/ Board/ Agency, wherein Gram Panchayat and/ or its sub-committee, will manage, operate and maintain the in-village water supply system

[15] In addition, there was expenditure of ₹0.04 crore on Natural Calamities

In case of 20 PWS projects taken up in four districts, the Divisions had paid ₹1.11 crore[16] as tender premium cost, and ₹0.11 crore had been paid towards price escalation for materials, during execution of two projects by the Puri Division from JJM funds. Also, RWSS Division, Puri had paid ₹0.16 crore for deviations made against the approved estimates.

The Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that the Department had decided (January 2023) that tender premium would be met from the JJM funds, if the work order in respect of works had been issued on or after 21 June 2022.

The reply is not tenable as the agreements for all the 20 projects pointed out by Audit related to the period prior to 21 June 2022. Thus, the payments from Central share were not admissible.

### *2.1.11.4 Irregular expenditure under Support Activities*

As per the JJM guidelines, provision up to five *per cent* of annual allocation was to be set aside towards conducting Support activities like IEC activities, Human Resource Development (HRD), Public utility and leadership development, Integrated Management Information System[17] (IMIS) support and related IT infrastructure and payment to ISA *etc*. No funds under Support activities were to be utilised for activities like advertisement in newspapers/ magazines, gifts, hosting avoidable functions for publicity *etc.*

Audit noticed that the EIC, RWSS received ₹614.94 crore towards Support activities during 2019-24, of which ₹325.74 crore was reported as utilised, as reflected in the audited accounts of the EIC. However, on comparison it was noted that the related expenditure reflected in PFMS was only ₹239.22 crore (March 2024), highlighting a discrepancy of ₹86.52 crore. The EIC could not furnish the details of such differential amount as of May 2025, to ascertain the actual expenditure incurred on the Support activities under JJM. Out of the reported utilisation of ₹239.22 crore in the State, ₹30.08 crore was either spent on activities not admissible under Support Activities, or on items for which supporting documents were not available, as detailed in **Table 2.1.6**.

***Table 2.1.6: Inadmissible/ doubtful expenditure from Support Fund in the State***

| Purpose of expenditure | Amount (₹in lakh) | Remarks |
|---|---|---|
| **Material testing laboratories** | 11.85 | Not covered under Support Activities. |
| **Activities already funded under BASUDHA scheme** | 974.05 | For use of JJM funds for work under State scheme, no justification was provided. |
| **Documentation under MIS** | 676.95 | No supporting documents were provided by the EIC / test-checked districts. |
| **Administrative expenses, Workshops, Seminars *etc.*** | 1,346.00 | No records made available to Audit and no such events observed in test-checked districts. |
| **Total** | **3,008.85** | |

***(Source: PFMS records of EIC, RWSS, Odisha)***

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16 Puri: 05 (₹5.79 lakh), Balasore: 07 (₹15.63 lakh), Bargarh: 01 (₹11.83 lakh) and Malkangiri: 07 (₹77.28 lakh) schemes

17 The Department/ National Mission would maintain IMIS of JJM to capture real-time physical and financial progress. This would be available in public domain for social monitoring

Thus, there was a risk that expenditure of ₹30.08 crore from the Support Fund was either inadmissible or doubtful.

Further, Audit observed that in the five test-checked districts, ₹28.96 crore was spent from the Support Fund, of which:

- ₹9.03 crore was incurred on preparation of Detailed Project Report (DPR), which was not admissible under the JJM Support Fund.
- ₹6.15 crore was spent on Third Party Monitoring and Inspection of State scheme projects.
- ₹0.71 crore was incurred on WQM&S (lab-related activities).

Thus, an amount of ₹15.89 crore (55 *per cent*) was spent on activities not allowed under Support activities or spent on activities related to other state schemes and was thus, inadmissible. These expenses were to be recouped from the programme expenditure.

The Director, Drinking Water and Sanitation, PR&DW Department assured (January 2025) that necessary instructions would be issued to divisions for taking corrective action.

***Recommendation 3:***

***The Government may enhance its spending on Support activities and Water Quality Monitoring and Surveillance up to the limit permissible under the guidelines to ensure long term sustainability of water supply systems and supply of quality water.***

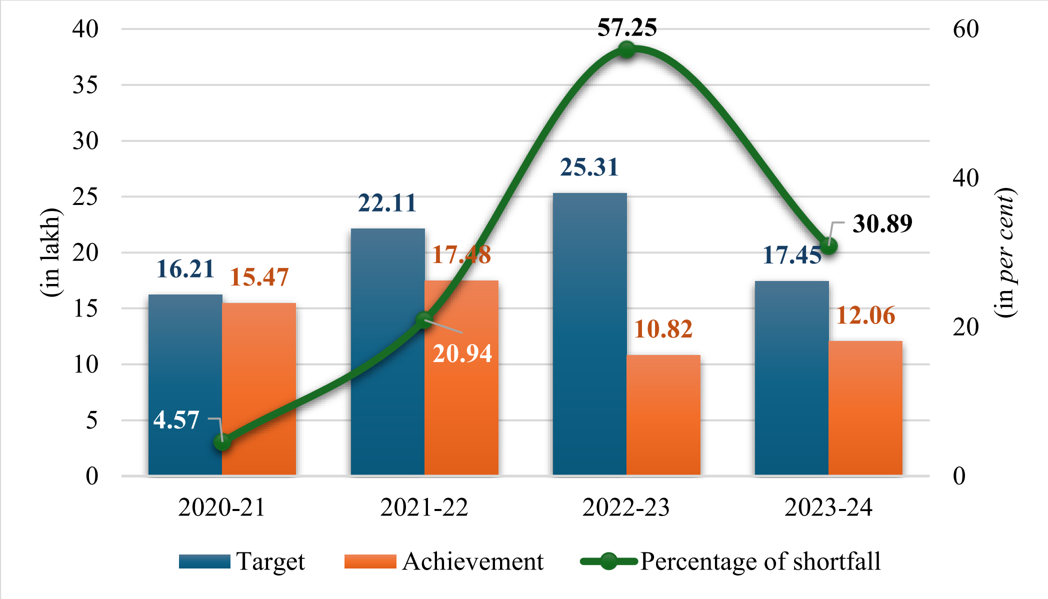
## 2.1.12 Implementation and sustainability of water supply projects

### *2.1.12.1 Coverage of households by FHTCs*

As per JJM guidelines, the SWSM was responsible for setting of quarterly and district-wise targets for provisioning FHTCs and estimating the required funds each year. Additionally, the SWSM had to prepare an Annual Action Plan (AAP) outlining yearly objectives aligned with the annual fund allocation of the Mission.

The State began preparing AAPs from 2020-21 onwards. Although quarter-wise targets were not formulated, district-wise execution plans for FHTCs were developed by the DWSMs from 2020-21. Up to 2019-20, 7.47 lakh FHTCs had been provided in the State under all water supply schemes, including JJM. The year-wise targets and corresponding achievements in the State for FHTCs under all schemes including JJM, during 2020-21 to 2023-24, are depicted in **Chart 2.1.2**.

**Chart 2.1.2: Physical Target and Achievement of FHTCs in the State under all schemes/ programmes during 2020-21 to 2023-24**




*(Source: Information furnished by the EIC, RWSS, Odisha)*

Audit noticed an overall shortfall of 31 *per cent* in coverage of FHTCs (shortfall of 25.25 lakh FHTCs) under all water supply schemes, compared to the targets set for four years' period (81.08 lakh FHTCs) of 2020-24. Maximum shortfall (57.25 *per cent*) was registered during 2022-23, as only 10.82 lakh households were covered with FHTCs, against the target of 25.31 lakh.

The Department attributed the shortfall to manpower shortages, geographical and weather challenges, community resistance, unsustainable water sources *etc.*

Under JJM, 55.78 lakh households were targeted for coverage under FHTCs through 15,377 SVS and MVS during 2019-24 (from September 2019), against which only 26.28 lakh households (47 *per cent*) were provided with potable water through FHTCs, as of March 2024.

Audit observed that the shortfall in achievement was mainly due to non-completion of the water supply projects, as discussed in ***Paragraph 2.1.12.4.***

The Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that all projects were underway and the State would cover 100 *per cent* HHs by June 2026.

### *2.1.12.2 FHTC status in test-checked districts*

In the test-checked districts, villages partially covered under other Central and State schemes were also taken up under JJM. **Table 2.1.7** shows the details of households (HHs) planned and covered for provision of FHTC under JJM in test-checked districts.

***Table 2.1.7: Number of HHs planned and covered with FHTCs under JJM in test-checked districts, as of March 2024***

| Sl. No. | Name of district | Projects sanctioned | Projects completed | HHs planned | HHs covered | *Percentage of Achievement* |
|---|---|---|---|---|---|---|
| 1 | Balasore | 1,162 | 1,012 | 3,77,311 | 2,57,745 | 68.31 |
| 2 | Bargarh | 660 | 08 | 1,35,803 | 60,031 | 44.20 |
| 3 | Kandhamal | 1,522 | 82 | 1,34,879 | 93,938 | 69.65 |
| 4 | Malkangiri | 687 | 167 | 1,06,710 | 11,950 | 11.20 |
| 5 | Puri | 376 | 262 | 2,42,077 | 82,446 | 34.05 |
| **Total** | | **4,407** | **1,531** | **9,96,780** | **5,06,110** | **50.77** |

***(Source: Information furnished by the respective RWSS Divisions)***

As can be seen from **Table 2.1.7,** out of 4,407 projects sanctioned (including Mega water supply projects, SVS and MVS), only 1,531 projects (35 *per cent*) had been completed in the test-checked districts. Kandhamal had 69.65 *per cent* achievement, followed by Balasore with 68.31 *per cent*, while Malkangiri district was the lowest performer with 11.20 *per cent* achievement, in regard to provision of FHTCs to the rural households.

While accepting the facts, the Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that the pace of execution was good, except in Malkangiri which faced issues like geographical, connectivity, water source, community resistance, administrative and security challenges. The reply is not tenable as achievement of other districts like Bargarh and Puri also remained sub- optimal with less than 50 *per cent*.

### *2.1.12.3 Data discrepancy in JJM web-portal*

As per the JJM web portal as of March 2024, 26.28 lakh households were reported to have received tap connections under JJM Scheme, whereas the records of EIC, RWSS showed that only 25.64 lakh households had been provided with FHTCs. Thus, there was a discrepancy of 0.64 lakh households, which indicated over-reporting of households by 2.49 *per cent* in the JJM web-portal.

Similarly, in test-checked districts, there was discrepancy between the figures reported by the EIC and those shown in the JJM web portal, with regard to the number of villages having 100 *per cent* FHTCs. As per web-portal, 3,111 villages were shown as having 100 *per cent* FHTCs, whereas 3,311 villages were reported by the EIC, as having cent *per cent* FHTCs.

As such, there was data inconsistency between the information available on the JJM web portal, compared to the figures reported by the EIC. This raised a doubt regarding actual coverage of villages and households by FHTCs under JJM. Maintenance of different data sets of FHTCs by EIC and on JJM web-portal would also impair further planning and financial management.

The Director, Drinking Water and Sanitation, PR&DW Department admitted (January 2025) the data discrepancies and attributed these to delay in updating the records at division level, dynamic nature of data, limited time for reconciliation etc., and assured that steps would be taken to ensure data accuracy.

### *2.1.12.4 Non-completion of Mega water supply projects*

During 2019-24, the Government of Odisha had initiated 207 Mega water supply projects, out of which 133 were being taken up under JJM. As of June 2024, only two of these projects had been fully completed. The status of Mega water supply projects taken up for construction in five test-checked districts under JJM, during 2019-24 is shown in **Table 2.1.8**.

***Table 2.1.8: Status of Mega piped water supply projects in test-checked districts as of September 2024***

| District | Mega water supply projects sanctioned | Project cost (₹in crore) | Projects started | Projects completed | HHs planned for coverage |
|---|---|---|---|---|---|
| Balasore | 4 | 533.09 | 4 | 0 | 1,17,572 |
| Bargarh | 1 | 453.10 | 1 | 0 | 65,748 |
| Kandhamal | 4 | 630.86 | 4 | 0 | 78,789 |
| Malkangiri | 8 | 1,054.63 | 8 | 0 | 96,769 |
| Puri | 4 | 695.78 | 0 | 0 | 96,649 |
| **Total** | **21** | **3,367.46** | **17** | **0** | **4,55,527** |

***(Source: Information furnished by EIC, RWS&S, Odisha)***

Audit noticed that none of the Mega water supply projects in four test-checked districts had been completed, while in Puri district, work on Mega projects had not even commenced as of September 2024. Of the total 15.27 lakh households in these districts, only 4.56 lakh (30 *per cent*) had been planned for coverage under these Mega projects, while the remaining were to be covered through SVS and MVS. Delay in commencement/ completion of projects was mainly due to issues related to land acquisition, non-setting up of water treatment plants and slow execution by the contractors.

Further, JJM web-portal showed that 31 projects[18] across seven districts had not commenced despite issue of work orders between April 2019 and November 2023. These included 19 projects which had not started even after more than one year of issue of work orders. Consequently, 6,616 households planned under these projects were not provided with FHTCs for availing safe drinking water. The reasons for such abnormal delays in commencement of projects were not on record.

The prolonged delays left a substantial number of households without access to assured and safe drinking water through FHTCs, resulting in non-achievement of the objectives of the Mission.

### *2.1.12.5 Inadequate supply of water*

As per Paragraph 6.1 of Operational Guidelines of JJM, volume of potable drinking water supply should be a minimum of 55 lpcd. States could enhance supply of water to higher levels depending on the availability of drinking water sources. Accordingly, GoO had planned to provide 70 lpcd of water under all projects, as was noticed from the plan documents.

Paragraph 11.1 of the operational guidelines required installation of sensors in SVS and PWS systems with stand posts to measure daily water drawn from various sources and to track bore-well water levels in ground water-based schemes.

[18] Kalahandi: 02, Khordha: 01, Koraput: 09, Malkangiri: 08, Mayurbhanj: 07, Nabarangpur: 01 and Puri: 03.

Audit noticed that in none of the villages of test-checked districts, flow meters/ household meters or modern sensors had been installed to record water flow to households through PWS systems. In absence of such mechanisms, no assurance could be drawn whether minimum prescribed volume of 55 lpcd water was actually being provided to each household.

During beneficiary interview, 298 beneficiaries from 25 villages reported that water supply was insufficient for daily domestic needs (drinking, cooking and domestic work). The reasons for insufficiency were irregular supply of water/ voltage fluctuation/ power supply failure/ non-construction of overhead tanks *etc*. This shortage was a common concern and was also confirmed in FGD, in 16 of the 39 test-checked villages experiencing persistent water shortage.

Supply of piped water was also hampered due to inadequate water sources, power supply failure, irregular operation of in-village projects, *etc*., as discussed in ***Paragraph 2.1.12.7.***

The Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that the planning phase of Internet of Things (IoT) based solutions to measure water distribution was under implementation. This would ensure compliance with the prescribed 70 lpcd norm and real time monitoring.

### ***2.1.12.6 Non-engagement of barefoot technicians / pump operators***

As per Paragraphs 3.6.1 and 10.4 of JJM operational guidelines, Gram Panchayats should identify and engage Barefoot Technicians[19] (BTs) for routine repair, operation of water supply system and water quality management and ensure their training under IEC activities for sustainable O&M. Further, as per Chapter 9 *ibid*, capacity building of skilled human resources like masons, plumbers, electricians, motor mechanics, pump operators, *etc*., was required for ensuring long-term sustainability of water supply systems.

Audit test-checked 27 VAPs in four test-checked districts[20] and observed that in 18 villages, BTs had not been engaged. In their absence, the water quality tests were being done by the Master Book Keepers (MBKs) or Community Resource Persons (CRPs)[21]. Meanwhile, the contractors had been managing the repair/ maintenance work in these 18 villages, as per the agreement.

In 40 test-checked villages, 27 pump operators were in place, while in 12 of the remaining villages, PWSs were solar power based (auto-operated through sensor) and in one village (Saitingia, Kandhamal), no pump operator was posted. The pump operators were engaged by the contractors during the project period after which the GP administration had to take charge of maintenance work. During FGD, it was revealed that in 19 villages, where pump operators appointed by the contractors had been managing the operations, no records like log book of pump house had been maintained for monitoring supply of prescribed quantity of water to the households.

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19 Barefoot Technician: A local youth, preferably from the same GP or village selected after giving basic training on plumbing, pipe fitting, pump operation and simple repair and maintenance of rural water supply systems.

20 In Malkangiri, VAP had not been submitted to Division office by the ISA

21 MBKs and CRPs are trained persons at GP and Block level, who can conduct water quality tests

Thus, the guidelines were not adhered to in letter and spirit regarding engagement of BTs and posting of pump operators, due to which the O&M of piped water supply was likely to suffer once the project period was over.

### *2.1.12.7 Water supply projects having functionality issues*

One of the components of JJM was to develop reliable drinking water sources and/ or augmentation of existing sources to ensure long term sustainability of water supply systems *i.e.* water source, water supply infrastructure, and regular operation and maintenance.

On scrutiny of records relating to the PWS projects and JPI along with departmental officials, Audit observed that the PWS projects, as detailed in **Table 2.1.9**, were either defunct or not functioning properly affecting the provision of required quantity of water to the rural households. Neither the VWSCs nor the RWSS Divisions had taken corrective action for restoration of the defunct projects and augmentation of the existing piped water supply systems.

***Table 2.1.9: Details of piped water supply projects with functionality issues***

| PWS projects | Functional status of the projects | Cause of non-functioning | Impact/ outcome |
|---|---|---|---|
| Nedipadar village (Kandhamal district) and Jhankarpali village (Bargarh district) | The projects constructed at ₹1.48 crore failed to provide required quantity of water. Either yield from source was not assessed before construction or augmentation of the sources was not contemplated. | **Insufficient yield from water source and non-augmentation of water sources** | 189 households could not avail minimum required volume of water. Thus, expenditure of ₹1.48 crore proved to be largely unproductive. |
| 11 villages[22] in Puri and Kandhamal districts | Water supply frequently interrupted for hours/ days together. During beneficiary survey, 298 people opined that voltage fluctuation/ power supply failure was one of the reasons for insufficient water supply. | **Power supply failure/ frequent load shedding/no solar panels installed / damaged pipelines** | 2,251 households did not get regular and long-term water supply. |
| Saitingia village (Kandhamal district) | The PWS was non-operational. Neither RWSS officials nor VWSC had monitored the pump operation or checked other operational constraints. | **Non-engagement of pump operator/ non-arrangement of Self-Employed Mechanic (SEM)** | The expenditure of ₹43.44 lakh incurred on the project proved unfruitful. 111 households of the village did not get water supply. |
| Sripurushottampur and Saragailo villages under Puri district, | Non-repair/ replacement of damaged pipelines | **Damaged pipelines** | Villagers did not get piped water and the expenditure of ₹2.46 |

[22] **Puri district**: Sripurushottampur, Macchapara, Sripatipur, Buali, Saragailo (Nirmala) and Chandrakot; **Kandhamal district**: Kandibali, Neidipadar, Saitingia, Ladari, Kruttamgarh

| PWS projects | Functional status of the projects | Cause of non-functioning | Impact/ outcome |
|---|---|---|---|
| Tikarpada of Malkangiri district, Bhagiratihipur of Balasore district | caused water logging in other villages, resulting in FHTCs getting blocked. | | crore, incurred on the construction of the projects in four villages proved to be unfruitful. |
| Dangarkermali village under Sohela Block | Four solar projects were lying defunct due to missing/ damaged solar panels since February 2024. | **Non repair/ replacement of damaged/ missing solar panels by the contractor although same was included in the agreement.** | Water supply was completely stopped to these villages and FHTCs to the households were not operational. Expenditure of ₹19.26 lakh incurred on these projects proved unproductive. |
| Jenapur village in Puri district | Water quality of the PWS, constructed (April 2022) at ₹1.16 crore was not suitable as salinity, turbidity and iron content were beyond BIS standards as indicated in laboratory reports. Beneficiaries did not use water for drinking purposes. | **Non taking of mitigation measures to improve quality of water** | 371 households could not get safe drinking water through FHTCs and the expenditure of ₹1.16 crore incurred, proved largely unproductive. |
| Than Thana and Jamalpur (Pipili) in Puri district | Retrofitting of PWS to Than Thana' village was abandoned (September 2022) by the contractor after incurring ₹42.85 lakh. The PWS remained incomplete as of August 2024. Another PWS at Jamalpur (cost: ₹23.12 lakh) was not functional due to non-laying of pipeline from the overhead tank. | **Non-taking of initiatives by the divisions for completion of PWS project works for more than two years** | The households of the villages were deprived of safe drinking water since last two years. The expenditure (₹65.97 lakh) proved to be unproductive due to non-completion of the project. |

***(Source: Records relating to PWS projects and JPI)***

It was also observed that VWSCs of the five test-checked districts were not actively involved in water supply activities like operation and maintenance of in-village water supply schemes, deciding on water supply hours *etc.* This also contributed towards non-supply of required quantity of water to rural households.

The Director, Drinking Water and Sanitation, PR&DW Department accepted (January 2025) the audit observations and assured that steps would be taken to ensure adequate water supply to all households.

### *2.1.12.8 Inaction on sustainability of water resources*

Paragraph 3.5 of the Operational guidelines of JJM prescribe that measures like bore well recharge, rainwater harvesting, increasing water storage and desilting should be taken up for ensuring sustainability of water sources throughout the system's design life. VAPs should assess current water availability and sustainability. Both DAPs and SAPs should prioritise sustainability measures for long-term water service.

Scrutiny of records relating to VAPs, DAPs/ DSPs and JPIs in 27 villages, along with FGDs with GP executives and VWSC members revealed that:

1. The DAP of Kandhamal and DSPs of other districts[23] did not have any mention of sustainability measures.
2. In 10 villages, bore well recharge structure was stated to be available in VAP, but it did not exist anywhere, as confirmed during JPI (July-August 2024). The EIC also had no data on such structures.
3. Rainwater harvesting structure was not available in any of the villages of the test-checked districts. During JPI and FGD, the villagers and Panchayat members stated that they did not have any rainwater harvesting plan.
4. The VAPs mentioned that rejuvenation of the existing water bodies of the village was necessary, but no action on such rejuvenation by the RWSS had taken place.
5. In Nedipadar village of Kandhamal, the water sources were not sufficient for yielding water as no sustainability measures, as prescribed in the guidelines, were taken up by RWSS.

Further, Audit also analysed information on source sustainability requisitioned from the EIC and noted the following:

6. Out of 7,284 water sources in the State, only 125 sources were augmented, while 525 (7.2 *per cent*) were reported as failed due to reasons such as insufficient water and bore well collapse[24]. As many as 229 projects remained non-functional due to failure of water source. Out of 20 Divisions where sources had failed to yield water, Kalahandi (221), Nabarangpur (112) and Mayurbhanj (45) were the major three divisions with maximum cases of source failure ***(Appendix 2.2)***. As such, people of the concerned villages could not get piped water under JJM during 2021 to 2025.
7. EIC reported that 123 sources were found to have insufficient water during the mission period and action had been taken for finding an alternate source.
8. Audit observed that all 35 RWSS Divisions had been using Central Ground Water Board (CGWB) Quality and Quantity Block Maps to identify safe ground water blocks and Hydro-

[23] Balasore, Bargarh, Puri and Malkangiri

[24] Borewell collapse occurs when the walls of a drilled well or borehole lose stability often due to factors like improper drilling techniques, insufficient casing or geological issues leading to collapse of the well

Geomorphological Maps for planning sources. In spite of that, 648 (525+123) water sources (8.9 *per cent*) had failed.

9. The common format of VAPs did not contain current availability of water sources with their measured yield and their long-term sustainability. The EIC stated that the said information had been collected at the time of preparing the DPR. However, the fact remained that DPR was prepared for distribution network and PWS and not for source.

The EIC stated that all the projects were designed keeping in view the cost effectiveness and sustainability of the projects but, no evidence in support of such claim could be produced to Audit. He also stated that sources were identified by the RWSS, based on inputs given by geologists and thus, no separate certification was made.

The response of EIC on source sustainability showed that the measures were not adequate either at State level or at district/ GP levels for ensuring sustainability of the sources.

The Director, Drinking Water and Sanitation, PR&DW Department reiterated (January 2025) the State's commitment to achieving long-term sustainability of water sources and ensuring uninterrupted safe drinking water supply, even during distress periods in line with JJM guidelines.

**Good Practice**

**Provision of piped water at the hill-top of two Blocks of Malkangiri**

During Joint Physical Inspection of the Water Supply Assets in Malkangiri district, it was seen that in Suripada village of the Korukonda Block and Tulasi village of the Mathili Block, one agency M/s Greenco System Private Limited had installed solar energy based water supply system at isolated hill-tops at an elevation of 842 meters and 750 meters above the sea level, respectively.


**Photo 1: Solar energy-based water supply system at Suripada village of the Korukonda Block (24 HHs) (26 September 2024)**


**Photo 2: Solar energy-based water supply system at Tulasi village of the Mathili Block (118 HHs) (29 September 2024)**

In Suripada (Korukonda block), all 24 households were provided FHTCs, while in Tulasi (Mathili block), 118 out of 121 households received FHTCs through six of eight sanctioned projects. Joint physical inspection and beneficiary interview confirmed that the agency, with support from RWSS, executed these works under adverse road and climatic conditions at elevations above 750 meters. The effort was commendable as it ensured clean water supply at villagers' doorsteps at hill tops.

***Recommendation 4:***

***The Government may take effective action for expediting completion of piped water supply projects including Mega projects, so that all rural households are provided with FHTCs within the Mission period.***

***Recommendation 5:***

***The Government should focus on measures to enhance source sustainability while planning and undertake steps to use technical knowhow to ensure sustainability of projects for their full design period.***

## 2.1.13 Support activities

To achieve the goal of providing FHTC to every rural household by 2024, along with development of water supply infrastructure, there was need to spread awareness and sensitise communities on judicious use of water, community contribution and ownership, build capacities of GP/ VWSC to plan, implement, manage, operate and maintain in-village infrastructure for long term sustainability. For this purpose, the Mission has made provision of up to five *per cent* of annual allocation to the States as support activities fund. The functions to be carried under this component *inter-alia* included IEC activities, human resource development, training and skill development, third party inspection *etc*.

Audit noticed that the Support activities undertaken by the State were not significant. The State had incurred only 2.20 *per cent* of the total allocation, for support activities as discussed under ***Paragraph 2.1.11***. There were deficiencies in implementation of activities like IEC, third party monitoring, training and skill development *etc*., as discussed in the following paragraphs.

### *2.1.13.1 Non-conduct of IEC activities*

IEC activities, one of the key components of the Support Fund aimed to promote behavioral change, raise awareness about protecting and conserving water sources, improve health and hygiene practices, encourage community participation in managing and maintaining water supply systems and water metering to foster a sense of ownership among users. SWSM was to lead IEC plans and would be responsible for embedding of such interventions across the State.

Audit scrutiny of records at the sampled RWSS Divisions for the years 2019-20 to 2023-24 revealed that the Department had spent only ₹22.47 lakh on IEC activities. No records regarding conduct of IEC activities or awareness campaigns on Participatory Rural Appraisal activities, inter-personal communication, behavioral change communication, water security and management were available in the test-checked RWSS Divisions. During interviews of 816 beneficiaries in 40 villages, the beneficiaries stated the following:

- 814 beneficiaries stated that no IEC activities to create awareness had been conducted.
- 796 beneficiaries (98 *per cent*) stated that they were not made aware of the benefits of clean drinking water, methods and benefits of water

conservation, hygiene habits by ISA, any VWSC members or any government officials.

- 731 beneficiaries (90 *per cent*) stated that they were not made aware of any community contribution either by the VWSC/ ISAs or by RWSS officials. Only 24 beneficiaries were aware of community contribution. This showed that the VWSC and the ISAs had failed to mobilise a sense of community ownership amongst people towards in-village water supply infrastructure and its operation and maintenance.

Scrutiny of records and beneficiary interviews in the test-checked districts, corroborated by minimal expenditure on the Support activities, indicated that the State had not conducted sufficient IEC activities for spreading awareness and sensitising communities regarding water conservation, community ownership, *etc*., for long term sustainability of the water supply projects.

The Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that the Government was committed to balancing infrastructure development with community engagement and would ensure that future IEC activities were aligned with the broader objectives of water security and sustainability.

#### *2.1.13.2 Inappropriate role of Third Party Monitoring Agency*

As per Para 9.6 of JJM operational guidelines, SWSM would empanel Third Party Monitoring agencies based on the Terms of Reference (ToR) issued by the Department/National Mission to check the quality of work executed by the agencies including quality of materials used for construction works.

On scrutiny of records at EIC, RWSS, Audit noticed that one Third Party, M/s TUV SUD South Asia Ltd. (TSSAL), Haryana, had been engaged by the EIC in December 2018 for independent monitoring of existing PWS works. This agency had been granted extension (December 2020) till the engagement of a new agency, on the grounds of substantial workload.

Subsequently, the EIC engaged (December 2021) two firms[25] including the earlier firm TSSAL and met the cost of Third Party Quality and Quantity Monitoring from JJM Support Fund. These two agencies were however, providing consultancy service for other State schemes like BASUDHA, OMBADC, DMF, RIDF, *etc*., while payment to them was made from JJM funds only. Audit observed that while JJM guidelines specifically mandated engagement of third-party inspection agencies for independent inspection of works, the EIC instead engaged third-party consultancy firms for daily supervision and to assist executants in maintaining quality standards during project execution. Further, instead of carrying out independent inspection of works, they were performing supervisory work on daily basis, as seen from the records of SE, RWSS, Puri.

Audit observed that the agencies had been paid ₹27.48 crore from JJM Support activities fund which was inadmissible due to the fact that it was one type of centage[26] charge, which was to be met from the State fund.

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25 M/s Arkitechno Consultants Pvt. Ltd. (ACPL) for five circles and TSSAL for two circles

26 Centage charges are the charges calculated for a work that the government executes on behalf of another government, a local body, or a private party. Centage charges can include agency charges, quality control, road safety and supervision charges.

The Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that in order to manage the increased workload, RWSS had been outsourcing quality monitoring system termed as Third Party Quality and Quantity Management System. The Third party was to independently monitor the quality of implementation, operation and maintenance of newly sanctioned projects. The reply is not acceptable as the agencies did not provide independent inspection and monitoring of the projects, but assisted the RWSS engineers in performing their works, in contradiction to the JJM operational guidelines.

## 2.1.14 Water Quality Monitoring and Surveillance (WQM&S)

As per Chapter 10 of JJM Operational Guidelines, drinking water quality was to be monitored by the RWSS, *i.e.* supplier/ agency responsible/ mandated for surveillance or water quality, whereas the surveillance of water quality at grassroots would be the responsibility of the GPs/ rural community. Monitoring of water quality involved laboratory testing and field testing of water samples (using FTK) collected from water sources and FHTCs. For monitoring purpose, the Department had to employ water quality sensors and IoT based monitoring systems. RWSS was to monitor the process through online portal and field visits.

### *2.1.14.1 Shortage and non-upgradation of water quality testing laboratories*

JJM guidelines prescribed use of State/District/Block-level and mobile laboratories for rural water quality monitoring. Laboratories were to be periodically upgraded[27] through assessment of manpower, infrastructure, equipment, AMC and testing performance with improvement plans to address the identified gaps.

Audit noticed that the State had 77 water quality testing laboratories. These included one State level, 30 District level and 46 Sub-divisional level laboratories (SDLL). However, there was no mobile laboratory in the State, as of August 2024.

The status of laboratories in five test-checked districts, is given in **Table 2.1.10.**

***Table 2.1.10: Status of laboratories in the test-checked districts***

| Sl. No. | District | Number of Blocks/ sub-divisions | No. of SDLLs set up | No. of laboratories upgraded | No. of laboratories in working condition |
|---|---|---|---|---|---|
| 1 | Balasore | 03 | 02 | 00 | 02 |
| 2 | Bargarh | 02 | 02 | 00 | 02 |
| 3 | Kandhamal | 02 | 02 | 02 | 02 |
| 4 | Malkangiri | 02 | 01 | 00 | 01 |
| 5 | Puri | 03 | 02 | 00 | 02 |
| **Total** | | **12** | **09** | **02** | **09** |

***(Source: Information furnished by respective RWS&S Divisions and EIC, RWSS, Odisha)***

[27] As per JJM Guidelines, the activities for WQM&S *inter alia* include strengthening of water quality testing laboratories by setting-up/ upgradation of sub-division laboratories and monitoring by undertaking laboratory assessment and improvement plans.

Audit observed that:

- In all test-checked districts, district level laboratories were functioning as SDLLs. Only two laboratories in Kandhamal district had been upgraded and there was shortage of SDLLs in three districts.
- Neither the district laboratory nor the SDLL had the prescribed testing facilities for water quality tests.

Thus, upgradation and improvement of laboratories was not explored by the EIC, RWSS, despite availability of funds under WQM&S component of JJM.

### *2.1.14.2 Shortfall in accreditation of water quality testing laboratories*

As per Chapter 10 of Operational guidelines of JJM, activities under WQM&S required the laboratories to obtain accreditation[28] for drinking water quality testing as per IS/ISO/IEC: 17025. NABL[29] accreditation is a process where a laboratory's technical competence is assessed against international standards, while recognition refers to the acceptance of NABL-accredited reports by various bodies and the public. The recognition ensures the accuracy, validity and reliability of a lab's reports.

It was noticed that 34 (44 *per cent*) out of 77 laboratories had neither got accreditation nor recognition from NABL, as given in **Table 2.1.11**.

***Table 2.1.11: Status of Recognition and Accreditation of laboratories (March 2024)***

| Type of Laboratory | Total No. | NABL Accredited | Recognised | Not Accredited/ Recognised |
|---|---|---|---|---|
| State Level | 1 | 1 | – | 0 |
| District Level | 30 | 21 | 0 | 9 |
| Sub-divisional Level | 46 | 4 | 17 | 25 |
| **Total** | **77** | **26** | **17** | **34** |

***(Source: Information furnished by the State Laboratory)***

As NABL accreditation signifies competence of laboratories in performing specific types of tests or calibration activities, the lack of accreditation of laboratories in the State cast doubts on their credibility and reliability for water quality testing.

### *2.1.14.3 Shortage of manpower and defunct equipment in laboratories*

The water testing laboratories in the State had acute shortage of manpower and equipment. Against the sanctioned strength of 422 posts, only 248 (53 *per cent*) were in position. Acute shortage was noticed in key posts like Micro-biologists (99 *per cent),* Laboratory Assistants (42 *per cent*) and Data Entry Operators (96 *per cent*)**.**

The position of technical staff of State laboratories is shown in **Chart 2.1.3**.

28 'Accreditation' is the process of verifying that an institution of programme meets quality standards while 'Recognition' is the official acknowledgement by a national body that an institution, program or qualification is legitimate and fulfills the legal requirements to function.

29 National Accreditation Board for Testing and Calibration Laboratories

**Chart 2.1.3: Availability of Technical Manpower in laboratories in the State**


*(Source: Information furnished by EIC, RWS&S, Odisha)*

Audit test-checked nine laboratories (SDLLs) in five test-checked districts and observed that as of September 2024:

- The percentage of vacancy of technical staff ranged between 35 and 50. In laboratories of four test-checked districts (except Kandhamal), 15 out of 31 laboratory personnel had not been imparted any skill upgradation training during the last five years.
- One of the key functions of WQM&S was strengthening of water quality testing laboratories by setting-up/ upgradation of State district/ sub-division/ block/ mobile laboratories and monitoring by undertaking laboratory assessment and improvement plans. The laboratory assessment *inter alia* included mechanism for annual maintenance contract (AMC) for upkeep of equipment. In eight laboratories, as many as 14 required equipment like distillation plant, water purifier, turbidity meter, fluoride meter *etc*., were lying defunct. In none of the laboratories of the State, AMC was made in the last five years.

Shortage of manpower, lack of training and defunct equipment compromised the quality of water testing in the laboratories. Consequently, there were persistent shortfalls in achieving targets set for sample testing ranging from 101 to 4,749 tests across six[30] laboratories.

The Director, Drinking Water and Sanitation, PR&DW Department admitted (January 2025) the shortage of staff and stated that proposals had been initiated for recruitment of staff. The fact, however, remained that the State had failed to provide required manpower in the laboratories, even after five years of implementation of JJM.

### *2.1.14.4 Inadequate testing of samples*

As per JJM Operational Guidelines, SDLLs should test 100 *per cent* water sources under their jurisdiction, once for chemical parameters and twice for bacteriological parameters (pre and post monsoon) in a year. Similarly, district

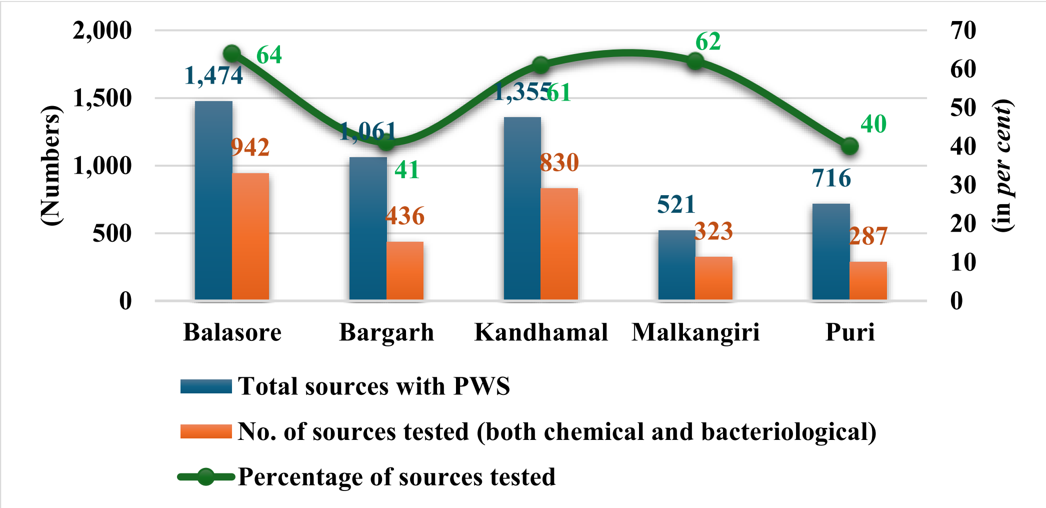
[30] Bargarh District Laboratory, Malkangiri District Laboratory, Mathili SDLL, G. Uadayagiri SDLL, Baliguda SDLL and Puri DLL

laboratories should test 250 water sources/ samples per month (*i.e.* 3,000 in a year) covering all sources randomly including the positively tested samples referred by SDLL.

Audit noticed that in the five test-checked districts, the District Laboratories tested 250 samples in a month. However, in absence of SDLLs, the district laboratories were required to function as SDLLs and test 100 *per cent* water sources, which was not done.

**Chart 2.1.4** shows the results of testing of water sources from PWS Systems in the five test-checked districts (as on 21 October 2024).

**Chart 2.1.4: Source-wise water quality laboratory testing reports in selected districts**




***(Source: JJM web portal)***

As can be seen from the above, only 40 to 64 *per cent* of PWS sources were tested by the laboratories in the test-checked districts. The results of testing of PWS sources revealed that 30 PWS sources were contaminated in three districts (Balasore: 3; Malkangiri: 12; Puri: 15). However, no corrective action was taken for any of these contaminated sources.

Thus, the laboratories were not testing the required number of samples prescribed for them under JJM Guidelines. The limited coverage of testing highlights serious gaps in water quality surveillance, undermining the objective of JJM to ensure safe drinking water for all rural households.

The Director, Drinking Water and Sanitation (January 2025) stated that remedial measures were taken in real time, field inspections were conducted and the target of 250 samples per month was achieved. The reply is not convincing as district laboratories were required to test all sources under their jurisdiction in absence of SDLLs.

### *2.1.14.5 Testing of inadequate number of parameters*

As per JJM Guidelines, water testing is vital for ensuring safety, monitoring, supply and detecting contamination and outbreaks, and taking preventive measures. SDLLs were required to test all sources in a block for at least 13 basic parameters (pH, TDS, turbidity, chloride, alkalinity *etc.*), while district and State laboratories were to re-test samples received from lower-level labs for these 13 parameters.

Audit noticed that the sampled District level laboratories and SDLLs were not testing samples for all the prescribed parameters. The testing of parameters ranged between 9 and 14 in district laboratories while as in SDLLs, it was between 8 and 13, as of September 2024, as detailed in **Table 2.1.12**.

***Table 2.1.12: Number of water quality parameters checked by the testing laboratories.***

| Name of the district | Parameters tested | Name of SDLL | Parameters tested |
|---|---|---|---|
| Balasore | 13 | Soro | 10 |
| | | Jaleswar | 8 |
| Bargarh | 10 | Padmapur | 10 |
| | | Bhatli | 10 |
| Kandhamal | 9 | G. Udayagiri | 10 |
| | | Baliguda | 8 |
| Malkangiri | 12 | Mathili | 11 |
| Puri | 14 | Delanga | 12 |
| | | Nimapara | 13 |

***(Source: Information furnished by respective RWS&S Divisions)***

As can be seen from above table, in five test-checked districts, three district level laboratories and eight SDLLs did not adhere to the JJM guidelines for testing of basic parameters. This posed risk of inadequate water quality monitoring and undermined the objective of providing safe drinking water under JJM.

### *2.1.14.6 Non-adherence to Bureau of Indian standards (BIS) in maintaining water quality*

Water quality must be tested at the source within the distribution system and at the consumer end to ensure safety. As per IS 10500:2012 standards, drinking water should meet the prescribed Acceptable Limits. Values beyond the acceptable limit make water unsuitable, but may be tolerated up to the Permissible Limit only in the absence of an alternative source; if even the Permissible Limit is exceeded, the source should be rejected. It was, however, recommended to implement Acceptable Limits.

***i) Case Study:*** As a case study, Audit reviewed the water quality test registers of Krushnaprasad and Brahmagiri Blocks at the Puri District laboratory, which revealed serious deviations from the prescribed standards shown in **Table 2.1.13**.

***Table 2.1.13: Water Quality Parameter values vs Acceptable/Permissible Limits in two blocks of Puri district***

| Parameter | Location & Date | Acceptable Limit (AL)/ Permissible Limit (PL) | Observed Value |
|---|---|---|---|
| **Total Dissolved Solids** | Jenapur-1, Jenapur GP, Delanga, Puri (29.08.2024)* | AL: 500 mg/L<br>PL: 2000 mg/L | 1960.4 mg/L |
| **Chloride** | Jenapur-1, Jenapur GP, Delanga, Puri (29.08.2024) | AL: 250 mg/L<br>PL: 1000 mg/L | 984 mg/L |
| | Gaudia Bandha, Manapada GP, Brahmagiri Block (04.11.2023) | | 1420 mg/L |
| **Total Hardness** | Sanagaon, Saraswotipur GP (14.09.2023) | AL: 200 mg/L<br>PL: 600 mg/L | 360 mg/L |

| Parameter | Location & Date | Acceptable Limit (AL)/ Permissible Limit (PL) | Observed Value |
|---|---|---|---|
| | Handiali, Gadaro-dhanga GP (14.09.2023) | | 692 mg/L |
| **Fluoride** | Patapur, Satapada GP, Krushnaprasad Block (05.01.2023) | AL: 1 mg/L<br>PL: 1.5 mg/L | 2.26 mg/L |
| | Aneea, Satapada GP, Krushnaprasad Block(05.01.2023) | | 1.75 mg/L |
| | Badajhada, Satapada GP, Krushnaprasad Block (05.01.2023) | | 2.2 mg/L |

***(Source: Information furnished by the respective Divisions)***
**** Dates mentioned are those to which the Reports related***

From the above Table, it can be seen that although the Total Hardness and Fluoride content in the water of the two blocks were higher than the Permissible Limit and Acceptable Limit, the same water was being supplied to the households, without any treatment.

During FGD in 10 villages, the Sarpanch and villagers complained about water quality issues such as presence of iron content, total hardness, turbidity, salinity *etc.* in the supplied water. However, no tangible action had been taken by the RWSS Division to improve the quality of water.

In one village Sanagaon of Saraswatipur GP of Pipili Block, Puri, 19 out of 23 beneficiaries stated that they did not use the piped water for drinking or cooking due to excessive hardness which made it difficult to cook rice and dal. For drinking purpose, the beneficiaries collected water from the school tube-well which was at the other end of the village. The GP administration and RWSS were aware of the issue, but no quality control measures had been taken so far.

Despite the adverse impacts on health and usability, neither any Community Water Purification Plant (CWPP) was established in Puri district, nor was any alternate safe water source explored, leaving the users compelled to use unsafe water.

***ii) Results of JPI:*** During JPI in presence of departmental officials, Audit Teams collected water samples from source points existing in in-village water supply infrastructure of 40 villages and got these samples tested at the respective SDLLs. In four test-checked districts, the values of parameters like, total hardness, alkanity, turbidity, chloride content *etc*., were above the prescribed standards.

Audit interviewed 816 beneficiaries in 40 villages of the test-checked districts during July to September 2024. Of these 162 people (20 *per cent*) stated that waterborne diseases were frequent in their locality.

***iii) Water quality in test-checked schools and AWCs:*** Audit also visited 19 schools and AWCs of five test-checked districts where the students and the teaching staffs complained about bad taste of water. The staff of these institutions reported that due to poor water quality, the children were reluctant to drink the supplied water.

Audit findings, corroborated through beneficiary interviews and FGDs with local stakeholders, established that the drinking water quality in the district was not fully safe for consumption. The presence of high Fluoride levels posed risk of skeletal fluorosis and elevated Iron levels affected taste, digestion, palatability and could result in health ailments. Further, the BIS standards for drinking water quality were not followed in letter and spirit by the district authorities.

### *2.1.14.7 Inadequate water quality monitoring and surveillance*

As per JJM guidelines, the activities for water quality monitoring and surveillance *inter alia* include Awareness and education programmes on water quality in schools, Anganwadi Centres, Health Centres, GPs/ PRIs, *etc.*; engagement of communities in surveillance activities, such as mandatory sanitary inspections and enable communities to undertake presumptive testing of water quality using FTKs; sharing the results of water quality testing within community by way of SMS to all the major stakeholders in the community *viz*. Sarpanch, Up-Sarpanch, GP members/ VWSC *etc*. The drinking water quality should be monitored by the RWSS, *i.e*. the agency responsible for water quality, whereas the surveillance of water quality at grassroot level would be the responsibility of the GPs/ rural community.

In this regard, Audit observed that:

1. No awareness campaigns or educational programmes on water quality management and surveillance had been organised by RWSS officials, GPs and/or their sub-committees in schools, AWCs, health centres or GPs during August 2019 to March 2024.
2. Surveillance activities *viz*. mandatory sanitary inspections were not carried out by RWSS officials, GPs and/or their sub-committees.
3. Results of water quality tests were not shared within the community. Results of chemical and bacteriological tests found positive were not uploaded on IMIS of JJM portal.
4. As per JJM guidelines, GP and/or VWSC *etc*., were to identify, train and appoint five women from the local community to conduct water quality tests using FTKs/ bacteriological vials and report the results. Audit noticed that women from local community were not included to conduct such water quality tests.
5. As per the WQM&S Programme journal for 2024-25 of GoO, as many as 93,613 women were trained for testing water quality using FTK during 2021-22 to 2023-24. In five sampled districts, ₹70.04 lakh was spent on imparting FTK training to women villagers. However, in the test-checked villages, Audit could not find any women trained for using FTK. In the absence of database of trained women at the State level, Audit also could not vouchsafe whether required number of women in all villages had been imparted FTK training.

Thus, the water quality testing and monitoring in the State as well as in five sampled districts was not adequate, as envisaged under the guidelines of JJM.

The Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that remedial measures were being taken in the test-checked villages at the instance of Audit.

***2.1.14.8 Installation of Community Water Purification Plant in Groundwater Contaminated Areas***

Community Water Purification Plant (CWPP) is a system aimed at treating or improving the physical, chemical or bacteriological quality of water to bring it into compliance with State Board of Health Standards. In order to provide immediate relief in Arsenic, Fluoride, Iron and other heavy metal affected habitations, JJM Guidelines provided that CWPP may be installed to provide 8-10 lpcd as short term measure for drinking and cooking purposes. However, as a permanent measure, safe ground water (from nearby village) or surface water supply based systems were to be established to provide FHTC with service level of 55 lpcd of water. Priority was to be given for provision of potable water in these quality affected habitations, especially with contaminants like Arsenic, Fluoride, Uranium *etc.*

Audit observed that although 19 districts of Odisha had fluoride, arsenic and uranium contamination in ground water, only 46 CWPPs had been set up in eight districts. Out of these, 24 CWPPs were Ion Exchange plants in four districts (Angul, Bargarh, Khordha and Nabarangpur) and the remaining 22 were Electric Defluoridation plants set up in four districts (Bolangir, Cuttack, Mayurbhanj and Nayagarh). These plants covered 41 habitations with population of 23,222. The Government had not set up any CWPP in the remaining locations to purify water.

In the test-checked districts, Audit observed that no CWPP was set up. However, 176 Iron Removal Plants, Fluoride Treatment Plants (88) and 32 Water Treatment Plants (WTP) existed in these districts.

Thus, due to non-installation of adequate number of purification plants, required priority was not given for provision of potable water in the quality affected habitations of test-checked districts.

The Department stated (January 2025) that there were 808 quality-affected habitations in the State. To address this, the State had installed 1,200 iron removal plants and 1,415 fluoride removal plants in these habitations. However, the State did not opt for the CWPP approach, as it was deemed unviable in the long run. The State had been implementing surface-water based mega water projects to ensure safe drinking water.

The reply is not acceptable as mega water projects would cover 55 lakh households out of 96 lakh households (as per 2011 Census) and the remaining population had to depend on SVS and MVS and other water sources for safe drinking water, for which CWPP were required, as envisaged in the JJM Guidelines.

## 2.1.15 Technological Interventions and Innovations for water supply

Chapter 8 of JJM Operational Guidelines highlights the need for technological interventions to address challenges in rural water supply, such as water pollution, long-distance water transport, power requirements, wastewater disposal, leakages, and misuse of water.

### *2.1.15.1 Non-use of Technological Interventions in hard rock/ hilly/ coastal areas and prescribed technology in planning and monitoring*

Operational guidelines on JJM suggested using techniques such as bore-blast, fracture seal cementation, stream blasting, *etc*., under skilled supervision for accessing ground water in hard rock areas. In hilly areas, especially at higher altitudes, spring-based sources, rainwater harvesting and stand-alone bore-wells were considered economical alternatives.

Audit observed that Odisha, being hard rock terrain, had not adopted any such Technological Interventions to supply drinking water in hilly and hard rock areas. Rain water harvesting projects were also not planned by the Government.

Paragraph 8.4 of JJM guidelines prescribed use of modern technologies like IoT, Geographic Information System (GIS), Hydro-Geo-Morphological Maps[31] (HGM) to assess ground water potential, digital 3D contour maps for location and identification of gaps in drinking water infrastructure *etc.*

Audit observed that RWSS Divisions in the test-checked districts had not applied technologies/software for prioritising villages under JJM during 2019-2024. Although the EIC stated that HGM maps supplied by National Remote Sensing Centre, Hyderabad were used for identifying groundwater sources, however, the RWSS Divisions of the test-checked districts stated that no such HGM maps were being utilised. Use of prescribed technologies such as Supervisory Control and Data Acquisition (SCADA), sensors, Internet of Things *etc*. apart from the above tools could have resulted in better planning and monitoring mechanism.

Thus, failure of RWSS Division to adopt prescribed technologies under JJM led to weak planning, poor monitoring and compromised the sustainability and quality of water supply in the State. Cases of water leakage and losses in Sripurushottampur and Saragailo (Puri), Tikarpada (Malkangiri) and Bhagiratihipur (Balasore) as discussed in ***Paragraph 2.1.12.7*** highlight gaps that could have been avoided through use of prescribed technology.

The Director, Drinking Water and Sanitation, PR&DW Department assured (January 2025) that necessary instructions would be issued to the concerned divisions for taking immediate action in this regard.

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31 Hydro-Geo-Morphological (HGM) maps are tools that integrate geological, hydrological and geomorphological data to assess groundwater potential and inform sustainable water resource management, especially for identifying suitable locations for bore wells and other water infrastructure.

## 2.1.16 Monitoring

### *2.1.16.1 Non-conduct of Water audit*

Paragraph 8.7 of the JJM Operational Guidelines mandated regular Water Audits to minimise losses in the distribution system and enhance the efficiency of water supply. States were required to prepare a comprehensive water budget for each village by assessing total water availability from all sources, both groundwater and surface water and evaluate water usage across domestic, agricultural and industrial sectors. Additionally, intensive awareness campaigns should be conducted to promote water conservation among communities.

Audit noticed that since the inception of JJM, the State had not conducted any Water Audit. Consequently, opportunities to prevent water losses and improve water management efficiency remained unexploited. The VAPs lacked the concept of water budgeting and no awareness campaigns on water conservation were organised in the test-checked divisions by RWSS officials with the help of GPs and their sub-committees.

Absence of Water Audit and water budgeting severely undermined effective water resource management, leading to unchecked losses and inefficient utilisation.

The Director, Drinking Water and Sanitation, PR&DW Department admitted (January 2025) non-conduct of a formal Water Audit since the inception of JJM.

### *2.1.16.2 Geo tagging of assets not done*

As per Paragraph 11.1.1 of Operational Guidelines, the data regarding physical progress of various projects, geo-tagging of assets, expenditure made on the projects, functionality status of projects was to be captured on JJM IMIS and kept in public domain. The RWSS was responsible for geo-tagging of assets of water supply schemes under JJM in the State.

Audit observed that:

- Out of 12,634 sources created under JJM in the State, only 9,173 sources (72.6 *per cent*) were geo-tagged, as of September 2024.
- Similarly, in the test-checked five districts, out of 3,381 sources created under the scheme since August 2019, only 2,173 sources (64 *per cent*) were geo-tagged.

Thus, due to non-geo tagging of 27 *per cent* assets, transparency in execution of projects was not ensured by the Divisions.

In reply, the Director, Drinking Water and Sanitation, PR&DW Department stated (January 2025) that the State had been actively implementing geo-tagging of water sources. The reply is not tenable as hundred *per cent* water sources have not been geo-tagged in the State.

### 2.1.17 Conclusion

In spite of Government's effort to provide potable piped water adequately to every rural household, 31 *per cent* households were yet to be provided with FHTCs. Out of 207 Mega-projects of the State, only two had been completed.

Village Water and Sanitation Committees responsible for planning, execution and operation and maintenance of piped water supply projects had not been formed in 1,378 villages as of July 2024. The existing VWSCs failed to play their assigned roles and responsibilities due to lack of guidance from ISA and monitoring by RWSS Divisions. The DAPs and the SAPs were deficient, as many of the parameters outlined in the JJM guidelines were not included in the plans. Absence of a robust operation and maintenance plan in VAPs/ DAPs, adversely impacted sustainability of water supply projects, interrupting safe drinking water supply to the rural households.

There was minimal expenditure on support and WQM&S activities which indicated that performance of the scheme had remained sub-optimal. Water quality management system was also not adequate as all required parameters were not tested and the RWSS laboratories lacked resources to test samples from required points and deliver quality water to rural people.

# Chapter 3

# Compliance Audit

# REVENUE AND DISASTER MANAGEMENT DEPARTMENT

## 3.1 Monitoring of end utilisation of land for intended purposes


### EXECUTIVE SUMMARY

The Revenue & Disaster Management (RDM) Department, responsible for ensuring end utilisation of land for intended purposes, had not maintained database of acquired/ allotted land. The Odisha Government Land Settlement (OGLS) Act/ Rules, 1983 and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013 provided for utilisation of leased out/ acquired land within three and five years, respectively. However, lease deeds executed between the Collectors and the allottees did not provide specific period for utilisation of land. 12393.651 acres of land allotted during 1981-2021, for establishment of industries/ allied activities had not been utilised for the intended purposes. Further, 252.692 acres of allotted land were utilised for purposes other than those for which the same were sanctioned.

Village-wise Land Banks, as required under Rule 42 of the Odisha RFCTLARR Rules, 2016 to ensure productive use of Government land, were not formed. On the other hand, 668.893 acres of Government land, which would have formed part of Land Bank remained under unauthorised occupation.

In 24 sampled Tahasils, 504.768 acres of agricultural land were utilised for non-agricultural purposes. In eight sampled Tahasils, 21.882 acres of agricultural land coming under Development Authority (DA) areas were sold by sub-dividing into 321 sub-plots, without obtaining their permission, as required under the Odisha Development Authorities Act, 1982. In two Tahasils, 10.085 acres of agricultural land was converted to homestead category, without availability of genuine approach roads to the converted plots.

In six sampled Tahasils, 568.876 acres of forest land were utilised for non-forest activities without prior approval of the Central Government. Further, 13.65 acres of land coming within Wildlife Sanctuary area was sold by making 156 sub plots by disregarding the stipulations made in the Wildlife Protection Act. In Puri and Khordha districts, 41.65 acres of land, falling within the Eco Sensitive Zones (ESZ) were utilised, in deviation to activities permitted in ESZ notification.

Monitoring mechanism like submission of Monthly/ Quarterly Progress Reports in regard to utilisation of allotted land for intended purposes, resumption of unutilised lands, and detection of unauthorised use of agricultural land for non-agricultural purposes, was not in place.

### 3.1.1 Introduction

To cater to the growing demand for land, especially land for public purposes or, for establishment of industries, the State Government leases Government land and also acquires private land. Lease of Government land is governed by the Odisha Government Land Settlement (OGLS) Act/ Rules, 1983 and acquisition of private land is governed by the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013. Conversion of agricultural land to non-agricultural category is regulated under the Orissa Land Reforms (OLR) Act, 1960.

Odisha Industrial Infrastructure Development Corporation (IDCO), a State Public Sector Undertaking, was set up in 1981 as the Nodal Agency for providing land for industrial and infrastructure projects in the State. The Revenue and Disaster Management (RDM) Department provides private land (after acquisition) and Government land to IDCO, which subsequently allots the said land for establishment of industries/ infrastructure projects. The RDM Department is also responsible for monitoring the end use of land in the State.

At the district level, Collectors, assisted by Tahasildars are responsible for monitoring end utilisation of land allotted for various purposes, resumption of land remaining unutilised beyond the stipulated period, as well as for initiation of action with regard to unauthorised use of agricultural land for non-agricultural purposes.

A Compliance Audit on 'Monitoring of end utilisation of land for intended purposes' was conducted during July 2024 to February 2025, covering the period 2021-22 to 2023-24, with the objectives of assessing whether:

- End utilisation of acquired private land and Government land, allotted for industrial purposes, was in compliance with sanction order and lease deed.
- Conversion of agricultural land for non-agricultural purpose had been carried out in compliance with the provisions of OLR Act and converted land was utilised for the purpose for which it was converted.

Audit examined records of RDM Department, eight Collectorates[1] and 24 Tahasils [2] (*i.e.* three in each sampled Collectorate). Besides, records of the Housing and Urban Development (H&UD) Department, IDCO and Development Authorities/ Regional Improvement Trusts concerned, were also examined. Joint Physical Inspections (JPI) of land/ sites with the representatives of Tahasildars/ IDCO were conducted. Land use was verified using satellite imagery and cadastral (Revenue) maps in the background, through Odisha 4k GEO services[3].

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1 Angul, Bolangir, Dhenkanal, Jagatsinghpur, Jajpur, Jharsuguda, Khordha and Puri

2 Angul, Balianta, Banarpal, Bhubaneswar, Bolangir, Brahmagiri, Chhendipada, Danagadi, Darpan, Dhenkanal, Erasama, Gop, Jagatsinghpur, Jatani, Jharsuguda, Kamakhyanagar, Kolabira, Kujanga, Lakhanpur, Odapada, Puri, Saintala, Sukinda and Titilagarh

3 An application prepared by the Odisha Space Application Centre, the apex body for space technology applications of Government of Odisha. It contains location based geo referenced revenue cadastral maps. It can be used to know land use status of a particular plot.

An Entry Conference was held (1 July 2024) with the Additional Chief Secretary, RDM Department wherein the objectives, scope, criteria and methodology of audit were discussed. The audit findings were discussed with the Additional Chief Secretary of the Department in an Exit Meeting, held on 10 October 2025. Replies of the department have been incorporated appropriately in the Report. The findings of Audit are discussed in the subsequent paragraphs.

**Audit Findings**

### 3.1.2 Utilisation of acquired/ leased land for intended purpose

On application by IDCO, the Collector sanctions government land and acquires private land (as required), in favour of IDCO for the establishment of industries and allied activities. In both the cases, the Collector handovers possession of land on execution of a lease deed with IDCO. Subsequently, IDCO sub-leases allotted land to Industries on execution of lease deed with the industry concerned. Section 3B of OGLS (Amendment) Act, 2013 provides for resumption of land settled, if the same is utilised for any purpose other than that for which it was settled; or not utilised for a period exceeding three years from the date of settlement. Similarly, Section 101 of the RFCTLARR Act provides that when any land acquired under this Act, remains unutilised for a period of five years from the date of taking over of possession, the same shall be returned to the original owner or owners or their legal heirs, as the case may be, or to the Land Bank of the appropriate Government, by reversion.

#### *3.1.2.1 Non-maintenance of database of acquired/ allotted land*

The nodal agency, *i.e.,* IDCO intimated Audit that in eight sampled districts, 50,231.849 acres of land[4], had been provided for establishment of industries, as of March 2024.

Audit noticed that the RDM Department had instructed (April 2017) all District Collectors to conduct detailed survey of Government land leased up to March 2014 and resume any such land which remained unutilised for a period exceeding three years. However, similar instructions were not issued with regard to acquired private land, which might have remained unutilised beyond the stipulated period of five years.

Further, Audit also observed that despite the instructions of the Department, no such survey of the leased out land was conducted in the eight sampled districts. Further, even a database of leased out government land/ acquired private land, allotted for various purposes had not been maintained. As a result, the eight sampled districts did not have consolidated information/data available about leased lands or of cases where the said land may not have been utilised for the intended purposes, within the stipulated period. No inputs regarding action taken by the district authorities (for resumption of land) were shared with Audit. Only one sample district *viz.*, Jajpur informed Audit that resumption of land under OGLS Act had been initiated in one case.

[4] Angul: 11,580.670 acres, Bolangir: 1,371.510 acres, Dhenkanal: 6,290.621 acres, Jagatsinghpur: 10,941.510 acres, Jajpur: 10,523.120 acres, Jharsuguda: 5,476.180 acres, Khordha: 3,894.550 acres and Puri: 153.688 acres

The Department stated (October 2025) that steps had been taken for maintaining a database on acquired/ allotted land in respect of Jajpur, Angul, Khordha and Dhenkanal districts. It further added that the Tahasildars of Jagatsinghpur district had been directed to prepare a database. No specific reply was furnished for Bolangir district. The fact however, remained that neither any database had been maintained nor actual utilisation of allotted land for the intended purposes, had been ensured, despite instructions issued by the RDM Department.

In the absence of data on area of land leased/ acquired for public purposes, Audit test-checked individual land acquisition/ lease files at the sampled Collectorates, Tahasils and IDCO in regard to 16,214.522 acres of land[5] and observed the following:

### *3.1.2.2 Deficient sanction orders and deeds of agreement to ensure utilisation of allotted land within the stipulated period*

The RDM Department prescribed (July 2013) two standard deeds of agreement for transfer of government land and acquired private land in favour of IDCO. However, the said formats did not contain the period within which the allotted land was to be utilised. The OGLS Amendment Act, 2013 and RFCTLARR Act, 2013 provided for utilisation of allotted land within three and five years, for Government and private lands, respectively. However, the standard deed formats of the Department were not modified to incorporate the period of utilisation. In case of land allotted to IDCO for subsequent allotment to industrial units, Audit observed the following:

- The lease sanction orders issued after July 2013, by the Collectors of four sampled districts (Dhenkanal, Puri, Jagatsinghpur and Jajpur) stipulated resumption of land, in the cases where land was not utilised for intended purpose within a period of six months to three years. In the remaining four districts (Angul, Bolangir, Jharsuguda and Khordha), the lease sanction orders did not mention any specific period for utilisation of land.
- In all the eight test-checked districts, the deeds of agreement executed between the Collector and IDCO did not mention the period within which the allotted land was to be utilised.
- While there were no stipulations made in the lease deeds between the Collector and IDCO with regard to the period within which land should be utilised for intended purposes, IDCO had allowed five years for utilisation of allotted government land by the allotees. This stipulation made by IDCO was inconsistent with the provisions of the OGLS Act, which provided for utilising government land within a period of three years.

Audit noticed that due to non-conduct of survey to ascertain status of utilisation of allotted land coupled with absence of enabling provisions in lease deeds finalised with IDCO, utilisation of land for the intended purposes

[5] Acquired private land: 7,102.062 acres; Leased out government land: 3,321.248 acres; and 5,791.212 acres (included both acquired private land and leased out government land, details of which could not be provided by IDCO)

within the stipulated period could not be enforced, nor had any steps been taken by either IDCO or the Collectors for resumption of land.

In reply, Collector, Puri and Tahasildars of Brahmagiri, Dhenkanal, Kamakhyanagar, Odapada and Puri stated (August to December 2024) that formats prescribed (July 2013) by RDM Department were adopted for execution of lease deed with IDCO. Tahasildars of Bhubaneswar, Jatani, Kolabira and Jharsuguda assured that the Department would be intimated for taking necessary action.

#### *3.1.2.3 Non-reversion of acquired private land remaining unutilised beyond the stipulated period of utilisation*

Private lands measuring 7,102.062 acres were acquired by RDM Department during 1983 to 2018 for establishment of industries. Out of these, 6,163.727 acres were allotted in favour of IDCO and 938.335 acres in favour of two others[6] for setting up of industries. Audit noticed that 7,035.471 acres of land (99 *per cent*) had not been utilised for intended purposes, as of October 2024 despite lapse of the stipulated period. The unutilised land included 1,958.145 acres, which had not been allotted by IDCO, as of October 2024. Based on test-check, the instances of non-compliance observed by Audit are discussed below:

- ***Non utilisation of land acquired for Shamuka Beach Project, Puri*:** Government of Odisha (GoO) decided to develop the Shamuka Beach Project (SBP) in Puri, to provide infrastructure facilities, such as modern hotels, amusement parks *etc.*, along the Bay of Bengal. The Collector, Puri sanctioned 1,615.36 acres of land (1,397.04 acres of private land and 218.32 acres of Government land) during 2005-07 in Sipasarubali Village under Brahmagiri Tahasil for the SBP. Out of 1,615.36 acres of land mobilised for the purpose, the Collector transferred 972.64 acres of land (acquired private land: 775.35 acres and Government land: 197.29 acres) in favour of IDCO during September 2005 to November 2006 for establishment of SBP. The land, however, remained unutilised with IDCO till October 2017, reasons for which were not on record. Remaining 642.72 acres of land was lying unallotted with the Collector.

  After almost 11 years, the GoO established (31 October 2017) the Shamuka Tourism Development Corporation Limited (STDC), a joint venture company of the Odisha Tourism Development Corporation Limited and IDCO for the development of SBP. To facilitate transfer of land by IDCO in favour of STDC, IDCO surrendered (30 December 2020) the entire land parcel of 972.64 acres in favour of RDM Department to enable it to allot the same to STDC. However, even after four years of surrender of land by IDCO, the same has not been transferred in favour of STDC (October 2024).

  During JPI (19 October 2024) of the site, it was observed that a boundary wall on some portions of allotted land and a blacktop road

[6] Odisha Thermal Power Corporation (OTPCL) and Orissa Synthetics Limited/ Reliance Industries Limited in Dhenkanal District

connecting the main road to the allotted area had been constructed[7]. Entire acquired land remained vacant and was not utilised for the intended purpose.

Audit observed that despite non-utilisation of entire land parcel of 1,615.36 acres after lapse of 18 years, the land parcel had not been reverted to the original owners or to the Land Bank in pursuance of the provisions of the RFCTLARR Act.

The Department stated (October 2025) that verification process for land allotted to industrial units through IDCO was ongoing and necessary steps would be taken after verification. The fact, however, remained that the Department had not ensured utilisation of land which had been surrendered by IDCO for allotment to STDC.

- ***Non-utilisation of land acquired for thermal power plant***: The Tahasildar-cum-LAO, Kamakhyanagar acquired 820.235 acres of private land in seven villages[8] under the Kamakhya Nagar Tahasil of Dhenkanal district for establishment of a thermal power plant by the Odisha Thermal Power Corporation Limited[9] (OTPCL). Possession of land was handed over to OTPCL during July 2015 to March 2018. As per the statutory provision, the land was to be utilised by March 2023.

  On JPI (8 August 2024) of the site, it was noticed that a Rehabilitation and Resettlement (R&R) colony had been constructed on an area of 27 acres for displaced families of the Annapurnapur Khamar (Kha) Village, and a site office of about 2,000 sqft had been constructed but the remaining land was lying unused. Thus, 820.235 acres of acquired private land had not been utillised for intended purpose, despite lapse of six to ten years since handing over possession of land.

  The Department stated (October 2025) that the matter had been intimated (August 2025) to the CEO, OTPCL by the Tahasildar and compliance report from OTPCL was awaited. The reply is not tenable as the Department/ Tahasildar concerned had not taken action for reverting the unutilised land, even though the OTPCL failed to utilise the allotted land, within the stipulated period (March 2023).

### *3.1.2.4 Non-resumption of unutilised leased out government land*

The State Government had leased out 3,321.248 acres of Government land for the establishment of industries/ infrastructure projects, during 1983 to March 2021. The extent of use of such leased land by the lessees as of January 2025, is shown in **Table 3.1.1.**

[7] For construction of road to the SBP, an area of 22.84 acre was acquired in village Kashijaganathpur (11.19 acres) and Sankarpur (11.65 acres) under Puri Tahasil

[8] Annapurna Khamar(kha), Anlabereni, Kusumjodi, Kantapal, Aluajharan, Dhobabahali and Kateni

[9] A Government of Odisha Public Sector Undertaking

***Table 3.1.1: Allotment and utilisation of land for establishment of industries/ infrastructure projects, during 1983 to March 2021***

| Allottee | Allotment period | Allotted area | Unutilised area/ |
|---|---|---|---|
| | | (In acre) | |
| IDCO | May 1985 to March 2021 | 2,876.06 | 2,799.686 (97 *per cent*) |
| BDA | August 1991 to November 2012 | 153.447 | 153.447 (100 *per cent*) |
| MCL | April 1996 to August 2018 | 128.350 | 128.350 (100 *per cent*) |
| Others[10] | 1983 to December 2018 | 163.391 | 139.266 (85 *per cent*) |
| | **Total** | **3,321.248** | **3,220.749 ( 97 *per cent*)** |

***(Source: Records of RDM Department, IDCO and BDA)***

Audit noticed that the allottees had utilised only 100.499 acres of the allotted land and the remaining 3,220.749 acres (97 *per cent*) of leased land remained unutilised, as of January 2025. Details of such non-utilisation are discussed below:

- The Collector, Dhenkanal sanctioned (November 2010) 193.12 acres of Government land[11] under Kamakhya Nagar Tahasil in favour of IDCO for the establishment of industry by RSB Metaltech Private Limited. On JPI (12 August 2024) of the site, it was noticed that the entire land was still lying vacant, even after lapse of 14 years of sanction. Further, although the government land had been allotted, surrounding private land/plots were not acquired/ purchased to make the site a compact patch for industrial use. In reply, the Tahasildar, Kamakhyanagar assured that IDCO would be requested for early utilisation of allotted land and stated that resumption process would be initiated, in case IDCO failed to utilise the land.

- The Collector, Jharsuguda sanctioned (August 2018) 100.850 acres of Government land[12] in favour of Mahanadi Coalfields Limited (MCL), Burla for the construction of rehabilitation site for families who were displaced due to mining operations. On JPI (August 2024) of the site, it was noticed that it had not been used for the intended purposes as no families had been rehabilitated on the land, boundary wall, cement concrete road, houses and drains that had been constructed on a small part of the allotted land, were damaged. Thus, even after lapse of six years from the date of sanction, land use as per intended purposes had not been ensured. In reply, Tahasildar, Lakhanpur assured (September 2024) that resumption process would be initiated.

- The R&DM Department and General Administration and Public Grievance (GAPG) Department allotted (August 1991 to November 2012) 153.447 acres of Government land in Jatani, Khordha and Bhubaneswar Tahasils in favour of the Bhubaneswar Development Authority (BDA) for development of housing projects, staff quarters, *etc.* Audit noted that BDA had not utilised the entire allotted land

10 Includes government and private organisations

11 Bhagirathipursasan: Lease case No.17/10, Khata No.204/438, area 105.42 acre; Markata: Lease case No.12/10, Khata No.110/108, area 68.04 acre; Bijadiha: Lease case No.13/10, Khata No.260, area 4.47 acre; Samatangi: Lease case No.01/10, Khata No.202/177, area 13.60 acre; & Mahulpal: Lease case No.04/10, Khata No.406/256, area 1.59 acre

12 Chaurnimahul village under Lakhanpur Tahasil

despite lapse of 15 to 25 years from the date of handing over of possession (as of December 2024). Non-utilisation of land was attributed to non-availability of appropriate road, requirement of additional land, delay in finalisation of lease conditions, request of change in land use, delay in processing of files *etc*.

- The RDM Department, sanctioned (August 2010) lease of five acres of land[13] under the Brahamagiri Tahasil, in favour of the Managing Director, M/s Swasti Vacation Club Private Limited for the establishment of a tourist resort. On JPI (22 October 2024) of the site, it was noticed that the land was lying vacant, even after lapse of 14 years from the date of sanction, without any recorded reasons. In reply, the Tahasildar Brahmagiri assured (November 2024) that effective steps would be taken for utilisation of land, failing which resumption process would be initiated.

Thus, the Collectors concerned had not taken appropriate action to monitor end use of land allotted and not ensured timely utilisation of leasehold land. Necessary steps as per the OGLS Act had also not been taken for resumption of land remaining unutilised beyond the stipulated period, leading to non-compliance with statutory provisions.

The Department stated (October 2025) that the concerned Revenue Inspectors of Bhubaneswar and Jatani Tahasils had been instructed to verify and ascertain the utilisation position of leased out Government land. This indicated that the Department/ Collectors concerned had not monitored utilisation of allotted land for the intended purposes and taken action for resumption of the unutilised land as per OGLS Act.

#### *3.1.2.5 Non-resumption of land which remained unutilised in the industrial estates/ areas of IDCO*

IDCO established industrial estates (IEs), industrial areas (IAs), IT Parks, growth centres, *etc.*, in different parts of the State to facilitate industrial investments and provide ready-to-use infrastructure *i.e.* developed plots/sheds having roads, drains, power supply, water supply and other common facilities.

In eight sampled districts, the State Government had allotted (1981 to 2018) 5,791.212 acres of land (both acquired private land and leased out Government land) in favour of IDCO for the establishment of IEs/ IAs/ IT parks/ growth centres *etc.* The status of utilisation is shown in **Table 3.1.2.**

***Table 3.1.2: Status of utilisation of land allotted by IDCO in the sampled districts as of March 2024***

| Name of the district | No. of Industrial Estate | Area allotted by Government | Common utility area | Area available for allotment by IDCO | Allotted area by IDCO | Unutilised area |
|---|---|---|---|---|---|---|
| | | *(In acres)* | | | | |
| Angul | 3 | 90.950 | 29.791 | 61.159 | 50.651 | 6.346 |
| Bolangir | 9 | 719.850 | 205.290 | 514.560 | 372.087 | 88.245 |
| Dhenkanal | 6 | 588.770 | 59.286 | 529.484 | 424.406 | 192.529 |
| Jagatsinghpur | 5 | 184.030 | 72.131 | 111.899 | 77.397 | 35.018 |
| Jajpur | 2 | 120.230 | 23.890 | 96.340 | 89.660 | 40.870 |

13 Village: Bankijal, Khata No. 364/154, Plot No. 368/1951, Kisam: Patita

| Name of the district | No. of Industrial Estate | Area allotted by Government | Common utility area | Area available for allotment by IDCO | Allotted area by IDCO | Unutilised area |
|---|---|---|---|---|---|---|
| | | *(In acres)* | | | | |
| Jharsuguda | 3 | 523.730 | 104.626 | 419.104 | 284.819 | 61.249 |
| Khordha | 25 | 3,453.652 | 561.515 | 2,892.137 | 2,318.279 | 546.589 |
| Puri | 2 | 110.000 | 22.000 | 88.000 | 89.410 | 23.959 |
| **Total** | **55** | **5,791.212** | **1,078.529** | **4,712.683** | **3,706.709** | **994.805** |

***(Source: Records of the IDCO and sampled Collectorates)***

IDCO had allotted 3,706.709 acres[14] in favour of 2,884 industrial units/ entities as of March 2024. Audit conducted JPI of 1,008 out of 2,884 units that were allotted 1,333.114 acres of land. In this regard, Audit observed that:

- With regard to 39 of 55 IEs/ IAs, land measuring 1,142.626[15] acres that was required for these units, had not been allotted by IDCO. This included three IEs (Palashree, Kamakhyanagar and Balarampur), where no land had been allocated despite availability of 72.79 acres. In other three IEs (Chandaka, Rasulagarh and Mancheswar), out of the allotted land of 848.309 acres, 67.642 acres was found to have been encroached. Although IDCO had identified the encroachments, eviction of the same had not been carried out. IDCO had also not requested the District Collector for eviction of encroachments.
- 971 industrial units[16], allotted with 994.805 acres of land by IDCO, had not utilised the same due to closure of units. Although IDCO had identified 612 of these closed units (as of March 2024), but no steps had been taken to resume the land allotted to them.

The Department stated (October 2025) that the Tahsildars/ Revenue Inspectors had been instructed to verify the status of land allotted in favour of IDCO in Jagatsinghpur, Khordha and Dhenkanal districts. It further added that the area acquired by IDCO at Kalinganagar (Jajpur district) would eventually be utilised by the industries for which it was allotted. The reply is not convincing, as the Department and the concerned Tahasildars had not verified utilisation of allotted land for the intended purposes.

### *3.1.2.6 Non-initiation of action in regard to utilisation of land for unintended purposes*

Audit noticed that 252.692 acres of allotted land were utilised for purposes other than those for which the same were sanctioned, as discussed below:

With regard to IEs/IAs of IDCO, it was observed that 454 units that were allotted 237.257 acres of land for establishment of industries/allied activities, had utilised the same for purposes other than those for which allotments were made. This included 29.735 acres (13 *per cent*), utilised for residential and hostel purposes, instead of industrial purposes. Cases of misutilisation of land as noticed by Audit during test-check, are discussed below:

[14] Includes 136.652 acres of land which was allotted out of common utility area/ in excess of the area available for allocation

[15] Area available for allotment (4,712.683 acre – area allotted 3706.709 acre) + area allotted, out of common utility 136.652 acre = 1,142.626

[16] 612 from the status report furnished by IDCO and 359 from JPI

- IDCO had allotted (June 1981) 17.860 acres of land in favour of Konark Cement & Asbestos Limited (KCAL) in Chandaka IA for the establishment of a cement asbestos and pressure pipe manufacturing unit. During the JPI (February 2025) with the representatives of IDCO, it was noticed that the entire land was being used as an educational institution by Naba Digant Educational Trust (NDET), as can be seen from **Picture 3.1.1**. The request of KCAL for transfer of land in favour of NDET and change in land use, was not approved by IDCO. However, IDCO did not take action for cancellation of allotment and taking over possession of land for change in land use.


***Picture 3.1.1: Educational Institution in place of Industrial unit (Date: 01.02.2025)***

- IDCO allotted (July 2006) 54 acres of land in Chandaka IA in favour of DLF Limited for the development of an IT park. As per the lease agreement (November 2006) between IDCO and DLF, the latter was to design, plan, finance, market, develop required infrastructure, operate and manage the project. Audit noticed that DLF had utilised only 6.856 acres of land for development of the IT park and the remaining land had remained unutilised. As DLF failed to utilise the remaining 47.144 acres of land for the intended purpose, IDCO cancelled (July 2019) the allotment (47.144 acres), with directions to handover possession of the cancelled land.

  Subsequently, DLF requested to retain 17.19 acres of land, considering the land already used (7.19 acres had been used till December 2023) and a further 10.00 acres was proposed to be used. Permission of this was granted by IDCO in December 2023. The RDM Department, however, decided (March 2023) that DLF should surrender the entire land (54 acres) to IDCO and the latter would then subsequently re-allot 17.19 acres of land, as required by DLF. However, the land was not surrendered (January 2025). During JPI (February 2025) conducted with representatives of IDCO, it was noticed that DLF had utilised only 7.19 acres of land out of 17.19 acres, by construction of a five storied building and parking space and sub-leased the built-up space to various corporate offices, banks, IT/non-IT companies, consultancy firms and automobile companies. Remaining 46.81 acres of land was lying vacant and had not been resumed.

- The Collector, Khordha sanctioned (December 2006) allotment of 19.961 acres of land in Harapur village under the Jatani Tahasil in favour of the Odisha Millennium Education Trust, Bhubaneswar for the establishment of an IT institution. During the JPI (20 January 2025) of the land, it was noticed that two educational institutions namely G.D Goenka Public School (8.984 acres) and Bhubaneswar Institute of Technology (6.279 acres) were established on the allotted land, while 4.698 acres of land remained vacant. Thus, 8.984 acres of land allotted for establishment of the IT institution was being utilised for running a private school. No permission was granted by the lessor for such deviation in land use. The Collector had not resumed the land utilised for purpose other than that for which it was sanctioned.

- The Labour and ESI Department, Government of Odisha launched (April 2020) a scheme *viz.*, Rental Housing Complex for migrant construction workers in Urban Areas, with the objective of providing temporary affordable housing to migrant construction workers. The Collector, Dhenkanal allotted (February 2020) 0.525 acres[17] of Government land for the construction of two units of 50-bedded housing complexes. However, during JPI (September 2024) of the alienated plots/site, it was noticed that one *Kalyan Mandap* (community hall) was under construction and vending zones were already constructed on the allotted land, by the Dhenkanal Municipality. Neither any permission was accorded by the Collector for such change in land use nor was any action taken for utilisation of land for unintended purposes.

- The Collector, Dhenkanal, sanctioned (26 August 2015) permissive possession[18] of 380.10 acres of land in favour of the Divisional Forest Officer, Dhenkanal for plantation under 'Mahatma Gandhi Ausodhiya Aranya' Project at Sogar village under Kamakhyanagar Tahasil. The terms of sanction, *inter alia*, included utilisation of sanctioned land for the intended purpose, non-transfer of land to any person/ body/ institution/ disposal by any other means, reversion of land in case of non-utilisation within three years of sanction or on infringement of any of the terms and conditions of sanction.

On JPI (12 August 2024) of the site, it was noticed that Roads & Buildings Division, Dhenkanal had constructed boundary wall, double storied building, RCC structures for a water park (as can be seen from **Picture 3.1.2)** on 5.55 acres[19] of allotted land (380.10 acres). However, no permission was given by the lessor for construction of this water park, but despite this no action had been initiated by the Tahasildar for reversion of 5.55 acres of land.


***Picture 3.1.2: Construction going on for a Water park instead of plantation under 'Mahatma Gandhi Ausodhiya Aranya' Project (Date: 12.08.2024)***

In reply, the Tahasildar, Kamakhyanagar admitted (August 2024) the fact and assured that DFO, Dhenkanal would be requested to submit a compliance.

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17 Khata No. 3714, Plot Nos. 313: 0.495 acre and 314: 0.030 acres of Dhenkanal Town

18 Handing over possession of land subject to fulfilment of certain conditions.

19 Plot Nos: 67: 0.38 acre, 70: 0.39 acre, 74: 0.38 acre, 79: 1.80 acre, 80: 1.96 acre and 81: 0.64 acre of village Rabada

Thus, end utilisation of leased out Government land/ acquired private land had not been monitored after sanction of lease/alienation or allotment of land. The deeds of agreement executed between the Collector and the IDCO were deficient, as these did not mention the period during which the allotted land was to be utilised. The Tahasildar/ district authority did not take appropriate action for reversion of allotted land which remained unutilized beyond stipulated period or was utilised for purposes other than that for which the same was sanctioned, indicating poor monitoring by the Department. Due to this, the social/financial benefits of land acquisition/allotment, that would have accrued to the State/ public/ the land owners, remained unachieved.

The Department stated (October 2025) that the concerned institutes in Khordha district and Kamakhyanagar Tahasil and all Revenue Inspectors of Odapada and Dhenkanal Tahasils had been directed to intimate the status of utilisation of land.

***Recommendation 1:***

***The RDM Department may take effective steps for utilisation of allotted land for intended purposes within the stipulated period. In cases, where the allotted land is not utilised for the intended purpose within the stipulated period, the same may be resumed.***

### *3.1.2.7 End utilisation of Government land not ensured due to encroachment*

The Orissa Survey and Settlement Act, 1958, regulates the manner of utilisation of land as per the *kisam viz.*, agricultural, residential, commercial, industrial, communal, *gochar* (grazing land), *etc.,* recorded in the Record of Rights (RoRs). Section 7 of the Orissa Prevention of Land Encroachment (OPLE) Act authorises the Tahasildars to take action for summary eviction of encroachments of Government land. Rule 42 of the Odisha RFCTLARR Rules, 2016 provides that the State Government may, by notification, form village-wise Land Banks[20], under the charge of the Tahasildar concerned, to ensure productive use of Government owned waste land, vacant/ abandoned/ unutilised acquired lands, tax-delinquent properties and to reduce acquisition of private land.

Audit noticed that the RDM Department had not notified formation of such a Land Bank, as of March 2025. As a result, productive use of Government owned wasteland, vacant/ abandoned/ unutilised acquired lands, tax-delinquent properties, had not been ensured through the formation of such Land Banks.

Besides, effective action to prevent and evict encroachments from government lands had also not been taken. On examination of records of the sampled Tahasils, JPI of randomly selected plots and examination of land use through Odisha 4k Geo Services, it was noticed that 668.893 acres of Government

[20] 'Land bank' is under the charge of local Tahasildar, who shall maintain a village-wise Land Bank of all Government wasteland, unutilized acquired land and land to be deposited by the Requiring Body, in case of acquired irrigated double-cropped land, which shall be made available to the SIA team and expert group, as per their requirement.

land, valued at ₹597.87 crore had remained under unauthorised occupation, as detailed in **Table 3.1.3**.

***Table 3.1.3: Encroachment of Government land and nature of utilisation***

| Nature of land | Area (acres) | Permissible nature of use | Actual use |
|---|---|---|---|
| Gochar | 144.347 | For livestock grazing | Commercial, Industrial, residential, Educational Institution, Religious institution, Road by NHAI *etc.* |
| Forest | 179.802 | For raising/ maintaining forest | |
| Water bodies (Nadi/ nala/ jalasaya, canal) | 22.209 | For hosting water bodies | |
| Communal (Road *etc.*) | 10.243 | For communal use | |
| Others (Chaka, sarad, Patita, gharabari *etc.*) | 312.292 | Cultivation, residence *etc.* | |
| **Total** | **668.893** | | |

***(Source: Records of sampled Tahasils and JPI)***

Audit further noticed that:

- Under commercial use, 30 hotels/ restaurants/ lodges were constructed unauthorisedly on 5.43 acres of Government land in Bhubaneswar (one), Gop (28), and Puri (one) Tahasils. Two fish farms[21] occupied 97.83 acres of Government/ deity/ Shree Jagannath Temple land under Gop and Puri Tahasils.
- In twelve Tahasils, twenty[22] private educational institutions had unauthorisedly occupied 210.76 acres of Government land.
- With regard to industrial use, substantial government land as detailed at ***Appendix 3.1.1*** was occupied unauthorisedly by various private companies in Odapada, Kolabira and Jharsuguda Tahasils.

Thus, end utilisation of Government land was not as per the manner permitted under the Orissa Survey and Settlement Act, 1958. The Tahasildars had not taken action for eviction of encroachments under OPLE Act to ensure end utilisation of land for intended purposes.

The Department stated (October 2025) that action was being taken for eviction of government land. The reply is not tenable as no effective action had been taken by the concerned authorities for eviction of the encroached/ unauthorisedly occupied land.

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21 Arya Agri & Aqua Private Limited, represented by its MD Anshuman Mohanty and Swapnasudha Aquafarm Private Limited *marfat* Director Ramachandra Raju

22 Balianta: Oxford Public School, Secretary, PGN Public School; Bhubaneswar: Bhubaneswar Higher Secondary School of Computer Science & Technology, DAV School, Sisupal; The College of Pharmaceutical Science, Kalinga Institute of Social Science; Chhendipada: Aurobindo Sevashram School, Chhendipada and Saraswati Sishu Vidya Mandir; Dhenkanal: Ganesh Educational Institute of Management; Gop: Ghanshyam Hemalata Institute of Technology & Management/ Ghanshyam Hemalata Vidya Mandir, and Secretary, Vivekananda Sikshya Kendra Konark; Jagarsinghpur: Public School Jagatsinghpur; Jatani: Premier Nursing College and Premier Pharmacy College, Bhubaneswar Engineering College, GIFT Autonomous College, Centurion University, Aryan Institute of Engineering and Technology; Kamakhya Nagar: Secretary, Vivekananda Vidya Mandir, Ragadaguda; Lakhanpur: Saraswati Vidya Mandir; Puri: Sai Smart School; Saintala: Saraswati Shisu Vidya Mandira

***Recommendation 2:***

***The RDM Department may form land bank as envisaged under Odisha RFCTLARR Rules, 2016 and take effective steps to prevent encroachment of government land and eviction of encroachments.***

## 3.1.3 Conversion of agricultural land to non-agricultural land

Section 8 A of the OLR Act, read with Rule 12 A of OLR (General) Amendment Rules, 1997 permits conversion of agricultural land for non-agricultural purpose. Section 8 (1) of the OLR Act, *inter alia*, provides that a *raiyat*[23] shall be liable to eviction, if he/ she has used the land comprised in his/ her holding, in a manner which renders it unfit for the purposes of agriculture or has used the land for any purpose other than agriculture.
Rule 12 A of OLR (General) Rules, 1997 provides that, in case the area proposed for conversion comes within a master plan/ development plan area of any Development Authority (DA)/ improvement trust[24], the Tahasildar would obtain views of concerned DA / improvement trust prior to conversion of land. If, after enquiry, the Authorised Officer is satisfied that the proposed conversion is of genuine nature, he/ she may assess premium, allow conversion and convert the land for non-agricultural use after realisation of conversion fee.

Audit noticed that in 22 out of 24 sampled Tahasils[25], 72,787 conversion cases were disposed of, during 2021-22 to 2023-24. Of these, Audit test-checked 529 conversion cases in 24 Tahasils, and verified land use through Odisha 4k Geo Services and noticed the following:

### *3.1.3.1 Irregular conversion of agricultural land without obtaining/ ignoring views of DA*

Of the 529 test-checked cases, 416 pertained to areas falling under the jurisdiction of DAs. Audit noticed that:

- In regard to 209 test-checked cases, 12 sampled Tahasildars had converted 30.353 acres of agricultural land during 2021-22 to 2023-24, without obtaining views of DAs concerned.
- In 72 test-checked cases under six sampled Tahasils[26], the DAs concerned opined that conversion of 10.712 acres of land was not permissible since the land came under agriculture/ water body/ industry/open space, public/semi-public use zone, *etc.*, in the draft Master Plan. However, the Tahsaildars concerned converted those lands, ignoring the views of DAs. Of these, in nine cases, all pertaining to Lakhanpur Tahasil, the Tahasildar allowed (August 2022 to February 2024) the conversion, noting that views of the DA had not been received or, that the DA did not have objection to conversion. Thus, the Tahasildar had wilfully allowed such irregular conversion.

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23 A person who holds the land for the purpose of agriculture

24 Statutory agencies established by the Orissa Town Planning Improvement Trust Act, 1956 / the Orissa Development Authorities Act, 1982 to plan, regulate and oversee the planned and sustainable growth of designated urban areas

25 Tahasildars of Gop and Kujanga Tahasils did not furnish information on conversion of land

26 Angul, Banarpal, Jharsuguda, Lakhanpur, Danagadi and Sukinda

- With regard to eight cases involving conversion of 0.464 acres of land under Dhenkanal Tahasil, the DA allowed conversion subject to conditions that there must be minimum 20 feet approach road to the plot and prior to conversion, the road should be handed over to the Municipality for development and maintenance. The plot/ land which did not satisfy these conditions was not to be converted to non-agricultural purpose. Audit, during the JPI (5 September 2024) found that the width of road was less than the stipulated 20 feet. It was also seen from the records of the Tahasil that the road had not been handed over to the Municipality. Thus, the Tahasildar had allowed conversion without ensuring fulfilment of the conditions put forth by the DA.

The Department stated (October 2025) that all the Tahasildars had been instructed to dispose of the conversion cases after obtaining the views of concerned Development Authorities/ Regional Improvement Trusts. The reply is however, silent about the action to be taken against the erring officials.

#### *3.1.3.2 Delay in preparation of master plan and consequential unplanned urbanization*

Section 29 of the Orissa Town Planning and Improvement Trust (OTP&IT) Act, 1956, required submission of a Master Plan by the planning authority for any area notified by the State Government, within four years from the date of notification.

Audit noticed that there were inordinate delays in the preparation of Master Plans by three DAs, as discussed in **Table 3.1.4.**

***Table 3.1.4: Status of preparation of Master Plan/CDP by the sampled DAs, as of December 2024***

| Name of Authority | Area notified/ date of notification | Status of master plan/CDP |
|---|---|---|
| Dhenkanal Regional Improvement Trust (DRIT) | Dhenkanal and Hindol Tahasils comprising 200 villages **(June 2016)** | The DRIT had engaged (December 2015) M/s Rudrabhishek Enterprises Private Limited (REPL) for preparation of the Master Plan. The REPL submitted (June 2022) the draft Master Plan but decision in regard to change of horizon from 2030-2040 was pending with DRIT. Master plan had thus not been approved (December 2024). |
| DRIT | Kamakhyanagar NAC covering eight villages[27] **(December 2016)** | The Directorate of Town Planning (DTP), Odisha Bhubaneswar had provided (December 2016) ₹6 lakh for preparation of Master Plan of Kamakhyanagar, but the amount remained unspent with DRIT (August 2024). The DRIT did not take action for preparation of Master Plan. Reasons for the delay were not on record. The DRIT handed over (September 2023) cadastral map of eight villages and other documents supplied by ORSAC to the Executive Officer, Kamakhyanagar NAC for preparation of Master Plan of Kamakhyanagar. The Master Plan was, however, not prepared (December |

[27] Altuma, Indipur, Jiramalia, Kamakhyanagar, Kanhupura, Mundideuli, Rekula, Saradhapur

| Name of Authority | Area notified/ date of notification | Status of master plan/CDP |
|---|---|---|
| | | 2024) |
| Puri Konark Development Authority (PKDA) | The PKDA region comprising 131 revenue villages[28]. Additional 65 villages of Brahmagiri, Gop, Puri and Satyabadi Tahasil were notified for inclusion within PKDA area/ **(June 2018)** | Integrated Development Plans for 50 villages of Puri Municipality and Puri Sadar area, and seven villages of Konark were published during March and September 1998, respectively to invite objections/suggestions from the general public. After more than 10 years, the PKDA engaged (February 2009) Centre for Environmental Planning & Technology (CEPT) to prepare a Comprehensive Development Plan (CDP*) by October 2010. Final CDP for 92 villages[29] submitted (April 2023) by CEPT was approved by PKDA in June 2023. However, PKDA had not submitted the CDP for approval of Government (December 2024). |
| Bhubaneswar Development Authority (BDA) | Master plan for extended BDA area covering 364 additional villages of Balianta, Balipatna, Begunia, Bhubaneswar, Jatani, Khordha, and Pipili Blocks/ (**July 2011)** | The BDA had prepared and notified the CDP for 205 villages in 2010. In 2011, 364 additional villages were included in BDA jurisdiction. The BDA engaged (April 2022) M/s All India Institute of Local Self Government (AIILSG) for preparation of GIS-based CDP for 364 villages for the horizon year 2040. The agency submitted draft CDP in March 2023. The BDA has notified (2 March 2024) the Draft GIS based CDP for extended area of Bhubaneswar, inviting objections/suggestions from the public. However, the final CDP had not been prepared, as of December 2024. |

***(Source: Records of the sampled DAs)***

* CDP and Master Plan are the same. Earlier the term "Master Plan" was used, now the term "CDP" is being used. Both relate to the Development plan.

Thus, the Master Plans/CDPs for 768 villages, stipulated for completion during July 2015 to June 2022, were not finalised (December 2024). Since utilisation of land is dependent upon and regulated as per the land use pattern outlined in the Master Plan/ CDP, such delay in preparation of Master plans/CDP and conversion of agricultural land without any land use plan, led to unplanned urbanisation, as discussed in the following paragraphs.

The Department stated (October 2025) that based on the representation of the agency (REPL), the Collector and District Magistrate of Dhenkanal had extended (March 2025) the contract period for six months without any additional contract value. If the agency failed to prepare the Master Plan, the amount already paid would be recovered with interest and steps would be initiated for blacklisting the firm. In respect of Kamakshyanagar, the Department stated that the firm had completed the first survey and submitted

[28] Covering the Puri Municipality and Puri Sadar area (50 villages), Konark NAC area (seven villages), Block A (intervening area between Puri and Konark:21 villages), Block B (area after Konark:14 villages) and the special institution zone (SIZ) area (39 villages).

[29] Excluding 39 villages included under SIZ for Vedanta University and additional 65 villages included in June 2018

the land use map and draft master plan was yet to be prepared by the agency. However, no reply was furnished by the Department in respect of PKDA and BDA.

### *3.1.3.3 Irregular utilisation of land in deviation of CDP of Bhubaneswar and Puri*

As per CDP of Bhubaneswar approved in 2010, conversion of land was restricted in the Environment Sensitive (ES) zone, while constructions were not permissible in the Special Heritage zone (Protected monuments and Precincts). Further, as per draft CDP of Puri, construction of permanent structure was prohibited in the conservation (forest) use zone and construction of sports infrastructure/ stadium was restricted in the commercial zone.

Audit noticed that in violation of the permissible land use pattern prescribed in CDPs of Bhubaneswar and Puri, 31.124 acres ***(Appendix 3.1.2)*** of land, as shown in **Table 3.1.5,** had been utilised for restricted/ prohibited activities.

***Table 3.1.5: Use of land in violation of the 'land use plan' permitted under CDP***

| Name of Tahasil | Name of village | Land use plan as per CDP | Area in acre | Nature of Utilisation |
|---|---|---|---|---|
| Balianta | Bhubanpur | Environmental sensitive zone | 1.450 | Educational institute |
| Bhubaneswar | Bankuala | | 1.715 | Residential |
| | Bargarh | | 0.470 | Commercial |
| | Basuaghai | | 1.183 | Residential/ commercial |
| | Dadha | | 2.134 | |
| | Pandara | | 6.818 | Educational/ commercial |
| | Raghunathpur | | 4.704 | |
| | Sisupal | Special Heritage Zone | 1.070 | Residential |
| Puri | Balukhanda | Forest | 1.000 | Government buildings[30] |
| | Balukhanda, Unit 34 | Commercial | 10.58 | Sports infrastructure[31] |
| | **Total** | | **31.124** | |

***(Source: Results of JPI and records of Tahasildars of Bhubaneswar and Puri)***

In regard to Puri Tahasil, the PKDA had intimated (June 2018 and December 2022) the Tahasildar that the lands proposed for alienation in favour of government departments, were coming within Forest and Commercial use zone. However, disregarding the views of PKDA, the Collector alienated 1.00 acre of land coming within conservation (Forest use) zone in favour of the two departments of the Government.

In case of Balukhanda Unit 34, pending sanction of alienation of land, the Sports and Youth Services Department, GoO constructed sports infrastructure in a Commercial zone, which was not permissible as per the draft CDP of Puri.

Due to the above, the main objective of preparation of CDPs by BDA and PKDA *i.e.* ensuring planned and systematic development of the areas under their jurisdiction, was defeated.

The Department stated (October 2025) that compliance from the concerned Tahasildar had been sought for.

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30 Office building and laboratory by FS &CW Department (Plot No.1149/10688, 0.50 acre) and Gram Nyayalaya by Law Department (Plot no. 1149/10686, 0.50 acre)

31 Shree Jagannath Cricket Stadium by Sports and Youth Services Department (Plot No. 10: 8.58 acres and Plot No.10/162(p): 2.00 acres)

### *3.1.3.4 Conversion of agricultural land to homestead land without having access to the converted plot*

Rule 31 of the Odisha Development Authorities (Planning and Building Standards) Rules, 2020, provides for accessibility by a public or private street of width not less than six meters, for development of homestead plots. As such, the Tahasildars, were required to ensure availability of genuine accessibility (authorised approach road) to the plots before allowing conversion of land from agriculture to non-agriculture use.

On verification of records and JPI (January 2025) along with representatives of Tahasildars, Audit found that the Tahasildars of two sampled Tahasils *viz.*, Balianta and Jharsuguda had converted 10.085 acres[32] of agricultural land (during 2011 to 2023) to homestead category, without availability of genuine approach roads to the converted plots. Based on the above instances, Audit observed the following:

- In all the three instances relating to Balianta Tahasil, the Revenue Inspector (RI) had furnished reports that road connectivity existed between the existing road and the converted plot, based on which the Tahasildar had allowed conversion. The reports of the RI were factually incorrect to the extent that in all these three instances, there were Government lands in-between the existing road and the converted plots and thus, there was no actual connectivity, as noticed by Audit during the JPI. This further indicated that either the RI had not conducted field visit or had prepared a fraudulent report to facilitate conversion.
- On JPI (30 January 2025) of 3.395 acres of land of Puran Padhan village, it was seen that an educational institution was established on the converted land. The institution had unauthorisedly occupied Government land of 0.615 acres (Plot No. 261 fully and Plot No. 263 partially) and was using the same as road for establishing connectivity between the nearby road and the converted plots. It was further seen during JPI that one fly ash bricks manufacturing unit was operating on the 1.04 acres of land (Plot No. 4/826), where Government land (Plot No. 13, *kisam* Nayanjori) was between the existing road and the converted plot.
- Regarding 2.41 acres of land of Pratapsasan and Nagpur Sasan Village, Plot Nos. 4643 and 984 were connected to the main road through private Plot No. 4654 and Government Plot no. 4657 (kisam Nayanjori). The private plot was used as a road, which was actually agricultural land. In regard to Plot no. 984, the conversion case was rejected twice in July and August 2022, by the Tahasildar due to non-availability of road to the plot. However, conversion was allowed in January 2023, despite non-availability of connecting road.

[32] Balianta: Plot Nos. 262, 257, 298, 299 and 253/1256 of Puranpadhan village (3.395 acre); Plot Nos. 4/826 of Satyabhamapur Village (1.04 acre) & Plot No. 4643 of Pratapsasan village (1.25 acre) and Plot No.984 of Nagapur Sasana village (1.16 acre); Jharsuguda: Plot Nos. 578, 573/1289, 577/1290, 577/1293, 577/1294 and 579/1291 of Kumbhari village (3.24 acre)

- In case of Jharsuguda Tahasil, the applicant had not mentioned the purpose for which 3.24 acres of land was to be utilised after conversion. The Revenue Inspector had not reported to the Tahasildar regarding availability of access to the plots that were proposed for conversion. Without ensuring availability of access to the plots, the Tahasildar converted (January 2019) the plots. Subsequently, the converted land was acquired (October 2020) by IDCO for establishment of a Thermal Power Plant by M/s NLC India Limited and compensation was paid (November 2023) as per *Gharabari kisam* of land. As such, the land was converted irregularly without any access and without any purpose of utilisation, which led to payment of higher compensation to the land owner.

The Department stated (October 2025) that the Tahasildar, Jharsuguda had instructed all the concerned Revenue Inspectors to re-verify accessibility to the converted plots, and to take necessary action after receiving the report from the Tahasildar. However, no reply was furnished by the Department for cases under Balianta Tahasils.

#### *3.1.3.5 Irregular utilisation of 504.768 acres of agricultural land for non-agricultural purpose*

On examination of records of Tahasildar, status of land use with satellite data and cadastral (Revenue) maps through Odisha 4k GEO services, and JPI of randomly selected plots, it was noticed that 504.768 acres of agricultural land were utilised for non-agricultural purposes by construction of residential buildings/ projects/ apartments, hotels/restaurants, educational institutions, fly ash brick units, brick kilns, cement concrete mixture unit, commercial organisations/ shops *etc.* Category-wise land use is shown in **Chart 3.1.1**:

***Chart 3.1.1: Category-wise use of agricultural land***

| Purposes for which utilised | No. of plots | Area in acre |
|---|---|---|
| Commercial | 213 | 260.079 |
| Educational institution | 100 | 53.611 |
| Industrial | 53 | 32.934 |
| Religious organisation | 11 | 25.38 |
| Residential | 235 | 132.764 |
| **Total** | **612** | **504.768** |

Audit further observed following:

- Under commercial use, a number of hotels/ restaurants were constructed on agricultural land (162.531 acres) in Sipasarubali Village[33] of Brahmagiri Tahasil; Badanuagaon and Padanpur villages

[33] Brahmagiri Tahasil: Jeevan Sandhya, Empires, Rupashree Bangla, Blue Lily, Ashiana lagoon, Sterling, The Charriot Resort & Spa, Ananya Celebrations (space for social functions/ corporate events, spa, open lawn, parking place *etc.*), Taj Puri Resort and Spa, Four Waves, Sea queen, Krishna Sight and Resorts, Pipul Hotels and Resorts, Seven hills, Kosal, Retreat, Anand Bhawan, Blue Moon, Regenta Central, Niladri Premium, Shakti Horizon, The Bay Suits, NRS Royal Palace, Sagar Vihar Homestay, Sea Horizon, Lucky India in Sipasarubali village

of Jatani Tahasil[34]; Dadha, Raghunathpur and Sundarpur Villages of Bhubaneswar Tahasil[35].

- Similarly, Kalyan mandaps/ marriage mandaps, picnic venues, sports arenas, eco stays, clubs, *etc*., were constructed on 10.692 acres of agricultural land under three[36] Tahasils.
- In Bhubanpur and Ramachandrapur villages of Balianta Tahasil, Brick Kilns were established on 14.050 acres of agricultural land.
- Under Puri Tahasil, 24.605 acres of agricultural land was utilised for construction of three water parks without conversion of land.
- In five Tahasils, nine educational institutions[37], had utilised 49.837 acres of agricultural land for non-agricultural purposes by construction of institute buildings and ancillary infrastructure.
- In Mangalpur Village of Odapada Tahasil and Raghunathpur Village of Kolabira Tahasil, two private industries[38] had utilised 18.223 acres of agricultural land for industrial purposes without conversion.
- In Sipasarubali Village under Brahmagiri Tahasil, religious institutions had utilised 23.890 acres of agricultural land for non-agricultural purposes, without conversion of land, as noticed during JPI (October 2024) of plots.
- As noticed during JPI (November 2024 and January 2025) in Jatani and Puri Tahasils, six real estate projects[39] had utilised 8.836 acres of agricultural land for construction of apartments/ roads to apartments without conversion.

In reply, 11 Tahasildars (Bhubaneswar, Brahmagiri, Darpan, Dhenkanal, Jatani, Kamakhyanagar, Kolabira, Gop, Odapada, Puri and Saintala) assured (August 2024 to March 2025) that action would be initiated under Section 8(1)(C) of OLR Act for unauthorised utilisation of agricultural land for non-agricultural purpose.

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34 Jatani Tahasil: M/s Fork and fire restaurant, Hyderabadi Biryani House in Badanuagaon village and Hotel Land Mark in Padanpur village

35 Bhubaneswar Tahasil: Tara Dhaba, Red Leaf Restaurant, Hotel Midland Yard/ PK Palace in Dadha Village; Hotel Hindustani in Raghunathpur Village and Hotel M/s Bangalore Express in Sundarpur Village

36 1) Balianta: Shree Convention in Pratapsasan village; 2) Bhubaneswar: Brindaban Garden Marriage Venue in Raghunathpur Village, M/s Crystal Attairs in Bargarh village and 3) Puri: J&M Paradise in Balukhanda Village

37 Balianta and Bhubaneswar Tahasil: Hitech group of Institution, Bhubanpur and Pandara village; Dhenkanal Tahasil: Synergy Institute, Dhenkanal; Kamakhyanagar Tahasil: Intechgrator Education Pvt limited Bhagirathipursasan; Jatani Tahasil: Adyanta +2 Science College Bhatakhuri village; Konark Institute of Science and Technology, Sandhapur Village; Gandhi Institute of Technological Advancement Autonomous College; Badaraghunathpur and Gadajagasara village; Temple city Institute of Technology and Engineering and Moharaja Polytechnic, Manipur and Taraboi Village; Jharsuguda Tahasil: Maa DAV School, Jharsuguda Unit 5

38 Rimjhim Ispat Limited, Mangalpur: 10.083 acre and Jay Hanuman Udyog Limited, Raghunathpur: 8.140 acre

39 Jatani Tahasil: Subash Riya Residdncy Apartment, Orakal Village; Puri Tahasil: Shreehari Vihar, Alikia and Bharatipur village; Brundaban Farmhouse, Batagaon Village; Tulsi Vihar & Mahodadhi Resorts, Samanga Village; Jay Santoshi Maa Infrastructure, Sankarpur Village

The Department stated (October 2025) that Tahasildars had been instructed to take necessary action as per law. The reply indicates that there was a need to strengthen monitoring by the concerned Tahasildars/ Department to ensure utilisation of agricultural land for the intended purposes, after allotment.

***Recommendation 3:***

***The RDM Department may ensure that conversion of agricultural land may be done after following the due procedure. Further, a robust mechanism may be adopted to prevent unauthorised use of agricultural land for non-agricultural purpose and strict action may be initiated to limit the same.***

#### *3.1.3.6 Irregular sub-division of land coming within Development Authority area*

Section 15 of the Odisha Development Authorities Act (ODA), 1982 prohibits sub-division of land without obtaining written permission from the DA concerned. The RDM Department instructed (June 2011 and February 2022) all Collectors to take steps to initiate proceeding for eviction under Section 8 of OLR Act, in cases, where instances of sale of agricultural land through plotted housing schemes were noticed. Thus, sub-division of any land, coming within the DA area required prior approval of the DA concerned.

Audit noticed that in eight[40] sampled Tahasils, 21.882 acres of agricultural land coming under DA area were recorded in 14 original plots. The land owners concerned had sub-divided the land into 321 sub-plots and sold these to different persons for housing purpose, without obtaining approval of DAs. The Sub-Registrars concerned allowed such sale transactions and the Tahasildars mutated such land and corrected RoR in favour of the purchasers of sub-plots. Subsequently, the Tahasildars had also converted 1.36 acres of the above land to *Gharabari.*

Thus, such actions of the Sub-Registrars and Tahasildars were in violation of the provisions of the ODA Act and instructions of the RDM Department.

The Department stated (October 2025) that Tahasildars in Khordha district had been directed to avoid mutation and conversion of sub-plots as per notification of R&DM Department. No specific reply was furnished in respect of Jharsuguda District. The fact however, remained that the concerned Sub-Registrars/ Tahasildars had not followed the ODA Act and had irregularly allowed sale and mutation of sub-plots.

### 3.1.4 Irregular utilisation of forest land for non-forest activities

As per Section 2 of the Forest Conservation Act, 1980, no State Government or other Authority shall issue, except with prior approval of the Government of India (GoI), any order directing that forest land or any portion thereof may be used for any non-forest purpose. As per Section 3 of Forest Conservation Act, 1980, contravention of any of the provisions of Section 2, shall be punishable with simple imprisonment for a period which may extend to fifteen days. Where any offence under this Act has been committed by any

[40] Balianta, Bhubaneswar, Brahmagiri, Dhenkanal, Gop, Jatani, Jharsuguda and Puri

department of Government or by any authority, they shall be liable to be proceeded against and punished accordingly.

For diversion of forest land for non-forest use, the State Government submits FRA (Forest Right Act) certificate[41] to GoI. The State Government is also required to certify that discussions and decisions on such proposals had taken place in the meetings of the Gram Sabhas, in the presence of minimum 50 *per cent* of members. The GoI approves forest diversion in two stages (Stage I and Stage II)[42].

Audit noticed that in six sampled Tahasils (Bhuban, Bhubaneswar, Brahmagiri, Dhenkanal, Jatani and Odapada), 568.876 acres of forest land were utilised for non-forest activities like industrial, institutional, commercial, residential *etc*., without prior approval of the Central Government, as discussed below:

**(a)** The RDM Department allotted 516.39 acres of land in favour of IDCO for establishment of three IEs in Dhenkanal district, which included 207.84 acres of forest land. The area of IEs and area of forest land therein, are shown in **Table 3.1.6**.

***Table 3.1.6: Establishment of IEs in Dhenkanal District***

| Name of the IE | Area of IE | Area of forest land | Percentage of forest land |
|---|---|---|---|
| | *(In acres)* | | |
| Bhuban | 20.00 | 20.00 | 100 |
| Gundichapada | 459.10 | 173.24 | 38 |
| Mahisiapat | 37.29 | 14.60 | 39 |
| **Total** | **516.39** | **207.84** | **40** |

***(Source: Records of IDCO and JPI)***

As may be seen from **Table 3.1.6**, entire Bhuban IE, 38 *per cent* of Gundichapada IE and 39 *per cent* of Mahisiapat IE were established on forest land. Without ascertaining the kisam, forest land was allotted in favour of IDCO and the latter subsequently allotted such forest land to different units/ industries, thus contravening statutory provisions.

**(b)** The General Administration Department had allotted 75.0696 acres of forest land during 1978 to 1992 under Bhubaneswar Municipality area, in favour of BDA and the Odisha State Housing Board (OSHB), for residential and commercial use. Subsequently, the two authorities allotted the land in favour of different people/ entities for residential and commercial purposes. The BDA and the OSHB had applied (December 2016 and September 2020 respectively) for diversion of the forest land for residential and commercial use. Audit noticed that out of the 75.0696 acres of forest land allotted in favour of BDA, the District Level Committee (DLC) had approved (July

41 Certifying that: (i) the complete process for identification and settlement of rights under the FRA, had been carried out (ii) the diversion proposal had been placed before each concerned Gram Sabha (GS) of forest dwellers, (iii) a letter from each of the concerned GSs had been received, indicating that all formalities under FRA, had been carried out and they had given their consent to the proposed diversion.

42 At stage I, the proposal is agreed to in principle subject to fulfilment of certain conditions relating to compensatory afforestation, payment of net present value *etc*. After receipt of report from the State Government regarding compliance with the stipulated conditions, final approval *i.e.* Stage II clearance is given.

2018) issue of FRA Certificate for 12.944 acres[43], for diversion of forest land. However, no such permission to divert forest land had been granted by GoI (January 2025). In reply, the Tahasildar Bhubaneswar assured that appropriate action would be taken to ensure end utilisation of forest land for the intended purpose.

**(c)** The RDM Department sanctioned (December 2006) lease of 20.00 acres of Government land in village Harapur under Jatani Tahasil of Khurda District in favour of Orissa Millennium Education Trust, Bhubaneswar for the establishment of an Information Technology institution. This included 8.984 acres of forest land (Khata no. 213/297, Plot No. 24/809, *Kisam: Gramya Jungle*) which was utilised for non-forest activities *i.e.* establishment of a private school. Permission for use of forest land for non-forest purposes was not obtained from GoI.

**(d)** As pointed out at ***Paragraph 3.1.2.7***, 668.893 acres of government land were occupied unauthorisedly. The unauthorisedly occupied government land, included 179.802 acres of forest land which was occupied by different industrial organisations/educational institutions[44], National Highway Authority of India and private persons, without prior approval of GoI for use of forest land for non-forest purpose. One of the test checked cases examined by Audit, is discussed below:

**Unauthorised use of 10.000 acres of forest land by KISS**

***As seen from records of Tahasildar, Bhubaneswar, Kalinga Institute of Social Sciences (KISS) was occupying 10.000 acres[45] of forest land unauthorisedly in Pathargadia village of Bhubaneswar Tahasil. The Tahasildar, Bhubaneswar had instituted encroachment case bearing no. 640/2011 against KISS and realised (August 2012) penalty of ₹ 0.30 lakh from them. Further, on application by KISS, the Tahasildar also instituted a case bearing no. 02/2014 for lease of land in favour of KISS. Subsequently, the Tahasildar submitted (12 February 2018) a joint demarcation report[46] to the sub-collector, Bhubaneswar stating that the encroachments by KISS had been evicted, possession of the government land was taken over and display board indicating property of government, was affixed on the site.***

***However, in May 2019, the Divisional Forest Officer, Chandaka Wildlife Division Bhubaneswar reported that KISS had constructed building for academic block, vocational block, hostel and roads on the forest land. As such, the KISS authorities continued to occupy the land and the report submitted by the joint verification team was incorrect/false. Thus, KISS continued to violate***

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43 Plot No. 36: 5.356 acres, 36/2099: 7.358 acres and 925: 0.230 acres

44 Industrial organisations : BRG Iron and Steel, GMR Energy Limited, Rimjhim Ispat Limited, Sakti Sugar Limited/ Indian Potash Limited, Tata Steel Limited; Fortis Chemical Pvt Limited, Odisha Metalics Pvt Limited and NLC India Limited; educational institutions : Ghanshyam Hemalata Institute of Technology & Management/ Ghanshyam Hemalata Vidya Mandir and Kalinga Institute of Social Sciences

45 *Sabik Khata* No. 420, Plot No. 541, area: 10.00 acre, *kisam*: Chhota Jungle

46 Report prepared by a joint verification team (conducted on 5 February 2018) comprising of Additional Tahasildar, Bhubaneswar; Revenue Supervisor, Bhubaneswar; Revenue Inspector, Chandaka; *Amin*, Bhubaneswar Tahasil; *Amin*, Major Settlement, Cuttack; Forester, Bhubaneswar Wild Life Division and KISS staff

***Forest Rights Act and occupied land in connivance with the departmental staff/ officers.***

***The GoI, while according Stage I clearance for diversion of forest land instructed (September 2021) the Collector, Khordha to initiate action against erring officials of the Revenue Department, who were responsible for the violation. However, the Collector, instead of taking action against erring staff/officers, intimated (January 2024) GoI that the Tahasildar Bhubaneswar had taken action under provisions of OPLE Act. Although the OPLE Act deals with eviction of encroachment, the report of the Collector did not specifically mention if the encroachments by KISS of forest land had been removed.***

***Audit noticed (February 2025) that no such eviction had been carried out by the Collector, and the forest land remained under the occupation of KISS. GOI accorded (21 February 2024) Stage II approval for diversion of forest land, but advised (16 June 2024) the Collector, Khordha to keep the process in abeyance, as complaints had been received about improper compliance with the Forest Rights Act.***

***(e)*** Audit examined list of DLC forest[47] area in Sipasarubali village of Puri district and conducted JPI (October 2024) with representatives of Tahasildar, Brahmagiri and Additional Sub-Collector, Consolidation, Puri. Audit noticed that 97.180 acres of DLC forest area, recorded in the name of different private persons were utilised for non-forest activities by construction of residential buildings/ apartments/ housing projects, hotels, Spas, commercial structures, religious structures, *etc.* The Additional Sub-Collector, Consolidation, Puri had irregularly converted 7.24 acres[48] out of 97.180 acres of DLC forest land, without the approval of GoI. The PKDA had also given permission for conversion of such land and approved building plans for construction of apartments/ commercial structures on DLC forest land. **Pictures 3.1.3 & 3.1.4** show two such structures, constructed on DLC forest land (*sabik* Plot Nos. 270 and 268).


***Pictures 3.1.3 & 3.1.4: Multistoried buildings constructed on DLC forest land of Sipasarubali village (Date: 22.10.2024)***

In reply, the Additional Sub-Collector, Consolidation, Puri assured that appropriate action would be taken in consultation with DFO, Puri for irregular utilisation of forest land for non-forest purpose.

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47 Forest areas identified by District Level Committees (DLCs) as per the Supreme Court's order in W.P (C) No. 202/1995, which include both government and private lands with natural vegetation or plantations

48 OLR case Nos. (41/19, 40/19, 74/19, 42/19, 01/19, 122/20, 15/22)

***(f)*** The RDM Department, sanctioned (November 2023) lease of 20.95 acres of land[49] in favour of NLC India Limited for the establishment of R&R Colony with the stipulation that before execution of lease deed, the Collector, Jharsuguda would ensure that the land was not included in the DLC Forest List. However, as the land was included in the DLC List, the Collector instructed (December 2023) the Tahasildar, Jharsuguda to intimate NLC Limited to obtain approval under the Forest Conservation Act, 1980 for the suit land or to file alternate lease proposal. With regard to sanctioned land, Audit noticed that no lease deed was executed and possession of sanctioned land was not handed over to NLC Limited. NLC Limited had also not deposited any land premium. However, during JPI (3rd September 2024), it was noticed that NLC had already constructed R&R colony on 20.95 acres of forest land without obtaining approval of Government of India for diversion of forest land.

Thus, in violation of Forest Conservation Act, 568.876 acres of forest land were utilised for non-forest activities without prior consent of the GoI. Such violation of Forest Conservation Act required accountability to be fixed and penal action taken under Section 3 of the Act against the authorities who permitted such conversions.

The Department stated (October 2025) that 10 acres of Government land had been resumed and detailed examination of unauthorised occupation of forest land by KISS was being taken up by the concerned authorities. Further, necessary steps had been taken by concerned authorities of Dhenkanal district to obtain forest clearance under Forest Conservation Act, 1980. The reply is however, silent about the action to be taken against the erring officials regarding irregular allotment of land.

### 3.1.5 Irregular utilisation of land within Wildlife Sanctuary and Eco Sensitive Zone

Section 18 of Wild Life Protection Act, 1972 authorised the State Government to declare its intention to constitute any area other than an area comprised within any reserve forest or the territorial waters as a sanctuary, if it considers that such area is of adequate ecological, faunal, floral, geomorphological, natural or zoological significance, for the purpose of protecting, propagating or developing wild life or its environment. As per Section 20 of the Act, after issue of a notification under Section 18, no right shall be acquired in, on or over the land comprised within the limits of the area specified in such notification, except by succession, testamentary or intestate.

The erstwhile Forest, Fisheries and Animal Husbandry Department, Government of Orissa notified (April 1984) the area of Balukhanda-Konark Wild Life Sanctuary (BKWLS) for the purpose of protection, propagation, development and research on Wild Life.

In a meeting (22 March 2018) held under the Chairmanship of Collector, Puri for Eco Sensitive Zone (ESZ) of BKWLS, the Tahasildars of Gop and Puri Sadar were instructed not to go for lease, alienation or convert kisam of any land coming within the sanctuary or ESZ, based on the sale deed done earlier. They were also instructed to ensure that under no circumstances should the

[49] Village: Hirma, Khata No, 252, Plot No. 1801/4309 under Jharsuguda Tahasil

land use be changed either in the sanctuary or in the ESZ area. The Sub-registrars of Puri Sadar and Gop were instructed to ensure that no sale transaction was done in individual name or for commercial activity within the limit of the sanctuary or ESZ.

In this regard, Audit observed the following:

### *3.1.5.1 Irregular sale of land within the Wildlife Sanctuary area*

Audit scrutiny revealed that 13.65 acres of land (Plot Nos. 2494: 6.85 acres and 2495: 6.80 acres) of Chhaitana village coming within BKWLS area, were sold while disregarding the stipulations made in the Wild Life Protection Act, as discussed below:

- An area of 6.85 acres with kisam *Bagayat*-3 was recorded in the name of Dibyasingha Mishra as per final RoR published (April 1999) by the Consolidation Officer, Puri. The plot was within BKWLS area. Shri Mishra sold 6.7104 acres of the said land by making 75 sub-plots to different persons during 2017 to 2025. Even after issue of instructions in the ESZ meeting (March 2018), the Tahasildar allowed mutation of land (6.85 acre) in 36 cases during 2019-2025. Further, 1.086 acres of this land had been converted to *Gharabari*. As seen during JPI (6 November 2024), entire plot was covered with compound wall and moorum roads were provided to the sub-plots. Small boundary/ demarcation walls had also been constructed for the sub-plots. Constructions of three *pucca* buildings were under progress, as of November 2024. The PKDA had booked (2022-23) unauthorised construction (UC) cases[50] for construction within the sanctuary area and issued notices to stop construction activities. However, despite this, the construction had not stopped yet (November 2024).
- Similarly, an area of 6.80 acres bearing Plot no. 2495 of Village Chhaitana was recorded in the name of Indira Petroleum Limited as per RoR published by the Consolidation Officer, Puri. Though the plot came within the BKWLS area, the Tahasildar had converted the land to Gharabari in OLR Case No. 01/12[51]. Out of 6.80 acres, 6.50 acres were sold to the Uttaranchal Engineering Private Limited (UEPL) and the Tahasildar mutated the same in Case No. 775/2012. The UEPL further sold (10 April 2023) the land to a private party Sh. Prabas Harekrishna Behera. The Additional Tahasildar, Gop again allowed (17 April 2023) mutation *vide* Case No. 1014/2023. Thereafter, Shri Behera sold 3.4449 acres of land to 81 persons, while the remaining 3.0551 acres of the said plot were available with him. On JPI (6 November 2024) of the plot, it was noticed that compound wall, covering original Plot No. 2495 had been constructed. Also, original Plot No.2495 was divided into sub-plots by erection of demarcation pillars and provision of moorum roads. Labour shed/site office were also constructed, while two buildings were under construction.

[50] UC cases Nos 29/2022: Sarojini Bhuyan, 30/2022: Ananda Kumar Mohapatra, 05/2023: Ashish Mohanty, 04/2023: Ananda Chandra Das and 07/2023: name not recorded

[51] Concerned case record could not be produced on the plea that the plot was converted by Tahasildar, Puri prior to creation of Gop Tahasil and case record was available with Tahasildar, Puri

Thus, in contravention to the statutory provision and instructions of the Collector, Puri, sale transaction of 13.65 acres of land, falling within the limit of BKWLS area was made. The Sub-Registrar, Gop had allowed such sale transactions and the Tahasildar, Gop had corrected record of rights of such land initiating mutation cases. Subsequently, the Tahasildar had also converted kisam of land located within the sanctuary area for residential/ commercial use.

Due to the above, the purpose of constitution of wild life sanctuary area *i.e.* for protection, propagation, development and research on wildlife was defeated.

In reply, the Tahasildar Gop assured that suo-moto mutation appeal would be initiated before Sub-Collector/ ADM Puri for cancellation of mutation and conversions allowed in sanctuary areas.

#### *3.1.5.2 Irregular utilisation of land coming within Eco Sensitive Zone of Wild Life Sanctuary*

The National Environment Policy (2006) defined the Eco-Sensitive Zones (ESZ) "as areas/zones with identified environmental resources having incomparable values which require special attention for their conservation". In order to protect the environment and the biological integrity of the area outside the protected areas, the Ministry of Environment, Forest and Climate Change (MOEFCC) declares such areas as Eco-sensitive zones/ areas. The ESZ notifications provide list of prohibited, restricted and promoted activities to be undertaken within the ESZ.

The MOEFCC, GoI notified (September 2016 and May 2017) Chandaka Dampara Wild Life Sanctuary (CDWLS) covering Cuttack and Khordha districts and Balukhand-Konark Wild Life Sanctuary (BKWLS), as ESZ. As per ESZ notification, no new constructions of any kind were to be permitted within the ESZ, except for the domestic needs of local residents. No new solid waste disposal site and waste treatment/ processing facility of solid waste was also permitted within ESZ. The notifications further added that no new commercial hotels and resorts would be permitted within ESZ area, except accommodation for temporary occupation of tourists related to eco-friendly tourism activities.

Audit observed following deficiencies in regard to utilisation of land in ESZs:

##### *(a) Irregular mutation and change of land use within ESZ of BKWLS*

***Picture 3.1.5: Construction underway for Swami Narayan Mandir Trust (Date: 19 November 2024)***

As per RoRs maintained by Tahasildar, Puri, an area of 17.75 acres of land[52], which came within ESZ of BKWLS was recorded in the name of Crackers India Infrastructure Limited (CIIL), a private company. CIIL further sold (4 January 2018) 16.15 acres of this land to the Swami Narayan Mandir Trust (SNMT). The Tahasildar,

[52] Village: Balukhanda, Plot Nos. 1567, 1567/11553, 1565 and 1566 under Puri Tahasil. The land was converted for residential use during 2007, but had remained vacant

Puri allowed (21 August 2024) mutation of 16.15 acres of land and corrected (September 2024) RoR in favour of SNMT. The remaining 1.6 acres of land remained with CIIL. JPI (19 November 2024) of the plots/site revealed that the entire 17.75 acres of land, as shown at **Picture 3.1.5** was covered with boundary wall and permanent and temporary structures, paver block road, temple, parking place, security chamber *etc.*, while further constructions for the Swaminarayan Temple by SNMT continued.

Audit noticed that in deviation to the instructions given (March 2018) in the ESZ monitoring meeting, the Tahasildar, Puri mutated (August 2024) the land in favour of SNMT and land use was changed by SNMT. Due to this, the objective of notification of ESZ *i.e.* to protect the environment and minimize negative impact of human activities on protected areas, was defeated.

***(b)*** The Executive Officer (EO), Puri Municipality applied (May 2020) for alienation of 5.00 acres of land[53] for construction of a modern fish market and treatment of waste product. The ESZ Monitoring Committee[54] permitted (September 2020) construction of the fish market on the plot with the stipulation that no solid or liquid waste shall be disposed of within the ESZ.

Audit noticed that the ESZ Committee, while according permission for construction of modern fish market had overlooked the condition of ESZ notification, which prohibited any solid waste disposal site and waste treatment/ processing facility of solid waste within ESZ. However, no permission was given for construction of waste treatment plant.

JPI (22 November 2024) of Plot no. 273/2825 (5.00 acre) showed that the Fish Market and Waste Treatment Plant were constructed on Plot no. 273/2825 by the EO, Puri Municipality, pending delivery of advance possession/ sanction of alienation.

Thus, in violation of prohibitions under ESZ notification, Fish Market and Waste Treatment Plant were constructed within ESZ of BKWLS by the EO, Puri Municipality.

***(c) Irregular lease of land coming within ESZ of Chandaka-Dampara Wild Life Sanctuary for establishment of industry***

IDCO applied (June 2020) for lease of 50.630 acres of land[55] in Kumarbasta village under the Khordha Tahasil for the establishment of industries and allied activities. The Collector, Khordha sanctioned (September 2021) lease in favour of IDCO for establishment of industry and allied activities. However, even before the sanction of land by the Collector, IDCO had allotted the said land in favour of M/s Wonderla Holidays for the establishment of a Water Park.

Audit noticed that 20.500 acres[56] of leased out land came within the ESZ area of CDWLS. In the ESZ Monitoring Committee meeting held on 15 July 2021 to accord permission for the establishment of the Wonderla Amusement Park,

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[53] Khata No. 268, Plot No.273/2825, kisam *Patita* in Village Sidhamahavir (Unit No. 33) of Puri Municipality

[54] Under Chairmanship of Collector, Puri

[55] Plot Nos. 822: 10.500 acre; 823: 21.970 acre and 833: 18.160 acre

[56] Plot Nos. 822 (10.500 acre) and part of plot no. 823 (10.00 acre)

a member (nominated by the State Government, expert in the field of ecology and environment), suggested enrichment of existing vegetation on Plot no. 822. Further, the representative of the Wild Life Trust of India nominated by the State Government (as NGO working in the field of environment), expressed concerns regarding exploitation of ground water for the proposed park. In this regard, representative of IDCO clarified that water supply to the park would be made through a pipeline from Mahanadi. The Committee suggested that the project was a viable tourism project (not coming under industrial category), and could be allowed subject to adherence to stipulated conditions like prior environment clearance, wild life clearance, consent order from Odisha State Pollution Control Board (OPSCB) *etc*., as per the terms of reference of ESZ.

Audit observed that:

- The stipulations made by the Committee like obtaining prior environment clearance and wild life clearance, consent of OSPCB were not ensured prior to sanctioning of lease. Suggestion of expert member for enrichment of existing vegetation/ afforestation on Plot no. 822 was not adhered to, and a large number of existing trees were cut for the establishment of the Park.
- Permanent structures (multi-storied buildings) were constructed on land coming within the ESZ area as seen from satellite image through Odisha 4k GEO services. From the Wonderla website, it was seen that several land and water ride facilities, restaurants with provision of breakfast and lunch, living rooms, parking place, locker facility *etc.*, were provided at the amusement park. Thus, in contravention to ESZ stipulation, the allotted land was utilised for commercial purposes (hotel/restaurant) *etc.*
- As per paragraph 4(14) of ESZ notification, the extraction of surface water and ground water was to be permitted only for *bona fide* agricultural use and domestic consumption of the occupier of the land. Despite assurance of IDCO, given during the ESZ Monitoring Committee meeting, supply of water to the park through pipeline from river Mahanadi was not ensured.

Thus, leasing of land within ESZ of CDWLS for establishment of industry by IDCO *i.e.* Wonderla Amusement Park, contravened the ESZ notification, due to which the environment and the biological integrity of the ESZ area was adversely affected and remained unprotected.

The Department stated (October 2025) that the concerned district authorities had been instructed to take steps against irregular utilisation of land under the ESZ/Wildlife Sanctuary. The reply is silent about the specific action to be taken against the erring officials responsible for allowing such irregular utilisation of land.

### 3.1.6 Absence of monitoring mechanism to ensure end utilisation of acquired private land/ leased out government land

As discussed above, 12,393.651 acres of leased/acquired land was not utilised for intended purposes, while 237.257 acres of land was utilised for unintended purposes. In the absence of village-wise land banks, 668.893 acres of land remained under encroachment. An area of 504.768 acres of agricultural land was utilised for non-agricultural purpose, while 568.876 acres of forest land was utilised for non-forest activities.

However, after allotment of land to various organizations including IDCO, adherence to lease/ allotment conditions was not monitored at Department/ District/ Tahasil level. No monitoring mechanism like submission of Monthly / Quarterly Progress Reports in regard to utilisation of allotted land for intended purposes, resumption of unutilised land, detection of unauthorised use of agricultural land for non-agricultural purpose by regular site/field visits by concerned authorities, was in place. There were cases of wilful non-adherence to extant Statutory provision regarding use of forest land, agricultural land, exploitation of ground water resources, use of agricultural land for non-agricultural purposes *etc*., where authorities responsible need to be held accountable.

# RURAL DEVELOPMENT DEPARTMENT

## 3.2 Implementation of Pradhan Mantri Gram Sadak Yojana in the State


**EXECUTIVE SUMMARY**

Pradhan Mantri Gram Sadak Yojana (PMGSY), launched by the Government of India in December 2000 to provide all-weather rural connectivity, has seen significant implementation lapses in Odisha during 2019-24. Despite approvals under PMGSY-III, the Department failed to provide connectivity to 2,428 habitations covering 20.71 lakh people by the targeted deadline of March 2025. Preparation of Detailed Project Reports (DPRs) with inflated Contractor's Profit and Overhead Charges resulted in undue benefit of ₹32.39 crore to contractors. Further, failure to ensure land and forest clearances before awarding works resulted in wasteful expenditure of ₹48.52 crore. Estimates were also inflated by ₹21.66 crore due to unwarranted provision of lead charges. Poor contract management led to mid-way closure of projects due to slow progress, rendering ₹32.27 crore unfruitful. Additional lapses included award of works to ineligible contractors, non-realisation of ₹40.55 crore in liquidated damages and ₹23.02 crore in avoidable expenditure due to non-execution of routine maintenance. Non-rectification of defective roads resulted in infructuous expenditure of ₹15.19 crore and the quality control mechanism remained inadequate.


### 3.2.1 Introduction

The Government of India (GoI) launched (25 December 2000) the 'Pradhan Mantri Gram Sadak Yojana' (PMGSY) to provide all-weather road connectivity to unconnected habitations in rural areas. Later in August 2013, PMGSY-II was launched with the aim to upgrade roads built under the Scheme to facilitate growth of rural market centres and rural hubs. Thereafter, PMGSY-III[57] was launched in 2019 and was aimed at upgrading existing routes and links, prioritizing critical facilities like rural markets, education and health facilities. This included strengthening and widening of existing roads and establishing missing links for ensuring connectivity. PMGSY was a 100 *per cent* Centrally Sponsored Scheme till 2013-14. Subsequently, the funding pattern was changed to 60:40 between GoI and Government of Odisha (GoO) from 1 April 2015.

The Rural Development (RD) Department, GoO, was the Nodal Department for the implementation of PMGSY in the State. The Chief Executive Officer (CEO) of Odisha State Rural Roads Agency (OSRRA) was responsible for approval of project proposals, monitoring and management of funds of PMGSY.

[57] Subsequently, PMGSY – IV was launched in September 2024

A Compliance Audit was conducted during October 2024 to March 2025 covering the financial years 2019-20 to 2023-24, to assess whether:

- The planning process was adequate for providing rural connectivity as per the programme guidelines.
- The allocation and release of funds was adequate and projects were executed efficiently, in accordance with Scheme guidelines.
- A monitoring system and quality control mechanism were in place and were implemented effectively for achieving the desired objective.

Audit examined records of RD Department, Engineer-in-Chief (Rural Works), OSRRA, 15 Rural Works (RW) Divisions[58] in seven[59] sampled districts. The seven sampled districts were selected on the basis of stratified random sampling without replacement through IDEA software, by integrating three risk parameters[60] from 30 districts of the State. During 2019-24, 1,549 projects were executed under PMGSY-III in the State. Out of this, 506 projects pertained to 15 RW Divisions of the seven sampled districts. Audit test-checked records of 468 out of 506 projects. Apart from this, Audit observations noticed during earlier compliance audits pertaining to four other districts[61] have also been included in this report. An Entry Conference was held with the Principal Secretary of the Department on 13 November 2024, wherein audit objectives, criteria, scope and methodology were discussed. Joint Physical Inspections (JPIs) of selected works were conducted and photographic evidences were also taken in the presence of departmental officials. The audit findings were discussed with the Commissioner cum Secretary of the Department in an Exit Meeting, held on 17 September 2025. The Department accepted the recommendations of Audit and assured to take remedial action to mitigate the gaps. The responses received from the Department have been suitably incorporated in the report.

The Audit findings are discussed in the succeeding paragraphs.

**Audit findings**

### 3.2.2 Achievement vis-à-vis target for execution of projects

Under different phases of PMGSY, the GoI cleared 10,083 projects covering 17,001 habitations for Odisha towards new connectivity and 4,724 projects for upgradation of roads. Against this, the State completed 10,013 projects for providing new connectivity to 16,994 habitations, and 4,444 projects of upgradation of roads, as of May 2025.

The details of target and achievement from 2019-20 to 2023-24 under PMGSY-I & II as summarised in **Table 3.2.1.**

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58 Ganjam-I, Ganjam-II, Bhanjanagar, Baripada, Karanjia, Rairangpur, Sundargarh-I, Sundargarh-II, Nawarangapur-I, Nawarangpur-II, Puri, Nimapara, Nayagarh-I, Nayagarh-II and Angul.

59 Mayurbhanj, Ganjam, Sundargarh, Nabarangapur, Puri, Nayagarh and Angul

60 Number of projects sanctioned, sanctioned cost of the projects and execution in a Geographical Information System (GIS) map.

61 Khordha (RW Division, Bhubaneswar), Cuttack (RW Division-I & II, Cuttack), Keonjhar (RW Division, Anandapur) and Sambalpur (RW Division, Sambalpur)

***Table 3.2.1: Target and Achievement*** ***(₹in crore)***

| Sl. No. | Year | Target | | Achievement | | Percentage of achievement | |
|---|---|---|---|---|---|---|---|
| | | Physical (in Km) | Financial (₹ in crore) | Physical (in Km) | Financial (₹ in crore) | Physical | Financial |
| 1 | 2019-20 | 6689.00 | 3800.00 | 5169.28 | 2368.59 | 77.28 | 62.33 |
| 2 | 2020-21 | 3500.00 | 3500.00 | 1772.28 | 1681.13 | 50.64 | 48.03 |
| 3 | 2021-22 | 2500.00 | 1700.00 | 2715.27 | 1739.56 | 108.61 | 102.33 |
| 4 | 2022-23 | 2000.00 | 1383.33 | 2599.98 | 2032.64 | 129.99 | 146.94 |
| 5 | 2023-24 | 2155.00 | 1833.33 | 2554.91 | 1558.52 | 118.56 | 85.01 |
| | Total | 16844 | 12216.66 | 14811.72 | 9380.44 | | |

***(Source: Data provided by CE, PMGSY, Odisha)***

From the above table, it can be seen that during the years 2019-20 to 2023-24, against the physical target, the achievement ranged between 50.64 *per cent* and 129.99 *per cent*.

Under PMGSY-III, GoI, in principle, approved (December 2020 to March 2022) upgradation of 9,400 km of roads in Odisha. Against the approved road length, the GoO planned to execute 1,549 projects covering 9351.08 km, which included 1,401 roads and 148 Long Span Bridges (LSB[62]) of the State. The projects aimed to upgrade road facilities for 27,164 habitations by March 2025.

Audit observed that out of 1,549 approved projects under PMGSY-III, 1,181[63] projects (76 *per cent*) had been completed, covering 19,839 habitations, as of May 2025. Thus there was a shortfall of 368 projects, resulting in 7,325 habitations being deprived of the intended upgraded road facilities. The detailed analysis regarding execution of works in the sampled districts has been discussed in ***Paragraph 3.2.6.1***. The Department stated (September 2025) that all the remaining projects would be completed by March 2026.

## 3.2.3 Planning

### *3.2.3.1 Selection of projects*

Paragraph 7.3 of the PMGSY III Guidelines stipulates that State Level Standing Committee (SLSC) would review proposals of projects taken up under the PMGSY-III to ensure compliance with the guidelines. Once approved, the Programme Implementation Units (PIUs)[64] would prepare Detailed Project Reports (DPRs) in accordance with the prescribed manuals and instructions issued by the National Rural Infrastructure Development Agency (NRIDA)[65]. Furthermore, Paragraph 7.4 states that during DPR preparation, the PIUs must conduct a transect walk[66] in consultation with the local community through the Gram Panchayat to determine the most suitable road alignment and address issues related to land availability, including forest land.

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[62] Long Span Bridge is the bridge with 150 metre length

[63] Road: 1,100 projects and LSB: 81 projects

[64] The PIUs are the basic units for project planning, execution and accounting.

[65] NRIDA is responsible for providing technical support, project appraisal, managing quality, monitoring project implementation through OMMAS.

[66] The Transect Walk defines that the PIU will hold a consultation with the local community through the mechanism of the Gram Panchayat in order to determine the most suitable alignment, sort out issues of land availability (including forest land)

- Audit noticed that the RD Department submitted (2021-22) proposals for 1,507 road projects covering a total length of 9,981.82 km under PMGSY-III to the Ministry of Rural Development (MoRD) for approval. Out of these, the MoRD accorded clearance to 1,412 projects having 9,426.43 km of road length. However, the GoI in principle allowed the State to go-ahead with 9,400 km of road projects under PMGSY-III. Later, due to non-feasibility, the concerned PIUs recommended to GoI that 11 projects should be dropped. Consequently, MoRD removed these projects from the approved list, reducing the revised approval to 1,401 projects with a total length of 9,351.08 km. The Department attributed the dropping of these projects to non-availability of land for widening of two of the roads, and coverage of nine projects under other State schemes. This indicated that the PIUs had not ensured land availability and not examined viability of road projects, before sending the proposal to MoRD, resulting in loss of Central Assistance of ₹28.85[67] crore.

## 3.2.4 Preparation of Detailed Projects Report

Paragraph 4.3.5 of PMGSY Operations Manual (OM) stipulates that as work commences on preparation of DPRs, the PIUs would need to conduct the 'Transect Walk', and prepare necessary papers to obtain land, forest clearance, *etc*., so that before road work is put to tender, the land for the road is available. Further, Paragraph 6.2 of the OM stipulates that the DPR should be based on a detailed survey and investigations, design and technology choice. The DPR should be of such detail that the quantities and costs are accurate and no cost overrun takes place due to changes in scope of work or quantities at the time of execution.

Audit noticed that RD Department had engaged private consultancy firms for preparation of DPRs and incurred ₹14.03 crore in preparing 1,549 DPRs under PMGSY-III, in the State. This included DPRs for 506 projects in the seven sampled districts, for which the private consultancy firms were paid ₹2.33 crore. Despite engagement of the private consultancy firms, the DPRs were not prepared based on proper survey and investigation through adequate transect walks, resulting in abandonment/ closure of projects at later stage, as discussed below:

### *3.2.4.1 Wasteful expenditure*

- 21 road work projects for upgradation of existing roads and construction of bridges, were awarded between May 2018 and September 2022 for ₹103.20 crore with the stipulated dates of completion between May 2019 and February 2024. In 10 out of these 21 cases, the contractors discontinued project execution due to non-availability of mandatory forest clearance. The concerned PIUs had not conducted proper survey of the road alignment and had not obtaining forest clearance before preparation of DPR and award of the works for execution. Consequently, the projects were closed (February 2023) by CE, PMGSY after execution of work valued at ₹16.89 crore (39.77 *per cent*) against the agreement value of ₹42.47 crore.

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67 ₹28.85 crore = 60% of ₹48.08 crore (sanctioned cost of 11 projects)

- During the period between August 2013 and September 2022, 11 projects were awarded at a cost of ₹60.73 crore, with stipulated dates of completion between May 2014 and December 2023. Execution of 11 projects was prematurely closed due to non-acquisition of private land, required for widening the existing roads or constructing missing links to provide road connectivity. The concerned PIUs had not acquired 1.58 acres[68] of land required for executing three projects, and in case of other eight projects, demarcation of land had not been done by the concerned Tahasildars, as of March 2025. Due to non-availability of land, these projects were terminated midway after incurring an expenditure of ₹31.63 crore (52 *per cent*) against the contract value of ₹60.73 crore. One such instance was the work named the work "High-Level Bridge over Hati Nallah at 2.650 km of Godijhara via Torasingh, Bhatapada, Harichandanpur Road" under RW Division, Bhubaneswar, as shown in Picture 3.2.1. The work was awarded (December 2021) to a contractor for ₹5.52 crore for completion by December 2022. However, the work was stopped in May 2023, due to non-acquisition of 0.21 acres of land. The Committee of CEs, approved (February 2024) the closure proposal for the project, after the expenditure of ₹3.02 crore had already been incurred, as of March 2023. As such, the expenditure of ₹3.02 crore was rendered wasteful.

***Picture 3.2.2: HL Bridge over Hatinallah***

  During JPI (March 2025) with the Departmental Officer, Audit found that only steining[69] of two abutments were constructed and the bridge was lying incomplete, as of March 2024.

Thus, preparation of DPRs without conducting proper transect walks, non-obtaining of forest clearances or ensuring availability of required private land prior to awarding of the work, led to failure of project execution. Consequently, expenditure of ₹48.52 crore[70] became wasteful, depriving 2.04 lakh beneficiaries of upgraded all weather road facilities.

The Department stated (September 2025) that due to involvement of forest lands and non-acquisition of private land for widening, the roads were not fully executed. As some portion of roads had been completed, nearby villagers were benefited. The reply was not tenable as availability of land was not ensured before award of work, which resulted in abandonment/ closure of road works defeating the objective of providing upgraded all weather road facilities to the rural people.

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68 OR-05-364- 0.72 acre + OR-05-357- 0.65 acre + OR-18-190- 0.21 = 1.58 acre

69 In the construction of a bridge, 'steining' refers to the reinforced concrete or masonry wall that forms the main body of a well foundation.

70 ₹16.89 crore + ₹ 31.63 crore = ₹48.52 crore

### *3.2.4.2 Idle expenditure*

Audit noticed that improper transect walk, delay in land acquisition and deficiencies in survey before preparation of DPRs led to non-completion of bridge projects. Consequently, substantial funds remained idle without delivering the intended benefits. Two such cases are discussed below:

***(i)*** A bridge over River Kuanria on Mareikana (Kantilo) in the district of Nayagarh was awarded (September 2022) at ₹11.21 crore for completion by March 2024. The contractor could not complete the work within the stipulated time due to non-acquisition of 0.74 acres of private land for the approach road to the bridge. The bridge was lying incomplete after incurring an expenditure of ₹7.50 crore as of March 2025.


**Picture 3.2.2: Bridge over River Kuanria without approach road (Date: 23 December 2024)**

During JPI (December 2024) of the project, Audit noticed that the work relating to approach roads had not yet started and the bridge was lying incomplete, resulting in idle expenditure of ₹7.50 crore, as shown in ***Picture 3.2.2***.

The Department stated (September 2025) that the work would be completed by March 2026 through direct purchase of 0.74 acres of land.

***(ii)*** Construction of a High-Level Bridge over the River Brutanga in district Nayagarh was awarded (September 2023) to a contractor for ₹5.50 crore for completion by September 2024. During inspection (April 2024) of the site, the CCE, CRWC, Bhubaneswar, reported that there were sharp curves on both side approaches to the bridge. As a result, the alignment at 20 meter downstream was found more appropriate and therefore, the bridge alignment was shifted downstream accordingly. On the recommendation (June 2024) of Chief Engineer, RW Circle, Bhubaneswar, the General Arrangement of Design (GAD) was changed.


**Picture 3.2.3: HL Bridge on RD road at Ambalimba (Date: 15 January 2025)**

Audit noticed that since the project involved construction of the bridge over a river, besides proper survey of the site, soil exploration data and hydrological survey considering river flow patterns, flood plains and erosion zones were required to be done before preparation of DPR. However, these were not carried out and this led to change of GAD during execution.

Despite the fact that the contract for the bridge had been awarded in September 2023, the foundation work had just started (as of January 2025), *i.e.* after a lapse of 16 months, as seen during JPI. Due to non-completion of the bridge, the road connectivity from National Highway 57 to the targeted rural areas, could not be established. However, a portion of the adjacent road had been completed with an expenditure of ₹ 1.89 crore.

Thus, non-acquisition of land, lack of proper survey, DPR lacunae *etc*., before award of work led to idle expenditure of ₹9.39 crore[71], while the projects remained incomplete.

The Department stated (September 2025) that the river Brutanga had changed its course during the execution of the bridge which necessitated change in design and GAD of the bridge. The reply is not tenable as DPR had not been prepared properly after conducting transect walk along with detailed hydrological survey of rivers behaviour to finalise the GAD, as required under OPWD Code and PMGSY-III guidelines.

***3.2.4.3 Cost over-run***

Audit found that 13 projects in seven divisions were awarded between October 2017 and November 2021, at a total contract value of ₹68.03 crore. These projects were scheduled for completion between July 2018 and April 2023. However, during execution, there were major changes in the work due to changes in scope, revised designs (GAD), additional items *etc*. As a result, the actual cost increased to ₹111.56 crore from ₹68.03 crore, leading to deviation of ₹43.53 crore. These deviations from the contract value ranged from 32.16 *per cent* to 181.18 *per cent* across projects and were mainly due to poor surveys and investigations before preparing the DPRs. It was noted that although these deviations had been subsequently approved by the Government, there was cost over-run of ₹43.53 crore.

As of September 2025, 12 projects had been completed and one was still ongoing. Instances of such cases of cost overrun are detailed below:

- The work "Improvement to road and CD works under Package No. OR-20-404-LB-47" in Malkangiri district was completed after incurring ₹2,726.66 lakh against the agreement value of ₹1,289.92 lakh. Thus, there was excess deviation of ₹1,436.74 lakh, being 111.38 *per cent* over the agreement value. Excess expenditure was due to changes in the scope of the work during execution, *i.e.,* construction of retaining wall of 5300 mtr against the agreement quantity of 700 mtr. The length of the retaining wall was increased, giving reasons of site conditions. This was indicative of the fact that detailed surveys had not been carried out before framing estimates, through transect walk.
- The Package No. "OR-20-319-LB-22" in Malkangiri district was completed (September 2022) at ₹392.71 lakh with net excess deviation of ₹253.05 lakh, being 181.18 *per cent* excess over the agreement value of ₹139.66 lakh. It was noticed that this deviation was due to increase of bridge length from 40 mtr to 70 mtr after change of GAD. Such wide variations indicated inadequate survey through transect walk before finalising the estimates and DPR for the project.

The Department stated (September 2025) that the cost overrun was mainly due to increase in the protection work meant to safeguard the constructed road, change in design of the bridges and change in scope of the work.

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[71] ₹7.50 crore + ₹1.89 crore = ₹9.39 crore

The reply is not tenable since the DPRs were prepared without proper survey and investigation of the site, which led to change in the scope of work during execution resulting in cost over-run of ₹43.53 crore.

### *3.2.4.4 Excess provision towards Contractor's Profit and Overhead Charges*

In order to streamline the procedure of preparation of Schedule of Rates (SoR), the SoR Scrutiny Committee of NRIDA, GoI decided (November 2013) that an overall 12.5 *per cent*[72] towards Contractor's Profit and Overhead Charges (CP&OH) may be permitted for road works including protection and cross-drainage works. The SoR Scrutiny Committee of NRIDA, GoI had directed (18 November 2013) all the States to allow 12.5 *per cent* towards CP&OH.

In deviation to the above norm, CP&OH at 15 *per cent*[73] was provided in the cost estimates of 488 projects taken up by 16 RW Divisions[74]. Audit noticed that against the permissible amount of ₹ 1,647.02 crore towards CP&OH, the estimates provided for ₹ 1,683.69 crore, which inflated these estimate by ₹36.67 crore and there was an excess payment of ₹ 32.39 crore to the contractors, towards CP&OH, as of March 2025 (***Appendix 3.2.1***).

The Department stated (September 2025) that in order to maintain uniformity between PMGSY works and other non-PMGSY works in the State, the CP&OH was taken as 15 *per cent* in the estimate for the PMGSY works. The extra 2.5 *per cent* OH&CP was to be met from the State Government funding.

The reply is not tenable since such deviations were against the instructions of NRIDA to provide only 12.5 *per cent* as total CP&OH charges in the DPRs of PMGSY works.

### *3.2.4.5 Computation of excess hire charges of machinery*

***(i)*** As per the Guidelines (DPR Template for PMGSY-III), the DPR should be prepared as per specifications provided by the Ministry of Road Transport and Highways (MoRTH), as per the current Schedule of Rates (SoR) of the State.

Audit observed that the CCE, RW Circle, Berhampur technically sanctioned the estimates of 14 projects for ₹49.56 crore. The estimates, *inter alia*, provided for execution of 16,367.15 cubic metre (cum) of Bituminous Macadam (BM). The item rate of BM in the estimate was arrived at by computing the hire charges of Hot Mix Plant (HMP) at 40-60 Tonnes per Hour (TPH) for ₹9,710.43, instead of ₹6,217.39, as mentioned in SoR, 2014. Further, it was noticed that instead of three hours duration for operation of HMP that was required to mix the bitumen and aggregates instead, six hours duration was considered to arrive at the output of 225 tonnes. However, this Batch Mix HMP was meant for output of 450 tonnes and not for 225 tonnes,

[72] Contractor's Profit: 10 *per cent* and Overhead Charges: 2.5 *per cent*
[73] Contractor's Profit: 7.5 *per cent* and Overhead Charges: 7.5 *per cent*
[74] 15 sampled RW Divisions and RW Division, Bhubaneswar (covered under earlier Compliance Audit)

as required in these 14 projects. Adoption of item rate with excess hire charges of HMP inflated the estimated cost of the works by ₹237.49[75] per cum.

Thus, computation of excess hire charges of HMP inflated the estimate and led to extra expenditure of ₹32.36 lakh[76] for executing 15,446.61 cum of BM considering the rate quoted by the bidders.

The Department stated (September 2025) that the nomenclature of the machine had been typed wrongly but the correct hire charges had been considered in framing the estimate.

The reply is not tenable since Batch Mix HMP 100-120 TPH at 75t/h" at ₹9,710.43/6 hour was meant for output of 450 tonnes and not for 225 tonnes used in these works.

***(ii)*** Package No. OR-26-352 under RW Nimapara Division (P K Road, Junei to Erbanga, in Gop Block) was awarded (November 2021) at ₹11.33 crore, which was 24.99 *per cent* less than the corresponding estimated cost of ₹15.11 crore.

The works, *inter-alia*, provided for supplying and laying of Paver Blocks of 80 mm thickness of 58,394.97 sqm for ₹10.34 crore (at ₹1,769.62 per sqm). Audit found that the estimated cost of the above item was computed by incorporating carriage charges at the rate of ₹744.71 per sqm for transportation of Paver Blocks from Bhubaneswar to the work site. As per the SoR (2017), the conveyance charges for all types of tiles were to be calculated based on a load of 180 sqm per truck. Against the rate of ₹20.94 per sqm[77], as worked out by Audit, the estimate was made at ₹744.71 per sqm. As a result, the estimate was inflated by ₹731.01[78] per sqm. Based on the inflated estimate, the work was awarded and the contractor completed the work with total quantity of 61,625.55 sqm. Thus, computation of excess lead charges in the estimate, resulted in extra expenditure of ₹3.38 crore, after considering the rate quoted by the contractor.

The Department stated (September 2025) that there were no approved rates of Paver Blocks or their transportation cost in the SoR as well as in the Analysis of Rates. The estimates were however, approved by the MoRD.

The reply is not tenable, as in case of another work related to RW Division, Nayagarh, the Department itself had correctly estimated the transportation cost for Paver Blocks at square meter rate, as per the SoR.

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[75] Actual rate of HMP 40-60/6 TPH = ₹6,217.39; Rate computed = ₹9,710.43
Extra Cost per cum= (₹9,710.43 - ₹6217.39) *6 = ₹20,958.24 + 15 *per cent* CP&OH = ₹24,101.98 + 1 *per cent* Cess = ₹24,343.00; Per one cum =₹24,343.00/102.5 = ₹237.49/per cum

[76] Total executed quantity = 15,446.61 cum, Excess rate provided = ₹ 237.49/ per cum
Total extra expenditure = 15,446.61*237.49 = ₹36,68,415.41 and after tender rate = ₹32,35,611.91.

[77] Lead charges from Bhubaneswar to work site at a distance of 82 km = ₹3,770.01 carrying 180 sqm paver block. Therefore, lead charges per sqm = ₹3,770.01 / 180 = ₹20.94 (SoR, 2014)

[78] ₹744.71-₹20.94 = ₹723.77+1 *per cent* cess = ₹731.01

### *3.2.4.6 Extra expenditure due to deviation from the technical specification*

As per the technical specifications prescribed by the Indian Roads Congress (IRC) and the Ministry of Rural Development (MoRD), the design and selection of pavement components for rural roads under the PMGSY should be based on traffic category, soil characteristics and cost-effectiveness. The IRC: SP: 72-2015 and other relevant codes provide clear guidelines for the type of surface and sub-base to be adopted for various categories of rural roads to ensure durability, economy and suitability for local conditions.

Audit scrutiny of the road works executed under PMGSY in different divisions revealed instances of deviations from the prescribed technical standards and design provisions, resulting in extra and avoidable expenditure. Two such cases are discussed below:

**(i)** IRC: SP: 72-2015 recommended that surface dressing (SD) for roads should preferably be bituminous in all cases of traffic categories (T1 to T5[79]).

Audit noticed that 30 road works under PMGSY, having traffic categories of T1 to T5 in six divisions were constructed over the sub-grade[80] of the road. Instead of the requirement of SD, the estimates provided for a high cost 20 mm Open Graded Premix Carpet (OGPC) of 5.28 lakh sqm as a wearing/surface course with seal coat. The provision of OGPC in the above works in place of SD, inflated the estimates and resulted in avoidable expenditure of ₹1.59 crore on executed quantity of 4.54 lakh sqm, after considering the quoted rate of the contractors, as detailed in ***Appendix 3.2.2***.

The Government stated (September 2025) that all the designs of the roads were approved by the State Technical Agency (STA) and MoRD, GoI. Further, the provision of SD was not suitable for execution in rural areas.

The reply is not tenable since IRC: SP: 72-2015 recommends that SD bituminous surfacing should be preferred in all cases of traffic categories of T1 to T5. Further, NRIDA, MoRD, GoI (May 2022) stated that low-volume rural roads were typically surfaced with OGPC, which was water-susceptible. Modern mechanised SD, being an innovative technology, enhances surface waterproofing and is more cost-effective compared to OGPC.

**(ii)** According to IRC Specifications (37-2001), flexible pavements should be designed for roads with traffic ranging from 1 to 10 million standard axles (MSA), which are considered low-traffic roads. Further, IRC 15-2002 prescribes standard specification and code of practice for construction of concrete roads. Paragraph 6.2.1 of the above specification stipulates that sub-base may be composed of granular materials or stabilised soil of semi-rigid materials. The semi-rigid materials are lime burnt clay concrete, lime fly ash concrete and dry lean concrete (DLC). However, DLC sub-base is generally recommended for modern concrete pavements, preferably with high intensity traffic.

Audit observed that number of commercial vehicles per day (CVPD) plying on eight roads executed under RW Division, Angul ranged between 41 and

79 Traffic categorization based on Equivalent Single Axle Load (ESAL) application for pavement engineering, which converts traffic load to standards

80 Over the foundation layer of the road structure

242 taking as average, three days' traffic and with a projected growth of six *per cent* over the design life of the roads. According to the calculation, the projected traffic was expected to range from 0.31 to 1.66 MSA. Hence, there was no need for provision of DLC in such low volume traffic roads as per the IRC specifications. In violation of the aforesaid provisions, the estimates/ agreements provided for 100 mm DLC for the entire road length, involving 1,110.01 cum of DLC work over 56.94 km. This led to avoidable expenditure of ₹54.77 lakh (including tender premium), as detailed in ***Appendix 3.2.3***.

The Department stated (September 2025) that all the estimates under PMGSY scheme were technically vetted by the STA and approved by MoRD, GoI. Hence, there was no violation of provisions by providing DLC in low volume roads.

The reply is not tenable since according to IRC, the DLC sub-base is recommended for modern concrete pavements, preferably with high intensity traffic only. Further, the estimates had provided sub-base (GSB/Gravel) of 18727.36 cum with thickness of 150 mm according to the pavement design as per IRC specification. However, in violation of the provisions, the estimates/ agreements provided for DLC in low volume roads, which led to avoidable expenditure.

#### *3.2.4.7 Unwarranted lead charges for transportation of earth in deviation to PMGSY Guidelines*

Paragraph 9.2 of PMGSY-III Guidelines stipulates that no lead charges would be payable for transportation of soil except in case of Black Cotton Soil/Sodic Soil or where a portion of the road passes through a village. Further, the format of DPR of PMGSY works, prescribed by NRIDA, specifies that lead charges shall be admissible only when it was certified that the available soil is not suitable for embankment construction.

Audit observed that 107 road works in 11 divisions were technically sanctioned for ₹452.45 crore. These works were awarded for ₹419.93 crore during the period February 2021 to December 2022, the divisions incurred an expenditure of ₹358.59 crore, as of March 2025 on these works. The works, *inter-alia*, provided for 23.66 lakh cum of earth work for construction of embankment with material obtained from borrow pit with lead charges of up to five km. However, the DPRs of the concerned works did not mention presence of Black Cotton Soil, Sodic Soil or any village area along the alignment, which were the only conditions under which lead could be provided. The DPRs also did not mention that the existing soil was not suitable for embankment construction. Despite this, provisions for lead were made in the estimates of all 107 road works which allowed for soil to be transported from a borrow pit to the road alignment for use in the embankment. The inclusion of lead charges in the estimate without requirement, inflated the item rate ranging from ₹87.92 to ₹113.54 per cum.

Thus, the unwarranted inclusion of lead charges inflated the cost of the works by ₹21.66 crore, leading to an avoidable extra expenditure of ₹15.90 crore, for the executed quantity of 18.87 lakh cum of earthwork, as detailed in ***Appendix 3.2.4***.

The Department stated (September 2025) that an excavation near toe of the embankment, would have destabilized the embankment. Further, due to failure of the side slope and lack of suitable soil nearby, lead was provided for these works.

The reply is not tenable, as the DPRs did not include any reference to unsuitable soil in the nearby area or any requirement to obtain earth from distant borrow pits.

***3.2.4.8 Use of fly ash in road construction not considered in the cost estimates***

As per instruction (August 2016) of NRIDA read with the notification (January 2016) of the Ministry of Environment, Forest and Climate Change (MoEF&CC), GoI, coal or lignite based thermal power plants within a radius of three hundred kilometres shall bear the entire cost of transportation of fly ash to the site of road construction projects under PMGSY and asset creation programmes of the Government, involving construction of buildings, roads, dams and embankments. Further, Clause 4.1 of the notification of the State Pollution Control Board, Odisha clarified that the fly ash embankment should be covered on the sides and top by suitable earth to prevent erosion of ash.

IRC: SP: 62: 2014 specifies that fly ash up to 30 *per cent* can be used as partial replacement for cement in road and bridge construction. Audit observed that in 60 road projects taken up during the period February 2021 to December 2021 in seven RW Divisions, the item rates of cement concrete pavement were derived by using Ordinary Portland Cement (OPC), but without incorporating fly ash component. The works were technically sanctioned for ₹215.92 crore and awarded for ₹192.65 crore. However, despite regulations specifying the use of fly ash and limiting the use of OPC to 70 *per cent*, the rates were derived by computing 100 *per cent* OPC cement (42,604.92 cum) and with nil fly ash.

Thus, non-utilisation of fly ash of 30 *per cent* with OPC cement as per guidelines, inflated the estimate and led to avoidable expenditure of ₹2.26 crore on execution of 42,609.10 cum for CC road, detailed in ***Appendix 3.2.5***.

The Department stated (September 2025) that the DPRs were vetted by the STAs and sanctioned by the NRIDA, GoI after due scrutiny. The observation of Audit would be incorporated henceforth after receipt of acknowledgement from the competent authority.

***Recommendation 1:***

***The Department may ensure adequate survey and investigation of sites and conduct transect walks, based on which requirement for acquisition of land or obtaining forest clearance may be worked out for inclusion in the DPRs.***

***Recommendation 2:***

***Cost Estimates should be prepared in all cases as per the prescribed IRC standards and NRIDA norms to ensure uniformity, quality, cost-effectiveness and fiscal control.***

### 3.2.5 Tendering and award of contracts

The audit of tendering and award of works under PMGSY revealed deficiencies in bid evaluation, tender acceptance and adherence to prescribed timelines. Provisions of the PMGSY Operations Manual, Standard Bidding Documents (SBD) and relevant clauses of the OPWD Code were not followed in several cases.

#### *3.2.5.1 Erroneous evaluation of bid capacities of the bidders*

Clause 4.6 of the Instructions to Bidders in Standard Bidding Documents prescribed by NRIDA, states that the bidders who meet the minimum qualification criteria would be qualified only if their available bid capacity[81] for construction work is equal to or more than the total bid value excluding the value of post-construction maintenance works.

Audit noticed that in RW Division, Cuttack I, one contractor who had been awarded two works[82] valued ₹9.39 crore, did not meet the required bid capacity. While the bid capacity of the contractor assessed by the division was ₹16.53 crore, the same as assessed by Audit was ₹3.71 crore.

Audit observed that, while assessing bid capacity of the bidder, the Chief Construction Engineer (CCE) had not referred to the WAMIS[83] database to ascertain the value of works-in-hand of the bidder, so as to determine the actual bid capacity. Instead, the Divisions relied on the figures furnished by the bidder in the bid documents. Based on the data available in the WAMIS database, on the date of the evaluation of bids (May 2022), Audit found that the selected bidder had supressed eight works in hand amounting to ₹12.82 crore, to appear eligible for the work. The works were awarded (September 2022) to the contractor at ₹8.95 crore with the stipulation to complete the works by June/ August 2023. Due to slow progress of the work, the contracts were terminated (September/ November 2024), as the contractor could only execute works valued at ₹3.35 crore.

Thus, the award of work to a contractor who was not qualified as per required bid capacity was irregular. Besides this also led to non-completion of work and termination of the contract subsequently.

The Department stated (September 2025) that since tenders were time-bound, it was practically difficult to verify the exact volume of work awarded to a bidder, as the information was not available on a single platform. WAMIS data was indicative and not real-time, so it could not be the sole basis to assess ongoing works. However, the Audit's suggestion to use WAMIS for this purpose would be considered during tender processing.

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81 Assessed Available Bid Capacity=A*N*M-B
A is maximum value of civil engineering works executed in any one year during the last five years updated to the current price level, N is number of years prescribed for completion of the works, M is taken as 2 and B is the value, at the current price level, of existing commitments and on-going works of the bidder

82 OR-07-361-MRL 05 Raniguda to Gokan via Jasuapada, OR-07-359-MRL 30 Khandagaon Natara to Ramakrishnapur, Ostapur via Mahajanpur

83 Works and Accounts Management Information System (WAMIS) is a database maintained by the GoO, where database of civil works with details like names of the works and contractors, value of works, schedule and actual dates of completions, value of works executed and pending *etc*. are maintained.

### 3.2.5.2 Acceptance of bid price less than stipulated 15 per cent of the tendered amount

As per instructions of NRIDA (September 2021), in absence of clear provision in PMGSY Standard Bidding Document, the States were to take decision regarding bid evaluation as per their State Financial Rules or, go in for re-tendering as deemed fit. Clause 36 of Appendix-IX of the OPWD Code Vol. II stipulated that if the rate quoted by the bidder was less than 15 *per cent* of the tender value, then such bids shall be rejected, and the tender shall be finalised based on merits of the remaining bids.

Audit observed that in 16 RW Divisions, 42 bids were financially evaluated between August 2021 and September 2023 with tender cost of ₹228.81 crore. In all these bids, the quoted price was 15 to 24.99 *per cent* less than the tender value. However, disregarding the provisions in the Operations Manual, read with provisions of OPWD Code, such bids were accepted, and the works were awarded for ₹203.59 crore. Out of these 42 works, the contractors completed only 19 works and the remaining 23 works were still in progress, as of March 2025.

Thus, non-adherence to the instructions of NRIDA and provisions of OPWD Code, resulted in irregular acceptance of the bids by the CE, PMGSY, which not only extended undue favours to the contractors, but also delayed completion of works.

The Department stated (September 2025) that Clause 26.3 of the Standard Bidding Document specified that the employer may require the bidder to produce detailed price analysis and increase the Performance Security for seriously unbalanced bid. Accordingly, Additional Performance Security (APS) had also been collected from the successful bidders.

However, no documentary evidence in support of detailed price analysis and obtaining extra performance security was made available to Audit.

### 3.2.5.3 Delay in issuance/award of works

Clause 8.1.2 of the PMGSY Operations Manual stipulates that all State level formalities relating to the issue of tender notice, finalisation of tender and award of works shall be completed within 71 days (120 days in case of re-tendering), which was later (December 2020) revised to 72 days.

Audit noticed that bid notification of 385 works with tender cost of ₹1,427.33 crore were published in six Divisions between December 2020 and June 2023. The works were awarded between December 2021 and February 2024, with delays ranging from 30 to 1023 days, as detailed in ***Appendix 3.2.6***. However, no specific reasons for delay in finalisation of tenders were found on record.

Thus, non-adherence to the stipulations made in the Operations Manual for timely completion of the tendering process in turn delayed the execution of works in the field resulting in delay in delivery of social benefits to targeted beneficiaries.

The Department stated (September 2025) that delay in awarding works was due to repeated non-response of tender, disposal of tender related grievances, cancellation of tender *etc*. The reply is not tenable since the Manual stipulates 72 days only for finalisation of tenders in all respects by the tendering authorities.

## 3.2.6 Contract management

Contract management in PMGSY works contracts involves overseeing the entire lifecycle of a construction and maintenance agreement from the initial bidding to the final completion and handing over. Further, time and quality are of the essence in PMGSY contracts.

### *3.2.6.1 Non-completion of the projects in stipulated time*

Paragraph 3.2 of the PMGSY-III Guidelines mandates that road selection should be based on the District Rural Roads Plan (DRRP)[84], while Paragraph 5.5(iii) requires that inputs from elected representatives of Members of Parliament (MPs) be incorporated during the project planning stage. As per Clause 10.1 of the Procurement and Contract Management Manual (P&CMM) of PMGSY projects, the OSRRA is fully responsible for approval planning, procurement and implementation of the PMGSY in the State. Furthermore, Paragraph 13.1 of the PMGSY-III guidelines mandates that the relevant projects would be executed by the Divisions/ PIUs and completed within a period of 12 months from the date of issue of the Work Order.

Clause 44 of the General Conditions of Contract (GCC) stipulates that in the event of failure on the part of the contractor in achieving timely completion of the project, the contractor shall pay liquidated damages (LD) to the employer at the rate of one *per cent* of the initial contract price per week, as stated in the Contract. However, the total amount of liquidated damages shall not exceed 10 *per cent* of the initial contract price.

Scrutiny of the Online Management, Monitoring and Accounting System (OMMAS)[85] database showed that 506 projects were undertaken by 15 divisions in the seven test-checked districts during the financial years 2019-20 to 2023-24 with an agreement value of ₹1,973.99 crore. The physical performance in respect of these 506 projects is shown in **Table 3.2.2.**

***Table 3.2.2: Physical performance of projects under PMGSY-III in test-checked districts***

| Sl. No. | District | No. of projects awarded | No. of projects completed | Percentage of Completion |
|---|---|---|---|---|
| 1 | Nayagarh | 45 | 22 | 48.89 |
| 2 | Ganjam | 126 | 71 | 56.35 |
| 3 | Nabarangpur | 51 | 29 | 56.86 |
| 4 | Puri | 41 | 27 | 65.85 |
| 5 | Mayurbhanj | 131 | 120 | 91.60 |
| 6 | Sundargarh | 79 | 75 | 94.94 |
| 7 | Angul | 33 | 32 | 96.97 |
| | Total | 506 | 376 | 74.31 |

***(Source: OMMAS database)***

[84] Para 3.2 of PMGSY-III guidelines, the District Rural Roads Plan (DRRP) would include the entire existing road network system in the District and would be updated to include roads built under PMGSY and other State Schemes *etc*. including the rural roads providing access to all habitations (universal access).

[85] OMMAS is an e-governance platform developed for the PMGSY to facilitate real-time monitoring, transparency and accountability in the planning, implementation and maintenance of rural roads under PMGSY.

From **Table 3.2.2**, it can be seen that the completion targets were not achieved in any of the sampled districts. As of May 2025, out of 506 projects undertaken, 376 projects (74 *per cent*) had been completed, while 130 projects remained under execution due to reasons, such as non-acquisition of private land, presence of forest land requiring clearance *etc.* The performance in Nayagarh, Ganjam and Nabarangpur districts was notably lower, with completion rates ranging from 48.89 to 56.86 *per cent*. Out of the 376 completed works, only 27 (7.45 *per cent*) were completed on time, while 349 were delayed by six to 1,023 days due to non-availability of land, standing crops near road alignment, non-shifting of electric poles, water supply pipelines, *etc*. It was also found that approval of the Gram Sabha and suggestion from MPs were not obtained during the project selection process.

Further, analysis revealed that 37 *per cent* of the delays were attributable to land acquisition issues, 30 *per cent* to miscellaneous reasons and 33 *per cent* occurred without specific reasons being recorded. Further, among 130 ongoing projects, 127 works were awarded for ₹405.53 crore between August 2021 and September 2023 for completion between May 2022 and September 2024. However, none of the works were completed within the stipulated period. Despite the failure of the contractors to complete the works within the contract period, the Divisional Officers did not recover liquidated damages (LD) amounting to ₹40.55 crore from the defaulting contractors (details in ***Appendix 3.2.7***).

Thus, inadequate contract management and ineffective monitoring by OSRRA and the respective Divisions/PIUs, procedural lapses such as not obtaining approval of the Gram Sabha and suggestions from MPs during the project selection process, led to delay in execution of projects and non-achievement of targets. This resulted in non-provision of all-weather road connectivity to 2,428 targeted habitations having population of 20.71 lakh within the stipulated period besides undue financial benefit to the contractors.

The Department stated (September 2025) that efforts were being made to complete the works within the stipulated time to avoid cost and time overruns. However, targets could not be achieved in certain cases due to unavoidable circumstances. It was further stated that in cases where delays were attributable to the contractors, LD had been levied and recovered by the concerned PIUs. Regarding 119 projects, 45 had been completed and ₹1.10 crore had been withheld in these works pending finalization of Extension of Time (EoT). Similarly, in the remaining works, ₹2.33 crore had been withheld, and payments would be finalized after approval of EoT.

However, Audit observed that against the total LD of ₹40.55 crore due in 127 cases, only ₹3.43 crore (8.45 *per cent*) was withheld (for 119 cases). The reply given by the Department was silent about the remaining eight projects.

#### *3.2.6.2 Failure in contract management led to unfruitful expenditure*

Clause 7.6.1 of the Manual on Procurement & Contract Management for PMGSY projects stipulates that the OSRRA shall hold a meeting with the PIUs on the 12th of every month to review the implementation of PMGSY projects and take remedial actions, wherever required.

Scrutiny of closure files of CE, PMGSY revealed that 16[86] projects under nine RW Divisions were awarded for ₹64.92 crore between February 2021 and December 2022 for completion between November 2021 and November 2023, respectively. However, the works were not completed within the stipulated dates, despite expenditure of ₹32.27 crore. As a result, the Committee of Chief Engineers recommended closure of all 16 projects between November 2023 and November 2024, due to persistent slow progress. Audit further observed that monthly contract management meetings with PIUs were not held by OSRRA to address delays in project execution.

Thus, the failure of the PIU/OSRRA in effective contract management led to closure of these projects, rendering the expenditure of ₹32.27 crore unfruitful.

The Department stated (September 2025) that due to slow progress of works by the agencies, the respective works were terminated. Further, contract management meetings were being done at each level to sort out the issues during execution to complete the work in time.

The reply is not acceptable since the closure of the projects deprived the beneficiaries of all-weather road facilities, besides rendering the expenditure of ₹32.27 crore unfruitful.

#### *3.2.6.3 Non-provision of insurance cover*

According to paragraph 9.3.1 of the Operations Manual and Clause 13 of GCC, the contractor at his cost should provide insurance cover from the start date to the end of defect liability period for the events which are due to contractor's risk, *viz*., loss or damage to the works, plants, materials, equipment, property and personal injury or death *etc*.

Audit observed that in respect of 40 works in six divisions, contracts amounting to ₹181.14 crore were awarded to contractors between September 2021 and September 2023 with stipulated completion dates between June 2022 and September 2024. As per the contract conditions, the contractors had provided insurance coverage for ₹152.64 crore, corresponding to the original completion periods. However, the contractors failed to complete the works within the stipulated timeframes, and the projects were still in progress, as of March 2025. Despite the ongoing nature of the works and the lapse of the original insurance coverage periods, the contractors did not provide the required insurance coverage of ₹152.64 crore for the extended periods up to the revised completion dates.

Thus, the failure of Department in ensuring renewal or extension of insurance coverage resulted in contractor evading premium payments, besides exposing the residual works worth ₹152.64 crore to potential risk of loss or damage during the extended execution periods.

The Government stated (September 2025) that due to delay in execution of works, the insurance coverage was not extended to the revised/extended completion periods. The reply is not tenable as, due to non-coverage of

[86] In addition to test-checked divisions, 9 RW divisions having 16 projects *viz*., (1) Balasore-II = 3 projects, (2) Bhadrak-I= 2 projects, (3) Cuttack-I= 4 projects, (4) Cuttack-II = 1 project, (5) Anandpur = 1 project, (6) Bhabaneswar =1 project, (7) Baliguda = 1 project, (8) Phulbani = 2 projects, (9) Padampur= 1 project

projects under insurance, the Government is liable to pay the compensation in any case of injury/death during the execution of work.

### *3.2.6.4 Non-maintenance of roads, deviating from contractual obligations*

***(i)*** Paragraph 9.16 of Operations Manual states that all the contracts under PMGSY will not only be a construction contract but will also include routine maintenance to be carried out by the concerned contractors for five years, after completion of the works. Description of items to be attended to during routine maintenance should be clearly laid down in the Contract for maintenance up to five years after completion of the works.

Clause 43.4 of the Standard Bidding Document stipulated that if the routine maintenance part of the contract was not carried out by the contractor as per the contract, the employer would be free to get the maintenance work carried out from another source and recover the amount thus required for this work from the performance security available with the employer and/ or from any amounts of the contractor that were due, with an additional 20 *per cent* amount as penalty.

Analysis of the OMMAS database of the seven test-checked districts on maintenance of 441 PMGSY road works taken up to 2018-19 and completed by December 2019, revealed that in these five years there were only 148 roads that had been maintained four times (or almost annually). Further, there were 38 works where no maintenance had been carried out during the five year's period and in 66 works, only one round of maintenance had been done.

Despite lack of proper maintenance as per stipulated contract conditions, the Divisional Officers had not taken any action against the defaulting contractors. Thus, non-maintenance of roads by the original contractors and non-recovery of at least ₹ 3.93 crore[87] from the amount of performance security available with the employer, led to undue favour to contractors.

***(ii)*** Para 2.8.6 of the Technology Initiatives under PMGSY mandates that the traffic survey for roads should be conducted with greater accuracy and reliability and that the design traffic should be appropriately projected based on the survey results. The State Governments should also ensure that the traffic plying on such roads after construction is not higher than the design traffic, so as to avoid chances of failure of such technology demonstration projects which may otherwise lead to poor performance of the material/technology.

Audit observed that 30 road projects were awarded by eight divisions between October 2017 and October 2018 for ₹82.70 crore including fixed maintenance cost of ₹6.36 crore. The works were completed between March 2019 and May 2022 with expenditure of ₹69.97 crore. During the routine maintenance period, 10 contractors had not maintained the work as per the agreement and only 20 works were maintained by the contractors with an expenditure of ₹1.14 crore. However, the CCE, RW Circle, Bhawanipatna and Sunabeda had submitted (6 November 2023 and 13 November 2023) a closure proposal for all 30 contracts, as these roads could not sustain high intensity traffic by movement of heavy vehicles, due to damage of crust of the roads.

[87] Maintenance liability of 38 roads - ₹3.30 crore + 20% penalty (₹0.63 crore) = ₹3.93 crore

In January 2024, the Committee of CEs suggested closure of the contracts under Clause 52.3 of the GCC and directed that the roads be renewed. Accordingly, the original contracts were closed (January 2024) and the works were again awarded between 7 February 2024 and 13 July 2024 to other contractors for ₹29.38 crore towards restoration/periodical maintenance of roads. Out of 30 roads, 14 roads were completed and the remaining 16 roads were in progress with total expenditure of ₹19.93 crore, as of March 2025.

Thus, the failure of the road projects to sustain high-intensity traffic and inadequate maintenance by the contractor led to closure of the original contracts and re-award of works, resulting in extra avoidable expenditure of ₹23.02[88] crore.

The Department stated (September 2025) that the contracts for the above works were closed in the maintenance stage as the rectification works needed were beyond the scope of Routine Maintenance work and also Routine Maintenance amount was not adequate enough to improve the crust of the road for sustainability. Separate agreements were drawn for renewal of such roads under periodical maintenance after closure of contract.

However, the Department did not address the lapses in project design, execution and supervision that caused premature road failure. Closing the contracts and re-awarding the works led to an avoidable extra expenditure of ₹23.02 crore.

***Recommendation 3:***
***Progress of execution of road projects under PMGSY should be closely monitored so that the works are completed within the specified time frame. The Department may also ensure contractor's accountability for delays in completion and non-maintenance of assets created.***

### 3.2.7 Funds Management

During 2019-24, OSRRA incurred an expenditure of ₹9,383.53 crore against available funds of ₹10,701. 83 crore[89]. The year-wise receipt and expenditure of funds is given in **Table 3.2.3.**

***Table 3.2.3: Funds allocated and utilised during 2019-24*** ***(₹ in crore)***

| Year | Funds received | | | | Grand Total | Expenditure | Unspent Balance | Percentage of Unspent |
|---|---|---|---|---|---|---|---|---|
| | OB | GoI | GoO | Total (GoI+GoO) | | | | |
| 2019-20 | 3636.70 | 765.85 | 452.12 | 1217.97 | 4854.67 | 2369.75 | 2484.92 | 51.19 |
| 2020-21 | 2484.92 | 599.00 | 526.78 | 1125.78 | 3610.70 | 1683.06 | 1927.64 | 53.39 |
| 2021-22 | 1927.64 | 395.12 | 340.24 | 735.36 | 2663.00 | 1739.56 | 923.44 | 34.68 |
| 2022-23 | 923.44 | 1136.39 | 927.26 | 2063.65 | 2987.09 | 2032.64 | 954.45 | 31.95 |
| 2023-24 | 954.45 | 1077.00 | 845.37 | 1922.37 | 2876.82 | 1558.52 | 1318.30 | 45.82 |
| Total | | 3,973.36 | 3,091.77 | 7,065.13 | 16,992.28 | 9,383.53 | 1,318.30 | |

**(*Source: Data furnished by OSRRA*)**

[88] New Agreement Cost: ₹29.38 – Original Maintenance Cost: ₹6.36 = ₹23.02 crore
[89] ₹10,701.83= ₹3636.70 (OB) + ₹7065.13 (Total receipt)

During 2023-24, OSRRA parked the unspent PMGSY funds of ₹1,318.30 crore (*i.e.* 45.82 *per cent* of total available funds), in savings account opened in the State Bank of India. The reasons for non-utilisation of this balance amount by the State, were not found on record.

The Department stated (September 2025) that all-out effort was being made for optimum utilisation of funds.

However, the reply of the Government is not satisfactory and non-utilisation of allocated funds indicates poor financial management.

In addition, Audit noticed the following irregularities in management of PMGSY funds:

### *3.2.7.1 Non-remittance of interest on unspent balance to the Government account*

As per the release orders of MoRD, GoI, the State Nodal Agency shall ensure that the interest earned from the funds released is remitted to the respective Consolidated Funds on pro-rata basis. During the period from 2019-20, OSRRA had earned interest of ₹ 640.74 crore[90] from the unspent balance under PMGSY which was kept in the savings account. Out of this, ₹171.88 crore was remitted to the Government accounts and ₹300.67 crore was transferred to the Maintenance Fund[91]. The balance amount of ₹168.19 crore was lying with the OSRRA, as March 2025. This retention of funds that had accrued from unspent amount towards interest without depositing the same to Government Account was irregular and needed to be transferred to Government Account.

While accepting the observation, the Department stated (September 2025) that action was being taken to engage one Chartered Accountant Firm for its proper verification and action would be taken as per their advice.

### *3.2.7.2 Unauthorized expenditure on administrative and travel expenses*

Paragraph 12.2 (V) of the PMGSY-III guidelines stipulates that the expenditure ceiling for administrative and travel expenses should be ₹1 crore in a year, excluding cost of procurement of computer hardware and laboratory equipment. Thus, during the five years from 2019-20 to 2023-24, OSRRA was permitted to spend up to ₹5 crore towards administrative and travelling expenses. As against this ceiling, it had spent ₹13.18 crore, leading to an excess expenditure of ₹8.18 crore, which was irregular.

The Department stated (September 2025) stated that the expenditure limit as prescribed by MoRD was quite insufficient as per actual requirement. The reply is not acceptable as the expenditure should be incurred as per stipulation of PMGSY guidelines.

### *3.2.7.3 Delay in release of PMGSY Programme Fund to OSRRA*

The release orders of MoRD specified that the State Government shall transfer the programme funds under PMGSY along with the corresponding State share

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90 Includes opening balance of ₹16.58 crore at the beginning of 2019-20

91 Maintenance Fund relates to the funds for upkeep of rural roads through routine and periodical maintenance

to OSRRA within a stipulated time frame (*i.e.* 3 days/15 days)[92] from the date of its receipt, failing which the State Government was liable to pay interest at 12 *per cent* (from July 2017 to April 2023) for the period of delay beyond the specified period. The details of receipt and release of funds by RD Department is given below in **Table 3.2.4**.

***Table 3.2.4: Details of receipt and release of funds by RD Department** (₹ in crore)*

| Sl. No. | Date of release by NRIDA to RD Department | Central Share | State Share | Total | Date of release by RD Department to OSRRA | Admissible days | Delays after admissible days | Interest Payable |
|---|---|---|---|---|---|---|---|---|
| 1 | 27-01-2020 | 573.18 | 382.12 | 955.30 | 13-02-2020 | 03 | 14 | 4.40 |
| 2 | 25-11-2020 | 400.00 | 329.06 | 729.06 | 16-12-2020 | 15 | 06 | 1.44 |
| 3 | 09-06-2022 | 203.10 | 166.31 | 369.41 | 08-07-2022 | 15 | 14 | 1.70 |
| Total | | 1,176.28 | 877.49 | 2,053.77 | | | | 7.54 |

***(Source: Records of OSRRA)***

Audit observed from the above table that during the period from 2019-24, an amount of ₹2,053.77 crore was transferred to OSRRA with delays ranging between 6 and 14 days beyond the specified period in violation of the above guidelines. As a result, the State was liable to pay interest of ₹7.54 crore to OSRRA, which had not been paid as of March 2025.

The Department stated (September 2025) that no violation of guidelines was made as per as prescribed by Ministry of Finance letter No. F.No.1(13)/PFMS/2020 dated 16.02.2023 communicated by NRIDA.

However, instructions of MoRD (July 2017, May 2023) were not adhered to and because of this, the State was liable to pay interest of ₹7.54 crore to OSRRA.

***Recommendation 4:***
***The Department may ensure effective fund management with timely transfer of funds and remittance of the interest earned on the parked funds.***

### 3.2.8 Quality Control, Monitoring and Evaluation

Under PMGSY-III, a three-tier Quality Control mechanism aims to ensure the construction quality of roads built. The first tier involves the PIU, responsible for ensuring that materials and workmanship meet prescribed specifications. The second tier comprises State Quality Monitors (SQMs), engaged by the State Quality Coordinator (SQC) to conduct periodic inspections. The third tier includes National Quality Monitors (NQMs), appointed by NRIDA to carry out random inspections for independent assessment and to ensure compliance with National Quality Standards.

#### *3.2.8.1 Irregular payment to contractors*

To ensure stoppage of spurious bitumen and emulsion to the State and increase collection of revenue by the State on account of sale of bitumen and emulsion, the Finance Department, GoO requested (October 2019) all the Departments

[92] 3 days – 21 July 2017, 15 days – 21 May 2023

to issue suitable instructions to the executing agencies under their administrative control to accept only the purchase invoice of bitumen and emulsion obtained from the main producers, from the contractors while settling their dues. Further, the Department of Rural Development, Odisha also directed (October 2019) EIC, RW, Odisha to issue strict instructions to the executing agencies to purchase bitumen and emulsion only from the main producers *i.e.,* Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited and Hindustan Coal Limited/OSIC and not from any other sources.

Audit observed that six Divisions had executed 107 road works with agreement value of ₹352.73 crore involving use of 8285.12 MT bitumen for execution of work. However, the contractors had not furnished the invoice regarding purchase of bitumen from the main producers. This raised serious concerns regarding the potential use of spurious or substandard bitumen and emulsions, which could adversely affect the quality and durability of the road works.

Besides, in deviation of the Finance Department/ RD Department's instructions/directions, payments of ₹43.87 crore were released irregularly to the contractors by the Divisional officers without checking the invoices of Bitumen to assure that the supply was from designated / identified suppliers, as detailed in ***Appendix 3.2.8.***

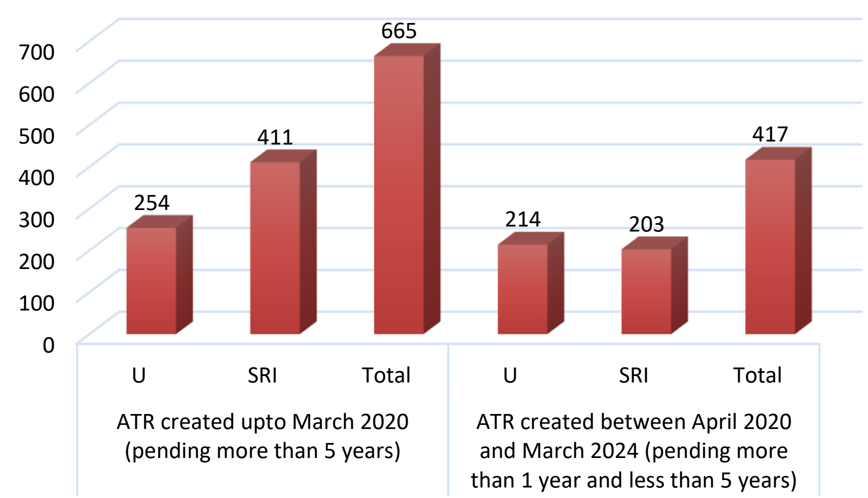
No reply was furnished by the Department in this regard.

### *3.2.8.2 Lapses in quality assurance mechanisms*

Paragraph 11.6.3 of the Operations Manual of PMGSY provides that Action Taken Reports (ATRs) should be submitted by PIUs within 30 days from the date of inspections of SQM.

The status of pending ATRs with grading of Unsatisfactory (U) and Satisfactory Requiring Improvement (SRI) as given by the SQM according to quality of the materials and standard of execution of the projects, is shown in **Chart 3.2.1**.

**Chart 3.2.1: Status of ATR**



It can be observed from **Chart 3.2.1** that in deviation to the PMGSY guidelines, 1,082 (U: 468 + SRI: 614) ATRs were pending at PIU level (as of March 2024) for rectification of the defects by contractors. Out of this, 468 (254 + 214) ATRs were graded as cases of "Unsatisfactory execution" by SQMs. However, the concerned PIUs had not initiated any action for rectification of the defects followed by submission of the ATRs. Furthermore, 665 (254+411) ATRs remained pending for more than five years, yet the SQC had not taken any action against the PIUs or the contractors.

Thus, the persistent non-submission of ATRs indicated a serious compromise in the quality monitoring mechanism.

- Paragraph 11.5.7 of the PMGSY Operations Manual stipulates that the SQM inspection programmes should be drawn up in such a way that every work is inspected at least three times during the entire execution of work. The first two inspections of every work should be carried out during the execution of work spaced at least 3 months apart and the last inspection should be carried out on completion of every work, within one month of its completion.

Audit noticed that out of 934 completed works, 12 works were inspected only once, 76 works were inspected twice, 257 works were inspected thrice and the remaining 589 works were not inspected by the SQM between March 2020 and March 2024.

Further, only 935 inspections were conducted against the required 2,802, resulting in a shortfall of 1,867 (67 *per cent*) inspections required to ensure quality execution of the work.

The Department stated (September 2025) that a special drive for verification of rectified works related to ATRs pending for more than five years in various divisions was proposed to be conducted during the months of October, November and December 2025.

### *3.2.8.3 Infructuous expenditure due to non-rectification of roads*

As per MoRD circular (September 2009), in case of completed works, where ATR from PIUs was pending for more than 12 months, the expenditure incurred on the projects having non-rectifiable defects would be treated as infructuous and an equivalent amount would be recoverable from the contractor.

Scrutiny of OMMAS database (21 March 2025) revealed that three roads[93] were inspected between February 2022 and February 2024 by the National Quality Monitor (NQM) and graded as Unsatisfactory (U). The works were completed between September 2022 and July 2024 after expenditure of ₹16.63 crore. However, it was noticed that the ATRs of above works were pending at the level of Executive Engineer for compliance, even after lapse of 13 to 37 months.

[93] 1.OR-19-347 (RW Division, Koraput), 2. OR-19-695 (RW Division, Jeypore, 3. OR-19N-195 (NBCC, Koraput)

It was observed (February 2022) that the pavement of Package No. OR-19-347 was damaged. However, the agency did not carry out any repairs, and the concerned Executive Engineer had not submitted the ATR, as of March 2025.

Thus, due to non-submission of ATRs even after lapse of 13 to 37 months, the expenditure of ₹16.63 crore incurred on those projects without rectification of defects, became infructuous.

The Department stated (September 2025) that the compliance was submitted to NRIDA on 23 May 2025 for Package No-OR-19-695 having work value of ₹1.44 crore. However, non-rectification of remaining two packages led to infructuous expenditure of ₹15.19 crore.

#### *3.2.8.4 Quality of projects conducted by poor performing SQMs*

As per Para 11.5.2 of the PMGSY Operations Manual, SQMs are empanelled from (i) working engineers of State quality divisions, (ii) retired State/Central Government engineers with road experience, and (iii) consultancy firms selected on a Quality cum cost criteria basis as per NRIDA's Project Management Consultancy Procurement guidelines. Further, Paragraph 11 of the Empanelment & Performance Evaluation of PMGSY Guidelines prescribes the following guiding principle for the Selection Committee to take the decision on the de-empanelment of the SQMs:

- The SQMs securing less than 50 *per cent* marks should be de-empanelled;
- The SQMs securing between 50 to 75 *per cent* marks, should be placed under observation for the next 6 months, and if they obtain less than 75 *per cent* marks in the second performance evaluation, they should be de-empanelled.

Audit observed that nine SQMs secured 50 to 75 *per cent* marks in the first evaluation (January 2021) and secured less than 75 *per cent* marks in their second performance evaluation (March 2022). Despite their poor performance, the SQMs continued in their role and carried out quality inspection of 387 projects (road/bridge works) for the period between March 2022 and January 2024, indicating that the SQC had extended undue favour to the SQMs and compromised the quality evaluation of 387 project works.

The Department stated (September 2025) that due to the limited empanelment of only 29 SQMs and shortage of human resources, the CEO of OSSRA, as Chairman of the SQM Selection Committee, approved a six-month extension for SQMs who had consecutively scored between 50 *per cent* and 75 *per cent* in performance evaluations. This decision was taken solely to meet inspection targets.

The reply is not tenable since employment of unqualified SQM resulted in undue favour to the SQMs, compromising the quality evaluation of the road and bridge works.

#### *3.2.8.5 Shortfall in State Level Standing Committee (SLSC) meeting.*

Para 2.4 of the PMGSY Operations Manual stipulates that an SLSC shall be set up preferably under the chairmanship of the Chief Secretary for quarterly review of progress of works, quality control, capacity enhancement, land availability, budgeting of maintenance fund *etc*.

Audit observed that during the period 2019-20 to 2023-24, against the requirement of holding 20 SLSC meetings, only three meetings were held on 14 August 2020, 15 March 2021 and 7 January 2022. Further, no SLSC meeting was held after January 2022 up to October 2024, which indicated poor monitoring and review of the PMGSY projects, which had negative impact on timely completion of works, quality control, resolving land problem *etc*.

The Department accepted the audit observation and stated (September 2025) that necessary action would be taken to reduce the shortfall.

#### *3.2.8.6 Non-fulfilment of connectivity assurance provided to general people through grievances.*

Paragraph 15.8 of the PMGSY Guidelines outlines the procedure for dealing with complaints related to road works. Complaints received through MoRD or NRIDA are forwarded to the SQC for enquiry and necessary action within 30 days. If an adequate response is not received within the prescribed timeframe, NRIDA may assign a NQM to investigate the matter. Further action would then be taken based on the findings of the NQM's report.

Audit observed that out of 94 grievances received towards the construction/repair of the roads during 2019-24, 28 cases were disposed of by the Department and the remaining 66 grievances were not taken up for redressal as of September 2024, resulting in non-redressal of grievances.

The Department stated (September 2025) that out of 62 pending cases, 19 cases had already been enquired into at the ground level by a Technical Committee and interim reports of the same had been submitted to MoRD / NRIDA. The concerned PIUs had also been intimated to submit the final reports after carrying out necessary rectification for onward submission of the same to MoRD / NRIDA.

#### *3.2.8.7 Failure of the scheme objective to establish the impact of the rural connectivity for evaluation*

Paragraph 22.1 of PMGSY-III Guidelines stipulates that the PMGSY-III would improve indicators of education, health, rural incomes *etc*., provided convergence is achieved with other ongoing Programmes in these sectors, in consultation with the local Panchayati Raj Institutions. Before the start of work on rural roads, the benchmark development indicators may be measured and attached to the DPRs. These indicators may also be captured as a separate module under the OMMAS. Further, Paragraph 22.2 states that the NRIDA would provide assistance for independent studies to establish the impact of the rural connectivity in a district from time to time.

Test check of 207 DPRs in seven[94] test-checked RW Divisions revealed that before the start of work on Rural Roads, no benchmark development indicators were measured, finalised and attached to the concerned DPRs. Nor were such indicators developed to capture the relevant information as a separate module under the OMMAS. Further, no independent studies by NRIDA were also found conducted to assess the impact of road connectivity projects under PMGSY.

Due to the absence of the required attachment of benchmark development indicators in the DPRs, and the lack of a separate module within OMMAS, the impact of convergence efforts could not be effectively assessed.

***Recommendation 5:***

***A Digital Action Taken Report (ATR) Management Module may be developed within OMMAS to monitor SQM/NQM observations to ensure compliance with the 30-day response timeline.***

***Recommendation 6:***

***The Department may mandate a three-stage inspection process (pre-construction, mid-construction and post-completion) by SQMs for every project. OMMAS may be configured to withhold final contractor payments until the third and final inspection is completed and marked as 'Satisfactory'.***

[94] 1. RW Division, Puri-27 works, 2. RW Division, Nimapara-14 works 3. RW Angul -33 works, 4. RW Division-I, Ganjam -33 works 5. RW Division-II, Ganjam -55 works, 6. RW Division-I, Nayagarh -27 works & RW Division-II, Nayagarh-18 = 207 works

## SCHOOL & MASS EDUCATION DEPARTMENT

### 3.3 Implementation of 5T High School Transformation Programme

Government of Odisha in its School and Mass Education (SME) Department introduced (2021) '5T High School Transformation Programme (HSTP)[95]' for infrastructural transformation in schools and to make schools better learning places. The schools covered under the HSTP were to undergo major transformations in the shape of new smart classrooms, well-developed e-library, state-of the-art laboratory-cum-interactive science centre, new sports equipment and other advanced amenities, during 2021-24. The smart classrooms were to be equipped with laptops, projectors, high-speed broadband connection and surround sound systems *etc.* This Programme was implemented through *Mo School Abhiyan Parichalana Sangathan* (MSAPS)[96], Odisha School Education Programme Authority (OSEPA) and District Collectors.

MSAPS was to review and approve projects for HSTP through its Governing Council (GC) and administer funds received through Corporate Social Responsibility (CSR)[97] contributions and State matching grants. Further, OSEPA and District Collectors were to handle funds received for the HSTP Programme from the Odisha Mineral Bearing Area Development Corporation (OMBADC) and District Mineral Fund (DMF), respectively.

As per the data furnished by MSAPS and OSEPA, ₹ 4,306.37 crore[98] was received under HSTP during 2020-24, out of which ₹ 3,830.91 crore had been utilised.

As of June 2025, HSTP had covered 8,681 out of 8,951 Government and Government aided secondary schools (Class IX and Class X) in the State, with funding from CSR, OMBADC, DMF and Government share.

Audit test-checked records of SME Department, MSAPS, OSEPA and six[99] sampled districts during July 2024 and October 2024 to March 2025 relating to implementation of HSTP and observed gross irregularities like suspected misappropriation of programme funds, fraudulent payments, procurements made without following guidelines, *etc.* as discussed in the following paragraphs.

#### 3.3.1 Inadmissible/ irregular allotment of funds

HSTP guidelines stipulated that all Government or Government aided secondary schools (Classes IX and X) would be eligible for funding under HSTP. As per the HSTP guidelines[100], a school was to be given a maximum

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95 5T programme refers to Transparency, Technology, Teamwork, Time and Transformation. This programme is applicable to High schools *i.e.*, Classes IX and X (also called secondary schools in Odisha)

96 A registered Society established by the SME Department for implementing the Mo school programmes including 5T HSTP.

97 Voluntary contributions made by industrial houses and other agencies

98 Excluding funds relating to DMF, which were not shared with Audit

99 Records of DEOs, BDOs and schools of Balasore, Cuttack, Ganjam, Jajpur, Keonjhar and Sundargarh districts

100 Head Teacher's Handbook on HSTP, issued by MSAPS in July 2021

amount of ₹ 45 lakh, *i.e.* ₹ 15 lakh from CSR fund and ₹30 lakh as matching grant by the Government.

Audit, however, noticed that release of funds to the schools was not in consonance with the HSTP guidelines as discussed below:

- OSEPA had released ₹60 lakh to District Education Officer-cum-District Programme Coordinator (DEO-cum-DPC), Jajpur for implementation of HSTP in Badachana Women's Secondary School. However, on verification of the Unified District Information System for Education Plus (UDISE+) portal of the Ministry of Education, Government of India, it was found that no such government school imparting secondary education, existed in Jajpur District. A sum of ₹ 57.95 lakh[101] out of the HSTP fund had been spent for "Badachana Women's Higher Secondary School", which was a private educational institution, imparting education for Class XI and Class XII and thus not eligible for assistance under HSTP.

Thus, release of HSTP funds by the OSEPA and utilisation of the said fund by the DEO and BDO, Badachana for a private educational institution was grossly irregular. The reason for utilising the programme funds for a private entity merits further investigation and fixing of accountability against erring officials.

The Department stated (October 2025) that Badachana Women Secondary School had been included in the 5T HST (2nd phase) with UDISE code 21130102852 and the works were executed after approval by the OSEPA. The reply is not tenable as the UDISE code 21130102852 corresponds to Barchana Women's Higher Secondary School, Barchana, which is not a secondary school.

- MSAPS had released (April 2022) ₹ 18.93 crore as matching grants to 42 schools in Ganjam district, ranging from ₹ 30.67 lakh to ₹ 1.07 crore per school, against the admissible amount of ₹30 lakh each. Thus, the allotment of funds was irregular and lacked transparency.

The Department stated (October 2025) that the funds were released to schools of Ganjam district as special case, with the approval of the Principal Secretary, SME Department-cum-Chairperson of Executive Council, MSAPS. The reply is not tenable as allotment of funds had been made in deviation from the prescribed guidelines.

### 3.3.2 Suspected fraud and misappropriation of HSTP and Mo School Abhiyan funds

#### *3.3.2.1 Suspected Misappropriation of ₹ 12.48 lakh*

Rule 163 of the Odisha Treasury Code requires government officers to obtain detailed vouchers for all payments made, setting forth full and clear particulars of the claims. The Rule also stipulates that vouchers should be maintained for every expenditure incurred. The Finance Department, GoO instructed (26 July 2012) all Drawing and Disbursing Officers to make all Government payments/

[101] By DEO-cum-DPC: ₹9.23 lakh and by the BDO, Badachana: ₹ 48.72 lakh

disbursements electronically into the bank account of the individual beneficiary.

On scrutiny of records of Ranihat High School, Cuttack, Audit observed cases of suspected misappropriation amounting to ₹ 10 lakh under HSTP and ₹ 2.48 lakh under 'Mo School Abhiyan' as discussed below:

**(A) HSTP programme**: In July 2021, the District Level Committee[102] designated Water Corporation of Odisha (WATCO) and Roads & Buildings (R&B) Division as executing agencies for carrying out Civil Works, Water, Sanitation, toilet works *etc*., related to HSTP. Ranihat High School, Cuttack received (June-July 2021) ₹45 lakh in a joint bank account of the Headmaster-in-charge (Assistant Teacher) and an Assistant Teacher of the school for implementation of HSTP. Audit observed that due to absence of the regular Headmaster, one Assistant Teacher of the school acted as the Headmaster-in-charge (from 27 September 2022 to 25 June 2023) and was operating the joint bank account along with another Assistant Teacher[103] of the school. In this context, Audit noticed two cases of fraudulent withdrawals as detailed below:

- On 10 October 2023, payment of ₹ 5 lakh was shown to have been made to the General Manager, WATCO Division, Cuttack by the High School for HSTP from Account number 8092201001xxxx (Canara Bank). However, the bank passbook of the account mentioned the transaction as a self-drawal. Audit approached the WATCO Division, Cuttack to ascertain the receipt of these funds, but the Division replied (March 2025) that the amount of ₹5 lakh had not been received from the school. Thus, ₹ 5 lakh was withdrawn in cash *via* self-cheque by the concerned teacher, although the records fraudulently claimed it as paid to WATCO.

- On 31 October 2023, ₹5,00,311 was recorded to have been paid by the High School to R&B Division for civil works done, through cheque, but confirmation from the bank revealed that the amount had been transferred to an account of one Assistant Teacher, instead of the R&B Division.

As such, an amount of ₹10,00,311 was suspected to have been misappropriated by the account holders, which requires further investigation and fixing of accountability.

**(B) Mo School Abhiyan:** Mo School Abhiyan was launched in 2017 by the Odisha Government, aimed to improve government and government-aided schools by encouraging alumni and community participation. Audit noticed that the MSAPS had intimated (May 2018) to all District Collectors that each school should open an account in a nationalised bank to receive the funds under Mo School Abhiyan. The account was to be jointly operated by the Headmaster of the School and one representative of the alumni association/

[102] The Committee headed by the District Collector for implementing the programme

[103] Shri K.K Nanda (Headmaster-in-charge) and Smt. Bidyut Manjari Pradhan (Assistant teacher)

SMC/ SMDC/BEO/CRCC[104] or, the senior most teacher at that school. Audit noticed that the bank account maintained by the school for receipt and disbursement of funds under Mo School Abhiyan was the same as the one which was maintained for HSTP funds, although separate cash book and bank accounts were required to be maintained for the two programmes. The joint operators of the bank account were the Headmaster-in-charge (Shri K.K Nanda) and the Assistant Teacher (Smt. Bidyut Manjari Pradhan), who were the same persons responsible for misappropriation of funds under HSTP, as discussed above.

Audit further observed that a sum of ₹ 2,47,737 had been withdrawn on seven occasions from the said bank account during January 2023 to September 2024, purportedly towards various disbursements and expenses, for which no supporting vouchers were available in the records, as summarised in **Table 3.3.1.**

***Table 3.3.1: Statement of expenditure for which no supporting vouchers were available***

| Sl. No. | Date of withdrawal | Amount (in ₹) | Mode of withdrawal | Recorded purpose of withdrawal |
|---|---|---|---|---|
| 1 | 23 Jan 2023 | 21,104 | Self-cheque | For SMC matching (Mo School) grant |
| 2 | 07 Feb 2023 | 22,727 | Bearer cheque[105] | No mention |
| 3 | 3 Mar 2023 | 3,592 | Bearer cheque | Paid to BSNL, Cuttack towards Net charges |
| 4 | 22 May 2023 | 1,20,000 | Self-cheque | Paid to the DEO, Cuttack towards Mission F[106] |
| 5 | 13 Jun 2023 | 20,000 | Self-cheque | Repair and installation of new fans |
| | | 54,000 | | Campus cleaning and prize distribution *etc.* |
| 6 | 13 Jul 2023 | 3,314 | Bearer cheque | Payment to M/s BSNL |
| 7 | 30 Sept 2024 | 3,000 | Cash withdrawal | Cash Book not maintained for this date |
| **Total** | | **2,47,737** | | |

***(Source: Cash book and Bank passbook of Ranihat High School)***

Audit examined each of the above seven transactions in detail and observed the following:

- In respect of purported payment of ₹ 21,104 as matching grant, there was no acknowledgement of the payee, nor was identity of payee available in the records. Moreover, the school was not supposed to contribute matching grant under Mo School Abhiyan, since the same is released by the S&ME Department.
- In case of alleged transfer of ₹ 1,20,000 to the District Education Officer (DEO), Cuttack towards Mission F, Audit found no such related fund transfer on verification of records of the DEO, Cuttack.
- On repair and installation of new fans, for which ₹ 20,000 was stated to have been expended, Audit did not find any entries in the stock register in support of purchase of new fans.

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[104] **SMC**: School Management Committee, **SMDC:** School Management and Development Committee, **BEO:** Block Education officer, **CRCC:** Cluster Resource Centre Coordinator

[105] Bearer: Suryakanta Mohanty, Peon of the school

[106] A mission for registering zero fail in Class X

- Regarding ₹ 54,000, purportedly shown as payment to SMC president for campus cleaning and prizes to students from interest money of Mo School, the School could not produce any document demonstrating any authorisation or resolutions for making such payment.
- Regarding payments made to BSNL amounting to ₹ 6,906 on two occasions, there was no documented demand raised by BSNL.

In none of the cases, expenditure had been authorised by the SMC, which was the empowered authority[107].

Thus, the joint operators of the bank accounts had unauthorisedly withdrawn ₹ 2,47,737 from the Mo School Account and attempted to regularise the same by showing the amount as expenditure, and by making fraudulent entries in the cash book. This was made possible since no meeting of the SMC had taken place since 2021-25 *i.e.*, the period covered in Audit. Further, the School had not prepared the Annual Statement of Accounts showing the income and expenditure under Mo School Abhiyan for any of the financial years.

As such, there was complete absence of internal control mechanism to ensure that public funds were utilised for the intended purposes, efficiently and economically, which resulted in suspected misappropriation of ₹12.48 lakh, which requires further investigation and fixing of accountability.

The Department while accepting the fact of misappropriation stated (October 2025) that the concerned Assistant Teacher (who had been Headmaster-in-charge) had been placed under suspension with initiation of disciplinary proceedings and show cause notice was issued (July 2025) to the other Assistant teacher, being the joint account holder.

#### *3.3.2.2 Suspected fraudulent payment of ₹30 lakh*

Rule 9 of OGFR Vol-I states that expenditure from public funds should not *prima facie* be more than the occasion demands or for benefit of a particular person.

The DLC, Jajpur designated the BDO, Dasarathpur as executing agency for carrying out civil works under HSTP in Nandipur High School under Dasarathpur Block. As per the modalities, the Headmaster of the School had to transfer the funds to BDO, Dasarathpur for execution of works under HSTP. Audit found that an amount of ₹ 30 lakh had been transferred from the bank account of Nandipur High School through two cheques[108] to the bank account of a third party, instead of transferring it to the account of BDO, Dasarathpur, indicating a possible fraud.

The Department stated (October 2025) that show-cause notice had been issued to the Ex-Headmaster. It further added that as per the response of the Ex-Headmaster, the work had been completed and payment had been released to the third party. The reply is not tenable as the amount was transferred directly

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[107] As per the Act read with the Rules, SMC must meet at least once a month, and the minutes and decisions of the meetings must be properly recorded. The SMC shall, *inter alia*, perform the function of monitoring the utilisation of grants received from the Government or other sources

[108] Cheque No. 220200 dated 04 October 2021 for ₹28.00 lakh and Cheque No. 220201 dated 07 October 2021 for ₹ 2.00 lakh

to a third party instead of the executing agency *i.e*. BDO, Dasarathpur and actual execution of civil works had not been assured/ verified by the Departmental authorities.

### *3.3.2.3 Suspected fraudulent repair work of Dual Desks - ₹4.95 lakh*

Paragraph 12 of the Procurement Guidelines issued (2012) by the Finance Department, GoO stipulates that invitations to tenders by advertisement should be used for procurement of goods of estimated value of ₹ 5 lakh and more.

Audit noticed that BDO, Jaleswar had incurred (March-November 2022) ₹19.31 lakh under HSTP towards repair of 613 dual desk-cum-benches in 12 high schools through two agencies at ₹3,150 (inclusive of GST), per dual desk. Audit observed that for selection of the agencies, neither an open tender was floated nor were formal work orders issued by the BDO.

Audit cross-checked the number of dual desks repaired as per the payment vouchers with the actual number of desks which had been repaired as per data provided by the Headmasters of all 12 secondary schools. In four out of the 12 schools, the number of dual desks for which payment had been made was found to be more than the actual number of desks repaired in the schools, as per the information provided by the concerned Headmasters, as shown in **Table 3.3.2**.

***Table 3.3.2: Statement showing excess payment due to non-repairing of dual desk***

| Sl. No. | School Name | No. of dual desks repaired as per | |
|---|---|---|---|
| | | Payment Voucher | Headmaster |
| 1 | Olamara GHS, Olamara | 80 | 0 |
| 2 | Shitala Govt. HS, Khuluda | 40 | 20 |
| 3 | Agarwala Simanta GHS, Gobarghata | 40 | 0 |
| 4 | MCSN GHS, Chhamouj | 40 | 23 |
| | **Total** | **200** | **43** |

***(Source: Records of BDO, Jaleswar and information furnished by the concerned schools)***

Audit also observed that the BDO, Jaleswar had engaged the two private agencies for repair of the dual desks in 12 schools, although no such service requests had been made by the concerned Headmasters. The BDO released (May 2022) the payments of ₹4.95 lakh against the invoices raised by the service provider without confirming the fact from the concerned Headmasters regarding actual number of desks repaired by the agencies.

Thus, suspected fraudulent payment of ₹ 4.95 lakh was done (May 2022) by the BDO, Jaleswar, by falsely showing the repair of dual desks, despite no such repair works having actually been carried out, as per the information furnished by the concerned HMs.

The Department stated (October 2025) that corrective actions were being taken to address the issue raised in the observations.

### *3.3.2.4 Other instances of suspected fraudulent payments and procurements*

Apart from the cases of suspected fraudulent payments/ procurements of goods or services discussed in the preceding paragraph, Audit noticed suspected fraudulent payments/ procurement of goods or services as discussed in **Table 3.3.3**.

***Table 3.3.3: Statement showing suspected fraudulent payments in procurement of items***

<table>
<tr><th>Name of the Executing Agency</th><th>Amount (₹ in lakh)</th><th>Remarks</th></tr>
<tr><td>BDO, Hatadihi, Keonjhar</td><td>1.56</td><td>Payment was made (November 2024) for supply, fitting and fixing of three iron gates in Gadachandi High School, Sundarpal. During JPI (12 February 2025), the Headmaster of the school stated that the existing gates had only been refixed.<br>The BDO stated (February 2025) that the matter would be inquired and recovery would be effected from the Junior Engineer/ executant, in case of any discrepancy/ defects noticed.</td></tr>
<tr><td>BDOs of Ullunda, Birmaharajpur, Binika, Dunguripalli, Tarava, Nuapada, Bhandaripokhari</td><td>6.62</td><td>Procurement of items like notice boards, podiums, sports equipment, science items (lab chemicals, magnetic needle, bar magnets, etc.), K-Yan Projector, etc., and repair of genset had been reportedly done at a cost of ₹ 9.92 lakh between June 2021 and April 2023. On JPI (November 2023 to January 2024) of the schools, items worth ₹ 6.62 lakh were not found in the schools. This included expenditure incurred on repair of gensets, which had actually not been repaired, as intimated by the Headmasters.</td></tr>
<tr><td>BDO, Ullunda</td><td>1.08</td><td>BDO, Ullunda had procured (February 2022) stabilizer and batteries for ₹ 1.08 lakh and shown them as supplied to the Panchayat High School, Ullunda. However, during JPI (November 2023), it was found that the same were not supplied to the school.</td></tr>
<tr><td>BDOs of Bhandaripokhari and Bonth</td><td>0.32</td><td>91 items related to science laboratory and sports had been procured (October 2021 and April 2023) at ₹ 0.89 lakh. However, the total cost of these items as per the Maximum Retail Price (MRP) was found to be ₹ 0.57 lakh. Thus, there was an excess payment of ₹0.32 lakh, compared to the MRP.</td></tr>
<tr><td>BDO, Jaleswar</td><td>10.07</td><td rowspan="2">The quoted price for procurement of furniture/ podiums had included GST amount. However, while submitting the bills/ invoices, the suppliers claimed GST extra over the quoted price. The concerned BDOs while making payment did not examine this issue and made payment as per the invoice amount. Consequently ₹10.48 lakh was paid extra to the suppliers.<br>BDO Nuapada while noting the audit observation stated (February 2024) that excess payment would be recovered from</td></tr>
<tr><td>BDO, Nuapada</td><td>0.41</td></tr>
</table>

| Name of the Executing Agency | Amount (₹ in lakh) | Remarks |
|---|---|---|
| | | the supplier. BDO, Jaleswar did not furnish any reply. |
| BDO, Balasore Sadar | 1.47 | The accepted quoted price of Public Address System for 14 schools was ₹ 4.89 lakh, as seen from Running Account Bills, against which payment (January & July 2023) of ₹ 6.36 lakh was made, without any recorded reason. |
| **Total** | **21.53** | |

***(Source: Verification of records at Executing Agency level and JPI conducted at School level)***

Thus, there were fraudulent transactions/ doubtful expenditure of ₹21.53 lakh by the BDOs in procuring goods for schools under HSTP, raising the risk of suspected misappropriation of programme funds.

## 3.3.3 Irregularities in procurement of goods and services under HSTP

### *3.3.3.1 Procurement without adhering to the laid down tendering procedure*

Guidelines for Procurement of Goods, issued (February 2012) by the Finance Department, GoO stipulate that purchase of goods costing (i) ₹ 0.15 lakh to less than ₹ 1 lakh may be made on the recommendations of a Local Purchase Committee, (ii) ₹ 1 lakh to less than ₹ 5 lakh, through limited tender and (iii) ₹ 5 lakh and above, through open tender advertised in local and national newspapers.

Audit noticed that the executing agencies (schools/ BDOs/ DEOs) had not followed the prescribed guidelines in procurement of goods and equipment like furniture, water purifier, science lab items *etc*., required for the schools under HSTP as discussed below:

- During the period 2021-24, purchase of goods worth ₹ 49.82 lakh, each costing ₹ 0.15 lakh to ₹ 1 lakh was made in 13 sampled schools by the executing agencies. The schools/ BDOs had not constituted Local Purchase Committees for procuring goods, as required under the guidelines. Instead, procurement of these goods was made directly from the vendors. The basis of selection of the vendors was not on record.

- Twelve sampled schools had procured (2021-24) goods costing above ₹ 1 lakh and up to ₹ 5 lakh on each occasion, with a total cost of ₹58.38 lakh, without resorting to limited tender enquiry.

- Goods worth ₹ 12.47 crore, costing above ₹ 5 lakh on each occasion, were procured by 13 sampled executing agencies without publishing advertisements in newspapers. Instead, selection of suppliers was made through formal Quotation Call Notice or through direct purchase.

Procurement of materials without following the tendering procedure raises the risk that most competitive and fair prices had not been obtained and also indicates lack of transparency in the procurement process.

The Department stated (October 2025) that corrective measures were being taken to address the issue raised in the observations.

#### *3.3.3.2 Excess expenditure due to procurement from non-EPM rate contract holders/ outside GeM platform*

The Directorate of Export Promotion and Marketing (EPM), Odisha enters into rate contracts with medium and small enterprises for different items. Paragraph 5 of the Guidelines for Procurement of Goods provides that purchase of goods by all Government Departments, quasi-Government agencies and State-owned Corporations should be made from the EPM rate contract holders. Later, in February 2019, the Finance Department mandated (February 2019) procurement of goods and services through the Government e-Marketplace (GeM), citing that the goods and services on GeM are available at substantially lower rates compared to prevailing market rates.

Audit noticed that the Directorate of EPM had made rate contracts for supply of two-seater Compact desk-cum-bench (Dual Desk) with specified covered designs, dimensions, materials, manufacture and finish for students up to Class-X. The highest specification of Dual Desk was priced (excluding GST at a rate of 18 *per cent*) at ₹2,496 up to November 2021 and ₹ 4,102 thereafter. Contrary to the provisions of the Procurement Guidelines and instruction of the Finance Department to purchase from GeM platform, 16 sampled executing agencies procured dual desks for ₹ 42.71 crore from different agencies, through either quotation call notices or nomination basis. The prices at which dual desks had been procured were higher by ₹760 to ₹7,907 per desk, from the EPM rate contract prices. This had led to excess expenditure of ₹24.30 crore (***Appendix 3.3.1)***.

The Department stated (October 2025) that procurement of dual desks was made from the Odisha Small Industries Corporation (OSIC) and another agency in Jajpur district, considering factors such as children's safety in classrooms, better material standards and durability. In Keonjhar district, branded OEM bench-desks were procured. In Cuttack district, the procurement was done through local vendors based on the decisions of the DLC meeting.

The reply is not acceptable, as the procurement of dual desks from agencies other than the EPM rate contract holders violated the procurement guidelines issued by the Finance Department, resulting in an excess payment of ₹24.30 crore.

#### *3.3.3.3 Wasteful expenditure due to excess procurement of hardware and software for smart classrooms*

Rule 9 of OGFR Volume I provides that expenditure should not be *prima facie* more than the occasion demands.

Audit noticed that SME Department had decided (February 2019) that Central Public Sector Undertakings/ Central Government Organisations with large execution experience in the school education, would be engaged by inviting Expression of Interest (Eol), for delivery of Smart Class Technology based hardware. Without inviting EoI, the District Level Academic Enrichment Committee (DLAE), Jajpur selected (September 2021) M/s EdCIL (India) Ltd. (a GoI undertaking) for supplying multi-functional digital devices for smart classrooms. An agreement was signed (September 2021) between the District Collector and M/s EdCIL to supply Smart Classroom devices which included e-Content[109] as per Odisha Board in regional language for 65 schools at a cost of ₹ 1.31 crore. The delivery of smart classroom devices by M/s EdCIL to 65 schools was completed by 21 November 2021.

In the meantime, the SME Department intimated (November 2021) all District Collectors that Request for Proposal (RFP) had been floated to augment the availability of up-to-date, state-of-the-art e-content and supplementary materials, including videos, digital books and audio files for smart classes. The Department also intimated (December 2021), all Collectors/DEOs/BEOs that the first delivery of e-content through the RFP was expected by 31st December 2021.

Audit noticed that OSEPA had supplied the e-content along with external hard disk drives (HDDs) to the DEO-cum-DPCs of all 30 districts under HSTP, which included 430[110] secondary schools of Jajpur District.

Despite prior intimation of the SME Department in November 2021 regarding the development of e-content through the RFP process, the District level committee of Jajpur district placed supply order with M/s EdCIL for supply of 365 e-content in three phases[111] for the schools in the district. Delivery of items by M/s EdCIL was completed by 30 September 2023. These 365 e-contents had been procured in addition to the supplies made by the OSEPA for all the 430 schools in the district.

Audit observed that there was apparent absence of co-ordination between OSEPA and the District Administration in the matter of procurement of e-content for smart classrooms, leading to duplication of procurement. Further, after receipt of e-content for all the schools of the district from OSEPA, there was no reason for procuring the same from M/s EdCIL.

During JPI (November 2023) of eight sampled schools in Jajpur district, Audit noticed in six schools that the e-content provided by OSEPA was being used in Smart Classrooms and e-Libraries and the remaining two schools were using the e-content supplied by M/s EdCIL.

Thus, lack of co-ordination between OSEPA and the District Administration of Jajpur coupled with avoidable procurement of 365 e-content despite supply of the same by OSEPA, resulted in wasteful expenditure of ₹ 7.39 crore.

The Department stated (October 2025) that e-content was procured for two rooms in each school and payment had been made as per bills preferred by M/s EdCIL. Hence, no excess payment was made.

The reply is not tenable as procurement had been made from M/s EdCIL despite prior intimation by the SME Department regarding development of e-content through RFP process, and the schools were using either of the two e-content provided by the OSEPA and M/s EdCIL, as was noticed by Audit during JPI.

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[109] (i) Multimedia Educational content as per Odisha Board in Regional Language, (ii) Science Videos and Virtual Experiments & (iii) English Text Book Content-Odisha state board specific digitised

[110] By 20 August 2022: 259 schools and by 12 June 2023 in 171 schools

[111] 16 December 2021: for 195 schools; 4 February 2023: 86 schools; 12 June 2023:84 schools

### 3.3.4 Ineffective implementation of "Technology" and "Transformation" components of 5T charter

Transformation of key infrastructure in the secondary schools by introducing modern technologies was the aim of 5T charter of HSTP. In this regard, Audit, on JPI (October 2024 to March 2025) of 54 sampled schools, noticed that the desired transformation had not taken place under HSTP in some of the sampled schools, as elaborated below:

- ***Smart class rooms*:** In six out of 54 sampled schools, Audit found that smart classrooms were non-functional due to non-installation/ defective smart panels or want of electrification.
- ***Science Laboratory*:** In five schools, required equipment and chemicals were not available. In 19 schools, the laboratories were not equipped with water/ gas connections, hindering experiments. Overall, 32 schools had non-functional science labs.
- ***e-Library*:** Internet access was not available in 13 schools, limiting possibility to explore e-books or learn online. In 19 schools, e-libraries lacked e-book content, reducing their effectiveness as learning resources. Additionally, some e-libraries were being used for unrelated purposes such as staff common rooms or stores and were not accessible to students, photographic evidence of which is given in **Pictures 3.3.1 and 3.3.2.**

***Picture 3.3.1*: *E-library used as store room in NTR Bidyapitha, Tangarbantala (Champua Block) (06 March 2025)***

***Picture 3.3.2*: *E-library being used as staff common room in Panchayat Hingula High School, Antia (Dharamsala Block) (01 November 2024)***

The above indicated that the intended transformation of the schools had not been achieved fully under HSTP, thereby defeating the core objective of the initiative.

The Department while noting the audit observation for future guidance stated (October 2025) that concerned administrative and school authorities were responsible for upkeep and utilisation of the infrastructure created under HSTP.

## SPORTS AND YOUTH SERVICES DEPARTMENT

### 3.4 Construction, Maintenance and Utilisation of Sports Infrastructure

The Sports and Youth Services (S&YS) Department, Government of Odisha is responsible for the development and promotion of sports and administration of youth affairs in the State. During the last three years from 2021-22 to 2023-24, the Department had provided ₹2,760.38 crore for the development of sports infrastructure like construction of Multi-purpose Indoor Hall, Hockey stadium, mini hall, *etc.,* in the State. Out of this, the Department had incurred ₹ 2,444.54 crore on sports infrastructure during the period 2021-2024.

A compliance audit of the Department was conducted during September to November 2024, covering the period from 2021-22 to 2023-24 with the objective of verifying whether sports infrastructure had been constructed/ maintained and was being utilised for the intended purposes.

The Audit findings are discussed in the succeeding paragraphs.

### 3.4.1 Construction of Mini-stadiums

The Department had launched (February 2013) a scheme, namely, 'Construction of Mini-stadiums at Block level', for sports and youth activities in rural areas. Under the scheme, Mini-stadiums were to be constructed in each of the 314 Blocks of the State, with an estimated cost of ₹ 25 lakh per stadium. The Department would provide ₹ 20 lakh and ₹ 5 lakh was to be met from the MP/MLALAD funds. Later in September 2015, the scheme was extended to urban areas of the State with the stipulation that Mini stadiums were to be developed in the existing play fields of Government organisations and institutions. The works were to be executed by the Block Development Offices in rural areas and Urban Local Bodies in urban areas.

Audit noticed that the Department had sanctioned construction of 463 Mini stadiums (Rural: 314 and Urban: 149) during 2013-18 and released ₹92.60 crore to the District Collectors for constructing the stadiums. Out of these, 389 stadiums had been completed incurring ₹77.80 crore, as of November 2024. The unspent amount of ₹14.80 crore was lying with the Collectors. The Department, however, instructed (July 2020) the Collectors to remit the unspent amount into Government Account. In response, only ₹1.40 crore released for seven stadiums was refunded by two districts (Ganjam and Sundargarh) and the balance amount of ₹13.40 crore was lying with the District Collectors, as of June 2025.

Regarding construction of remaining 67 stadiums[112], Audit observed the following:

- Construction work for 24 Mini stadiums had not commenced as of November 2024 ***(Appendix 3.4.1)***, despite the fact that ₹ 4.80 crore had been released during 2014-18 to the District Collectors for these works. The reasons for non-commencement of construction were non-identification of sites (five stadiums), land dispute (one stadium)

[112] Sanctioned: 463 *less* 396 (Completed: 389 + Funds refunded: 7)

and non-completion of tendering process (two stadiums). In case of the remaining 16 stadiums, the reasons were not on record.

- Construction of 43 Mini stadiums was in progress as of November 2024, for which ₹8.60 crore had been released during 2013-18 to the district authorities. Although the Department while sanctioning funds, had instructed the districts to utilise the funds within the year of sanction, yet no timeline was fixed by the Collectors for completion of the stadiums. As such, these stadiums were lying incomplete, even after 6-10 years of release of funds, which also indicated lack of monitoring by the Department. The reasons for non-completion of the stadiums were not available at the Department level. However, in test-checked districts, Audit noticed that four stadiums could not be completed due to land dispute (one), local disputes (two) and insufficient funds (one). Neither these issues had been sorted out nor were funds made available for completion of the works.

The S&YS Department admitted (June 2025) the fact of non-utilisation of ₹4.80 crore by the District Collectors and executing agencies and stated that they had been requested to refund the amount. The reply is suggestive of lack of planning and monitoring on the part of the Department in construction of Mini stadiums, due to which 24 stadiums could not be constructed and 43 remained incomplete even after lapse of 6 to 10 years of sanction of the projects.

#### *3.4.1.1 Completed Mini stadiums lacked mandatory sports infrastructure*

As per the scheme guidelines, the unit cost of ₹ 25 lakh per stadium included construction of mandatory/ ancillary sports infrastructure like boundary wall and gate to prevent encroachment and criss-crossing of vehicles, proper ground levelling, grass-turfing and drainage system to avoid stagnation of water on the field.

As discussed in the preceding paragraph, 389 mini stadiums had been completed as of November 2024, as reported by the Department. To ascertain the actual status of completed stadiums, Audit conducted joint physical inspection (JPI) of 45 out of 107 Mini stadiums, constructed in eight test-checked districts along with the representatives of the concerned executing agencies and concerned District Sports Officers (DSOs), during July-September 2024. It was noticed during JPI that the Mini stadiums lacked mandatory/ ancillary sports infrastructure like perimeter security walls (24 stadiums), drainage facility (41 stadiums), ground surfacing (29 stadiums) and grass turfing (34 stadiums).

Non-construction of these components was mainly due to want of additional funds. A few such instances are discussed below:

- In Sunabeda Municipality, only three sides of the boundary wall had been completed while utilising the full allocated amount of ₹ 20 lakh. Non-completion of the boundary wall raised the risk of encroachment and intrusion of public disturbing sports activities.
- In Basta and Nilagiri Blocks, gate, drainage and watering facilities had not been constructed, even after utilisation of the allocated amount of

₹24 lakh and ₹ 20 lakh, respectively. Similarly, in Bhogarai Block, gates and drainage systems were not constructed although the total amount of ₹ 30 lakh had been utilised. Non-construction of these drainage facilities raised the risk of water stagnation on the field, affecting sports activities.

- In Bahanaga Block, watering facility and drainage systems were not constructed, despite a sum of ₹ 5.66 lakh out of allocated amount ₹ 20 lakh, remaining unutilised.

Regarding mobilisation of additional funds for completing the Mini stadiums, Audit observed that ₹ 23.15 crore[113] was to be arranged from the MPLAD/ MLALAD funds. Although there was no data available with the Department regarding fund mobilisation, in case of the test-checked 45 Mini stadiums, Audit noticed that MPLAD /MLALAD funds amounting to ₹43 lakh were received only in eight cases. Further, no other additional funds were sought by the district administration/ executing agencies from the Department. Thus, the Department as well as the district administrations failed to mobilise the required amounts to complete the stadiums with all the required components.

The S&YS Department, while admitting the fact stated (June 2025) that the funds provided were inadequate to complete the Mini stadiums, as costs varied depending on site conditions. The reply is not tenable, as additional funds to complete the stadiums had not been sought by the executing agencies. The Department had also not given assurance about the steps that would be taken for constructing the incomplete infrastructure of the Mini stadiums.

### *3.4.1.2 Non-construction of Open Gym, Mini Hall and Toilet in completed Mini Stadiums*

In addition to release of funds for construction of Mini stadiums, the Department had also released ₹18.90 crore to the Collectors during 2017-18 to construct open gym, mini hall and toilets in 126 out of 389 completed Mini stadiums. The construction of these infrastructure in the stadiums was to be completed by the end of 2017-18, at a cost of ₹ 15 lakh per Mini stadium.

Audit noticed that construction works of this infrastructure had been completed in 79 Mini stadiums, whereas works had not commenced in 29 Mini stadiums (as of November 2024). In the remaining 18 cases, works had not been completed, despite lapse of six years of release of funds. Therefore, construction of this additional infrastructure (open gym, mini hall and toilets) had not been completed in 47 stadiums, despite release of ₹ 7.05 crore to the Collectors/ executing agencies by the S&YS Department. Reasons for non-completion/ non-commencement of works were not on record.

During JPI (July 2024 to September 2024) of eight Mini stadiums, where open gym, mini hall and toilets had been constructed, it was noticed that the open gym equipment was either improperly installed or, was in damaged condition or covered with grass and weeds ***(Appendix 3.4.2)***, as can be seen from ***Picture 3.4.1***,

***Picture 3.4.1: Open Gym at Bhairab-ground in Kotpad Block, Koraput (Date: 18.09.2024)***

[113] at the rate of ₹5 lakh for 463 stadiums

making the stadium unsuitable for sports activities.

Thus, the initiative of the Department to equip the Mini stadiums with necessary facilities like open gym, mini hall and toilets had not been achieved in as many as 37 *per cent*[114] cases.

The S&YS Department stated (June 2025) that the concerned District Collectors/executing agencies had been requested to refund the unutilised funds of ₹4.35 crore relating to 29 Mini stadiums, where works had not commenced. The reply does not address the problem of non-completion of these works, which has led to the objective of creating sports infrastructure and associated facilities for the youth, remaining unachieved.

### 3.4.2 Utilisation of sports infrastructure

The S&YS Department had constructed (2021-25) 88 Multi-Purpose Indoor Halls[115] (MPIH) across 89 Urban Local Bodies of the State at a cost of ₹ 706.98 crore, to enhance sports coaching, promote health and fitness, act as shelter during disaster, support various community functions *etc*., for the local youth and budding sports persons. The Department had issued (December 2022) a Standard Operating Procedure (SOP) outlining responsibilities of all stakeholders, *i.e*., various departments of the Government and functionaries of the S&YS Department, for the smooth functioning of the MPIHs. As per the SOP, the coach deployed by the S&YS Department in the MPIHs would act as the Centre Co-ordinator, besides providing coaching to all enrolled players.

Audit, however, observed the following deficiencies in functioning of the MPIHs:

#### *3.4.2.1 Non-engagement of trainers/ coaches in MPIHs*

The Department engaged (March 2024) two private agencies for providing sports related services, *i.e*., trainers and coaches to the 88 MPIHs.

Audit observed that while there were no shortages of coaches in sports disciplines like badminton and gym in the MPIHs, there were shortages of coaches for sports disciplines like table tennis (18 *per cent*), weight lifting (94 *per cent*) and yoga (100 *per cent*). In absence of coaches for different sports discipline, the objective of promoting sports, health and fitness of the youth remained unachieved. Besides, the sports facilities created in MPIHs for these disciplines remained idle, due to the non-availability of coaches/ trainers.

The S&YS Department stated (June 2025) that steps were being taken for engagement of the coaches as per the requirement.

#### *3.4.2.2 Non-engagement of trainers in Jagannath Stadium and Sports Complex, Puri*

The S&YS Department constructed Shree Jagannath Stadium, Puri, at a cost of ₹34.91 crore by engaging the Water and Power Consultancy Services Limited (WAPCOS)[116]. The stadium was handed over to the District Sports Officer (DSO), Puri in May 2023. The stadium had several facilities like table

[114] 47 (work not commenced: 29 and work not completed: 18) out of 126 Mini stadiums
[115] Municipal Corporations/ Municipalities: 34; Notified Area Councils: 54
[116] A public sector undertaking, under the Ministry of Jal Shakti, GoI

tennis, swimming pool, gymnastic centre and a 100 bedded sports hostel. On JPI (21 August 2024) of the facilities, Audit noticed that the sports complex had dedicated halls for yoga and table tennis. However, trainers for these two disciplines had not been engaged, as of June 2025. Besides, necessary equipment for table tennis had not been provided (**Picture 3.4.2**). As a result, the facilities created for these sports disciplines were either not fully utilised by the local youth or remained idle.

***Picture 3.4.2: TT hall without equipment*** **(Dated: 21 August 2024)**

The S&YS Department stated (June 2025) that steps would be taken for engagement of trainers for weight lifting, table tennis and yoga.

### *3.4.2.3 Deficient infrastructure in Sports Hostel, Koraput*

The S&YS Department launched the 'Sports Hostel Scheme' in Odisha in 1985 with the objective of identifying and nurturing young talents aged between 8 and 14 years, for providing systematic coaching and support in various sports disciplines. Selected athletes would receive free accommodation, nutritious meals, sports kits, uniforms and access to education and medical care. As of September 2024, 16 Sports Hostels were operating in 15 districts, under the S&YS Department.

Audit test-checked the records related to sports hostel at Koraput and observed the following:

- ***Non-availability of Archery ground*:** As a part of 'Reorganisation and Strengthening' of professional coaching programme in sports hostels, archery discipline was introduced in 2022-23, with a sanctioned strength of 50 trainees, even though no archery field was available for practice in the sports hostel, Koraput. Despite having no such facility in Koraput, all the 50 archery trainees of Malkangiri sports hostel, which had a dedicated archery ground, were shifted to the sports hostel at Koraput from September 2022, the reasons for which were not on record. As a result, the archery ground at Malkangiri remained unutilised and the archery trainees at Koraput sports hostel were deprived of proper archery training facilities for practice, reflecting poor planning by the Department.

The S&YS Department stated (June 2025) that Administrative Approval for ₹8.31 crore for construction of the said ground at Koraput had been accorded

(April 2025) and upon completion, the ground would be used by the students of the archery discipline. The reply is not tenable as the archery trainees who had been shifted without any planning and arrangement for archery ground by the Department could not be provided training since 2022.

### 3.4.3 Non/ improper maintenance of sports infrastructure

Regular maintenance of the sports facilities was essential for smooth conduct of different sports activities. The S&YS Department had not framed any guidelines for maintenance of sports infrastructure, like provision of funds and allocating maintenance responsibility to designated functionaries, *etc.,* for keeping the sports facilities functional. The executing agencies, after completion of 389 Mini stadiums, had not handed over the same to the S&YS Department for their use. In absence of ownership of the stadiums, the Department also did not pay attention to the maintenance of these assets.

***Picture 3.4.3: Uneven and unmaintained surface of Mini stadium at Pipili (Date: 22 August 2024)***

As such there was no arrangement for maintenance of the Mini stadiums, and the sports facilities were found inadequately maintained and issues like leaking roofs, soaking walls, absence of sporting gears for table tennis, yoga, gym, *etc*., were noticed during JPIs conducted during July-August 2024. The sports fields were found to be overgrown with weeds and grasses, indicating their non-utilisation, as can be seen from **Picture 3.4.3.** The details of the deficiencies noticed by Audit are given in ***Appendix 3.4.3.*** Further, instances of use of Mini stadiums for commercial activities like shopping melas and *Jatra* purposes were also noticed, which were not permissible under the scheme guidelines.

The S&YS Department stated (June 2025) that the repair and maintenance work of a sports facility was not immediately possible at any time since it did not have a dedicated engineering wing. However, based on the observations of Audit, rectification measures had been taken in some cases. The reply is not convincing as there was no proper arrangement in place for the regular repair and maintenance of sports infrastructure, to enable constructive utilisation of the same for conduct of sports and community activities, as envisaged in the scheme guidelines.

## HEALTH AND FAMILY WELFARE DEPARTMENT

### 3.5 Procurement and distribution of Drugs by OSMCL

The Odisha State Medical Corporation Limited (OSMCL) was incorporated in November 2013 under the Companies Act, 1956, to act as an independent procurement agency for the Health and Family Welfare (HFW) Department, Government of Odisha. It procures medicines, surgical, equipment, instruments, furniture, *etc*., for eventual distribution to Government-run healthcare institutions. The Company is managed by a Board of Directors and headed by a Managing Director (MD). The MD, who is the Chief Executive Officer (CEO) of the Company, is assisted by the General Managers for day-to-day operations of the Company. The Company monitors distribution and stock position of drugs centrally through the *e-Niramaya* application system for ensuring uninterrupted supply of medicines at healthcare institutions.

Different Directorates of the HFW Department, *i.e*., Director of Health Services (DHS), National Health Mission, Chief District Medical Officers, *etc*., place indent for drugs/ equipment and deposit required amount with the Company. During 2018-19 to 2024-25 (up to January 2025), the OSMCL received ₹ 6,960.11 crore and expended ₹ 6,299.59 crore out of this fund towards procurement of drugs and equipment.

A Compliance Audit was conducted from January 2025 to April 2025 covering the period from April 2019 to January 2025, with the objective of assessing the extent of adherence to the guidelines/ instructions on procurement of drugs. Based on this, the Audit findings arrived at, are discussed in the following paragraphs.

### 3.5.1 Wasteful expenditure of ₹ 16.49 crore on purchase of excess quantity of Casirivimab and Imdevimab vials

To combat the menace of the COVID-19, different categories of medicines proved beneficial at different times. Cocktail of Casirivimab and Imdevimab-120 mg/ml vials was one such combination for countering the epidemic. Government of India (GoI) supplied (19 July 2021) 446 vials of Casirivimab and Imdevimab-120 mg/ml free of cost to the Government of Odisha (GoO). Subsequently, the HFW Department, on the recommendations of its Technical Committee (TC)[117], procured additional 4,550 Cocktail vials in three tranches through OSMCL, as detailed in **Table 3.5.1** below:

**Table 3.5.1: Quantity and cost of cocktail vials procured and expired**

| Sl. No. | Date of recommenda-tion of TC | Date of Purchase Order | Cocktail Vials purchased | Cost per cocktail vial (₹)[118] | Total cost (₹ in crore) | Expiry date | Unutilised vials subsequently expired | Cost of vials expired (₹ in crore) |
|---|---|---|---|---|---|---|---|---|
| 1 | 27-07-2021 | 23-08-2021 | 300 | 1,09,940 | 3.30 | 28-02-2023 | 38 | 0.42 |
| 2 | 07-10-2021 | 11-10-2021 | 2,250 | 1,09,940 | 24.74 | 28-02-2023 | 2,000 | 21.99 |
| 3 | 03-01-2022 | 10-01-2022 | 2,000 | 1,09,940 | 21.99 | 31-03-2023 | 1,801 | 19.80 |
| | **Total** | | **4,550** | | **50.03** | | **3,839** | **42.21** |

***(Source: Records of OSMCL)***

117 Members: Director of Public Health, Director of Health Services and Director of Medical Education and Training

118 The unit cost is inclusive of GST at the rate of 12 *per cent* (₹ 98,160 x 112 *per cent* = ₹1,09,940)

It can be seen from the table above that only 711 vials[119] could be utilised and 84 *per cent* of the procured vials, costing ₹ 42.21 crore (84 *per cent*) had not been utilised, and eventually expired. From the proceedings of the TC and requisitions of DHS for the cocktail vials, Audit noticed the following:

- The TC, while deliberating (27 July 2021) upon the procurement of 300 vials had taken note of the stock of 345 vials in hand (expiring on 30 September 2021), out of the 446 vials received from GoI. Therefore, the Committee recommended for procuring only 100 vials before 30 September 2021 and the balance in phases, depending upon the urgency. OSMCL, however, procured (23 August 2021) entire 300 vials for ₹ 3.30 crore.
- For procurement of next tranche of cocktail vials, the TC estimated the monthly requirement at 9,000 dosages, *i.e.,* 4,500 vials (as one vial is administered in two dosages) per month, based on the demand for cocktail vials for administering to the patients. Accordingly, it recommended (7 October 2021) for initial procurement of 4,500 dosages, *i.e.*, 2,250 vials. Based on such recommendation, OSMCL placed purchase order for 2,250 vials on 11 October 2021 for ₹ 24.74 crore.
- The TC (3 January 2022) further deliberated on the procurement of cocktail vials. The TC, placing reliance on various literature publications, noted that cocktail therapy was not very effective against variant of concern (OMICRON) and, therefore, the drug vials should be procured depending on utilisation. The TC noted the stock in hand as on 1 January 2022 was 2,407 vials and recommended on 3 January 2022 for procurement of additional 500 vials. It also recommended that additional quantity might be procured upon utilisation of 40 *per cent* of the available stock. Based on the recommendation, Director of Health Services (DHS) placed (3 January 2022) requisition[120] for 500 vials with OSMCL. However, subsequently on 10 January 2022, the DHS placed a revised requisition[121] to OSMCL for purchase of 2,000 vials, based on another recommendation of the TC[122] (3 January 2022). Accordingly, OSMCL placed PO on the same day for the enhanced quantity of 2,000 vials for ₹ 21.99 crore.

In this regard, Audit observed that:

- During the period 27 July 2021 to 2 January 2022, *i.e*., from the decision of the TC to procure 300 cocktail vials in the first tranche to the day before the date of decision to procure the third and final tranche, 2,550 vials had been procured by the Department through OSMCL, out of which only 143[123] vials had been utilised (6 *per cent*), leaving balance stock of 2,407 vials on 3 January 2022. Thus, during a period of six months amid high COVID-19 surge, use of only 143 vials was

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119 4550 - 3839

120 Letter no. 28 dated 3 January 2022 of DHS

121 Letter no. 436 dated 10 January 2022 of DHS

122 The TC had revised their recommendations to 2,000 as noticed from another Minutes of meeting of the TC of the same date (3 January 2022)

123 The balance stock at the time of procurement of third batch was 2,407 vials. Hence only 143 vials (2,550 - 2,407) were used.

necessitated. As such, the recommendation of the TC to procure additional 2,000 vials on 3 January 2022 was unwarranted.

- The TC, after taking note of the stock (January 2022) of 2,407 vials, had recommended for procurement of 500 vials with rider that additional quantity should be procured after utilising 40 *per cent* of the stock. The same was stated to have been revised to 2,000 vials by the Technical Committee. The reason for such revision was not on record. Thus, the recommendation of the TC to procure 2,000 vials instead of 500 vials was imprudent and unwarranted in view of meagre utilisation of available vials. Had the procurement been limited to 500 vials, the loss sustained due to expiry of drugs could have been avoided to the extent of cost of 1,500 vials, costing ₹ 16.49 crore[124].

Thus, imprudent and unwarranted revision of the procured quantity from 500 to 2,000 vials, resulted in wasteful expenditure of ₹ 16.49 crore.

In reply, OSMCL cited (June 2025) four studies indicating effectiveness of Casirivimab and Imdevimab cocktail against COVID-19. It was added that, in view of the demand for this drug and in order to minimise the gap between demand and supply of these vials, 2,000 vials had been recommended for purchase.

The reply is not convincing in view of the fact that only 143 vials had been utilised during span of six months from 27 July 2021 to 2 January 2022, indicating lesser demand for these drugs. Furthermore, in order to manage supply, the TC had recommended for purchase of additional batch upon utilisation of 40 *per cent* of the existing stock. However, this batch of 2,000 vials was procured when the actual utilisation from the existing stock was only 6 *per cent*. Thus, from both the counts, *i.e.*, demand/ effectiveness of the drug and minimising the gap between demand and supply, purchase of 1,500 vials was not prudent.

### 3.5.2 Wasteful expenditure of ₹5.21 crore in procurement of Amphotericin-B-Liposomal 50 mg vials

The Ministry of Health and Family Welfare, Government of India issued (13 July 2021) guidelines on Buffer Stock Management for COVID-19. Mucormycosis (skin disease) was one of the illnesses associated with COVID-19. For treatment of Mucormycosis two medicines namely, Amphotericin B Deoxycholate Injection 50 mg and Posaconazole injection 300 mg were prescribed in the applicable guidelines.

Audit noticed that the DHS, for treatment of Mucormycosis, had procured Amphotericin B Deoxycholate Injection 50 mg, Posaconazole Injection 300 mg and Amphotericin-B- Liposomal 50 mg, through OSMCL[125]. With regard to procurement of Amphotericin-B-Liposomal 50 mg, Audit noticed that GoI had allocated 3,310 vials to the GoO, to be procured from empanelled vendors. Accordingly, OSMCL had procured 3,310 vials costing ₹ 1.74 crore during May 2021 to July 2021. This procurement had been made before issue of Guidelines by the GoI for maintaining buffer stock of medicines. In addition, the DHS placed (May 2021) an indent for 50,000 vials with OSMCL. The latter, however,

[124] (₹21.99 crore/2,000) * 1,500

[125] 13,580 vials of Amphotericin Deoxycolate and 17,540 vials of Posaconazole during June 2021 to August 2021

procured (July 2021) 10,000 vials (with expiry date of 30 June 2023 and 31st July 2024) costing ₹ 5.51 crore. The reasons for procuring 10,000 vials against indented 50,000 vials, were not on record. Further, only 550 vials from the procured 10,000 vials were utilised and 9,450 vials costing ₹5.21 crore remained unutilised, as of 31 July 2024.

Audit observed that Amphotericin-B-Liposomal 50 mg was not an enlisted drug of which buffer stock was required to be maintained, as per the guidelines issued by GoI. Therefore, the quantity of Amphotericin-B- Liposomal 50 mg to be procured should have been decided based on the stock in hand and its utilisation trend. As 3,310 vials had already been procured out of the allotment made by GoI and were available in the stock, there was no justification for placing an indent for additional 50,000 vials by DHS. Though, OSMCL restricted the procurement to 10,000 vials, even this could not be utilised and 95 *per cent* of it expired. Thus, the action of the DHS in placing indent for Amphotericin-B-Liposomal 50 mg without fair assessment of the need, resulted in wasteful expenditure of ₹5.21 crore.

OSMCL stated (June 2025) that the purchase was made as per the advice (May 2021) and indent of the State Technical Committee, for immediate treatment and preparedness for COVID-19 management in the interest of public health.

The reply is not acceptable as GoI, in its guidelines (issued on 13 July 2022) had not included Amphotericin-B-Liposomal 50 mg as one of the drugs, for which a buffer stock was required to be maintained. Therefore, DHS should have reassessed the necessity of procuring the same. In the absence of revised assessment, especially in view of GoI allocation, purchase order for 10,000 vials was placed on 21 July 2021, out of which 9,450 vials remained unutilised and subsequently expired.

### 3.5.3 Wasteful expenditure of ₹ 32.29 crore in procurement of drugs with shorter shelf-life and without requirement.

The Procurement Guidelines of the OSMCL requires that drugs to be procured should have at least 5/6th (83 *per cent*) of shelf-life at the time of the supply.

Audit noticed that 15.43 crore units of 700 categories of drugs worth ₹ 167.91 crore and sanitary napkins worth ₹ 94.05 lakh expired during the period from April 2019 to January 2025. The value of drugs expired included drugs worth ₹ 68.90 crore, received as donation from different entities and balance drugs worth ₹ 99.01 crore that had been procured by the Company. The procured drugs that had expired included Casirivimab and Imdevimab-120 mg/ml vials (discussed in ***Paragraph 3.5.1***) and Amphotericin-B-Liposomal 50 mg (discussed in ***Paragraph 3.5.2***). Audit analysed circumstances leading to expiry of the drugs and sanitary napkins and observed that drugs worth ₹32.29 crore had expired due to receipt of drugs with shorter shelf-life and procurement of new stock despite no apparent requirement, as discussed below:

- The Company had procured 2,339 vials of Casirivimab and Imdevimab-120 mg/ml during August 2021 to January 2022 at a cost of ₹22.96 crore. By the time the vials were received, the shelf-life period of these drugs was between 60 and 63 *per cent*, against the shelf life period of 83 *per cent*, as required under the Procurement Guideline of the Company. Thus, acceptance of drugs with lesser shelf-life was against the procurement guidelines and should have been returned to the suppliers.

- The company purchased 1,716 units of Tocilizumab worth ₹2.40 crore during October 2021 to February 2022 in three batches. The shelf-life period of the medicine purchased was 57 to 82 *per cent* against the required 83 *per cent*. Besides, a batch of 504 units of the Tocilizumab Injection donated by M/s HLL LIFECARE Limited, Kerala worth ₹ 32.67 lakh was received on 02 June 2021 (with an expiry date as June 2023), but the same was not taken into account while purchasing the additional 1,716 units. As DHS had not assessed the available stock prior to indenting the drugs, 1,709 units of medicine worth ₹2.39 crore expired during the period from April to June 2023.
- A batch of 500 units of Injection Methyl Prednisolone was purchased in September 2021 when 1.02 lakh units were already in stock, *i.e.,* 206 times of the new procurement units. Similarly, a batch of 1.71 lakh units of Injection Enoxaparin was purchased in September 2021, when 2.82 lakh units were already in stock. Stock-in-hand, quantity procured and expired in respect of the two drugs are shown in **Table 3.5.2.**

***Table 3.5.2: Stock-in-hand, quantity procured and expired in respect of Injection Methyl Prednisolone and Injection Enoxaparin***

| Particulars | Injection Methyl Prednisolone | | | Injection Enoxaparin | | |
|---|---|---|---|---|---|---|
| | Date | Quantity (units) | Value (₹ in lakh) | Date | Quantity (units) | Value (₹ in lakh) |
| **Stock in hand** | 8 September 2021 | 1,02,750 | 82.20 | 29 September 2021 | 2,82,045 | 118.45 |
| **Procurement** | 8 September 2021 | 500 | 0.40 | 29 September 2021 | 1,71,760 | 262.79 |
| **Expired** | April 2023 | 460 | 0.37 | August 2023 | 1,71,760 | 262.79 |

***(Source: Records of OSMCL)***

Audit observed that the procured drugs could not be used and expired in April 2023 and August 2023, respectively. This indicated that the procurement of drugs was done without imminent requirement, resulting in wasteful expenditure of ₹2.63 crore.

- Audit also observed that 10.99 crore units of antibiotic Norfloxacin valuing ₹14.87 crore had been procured during November 2019 to September 2022. Similarly, 9.28 crore units of antibiotic Cefadroxil valuing ₹9.28 crore had been procured during May 2019 to March 2023. Of these, 1.49 crore units (14 *per cent*) of Norfloxacin worth ₹ 2.05 crore and 0.60 crore units (6 *per cent*) of Cefadroxil worth ₹ 1.32 crore expired during April 2019 to January 2025, due to improper inventory management leading to their non-utilisation and subsequent expiry.
- OSMCL had procured 21.79 lakh units of sanitary pads worth ₹94.05 lakh in 2020 and 2021 under the scheme KHUSHI, wherein free sanitary napkins were distributed to the school girls. However, the sanitary pads had expired, as the same could not be distributed, the reasons for which were not on record.

Thus, procurement of drugs having less than $5/6^{th}$ of the shelf-life, improper inventory management and procurement without apparent requirement, led to expiry of drugs worth ₹ 32.29 crore.

In reply, OSMCL stated that majority of expired drugs and consumables were procured during the unprecedented COVID-19 public health emergency which has posed numerous operational and logistical challenges. Further, GoI had advised states to create sufficient buffer stock of critical medicines. The reply is not acceptable as the medicines like Norfloxacin and Cefadroxil were not COVID-19 medicines. Further, the medicines had been procured imprudently without assessing the available stocks, and sanitary napkins had expired due to non-distribution in time, leading to wasteful expenditure.

## COMMERCE & TRANSPORT AND PARLIAMENTARY AFFAIRS DEPARTMENTS

### 3.6 Irregularities in hiring and utilisation of aircraft and helicopter

Government of Odisha (GoO) had framed rules[126] governing the use of government owned aircraft/ helicopter for official use. As per Rule 4(a), seven types of functionaries[127] were entitled to use government owned aircraft. Besides, other Government functionaries, *viz*., officers of the State and Central Governments and State Public Sector Undertakings, above the rank of Joint Secretary, could use the aircraft, subject to approval of the State Government[128].

In order to undertake air travel for official works, GoO was availing the services of a private service provider. Audit scrutinised the records (for the period from April 2019 to March 2024) relating to selection of this private operator and expenditure incurred towards air travel *via* the State hired aircraft and helicopter. Findings in this regard are discussed in the subsequent paragraphs.

#### 3.6.1 Selection of agency for providing aircraft services

During the period from 23 October 2020 to 22 April 2021 (extended up to 22 June 2021)**,** air services to the GoO were being provided by M/s Jet Serve Aviation Private Limited (M/s Jet Serve) for a monthly charge of ₹29 lakh. Consequent upon expiry of the contract period with this agency on 22 April 2021, the Commerce and Transport Department (C&T), GoO, floated (April 2021) a tender, inviting bids for providing aircraft services. However, the tender was eventually cancelled on the grounds of being a single-tender[129]. Subsequently, a fresh tender was floated in May 2021 and in response, seven bidders[130], including M/s Jet Serve furnished bids. The technical evaluation of the bids was carried out (28 May 2021) by the Technical Scrutinising Committee, constituted by the C&T Department, where five bids were rejected

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126 Rules governing the use of the Government owned aircraft, amended in September 1985

127 Chief Minister, Ministers in the Government, Judges of Orissa High Court, (Deputy) Chairman of the State Planning Board, Chief Secretary, Development Commissioner and Member of Board of Revenue

128 Chief Minister's Office was granting such approvals

129 Two bidders viz. M/s Jet Serve Aviation Pvt. Ltd. and M/s Red Bird Pvt. Ltd. submitted bids and the later was adjudged technically disqualified

130 M/s OSS Air Management; M/s Pinnacle Air Pvt. Ltd.; M/s Jet Serve Aviation Pvt. Ltd.; M/s Flap Aviation Pvt. Ltd.; M/s Arrow Aircraft Sales & Charters Pvt. Ltd.; M/s Red Bird Airways Pvt. Ltd.; and M/s Dhillon Aviation Pvt. Ltd.

on grounds of having old aircrafts (two bids), not being NSOP[131] holders (two bids) and non-submission of required documents (one bid). The bid submitted by the previous service provider, *i.e.*, M/s Jet Serve, was rejected on the ground that one of its aircrafts had met with an accident (7 May 2021). Thus, only one bid submitted by M/s OSS Air Management Private Limited (M/s OSS) was considered technically qualified. The service contract was eventually awarded (28 June 2021) to it for a monthly charge of ₹92 lakh for an aircraft for the period from 1 July 2021 to 30 June 2022.

Audit scrutinised the transparency and fairness in the selection process and observed the following irregularities:

- The terms and conditions of the tender included, *inter alia*, a condition that "preference" would be given to operators with a record of no major accident in last 10 years. Thus, based on the accident record of M/s Jet Serve, its bid was rejected. However, Audit found that M/s OSS had entered (December 2022) into an agreement with the same technically non-qualified operator M/s Jet Serve, to use one of the aircrafts (tail sign: VT-RSN). Based on the flight operation data of VT-RSN made available to Audit, this particular aircraft was utilised by M/s OSS in the service of the GoO for 38 sorties[132] during January 2023 to November 2023. Thus, rejecting the bid of M/s Jet Serve company on the grounds of safety record, did not serve its purpose because ultimately one aircraft of the same company was used by the new bidder, M/s OSS.
- Audit also found from the agreement between M/s OSS and M/s Jet Serve that M/s OSS was to pay ₹ 53.10 lakh per month (including GST) for using the aircraft VT-RSN. On the other hand, M/s OSS was paid ₹ 92 lakh per month for one aircraft (including GST) by the Government of Odisha. This substantial price difference highlights that the Government failed to obtain the most competitive market rates for aircraft services by going with a single bidder (M/s OSS).

Thus, the process of selection of the agency for providing air services to the State Government was non-transparent/irregular and the possibility of the contractual rate with M/s OSS being higher than fair market price, cannot be ruled out. Despite this, the tenure of the contract with M/s OSS was extended from time to time and the Agency was continuing to provide services, as of August 2024.

The C&T Department stated (January 2025) that M/s Jet Serve had been rejected not solely for its accident record but for its adverse track record in providing service during earlier occasions. The reply is not convincing as this reason was not recorded anywhere and the bid was rejected based on the accident record.

[131] NSOP: Non-Scheduled Operator's Permit is a license issued by the Directorate General of Civil Aviation, GoI, allowing to conduct non-regular passenger or cargo operations including chartered flights

[132] Sortie denotes a single operational flight by an aircraft

Apart from the above irregularities in the selection process, Audit also observed that the monthly committed flying hours stipulated in the tender conditions were unreasonably high, as discussed below:

### 3.6.2 Unreasonable minimum committed flying hours fixed

Monthly charges payable for use of aircraft as per the contracts with GoO and actual usage of aircraft for the period from January 2019 to June 2022 (extended up to 31 August 2024) are shown in **Table 3.6.1.**

***Table 3.6.1: Names of suppliers, price terms and actual usage of Aircrafts from January 2019 to March 2024***

| Sl. No. | Name of the aircraft provider | Period of contract | Fixed monthly charges (₹ in lakh) | Committed flying hours | Actual flying duration[133] |
|---|---|---|---|---|---|
| 1 | M/s OSS Air Management Private Limited, New Delhi | 01 January 2019 to 22 October 2020 | 91.52 | 440 (for 22 months) | 122.10 hrs |
| 2 | M/s. Jet Serve Aviation Private Limited, Gurugram, Haryana | 23 October 2020 to 22 April 2021 | 29.00 | 120 (six months) | 32.11 hrs |
| 3 | M/s OSS Air Management Private Limited, New Delhi | 01 July 2021 to 30 June 2022[134] | 92.00 | 300 (for 12 months)[135] | 77:15 hrs |
| | | 01 July 2022 to 30 September 2022 | 92.00 | 75 (for three months) | 33:10 hrs |
| | | 01 October 2022 to 31 March 2023 | 92.00 | 150 (for six months) | 125:25 hrs |
| | | 01 April 2023 to 30 June 2023 | 92.00 | 75 (for three months) | 79:30 hrs |
| | | 01 July 2023 to 30 September 2023 | 92.00 | 75 (for three months) | 32:10 hrs |
| | | 01 October 2023 to 31 December 2023 | 92.00 | 75 (for three months) | 44:50 hrs |
| | | 01 January 2024 to 31 March 2024 | 92.00 | 75 (for three months) | 103:30 hrs |
| | | **Total** | | **1,385 hours** | **650:11 hrs** |

***(Source: Records of Commerce & Transport Department)***

As can be seen from the above table that in the previous two contracts for the period from January 2019 to October 2020 and November 2020 to April 2021 (28 months), total actual flying hours undertaken were 154:21 hours (27.54 *per cent*), against 560 committed flying hours. In the subsequent period *i.e.*, from 01 July 2021 to 31 March 2024, the actual flying duration was only 496:30 hours (60 *per cent*) against 825 committed flying hours.

Audit observed that stipulating minimum annual 240 flying hours (which was increased to 300 hours during negotiation with the bidder), as a tender condition, was not justified, since any increase in the duration of minimum flying hours would increase the fixed monthly charges, quoted by the bidder. Thus, the minimum flying hours should have been arrived at on a rational

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133 The actual flying duration data for the period 01-04-2024 to 31-08-2024 was not available. The committed flying hours for these five months was 125 hours

134 Extended up to 31 August 2024

135 Increased from 240 to 300 hours during negotiation without extra charges

basis based on the actual flying time for which the plane was used in the previous contracts, instead of escalating it to 240 hours. Fixation of minimum annual flying hours at 240, which subsequently increased to 300 hours, lacked any justification. However, as price quotations towards monthly fixed charges had not been invited for different durations of minimum committed flying hours, the extent of additional expenditure on this account could not be worked out by Audit.

The C&T Department stated (August 2024) that the minimum committed flying hours had been fixed based on usage in the previous years and the usage of aircraft had been affected due to COVID. It was added that variable operational costs like fuel cost, crew salary, maintenance, landing charges, hanger fees *etc*., only have a bearing on flying duration. These costs would not have impacted on the bid price much by lowering the committed flying hours.

The actual flying duration *vis-à-vis* the available committed flying hours does not support the plea advanced by the Department as the actual usage during the pre-contract period was only 28 *per cent* and under the contract, from 01 July 2021 to 31 March 2024, the same was only 60 *per cent*.

### 3.6.3 Hiring of chartered aircraft despite availability of hired aircraft

With reference to the award of contract to M/s OSS (in effect from 1 July 2021), the conditions of the corresponding tender that was invited in May 2021 included, *inter alia*, that the selection of the bidder would be on the basis of aircraft safety, comfort, speed and flying charges. The scope of services included carrying VVIPs to places within and outside the State. M/s OSS had been selected based on these terms of service.

Audit noticed that though flying outside the State was included under the scope of the service, stipulation regarding maximum flight duration without refueling was not included as a condition in the tender. This condition was required because flying outside the State could involve longer flying duration and consequent refueling. Due to the absence of such condition, the maximum flight endurance of the aircraft[136] of M/s OSS was only 1 hour 30 minutes, which was not optimum for long distance inter-State journeys. Consequently, the State Government hired chartered aircrafts on 22 occasions[137] during the period from January 2019 to November 2023, incurring an expenditure of ₹ 6.91 crore towards hire charges ***(Appendix 3.6.1),*** despite having unutilised 751.34 flying hours in the already hired aircraft (with M/s OSS), during the same period.

The C&T Department stated (August 2024) that the chartered aircrafts were hired for faster, more comfortable and safer journeys. The attributed reasons are not acceptable in view of the fact that the basis of selection of the aircraft of M/s OSS was speed, safety and comfort, and thus, there should not have been any need to hire chartered aircrafts for the same reason by incurring additional expenditure.

[136] Beechcraft Superking Air B-200 GT
[137] Destinations: Mumbai, Delhi, Bangalore, Hyderabad

## 3.6.4 Utilisation of helicopter

In addition to availing aircraft services, GoO also availed helicopter services from private operators. Tenders for selection of aircraft and helicopter service providers were invited[138] separately by the State Government. However, the same vendor, M/s OSS, was also selected for providing helicopter services. A contract to that effect was entered into (July 2018) for one year, starting from 1 August 2018. The contract was renewed thrice thereafter, as per mutually agreed terms and conditions, as shown in **Table 3.6.2.**

***Table 3.6.2: Helicopter: Names of suppliers and price terms***

| Sl. No. | Period of contract | Fixed monthly charges (₹ in lakh) | Hourly flying charges (₹ in lakh) | Ground handling charges (per handling) | Refueling charge (per refueling) |
|---|---|---|---|---|---|
| 1 | 01 August 2018 to 31 July 2019 | 38.00 | 1.15 | ₹ 10,000 or actual, whichever is less | ₹ 10,000 or actual, whichever is less |
| 2 | 01 November 2019 to 31 October 2021 (Extended thrice up to 30 April 2024) | 57.00 | 1.30 | ₹ 15,000 or actual, whichever is less | ₹ 15,000 or actual, whichever is less |

***(Source: Records of Commerce & Transport Department)***

Audit observations on improper use of helicopters are discussed below:

### *3.6.4.1 Avoidable expenditure due to use of helicopter, despite availability of committed flying hours of aircraft*

As stated in ***Paragraph 3.6.3***, there were unutilised flying hours of the hired aircraft. Thus, it would have been prudent to prioritise use of aircraft for conducting journeys to places having airstrip, over use of helicopter, to minimise expenditure.

Audit noticed that helicopter service had been availed for 100.90 flying hours on 29 occasions, for conducting journeys to places within the State having airstrip length 3,000 feet or more, during the period from 5 September 2019 to 21 March 2023. A sum of ₹ 1.30 crore had been paid towards flying hour charges[139] of the helicopter (***Appendix 3.6.2)***. During the same period, the unutilised committed flying hours of the hired aircraft were 566.44 hours, which could have been utilised instead, and thereby expenditure of ₹ 1.30 crore could have been avoided.

The C&T Department stated (August 2024) that helicopter was used as per the requirement of the requisitioner as they could land directly on the meeting site, saving time. It was also stated that serviceability of airstrip and weather conditions on the given day were also the other factors for opting for helicopter over aircraft. The reply is not convincing as the stated reasons could be possible on a few occasions, while the helicopter was used on 29 occasions for travelling to the places having operational airstrips. Moreover, there were

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[138] Date of tender in respect of the contract period (Reference **Table 3.6.2**) from 1 August 2018 to 30 July 2019 was not available in the records. For the contract period from 1 November 2019 to 30 April 2014, the tender had been invited on 23 July 2019.

[139] Exclusive of GST and monthly fixed charges

no recorded facts stating paucity of time or any other urgency, warranting the use of helicopter to attend such meetings.

### 3.6.5 Limitation to Audit

Under Section 18 of CAG (DPC) Act, 1971, Comptroller and Auditor General of India has in connection with the performance of his duties under the Act, the authority to inspect any office of accounts under the control of the Union or of a State, including Treasuries and such office responsible for keeping initial or subsidiary accounts. It is a statutory requirement that the relevant accounts, information and other documents, as required for audit, are furnished completely in all respect and with reasonable expedition.

Despite the above statutory provisions, the following records/ information on hiring of aircraft and helicopters, requisitioned during audit were not shared with Audit, by both C&T and PA Departments, even after repeated reminders:

- Requisitions made by the user Departments for the use of helicopter/ aircraft.
- Aircraft technical Logbook.
- Register of availability/ stationing of aircraft / helicopter at the Biju Pattanaik Airport.
- Bills of helicopter and aircraft sent to Departments other than the PA Department; and
- Insurance copy of the hired aircraft to ascertain its age.

Non-production of records to Audit violated Section 18 of the CAG's (DPC) Act.

## REVENUE & DISASTER MANAGEMENT DEPARTMENT

### 3.7 Short realisation of Stamp Duty and Registration Fee on Lease Deeds

**Non-consideration of Security Deposit and erroneous calculation of Annual Average Rent resulted in short realisation of Stamp Duty and Registration Fee to the tune of ₹19.02 lakh on Lease Agreement instruments.**

As per Section 27 of Indian Stamp (IS) (Odisha Amendment) Act, 1899, the consideration (if any) and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of the duty with which it is chargeable, shall be fully and truly set forth therein. As per Article 35(a) (vi) of Schedule-I-A of the Act, ibid, where the lease purports to be for a term of 30 years, but not exceeding 100 years, Stamp Duty (SD) shall be chargeable the same as a conveyance under Article 23 for a consideration, equal to four times the amount or value of the Average Annual Rent (AAR) reserved. Further, Article 35 (c) *ibid* stipulates that where the lease is granted for a fine or premium, or for money advanced in addition to rent reserved, the SD shall be leviable with the same duty as a conveyance for a consideration equal to the amount or value of such fine or premium or advance, as set forth in the lease in addition to the duty covered under Article 35 (a) *i.e.* one time, two times, three times and four times of the amount or value of the AAR reserved, for the lease purported to be for a term 5-10 years, 10-20 years, 20-30 years and 30-100 years respectively. Further, the Steel and Mines Department, Government of Odisha, notified (13 January 2012) that the items of (i) preliminary expense, (ii) security deposits, (iii) surface rent, along with (iv) higher between Dead rent and Royalty, shall be taken into account for valuation of SD on mining lease. The SD shall be chargeable at the rate of five *per cent* of the amount or value of the consideration vide Revenue and Disaster Management Department's Order dated 05 August 2008. The Registration Fees (RF) at the rate of two *per cent* of the value or consideration shall be payable for the purposes, as specified in Section 78 of the Registration Act, 1908.

Audit test-checked (June 2023 to January 2024) lease agreements registered (between January 2016 to March 2023) in seven Registration Offices[140] and observed that in 30 cases, there was short-levy of SD and RF amounting to ₹19.02 lakh due to erroneous calculation of AAR and non-consideration of security deposits for calculating consideration value during assessment of SD and RF. Of these 30 cases, in five cases, IDCO had granted[141] lease in favour of M/s OPGC Limited, for a term of 90 years on payment of land premium, annual rent, cess and other charges. Accordingly, SD and RF were to be levied on land premium, other charges and four times of annual rent and cess. However, Audit noticed that SD and RF were levied on the consideration amount that was calculated at the rate of one time of the annual rent and cess. As a result, there was short realisation of SD and RF amounting to ₹8.82 lakh in these five lease cases (***Appendix 3.7.1***). Further, in the other 25 cases of minor mineral lease agreements executed between the lessors (Tahasildars) and the lessees in accordance with the provision of the Odisha Minor Mineral Concession Rules 2016, the Registering Authorities (RAs) registered these documents on realisation of SD and RF based on the consideration value set forth in the documents that did not include Security Deposit paid by the concerned lessees. Audit collected the information about Security Deposit, deposited in minor mineral lease cases from the concerned Tahasil Offices and found that Security Deposit amounting to ₹1.45 crore was realised in the aforesaid lease cases. However, the incident of payment of security deposit was not included in the calculation of consideration amount for assessing the SD and RF by the RAs. This resulted in the loss of SD and RF amounting to ₹10.20 lakh (***Appendix 3.7.2)***.

The matter has been reported (June 2024) to the Inspector General of Registration; reply is awaited (October 2025).

### 3.8 Short realisation of Stamp Duty and Registration Fee on Power of Attorney instruments

**Non-imposition and realisation of Stamp Duty and Registration Fee on Power of Attorney instruments as per the provisions of the Indian Stamp Act, resulted in short realisation of Government revenue of ₹ 2.37 crore.**

As per the explanation to Article 23 of Schedule 1-A of Indian Stamp (IS)

[140] DSR Angul, DSR Mayurbhanj, SR Talcher, SR Sukinda, SR Bamanghaty, DSR Keonjhar and SR Lakhanpur

[141] one in November 2020 and four in March 2022

Act, 1899 (as amended in Odisha Amendment Act, 2014), a Power of Attorney (PoA) under Article 48 (f) of IS Act, authorising a person other than family[142] in relation to the executant, to sell immovable property situated in Odisha, shall be deemed to be a conveyance. Accordingly, the Stamp Duty (SD) at the rate of five *per cent* on the amount of the consideration as set forth in the deed or market value of the property, whichever is higher, shall be payable on the instrument on the basis of the market value of the property. The rate of SD was, however, reduced to two *per cent* with effect from 5 October 2021. In addition to SD, Registration Fee (RF) at the rate of two *per cent* of the value of documents shall also be payable for the purposes, as specified in Section 78 of the Registration Act, 1908. In case of PoA in favour of family members, SD payable was ₹ 1,000 as per Article 48 (h) of the Act.

Audit test-checked (January 2023 to March 2024) PoA documents of 52 properties in 10 District Sub-Registrar/ Sub-Registrar Offices[143] and noticed that 28 PoA documents were registered (between January 2015 and March 2023) after realisation of nominal amounts of SD and RF. The realised amount of SD ranged from ₹ 500 to ₹ 2,010 and RF at a rate of ₹ 250 in each case. Thus, the total amount of SD & RF realised was ₹ 0.38 lakh.

Audit observed that in none of the 28 cases, the PoA holders were falling under the definition of 'family', as defined under Article 48 of the IS Act. The attorney holders of these 28 PoAs were authorised to sell immovable properties, measuring a total of 48.195 acres of land. Hence, the documents were to be classified as conveyance, falling under Article 48 (f), on which, SD should have been imposed at the prevailing rate of five or two *per cent* of the consideration value or market value, whichever was higher. Likewise, RF should have been imposed at the rate of two *per cent*, as per the provisions of the Registration Act. However, the rates of SD and RF imposed by the 10 Registering Offices were neither in accordance with Article 48 (f) nor Article 48 (h). Further, the basis on which the SD and RF had been imposed at such a rate was not on record and was thus, arbitrary.

Audit further observed that the Benchmark Value[144] of these 52 properties was ₹ 35.75 crore on which imposable amounts of SD and RF worked out to be ₹ 2.37 crore against which, only ₹ 0.38 lakh had been realised by the concerned Registering Authorities. As a result, there was loss of revenue of ₹ 2.37 crore to the Government ***(Appendix 3.8.1)***.

The matter has been reported (November 2024) to the Government; reply is awaited (October 2025).

142 Father, mother, wife, husband, son, daughter, brother or sister, daughters-in-law, grandson, grand-daughter, grand-father and grand-mother

143 **District Sub-Registrar Offices**: Jharsuguda and Keonjhar; **Sub-Registrar Offices**: Nandapur, Khandagiri, Berhampur-I, Berhampur-II, Bamanghaty, Barbil, Satyabadi and Dolipur

144 The value of an individual immovable property fixed/ revised by the Valuation Committees is termed as its 'Benchmark Value'. The Benchmark value is based on the market value and therefore represents market value

## 3.9 Short realisation of Government revenue, amounting to ₹ 1.93 crore

**Short-levy of Stamp Duty and Registration Fee on Lease Agreements executed to let out or sub-let the immovable property on rent for commercial use led to loss of revenue amounting to ₹ 1.93 crore.**

Explanation to Article 35 of the Indian Stamp (IS) Act, 1899, Odisha Amendment (OA), states that when a lessee undertakes to pay any recurring charge, such as Government revenue, the landlord's share of cesses or the owner's share of municipal rates or taxes, which is by law, recoverable from the lessor, the amount so agreed to be paid by the lessee shall be deemed to be part of the rent. Further, as per Article 35 (a) (iii) to (vi) of the Act, when the lease is for a period, varying from 5 to 100 years, Stamp Duty (SD) is to be imposed on a consideration equal to one to four times[145] the value of the Average Annual Rent (AAR) reserved. Further, where the lease is granted for a fine or premium, or money advanced in addition to rent, the SD shall be leviable as per the Article 35(c) of the IS Act at the rate, same as conveyance for a consideration equal to the amount or value of such fine or premium, or advances set forth in the lease, in addition to SD levied under clause (a) of the said Article. In terms of the Article 23 of Schedule I-A of the Act, SD is to be chargeable at the rate of five *per cent* of the amount or value of the consideration. In terms of the notification (January 2001) of the Revenue and Disaster Management Department, Registration Fee (RF) at the rate of two *per cent* of the value of the consideration of the documents is to be imposed.

Audit test-checked (May 2023 to March 2024) lease deeds in 14 District Sub-Registrar (DSR) and Sub-Registrar (SR) offices[146] and observed that in 64 cases, lease agreements were registered (December 2018 to March 2023) to let out or sub-let the property for commercial purpose for tenures ranging from 7 to 41 years. In terms of the agreements, the lessees were to pay monthly rent with annual escalation of 5 to 20 *per cent* (except in one case, where annual escalation of rent was 94 *per cent*), along with Goods and Services Tax[147] (GST) on the rent and security deposit, at the prescribed rate.

Thus, as per the provisions of the IS Act, AARs were to be calculated considering rent (inclusive of GST) and tenure of lease. Therefore, for the purpose of levying SD and RF, the total considerations should be the sum of AAR and security deposit.

Audit observed that the sampled DSRs and SRs did not consider GST, amounting to ₹ 4.98 crore and also ignored security deposit amounting to ₹ 21.10 crore, for arriving at the total consideration to determine the amounts of SD and RF.

Audit worked out the total consideration in the test-checked 64 cases as ₹ 144.77 crore, on which the SD and RF payable were ₹ 7.22 crore and

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145 Lease period for five to 10 years - one time, 10 to 20 years - two times, 20 to 30 years - three times and 30 to 100 years - four times.

146 **DSRs**: Angul, Jharsuguda, Jajpur, Khurda, Keonjhar, Mayurbhanj and Sambalpur
**SRs**: Barbil, Balianta, Berhampur-1, Khandagiri, Nandapur, Sukinda and Talcher

147 The Goods and Services Tax (GST) at the rate of 18 *per cent* shall be payable by the Lessee in addition to Rent on the property, rented for commercial purpose.

₹ 2.90 crore, respectively. Against this, the SD and RF imposed and realised were ₹ 5.80 crore and ₹ 2.39 crore respectively, resulting in short imposition of Government revenue of ₹ 1.93 crore.

Thus, due to erroneous assessment of SD and RF, there was short realisation of government revenue, amounting to ₹ 1.93 crore in 14 DSR & SR offices during the period from December 2018 to March 2023.

Accepting the audit observations, the DSRs of Angul, Jharsuguda, Jajpur, Khurda, Keonjhar, Mayurbhanj and Sambalpur and SRs of Barbil, Balianta, Berhampur-I, Khandagiri, Nandapur, Sukinda and Talcher stated (May 2023 to February 2024) that demand notices would be issued to the concerned parties for realisation of deficit SD and RF.

The matter has been reported (November 2024) to the Revenue and Disaster Management Department; reply is awaited (October 2025).

### 3.10 Loss of revenue due to short-levy of Stamp Duty and Registration Fee on Agreement to Sell

**Registration authorities, while assessing Stamp Duty and Registration Fee on Agreement to Sell documents had erred in applying the provisions of the Indian Stamp Act. Consequently, there was short realisation of Government revenue of ₹1.03 crore.**

As per the provisions of Article 23 of the Indian Stamp (IS) Act, 1899, an Agreement to Sell involving delivery of possession of any immovable property shall be deemed to be a conveyance and accordingly Stamp Duty (SD) shall be payable on the instrument on the basis of the market value of the property, provided that the SD already paid on such Agreement to Sell shall, at the time of execution of the sale deed by the same person in pursuance of such agreement, be adjusted towards the total amount of such duty chargeable on the conveyance. Further, as per Clause (b) of the above Article, SD shall be charged at five *per cent* of the amount or value of the consideration for such conveyance as set forth therein or market value of the property, whichever is higher, which was subsequently revised to two *per cent* with effect from 05 October 2021. Besides this, Registration Fees (RF) at the rate of two *per cent* was payable on the consideration value or market value of the property, whichever was higher. Revenue & Disaster Management Department was responsible for fixation of Benchmark Value, based on the prevailing market value.

Audit test-checked (May 2023 to January 2024) documents relating to Agreement to Sell in three registration offices[148] and noticed that in five cases of Agreement to Sell (registered between October 2019 and November 2022), the land-owners had handed over the physical possession of properties to the purchasers. Thus, the agreements were to be treated as conveyance, as per the provision of Article 23 of the IS Act and SD and RF were to be levied on consideration set forth in the deed or, the market value of the property, whichever was higher. Audit noticed that the assessment of SD and RF was erroneous in all the five cases, resulting in short realisation of SD and RF amounting to ₹1.03 crore, as detailed in ***Appendix 3.10.1.***

[148] DSR Khurda, DSR Jharsuguda and SR Brahmapur-II

In this regard, Audit observed the following:

- Regarding imposition of SD, only in one case (Sl. No.2 of the ***Appendix 3.10.1***), the SD had been correctly imposed at the prevailing rate of two *per cent* on the market value, which was higher than the consideration value. In another case (Sl. No. 3), SD had been imposed at the rate of two *per cent* on the amount of advance paid by the purchaser. In two other cases (Sl. Nos. 1 and 4), nominal amount of SD (₹ 35 and ₹ 100 respectively) had been imposed, which had no justification. In the remaining case (Sl. No.5), SD had been imposed at the prevailing rate of two *per cent* on the consideration value (₹ 3.22 crore) despite the market value (₹ 6.08 crore) being higher. As a result, there was short realisation of SD amounting to ₹ 68.71 lakh.

- On imposition of RF, the same had been imposed at the prescribed rate of two *per cent* on the amount of advance paid by the purchasers, in four cases (Sl. Nos. 1 to 4 of ***Appendix 3.10.1***) instead of the consideration or market values, whichever was higher. In the remaining one case (Sl.No.5), the same had been imposed on the consideration value (₹ 3.22 crore) despite the market value (₹ 6.08 crore) being higher. Consequently, there was short realisation of RF amounting to ₹ 33.81 lakh.

It would be evident from the above that the Registering authorities were grossly wrong in applying the provisions of the IS Act as either the rate of the SD had been applied incorrectly or the value for the purpose of SD/ RF had been adopted erroneously. Due to such erroneous actions, there was short realisation of Government revenue of ₹1.03 crore towards the SD (₹68.71 lakh) and RF (₹33.81 lakh)

The District Sub-Registrars of Khurda, Jharsuguda districts and Sub-Registrars of Brahmapur-II, while accepting the audit observations, stated (May 2023 to January 2024) that demand notices would be issued to the parties concerned for the realisation of Government revenue.

The matter has been reported (May 2024) to Inspector General of Registration, reply is awaited (October 2025).

### 3.11 Non/ Short-realisation of differential Stamp Duty and Registration Fee on enhanced production quantity

**Despite enhancement of production level of mines, the differential Stamp Duty and Registration Fees had not been levied and realised on the enhanced production level, resulting in non-realisation of Government revenue of ₹148.46 crore.**

As per Article 35 (a) of Schedule I-A of Indian Stamp Act (Odisha Amendment), 1899, in a lease, if the rent is fixed and no premium is paid or delivered and the lease purports to be for a term exceeding five years or any indefinite term, the Stamp Duty (SD) shall be leviable at the rate same as a conveyance for a consideration equal to the amount or value of the average annual rent (AAR) reserved, as prescribed in sub-clause (iii) to (viii) of this Article[149].

The Steel and Mines Department, Government of Odisha, notified (13 January 2012) that the items of (i) Preliminary expense, (ii) Security deposit, (iii) Surface rent, (iv) Dead rent or Royalty, whichever is higher, shall be taken into account for valuation of SD. The notification further stipulated that for calculating the anticipated royalty, the highest annual production planned in the mining plan/mining scheme of the lessees shall form the basis of assessment of SD. In case the production level is enhanced through modification of mining plan in the later years, the SD shall be reassessed on the differential production level and the lessee shall deposit the differential SD before such enhancement is actually carried out. These guidelines shall also be made applicable to the leases already executed, wherever the applicant paid SD on the basis of royalty, calculated on a production level lower than that approved by the appropriate authority in the mining plan. As per the notification (5 August 2008) of the Revenue and Disaster Management Department, SD was to be charged at the rate of five *per cent* and RF at the rate of two *per cent*.

Audit examined (June-July 2023 and November 2023) mining lease deeds registered at two District Sub-Registrar (DSR) offices at Keonjhar and Jajpur, pertaining to the period from January 2019 to March 2023 and cross verified the respective mining plans and production levels from the Office of the Deputy Director of Mines (DDM) at Keonjhar and Jajpur under the Steel and Mines Department. Audit noticed (July-November 2023) from the records of the Offices of the DDM, Keonjhar and DDM, Jajpur that the annual production levels of major minerals of three mines *viz.*, Nuagaon Iron Ore Mines, Gandhamardhan Iron Ore Mines and Kaliapani Chromite Mines, had been enhanced, after modifying mining plans. However, SD and RF on the enhanced production quantities, amounting to ₹ 148.28 crore had not been realised, as shown in ***Table 3.11.1*** and ***Appendix 3.11.1***.

***Table 3.11.1: Unrealised Stamp Duty and Registration Fees on the enhanced production level***

| Sl. No. | Name of the Mine Block | DSR | Annual production quantity (MT) | | Quantity enhanced | Unrealised SD and RF (₹ in crore) |
|---|---|---|---|---|---|---|
| | | | Original | Enhanced | | |
| 1 | Nuagaon Iron Ore Block over an Area of 776.969 Hectares. | DSR, Keonjhar | 75,90,258 | 2,00,00,000 | 1,24,09,742 | 147.76 |
| 2 | Gandhamardhan Iron Ore Mines, Block-B over an Area 1590.8673 Hectares. | | 91,15,680 | 91,20,000 | 4,320 | 0.05 |

149 SD, if, lease period (Sub-clause iii) exceeding 5 years, but not exceeding 10 years, on the AAR; (Sub-clause iv) exceeding 10 years, but not exceeding 20 years, on twice of the AAR; (Sub-clause v) exceeding 20 years, but not exceeding 30 years, on thrice of the AAR; (Sub-clause vi) exceeding 30 years, but not exceeding 100 years, on four times of the AAR; (Sub-clause vii) exceeding 100 years or on perpetuity, on one-sixth of the rent to be delivered in the first 50 years; (Sub-clause viii) not for a definite period, on three times of the AAR to be delivered for the first 10 years

| Sl. No. | Name of the Mine Block | DSR | Annual production quantity (MT) | | Quantity enhanced | Unrealised SD and RF |
|---|---|---|---|---|---|---|
| 3 | Kaliapani Chromite Mines over an Area of 89.00 Hectares. | DSR, Jajpur | 2,03,860 | 2,15,000 | 11,140 | 0.65 |
| | **Total** | | | | **1,24,25,202** | **148.46** |

***(Source: Records of the Offices of DDM, Keonjhar and Jajpur)***

Audit observed that:

- In case of Nuagaon Iron Ore Block, the maximum annual production had been fixed at 75,90,258 MT, as per the lease deed entered into (June 2020) between the Steel and Mines Department and M/s JSW Steel Limited. The terms of the lease provided, *inter alia,* that the lessee was to execute an amended lease deed in the event of enhancement of the annual production limit. As per the revised mining plan for the period 2020-21 to 2024-25, approved (October 2020) by the Indian Bureau of Mines, the highest level of annual production was 2,00,00,000 MT. Thus, SD and RF on the enhanced permissible production quantity of 124,09,742 MT was to be realised from M/s JSW. Accordingly, the DDM, Keonjhar had requested (November 2020) the DSR, Keonjhar to re-assess the SD and RF on the enhanced production quantity of 124,09,742 MT. Although the DSR, Keonjhar had re-assessed the SD and RF at ₹294.53 crore, the same was found to be erroneous in Audit[150], and was worked out to be ₹ 228.87 crore. Out of this, the DDM, Keonjhar had collected only ₹ 81.11 crore from M/s JSW. Thus, there was short realisation of SD and RF amounting to ₹ 147.76 crore.

- In case of other two mines *i.e.,* Gandhamardhan Iron Ore Mines and Kaliapani Chromite Mines, the DDMs concerned had not even attempted to refer the matter of enhancement of annual production quantities to the Registering authorities concerned for re-assessment of the SD and RF, for realising the differential amount from the lessees. In one case, Annual Production Quantity had enhanced from 91,15,680 MT to 91,20,000 MT i.e., an increase of 4,320 MT, resulting in AAR of ₹ 0.72 crore. In another case, it had enhanced to 11,140 MT, resulting in AAR of ₹ 9.33 crore. Audit worked out the amount of non-realisation of SD and RF as ₹ 0.05 crore from Gandhamardhan Iron Ore Mines and ₹ 0.65 crore from Kaliapani Chromite Mines.

Thus, despite enhancement of production quantities of three mines in Keonjhar and Jajpur, the differential SD and RF had not been levied and realised, resulting in non-realisation of Government revenue of ₹ 148.46 crore.

The matter has been reported (December 2024) to the Government; reply is awaited (October 2025)

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150 The DSR, Keonjhar had assessed SD and RF by wrongly considering the amount deposited towards Surface Rent and SD, instead of considering royalty on the enhanced quantity only.
Production level enhanced from 75,90,258 to 2,00,00,000 MT; therefore, differential production level = 1,24,09,742 MT. On this, SD & RF was wrongly assessed by DSR Keonjhar as ₹ 2,94,53,44,617 (considering Surface Rent + SD, instead of royalty).

## 3.12 Improper valuation of buildings for realisation of Stamp Duty and Registration Fee

**Negligence of the Registering Authorities in adhering to the building valuation guidelines for valuing buildings for the purpose of assessing Stamp Duty and Registration Fee, there was loss of Government revenue amounting to ₹ 27.42 lakh.**

As per Section 27 of the Indian Stamp (IS) Act, 1899, (Odisha Amendment, 1987) read with Section 3 of the Act. *ibid*, the consideration (if any), the market value of the property and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of the duty with which it is chargeable, shall be fully and truly set forth in the document. Revenue & Disaster Management Department (RDM), Government of Odisha, issued (May 2019) revised guidelines, indicating cost per square feet of floor area of buildings, tiles/ boundary walls, electrical installations and sanitary fittings to be taken for valuation of buildings for the purpose of levy of Stamp Duty (SD) and Registration Fee (RF). The guidelines also prescribed that the depreciation of building value may be claimed by the executant at the rate of 1.5 to 10 *per annum* according to the categories of building and based on the year of construction. The Registering Authorities (RA) were instructed (October 2017) to insist upon production of the approved plan of the competent authority of building/superstructure before registration of the instruments. Rates for levy of SD and RF applicable to conveyance deeds were fixed at five and two *per cent* respectively. In case of female buyer, the rate of SD and RF were four *per cent* and two *per cent* respectively with effect from 29 November 2016.

Audit test-checked Sale deeds (October 2019 to March 2023) in four Registration Offices, *viz*., District Sub Registrar (DSR) Keonjhar, DSR Balasore, DSR Sambalpur and Sub Registrar (SR) Nandapur. It was noticed that the value of the buildings had been understated in the Sale deeds by ₹ 3.46 crore[151], leading to loss of SD and RF amounting to ₹ 27.42 lakh, as detailed in **(*Appendix 3.12.1*)**.

- In seven cases (Sl. No.1, 2, 4, 5, 6, 7, 8 of the Appendix 3.12.1), the rates of cost of construction considered for arriving at the value of the building were less than the notified rate by ₹84 to ₹1589 per square feet resulting in under valuation of the building.
- In one case (Sl. No. 5 of Appendix 3.12.1), the value of the building had been arrived at on the basis of valuation made by the Balasore (R&B) Division-1, (under Works Department) on request of the DSR, Balasore. The rate of construction cost adopted by the Division was, however, found to be less than the notified rate. Since the valuation of the buildings was to be done on the basis of the notified rates issued by the RDM Department, the DSR should not have got the building valued through the R&B Division. Thus the guidelines issued by the RDM Department for ensuring fairness and maintaining uniformity in valuation of buildings were violated by the DSR.

[151] ₹1,462.96 lakh – ₹1,117.31 lakh = ₹345.65 lakh (₹3.46 crore)

- The RDM guidelines (May 2019) prescribed that for residential buildings, 10 *per cent* of the plinth area rate was to be added for internal electrical installations and 15 *per cent* towards internal sanitary fittings. However, in two instances (Sl. No. 3 and 5 of Appendix 3.12.1), the value of sanitary fittings and electrical installations had not been added to the cost of buildings. Similarly, in another instance (Sl. No. 9), the value of such electrical installations and sanitary fittings had been taken at the rate of 20 *per cent* of the cost of the building against the stipulated rate of 25 *per cent* (10+15).
- As the guidelines allowed depreciation on the cost of the building at a rate of 1.5 to 10 *per cent* per annum depending upon the classification and the year of construction of the building, the recitals should disclose the year of construction. However, in six cases (Sl. No. 1, 3, 6, 7, 8 and 9), no such disclosure had been made. In two cases (Sl. No. 4 and 5), the depreciation at higher rate than the admissible rate applicable to the particular class of building was allowed on the basis of the valuation report submitted by the R&B Division-1, Balasore. Apart from the instances enlisted in the Appendix 3.2.1, in two other instances[152], Audit noticed that despite disclosure of year of construction of buildings, depreciation had not been factored into valuation of buildings. This indicated that the Registering Authorities were not ensuring adherence to guidelines in drawing recitals.

Audit observed from the above instances that the Registering Authorities had not exercised due diligence in adhering to the building valuation guidelines, issued by the RDM Department in May 2019, in order to check pilferage of Government revenue. Such negligence of the Registering authorities, resulted in loss of revenue of ₹ 27.42 lakh to the Government.

The matter has been reported (December 2024) to the Inspector General of Registration; reply is awaited (October 2025).

It is recommended that RDM Department should exercise adequate oversight over the functioning of the Registering authorities in regard to valuation of buildings, on the basis of the extant guidelines

## EXCISE DEPARTMENT

### 3.13 Non-realisation of ₹ 1.02 crore for extra hours of Operation Charges

**Despite provisions in the Odisha Excise Rules, an amount of ₹1.02 crore towards extra hour operation charges was not demanded by District Excise Officer, Ganjam from M/s ASCIL, which operated the distillery for 3,404 extra hours.**

Rule 79 of the Odisha Excise Rules (OER), 2017, stipulates eight hours per day as the operational duration of a distillery or any other production unit. However, the licensee may continue operations beyond eight hours per day, subject to prior

[152] (a) SR, Bamanghati, Document ID No.1272000391, dated: 11.12.2020, Year of Construction: 1958; (b) DSR, Jajpur, Document ID No. 781901696, dated: 23.10.2019, Year of Construction: 2003 and 2015

approval of the Excise Commissioner. In the event of operation beyond eight hours, additional Excise Staff would need be posted therein and the licensee would have to pay ₹ 3,000 for each extra hour of operation.

During the Audit of the District Excise Office, Ganjam, it was observed (December 2023) that M/s Aska Co-operative Sugar Industries Limited (ASCIL), a manufacturer of spirit, operated its unit for 3,404 extra hours over 476 days during the period 2021-22 to 2022-23, for which no permission was sought from the Excise Commissioner. Audit also noted that though M/s ASCIL had not sought permission, the Excise authority had posted additional Excise staff therein to oversee the operations during these extra hours. It was, however, noted that no demand towards extra hour operation charges were raised against M/s ASCIL, which worked out to be ₹ 1.02 crore.

Thus there was an administrative lapse on the part of the Excise authorities as they allowing ASCIL to operate beyond the prescribed hours without obtaining the required prior approval. Besides this, they also failed to raise the necessary demand against ASCIL, for deployment of additional staff during these extended operational hours.

The Superintendent of Excise, Ganjam stated (December 2023) that the observations of Audit would be verified for further action.

The matter has been reported (May 2024) to the Excise Commissioner; their reply is awaited (October 2025).

### 3.14 Inaction of the District Excise Officers in recovery of licence fees

**Failure of the District Excise Officers in taking timely steps for recovery of Licence Fees from the licensees of the retail shops led to non-realisation of Government revenue amounting to ₹53.27 lakh.**

As per Rule 34 (1) of the Odisha Excise Rules, 2017, Consideration Money[153] for retail sale of country liquor or India Made Foreign Liquor (IMFL) or Beer or any intoxicating drug is to be paid by the licensee. Rule 34 (2) provides that such licence fee shall be deposited by the licensee (a) in advance, for two months or for a longer period not exceeding six months as may be specified in each case by the Collector and (b) in addition to the advance, a month's licence fee on the first-day of every month must also be deposited. This procedure of realisation of Consideration Money ensures that the entire amount is recovered during the currency of the license so that no amount would be left outstanding. Rule 52 (1) (u) provides that the authority competent to grant licence can revoke/ suspend the same in the event of non-payment of fees.

Section 31 of the Odisha Excise, Act 2008 envisages that dues payable to the Government under the Excise Act shall be recovered in a manner as if they were land revenue. On the matter of recovery of land revenue, the administrative Department concerned of the Government of Odisha *i.e.*, Revenue and Disaster Management (RDM) Department notified (November 2010) that arrears of land revenue would be recovered along with penal interest at a rate of 12 *per cent* per annum.

[153] The fee in consideration of grant of exclusive privileges to the licensees of IMFL/Beer/Country Liquor and any other intoxicant retailer

During scrutiny of records of District Excise Offices, Angul (September 2023) and Jajpur (January 2024), Audit noticed that six retail shops of country liquor/ OS, whose licences had expired at different dates between March 2020 and March 2022, had defaulted in payment of Consideration Money amounting to ₹ 42.96 lakh (***Appendix 3.14.1).*** As such, the six defaulted licensees were liable to pay penal interest at a rate of 12 *per cent*, amounting to ₹10.31 lakh on the deficit amount of licence fee, as of March 2024.

Audit observed that the District Excise Officers (DEO) concerned, in exercise of power conferred upon them under Rule 52 (1) (u) had not taken any steps against the defaulted licensees for realisation of Government dues. Only DEO, Angul had issued (August 2022) notices to two retail shops demanding outstanding licence fees. After being pointed out in Audit, DEO, Jajpur issued (February 2024) show-cause notices to four licensees on short deposit of Consideration Money.

Audit also observed that no action had been taken by the DEOs concerned to effect recovery of the outstanding amount as per the provision of the notification issued by the RDM Department in November 2010. Thus, the absence of timely action by the DEOs against the licensees for securing deposit of the Consideration Money, led to non-realisation of Government revenue amounting to ₹53.27 lakh.

The Department stated (February 2025) that certificate cases have been initiated to realise outstanding revenue.

Bhubaneswar
The 29 JUNE 2026

**(SUBU R.)**
**Principal Accountant General (Audit-I)**
**Odisha**

Countersigned

New Delhi
The 06 JULY 2026

**(K. SANJAY MURTHY)**
**Comptroller and Auditor General of India**

# Appendices

## Appendix 1.1
*(Refer Paragraph 1.3)*
## Audit jurisdiction of Office of the Principal Accountant General (Audit-I), Odisha during 2023-24

| Sl. No. | Names of the Departments | Sl. No. | Public Sector Undertakings[1] (PSU) Under Section 19 (1) |
|---|---|---|---|
| 1. | Electronics and Information Technology | 1. | Bhubaneswar Smart City Limited |
| 2. | Excise | 2. | Rourkela Smart City Limited |
| 3. | Finance | 3. | Odisha State Medical Corporation Limited |
| 4. | General Administration and Public Grievance | 4. | Water Corporation of Odisha |
| 5. | Health and Family Welfare | 5. | Odisha Rural Housing and Development Corporation |
| 6. | Higher Education | 6. | Bhubaneswar Metro Rail Corporation Limited |
| 7. | Housing and Urban Development | 7. | Odisha State Beverages Corporation Limited |
| 8. | Information & Public Relations | 8. | World Skill Centre, Odisha |
| 9. | Labour & Employees' State Insurance | 9. | Odisha Sports Development Promotion Company |
| 10. | Mission Shakti | 10. | Odisha Mineral Bearing Areas Development Corporation |
| 11. | Panchayati Raj and Drinking Water | | **Autonomous Bodies under Section 19 (2)** |
| 12. | Parliamentary Affairs | 1. | Odisha Building and Other Construction Workers Welfare Board |
| 13. | Planning and Convergence | | **Autonomous Bodies under Section 19 (3)** |
| 14. | Revenue and Disaster Management | 1. | Berhampur Development Authority |
| 15. | Rural Development | 2. | Bhubaneswar Development Authority |
| 16. | School and Mass Education | 3. | Cuttack Development Authority |
| 17. | Skill Development and Technical Education | 4. | Kalinga Nagar Development Authority |
| 18. | Social Security and Empowerment of Persons with Disabilities | 5. | Paradeep Development Authority |
| 19. | Sports and Youth Services | 6. | Puri & Konark Development Authority |
| 20. | Scheduled Tribes and Scheduled Caste Development, Minorities & Backward Classes Welfare | 7. | Rourkela Development Authority |
| 21. | Women and Child Development | 8. | Sambalpur Development Authority |
| | | 9. | Talcher Angul Development Authority |

[1] Excluding 98 bodies/ authorities substantially financed by the State Government and audited under Section 14

**Appendix 1.2**
***(Refer Paragraph 1.4.2)***

**Department-wise and year-wise break-up of the outstanding Inspection Reports (IRs) and Paragraphs up to June 2024**

| Sl. No. | Department | Up to 2020-21 | | 2021-22 | | 2022-23 | | 2023-24 | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. of IRs | No. of Paras | No. of IRs | No. of Paras | No. of IRs | No. of Paras | No. of IRs | No. of Paras | No. of IRs | No. of Paras |
| 1. | Electronics and Information Technology | 12 | 100 | 02 | 10 | 0 | 0 | 0 | 0 | 14 | 110 |
| 2. | Excise | 0 | 0 | 6 | 30 | 34 | 183 | 8 | 39 | 48 | 252 |
| 3. | Finance | 553 | 953 | 2 | 18 | 61 | 305 | 1 | 2 | 617 | 1,278 |
| 4. | General Administration and Public Grievance | 25 | 110 | 1 | 7 | 3 | 30 | 5 | 33 | 34 | 180 |
| 5. | Health and Family Welfare | 390 | 1,203 | 0 | 0 | 0 | 0 | 1 | 09 | 391 | 1,212 |
| 6. | Higher Education | 352 | 1,596 | 9 | 91 | 6 | 63 | 12 | 135 | 379 | 1,885 |
| 7. | Information and Public Relations | 54 | 132 | 0 | 0 | 13 | 81 | 4 | 23 | 71 | 236 |
| 8. | Labour and Employees' State Insurance | 54 | 237 | 0 | 0 | 1 | 19 | 1 | 10 | 56 | 266 |
| 9. | Panchayati Raj and Drinking Water | 3,110 | 11,229 | 10 | 62 | 42 | 514 | 157 | 1,433 | 3,319 | 13,238 |
| 10. | Housing and Urban Development | 545 | 5,867 | 31 | 381 | 48 | 737 | 38 | 548 | 662 | 7,533 |
| 11. | Planning and Convergence | 23 | 86 | 7 | 45 | 1 | 6 | 1 | 13 | 32 | 150 |
| 12. | Revenue and Disaster Management | 2,150 | 6,596 | 31 | 355 | 15 | 213 | 36 | 362 | 2232 | 7526 |
| 13. | Rural Development | 207 | 535 | 9 | 103 | 15 | 170 | 4 | 71 | 235 | 879 |
| 14. | Parliamentary Affairs | 17 | 39 | 1 | 1 | 3 | 22 | 0 | 0 | 21 | 62 |
| 15. | School and Mass Education | 731 | 2,879 | 8 | 46 | 13 | 192 | 2 | 32 | 754 | 3,149 |

| Sl. No. | Department | Up to 2020-21 | | 2021-22 | | 2022-23 | | 2023-24 | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. of IRs | No. of Paras | No. of IRs | No. of Paras | No. of IRs | No. of Paras | No. of IRs | No. of Paras | No. of IRs | No. of Paras |
| 16. | Social Security and Empowerment of Persons with Disabilities | 39 | 223 | 6 | 49 | 3 | 28 | 8 | 20 | 56 | 320 |
| 17. | Skill Development and Technical Education | 129 | 361 | 2 | 11 | 7 | 48 | 7 | 88 | 145 | 508 |
| 18. | ST and SC Development, Minorities and Backward Classes Welfare | 255 | 1,113 | 18 | 176 | 9 | 141 | 2 | 29 | 284 | 1,459 |
| 19. | Sports and Youth Services | 16 | 47 | 1 | 15 | 0 | 0 | 1 | 48 | 18 | 110 |
| 20. 21. | Women and Child Development and Mission Shakti | 695 | 3,438 | 6 | 56 | 7 | 92 | 9 | 74 | 717 | 3,660 |
| **Total** | | **9,357** | **36,744** | **150** | **1,456** | **281** | **2,844** | **298** | **2,984** | **10,085** | **44,013** |

## Appendix 1.3

*(Refer Paragraph 1.4.2)*

## Outstanding paragraphs on serious irregularities, up to June 2024

***(₹ in lakh)***

| Sl. No. | Name of the Department | Cases of theft/ defalcation/ misappropriation | | Loss of revenue | | Shortage/ losses neither recovered nor written off | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of Paragraphs | Amount | No. of Paragraphs | Amount | No. of Paragraphs | Amount | No. of Paragraphs | Amount |
| 1 | Panchayati Raj and Drinking Water | 28 | 110.46 | 0 | 0 | 0 | 0 | 28 | 110.46 |
| 2 | Housing and Urban Development | 02 | 0.36 | 81 | 3314.1 | 37 | 2018.81 | 120 | 5333.33 |
| 3 | Women and Child Development and Mission Shakti | 6 | 728.63 | 7 | 4.71 | 5 | 32.9 | 18 | 766.24 |
| 4 | Scheduled Tribes and Scheduled Caste Development, Minorities & Backward Classes Welfare | 4 | 3.26 | 4 | 25.05 | 13 | 519.87 | 21 | 548.18 |
| 5 | Social Security and Empowerment of Persons with Disabilities | 5 | 2.43 | 8 | 7.83 | 0 | 0 | 11 | 10.26 |
| 6 | Health and Family Welfare | 12 | 112.01 | 1 | 29.18 | 3 | 15.39 | 16 | 156.58 |
| 7 | Excise | 0 | 0 | 521 | 94665.00 | 28 | 114.00 | 549 | 94779.00 |
| 8 | Finance | 0 | 0 | 0 | 0 | 1 | 7836.15 | 1 | 7836.15 |
| 9 | Electronics and Information Technology | 0 | 0 | 1 | 835.00 | 4 | 1704.27 | 5 | 2539.27 |
| 10 | General Administration and Public Grievance | 1 | 3.55 | 10 | 9851.15 | 18 | 1873.39 | 29 | 11728.09 |
| 11 | Information & Public Relations | 2 | 5.78 | 10 | 796.96 | 1 | 6.45 | 13 | 809.19 |
| 12 | Planning and Convergence | 0 | 0 | 1 | 138 | 0 | 0 | 1 | 138 |
| 13 | Revenue and Disaster Management | 23 | 674.82 | 246 | 68551.91 | 128 | 25427.69 | 397 | 94654.42 |
| 14 | Parliamentary Affairs | 0 | 0 | 0 | 0 | 1 | 0.60 | 1 | 0.60 |
| | **Total** | **83** | **1,641.3** | **890** | **1,78,218.89** | **239** | **39,549.52** | **1,210** | **2,19,409.77** |

## Appendix 1.4
*(Refer Paragraph 1.4.4)*
### Departments which did not submit *suo-motu* replies to paragraphs/ Performance Audits, as of September 2024

| Sl. No. | Name of the Department | No. of Paragraphs/ Performance Audits (PA) involved in the Report for the financial years | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | Total |
| 1. | Revenue & Disaster Management | 0 | 0 | 1 | 0 | 0 | 1 |
| 2. | Panchayati Raj and Drinking Water | 2 | 0 | 0 | 2 | 0 | 4 |
| 3. | Housing and Urban Development | 0 | 0 | 0 | 7 (2 PA-Standalone) | 0 | 7 (2 PA-Standalone) |
| 4. | ST, SC Development, Minorities and Backward Classes Welfare | 0 | 0 | 0 | (1 PA-Standalone) | 0 | (1 PA-Standalone) |
| | **Total** | **2** | **0** | **1** | **9 (3 PAs)** | **0** | **12 paragraphs and 3 PAs** |

**Appendix 1.5**

***(Refer Paragraph 1.4.4)***

**Significant recommendations of Public Accounts Committee (PAC), against which Action Taken Notes were outstanding from Departments, as of September 2024**

| Year of Audit Report with Paragraph No. | PAC Report No./ Recommendation No. | Name of the Department | Gist of the Audit Paragraph | Recommendations of PAC |
|---|---|---|---|---|
| 7.11 of 1993-94 | 17th Report (15th Assembly)/304 | Panchayati Raj and Drinking Water | Unfruitful expenditure on incomplete water harvesting structure. | Department should collect the information on audit objections and submit it to the Committee. |
| 4.14 of 1983-84 | 17th Report (15th Assembly)/310 | Rural Development | Supply of drinking water to problem villages. | Department should initiate departmental proceedings against the concerned errant officials, for not furnishing the required Action Taken Notes. |
| 5.4 of 1985-86 | 17th Report (15th Assembly)/311 | | Non-receipt of departmental materials due to non-arrival/missing of railway wagons. | Department should initiate departmental action against the erring officials and award exemplary punishment, for failure to submit Action Taken Notes on the observations of the Committee. |
| 4.30 of 1990-91 | 17th Report (15th Assembly)/362 | | Doubtful execution of work. | Action should be taken against the concerned officials for not furnishing the report of high level enquiry or State Vigilance. |
| 4.20 of 1991-92 | 17th Report (15th Assembly)/372 | | Extra expenditure due to delay in finalisation of designs. | Criminal proceedings should be initiated against the concerned retired Chief Engineer, Superintending Engineer and Executive Engineer for failure to discharge their duties, causing extra expenditure. |
| 4.10.08 (b) of 1995-96 | 17th Report (15th Assembly)/417 | | Other points of interest - Theft or loss of materials. | Disciplinary action should be taken to punish the errant officials and to recover the Government money of ₹ 45.45 lakh from them. |

***(Source: Reports of the Public Accounts Committee)***

## Appendix 2.1

*(Refer Paragraph 2.1.6)*

**List of test-checked units under Performance Audit of Jal Jeevan Mission**

| Sl. No. | Name of the District | Name of the Block | Name of the Village |
|---|---|---|---|
| 1 | Balasore | Basta | Kusuda |
| | | | Panchurukhi |
| | | | Bahadalpur |
| | | | Bhagirathipur |
| | | Khaira | Panisiuli |
| | | | Mahatipur |
| | | | Hanumantpur |
| | | | Mulapada (Sahapur) |
| 2 | Kandhamal | Phiringia | Saitingia |
| | | | Nedipader |
| | | | Ladari |
| | | | Krandibali |
| | | Tumudibandh | Kialaguda |
| | | | Pageripadi |
| | | | Tarlangi |
| | | | Kurtamgada |
| 3 | Puri | Delanga | Machhapara |
| | | | Sripatipur |
| | | | Buali |
| | | | Sri Purusottampur |
| | | Pipili | Hasanpur |
| | | | Saragailo |
| | | | Sanagan |
| | | | Thanathana |
| 4 | Bargarh | Padampur | Barikel |
| | | | Banjhapali |
| | | | Jhankarpalı |
| | | | Kendubhata |
| | | Sohella | Dangarkermeli |
| | | | Jharai |
| | | | Kasipali |
| | | | Kelenda |
| 5 | Malkangiri | Korukonda | Suripoda |
| | | | Gangapada |
| | | | Tikarpada |
| | | | Nuagam |
| | | Mathili | Karapali |
| | | | Tulasi |
| | | | Pullapally |
| | | | Jamuguda |

**Appendix 2.2**
***(Refer Paragraph 2.1.12.8)***

**Status of Source Failure in the State**

| Sl. No. | District | Division | No. of projects sanctioned | No. of projects in which source had failed | Reasons of source failure | Out of failed source, No. of sources augmented | No. of projects remaining non-functional due to source failure |
|---|---|---|---|---|---|---|---|
| 1 | Keonjhar | Anandapur | 3 | 3 | 1. Less yield of source<br>2. Defunct of intake well<br>3. Inadequate water from existing bore well | 0 | 3 |
| 2 | Angul | Angul | 80 | 13 | Less yield of source | 0 | 0 |
| 3 | Balasore | Balasore | 1,162 | 1 | Dried source | 0 | 1 |
| 4 | Bargarh | Bargarh | 309 | 10 | Less yield/collapse of source | 0 | 6 |
| 5 | Mayurbhanj | Baripada | 133 | 45 | Less yield/collapse/Dried/Quality affected source | 0 | 3 |
| 6 | Ganjam | Bhanjanagar | 944 | 4 | Less yield | 0 | 0 |
| 7 | Khurda | Bhubaneswar | 267 | 13 | Source collapsed - 4 Nos.<br>Less yield - 8 Nos.<br>Source dried up in summer- 1 No. | 2 | 0 |
| 8 | Boudh | Boudh | 7 | 1 | Less Yield | 0 | 0 |
| 9 | Dhenkanal | Dhenkanal | 129 | 1 | Less yield | 0 | 1 |
| 10 | Gajapati | Gajapati | 140 | 7 | Presence of Boulder Zone | 0 | 3 |
| 11 | Jajpur | Jajpur | 100 | 8 | Less yield/ collapsed/dried source/ iron in water | 0 | 3 |
| 12 | Kalahandi | Kalahandi | 1,472 | 221 | Less yield due to collapse of bore well | 48 | 173 |
| 13 | Nabarangpur | Nabarangpur | 1,053 | 112 | Less yield/ collapsed source/ dried source | 46 | 0 |
| 14 | Nayagarh | Nayagarh | 19 | 3 | Defunct intake well/ collapsed Borewell | 3 | 3 |
| 15 | Nuapada | Nuapada | 177 | 44 | Water Table draws down during summer | 12 | 32 |
| 16 | Puri | Puri | 208 | 22 | High chloride content, high iron content, less yield, dried source | 8 | 1 |
| 17 | Mayurbhanj | Rairangpur | 103 | 4 | Less yield/ collapsed source/ dried source | 0 | 0 |
| 18 | Rayagada | Rayagada | 108 | 13 | Less yield | 6 | 0 |
| | **TOTAL** | | **6,414** | **525** | | **125** | **229** |

***(Source: Information furnished by the respective RWSS Divisions)***

**Appendix 3.1.1**

***(Refer Paragraph 3.1.2.7)***

**Details of land occupied unauthorisedly by various private companies**

| Name of Tahsil | Name of village | Khata No. | Plot No. | Area occupied in acre | Name of Occupier |
|---|---|---|---|---|---|
| Jharsuguda | Hirma | 252 | 1801/4309 | 20.950 | NLC India Ltd. |
| Jharsuguda | Marakuta | 282 | 139 | 2.080 | M/s Odisha Metallics Pvt Ltd. |
| Jharsuguda | Marakuta | 282 | 122 | 2.910 | |
| Jharsuguda | Marakuta | 282 | 124 | 0.010 | |
| Jharsuguda | Marakuta | 282 | 127 | 4.420 | |
| Jharsuguda | Marakuta | 282 | 128 | 0.120 | |
| Jharsuguda | Marakuta | 282 | 129 | 0.270 | |
| Jharsuguda | Marakuta | 282 | 132 | 0.230 | |
| Jharsuguda | Marakuta | 282 | 133 | 0.870 | |
| Jharsuguda | Marakuta | 282 | 134 | 0.120 | |
| Jharsuguda | Marakuta | 282 | 136 | 0.170 | |
| Jharsuguda | Marakuta | 282 | 138 | 0.100 | |
| Jharsuguda | Marakuta | 282 | 199 | 0.300 | |
| Jharsuguda | Marakuta | 282 | 202 | 0.600 | |
| Jharsuguda | Marakuta | 282 | 204 | 1.700 | |
| Jharsuguda | Marakuta | 282 | 205 | 0.310 | |
| Jharsuguda | Marakuta | 282 | 206 | 3.280 | |
| Jharsuguda | Marakuta | 282 | 470 | 0.700 | |
| Jharsuguda | Marakuta | 282 | 472 | 0.120 | |
| Jharsuguda | Marakuta | 282 | 381 | 2.160 | |
| Jharsuguda | Marakuta | 282 | 466 | 0.250 | |
| Jharsuguda | Marakuta | 282 | 464 | 1.000 | |
| Jharsuguda | Marakuta | 282 | 318 | 2.970 | |
| Jharsuguda | Marakuta | 282 | 300 | 4.600 | |
| Jharsuguda | Marakuta | 282 | 302 | 0.220 | |
| Jharsuguda | Marakuta | 282 | 438 | 0.290 | |
| Jharsuguda | Marakuta | 282 | 356 | 0.730 | |
| Jharsuguda | Marakuta | 282 | 350 | 0.110 | |
| Jharsuguda | Marakuta | 282 | 352 | 0.140 | |
| Kolabira | Raghunathpali | 271 | 1419 | 12.270 | Jay Hanuman Udyog Ltd. |
| Kolabira | Raghunathpali | 271 | 1389 | 0.220 | Apar Industries |
| Kolabira | Raghunathpali | 270 | 1431(p) | 0.271 | |
| Kolabira | Raghunathpali | 271 | 1359(p) | 7.413 | Fortis Chemicals Pvt Ltd. |
| Kolabira | Raghunathpali | 270 | 1432 | 2.742 | |
| Odapada | Kurunti | 572 | 3155 | 0.850 | BRG Iron and Steels Limited |
| Odapada | Kurunti | 573 | 3157/4056 | 0.120 | |
| Odapada | Kurunti | 546/643 | 3158/4681 | 0.180 | |
| Odapada | Kurunti | 571/1 | 3175/6769 | 0.030 | |
| Odapada | Kurunti | 573 | 3179 | 0.870 | |

| Name of Tahsil | Name of village | Khata No. | Plot No. | Area occupied in acre | Name of Occupier |
|---|---|---|---|---|---|
| Odapada | Kurunti | 573 | 3183 | 1.040 | |
| Odapada | Kurunti | 573 | 3190 | 0.100 | |
| Odapada | Kurunti | 572 | 3193/4058 | 0.150 | |
| Odapada | Kurunti | 573 | 3467 | 0.210 | |
| Odapada | Kurunti | 573 | 3494 | 0.610 | |
| Odapada | Kurunti | 573 | 3499 | 0.990 | |
| Odapada | Kurunti | 573 | 3516/4374 | 0.100 | |
| Odapada | Kurunti | 573 | 3633 | 0.260 | |
| Odapada | Kurunti | 573 | 3643 | 0.230 | |
| Odapada | Kurunti | 573 | 3750 | 2.050 | |
| Odapada | Kurunti | 573 | 3754 | 0.440 | |
| Odapada | Kurunti | 573 | 3157 | 0.780 | |
| Odapada | Kamalanga | 776 | 3257 | 2.930 | GMR Energy Limited |
| Odapada | Kamalanga | 776 | 3304 | 2.320 | |
| Odapada | Kamalanga | 776 | 4244/10399 | 17.620 | |
| Odapada | Kamalanga | 776 | 4430 | 0.630 | |
| Odapada | Kamalanga | 776 | 4431 | 0.480 | |
| Odapada | Kamalanga | 773/1 | 3785 | 22.000 | |
| Odapada | Mangalpur | 805/1 | 1 | 1.140 | |
| Odapada | Mangalpur | 808 | 2 | 3.240 | |
| Odapada | Mangalpur | 808 | 52 | 0.450 | |
| Odapada | Mangalpur | 808 | 1166 | 1.310 | |
| Odapada | Mangalpur | 805/1 | 1168 | 1.540 | |
| Odapada | Mangalpur | 807 | 6848 | 0.610 | Rimjhim Ispat Limited |
| Odapada | Mangalpur | 808 | 6852/7733 | 0.180 | |
| Odapada | Mangalpur | 808 | 6853 | 3.550 | |
| Odapada | Mangalpur | 808 | 6861(p) | 2.470 | |
| Odapada | Mangalpur | 808 | 6927 | 0.120 | |
| Odapada | Mangalpur | 808 | 6928 | 0.220 | |
| Odapada | Mangalpur | 808 | 6929 | 0.150 | |
| Odapada | Mangalpur | 808 | 6930 | 1.240 | |
| Odapada | Mangalpur | 808 | 6931 | 0.680 | |
| Odapada | Mangalpur | 808 | 6932 | 0.320 | |
| Odapada | Mangalpur | 808 | 6935 | 0.310 | |
| Odapada | Mangalpur | 808 | 6935 | 0.310 | |
| Odapada | Mangalpur | 808 | 6937 | 0.650 | |
| Odapada | Mangalpur | 808 | 6940 | 0.460 | |
| Odapada | Mangalpur | 808 | 6945 | 0.150 | |
| Odapada | Mangalpur | 808 | 6946/7650 | 0.030 | |
| Odapada | Mangalpur | 808 | 6950 | 0.400 | |
| Odapada | Mangalpur | 808 | 6957 | 0.220 | |
| Odapada | Mangalpur | 808 | 6944/7308 | 0.160 | |

| Name of Tahsil | Name of village | Khata No. | Plot No. | Area occupied in acre | Name of Occupier |
|---|---|---|---|---|---|
| Odapada | Mangalpur | 808 | 6951/7923 | 0.090 | |
| Odapada | Mangalpur | 808 | 6861(p) | 1.620 | Tata Steel Limited |
| Odapada | Mangalpur | 808 | 6862/7722 | 0.140 | |
| Odapada | Mangalpur | 808 | 6924/7660 | 0.160 | |
| Odapada | Asanabani | 66 | 111 | 2.500 | |
| Odapada | Asanabani | 66 | 112 | 0.250 | |
| Odapada | Asanabani | 66 | 102 | 1.250 | |
| Odapada | Asanabani | 67 | 107 | 0.150 | |
| Odapada | Kurunti | 573 | 364 | 2.700 | |
| Odapada | Kurunti | 573 | 965 | 0.120 | |
| Odapada | Kurunti | 573 | 1076 | 0.530 | |
| Odapada | Kurunti | 573 | 1077 | 0.080 | |
| Odapada | Narendrapur | 132 | 161(p) | 0.250 | |
| Odapada | Narendrapur | 132 | 163(p) | 0.940 | |
| Odapada | Narendrapur | 132 | 164(p) | 0.700 | |
| Odapada | Narendrapur | 132 | 240 | 3.650 | |
| Odapada | Narendrapur | 132 | 246 | 0.140 | |
| Odapada | Narendrapur | 132 | 249 | 0.540 | |
| Odapada | Narendrapur | 132 | 250 | 1.220 | |
| Odapada | Narendrapur | 132 | 251 | 0.230 | |
| Odapada | Narendrapur | 132 | 756 | 0.250 | |
| Odapada | Narendrapur | 132 | 928 | 1.740 | |
| Odapada | Narendrapur | 132 | 832 | 1.800 | |
| Odapada | Narendrapur | 132 | 930 | 0.240 | |
| Odapada | Narendrapur | 132 | 252/1177 | 0.180 | |
| Odapada | Sibapur | 230 | 7 | 2.900 | |
| Odapada | Sibapur | 230 | 13 | 0.280 | |
| Odapada | Sibapur | 230 | 14 | 0.100 | |
| Odapada | Sibapur | 230 | 15 | 0.330 | |
| Odapada | Sibapur | 230 | 16 | 0.140 | |
| Odapada | Sibapur | 230 | 17 | 0.100 | |
| Odapada | Sibapur | 230 | 18 | 0.060 | |
| Odapada | Sibapur | 230 | 19 | 0.410 | |
| Odapada | Sibapur | 230 | 127 | 0.280 | |
| Odapada | Sibapur | 230 | 128 | 0.510 | |
| Odapada | Sibapur | 230 | 129 | 0.180 | |
| Odapada | Sibapur | 230 | 130 | 0.140 | |
| Odapada | Sibapur | 230 | 131 | 0.080 | |
| Odapada | Sibapur | 230 | 132 | 0.080 | |
| Odapada | Sibapur | 230 | 133 | 0.140 | |
| Odapada | Sibapur | 230 | 134 | 0.800 | |
| Odapada | Sibapur | 230 | 135 | 0.260 | |
| Odapada | Sibapur | 230 | 136 | 0.180 | |

| Name of Tahsil | Name of village | Khata No. | Plot No. | Area occupied in acre | Name of Occupier |
|---|---|---|---|---|---|
| Odapada | Sibapur | 230 | 137 | 0.370 | |
| Odapada | Sibapur | 230 | 138 | 0.450 | |
| Odapada | Sibapur | 230 | 2 | 6.050 | |
| Odapada | Sibapur | 230 | 87 | 0.560 | |
| Odapada | Sibapur | 230 | 1009 | 4.000 | |
| Odapada | Sibapur | 230 | 1080 | 1.220 | |
| Odapada | Sibapur | 230 | 2946 | 2.070 | |
| Odapada | Sibapur | 230 | 2948 | 12.500 | |
| Odapada | Haripur | 168 | 308 | 0.020 | Sakthi Sugar Limited (SSL)/Indian Potash Limited (IPL) |
| Odapada | Haripur | 168 | 309 | 0.020 | |
| Odapada | Haripur | 168 | 314 | 0.010 | |
| Odapada | Haripur | 168 | 316 | 0.010 | |
| Odapada | Haripur | 168 | 307 | 0.050 | |
| Odapada | Haripur | 168 | 300/955 | 0.040 | |
| Odapada | Haripur | 168 | 324/914 | 0.230 | |
| Odapada | Haripur | 168 | 42/997 | 0.260 | |
| Odapada | Haripur | 169 | 1(p) | 3.000 | |
| Odapada | Haripur | 170 | 19 | 1.700 | |
| Odapada | Haripur | 170 | 318 | 0.420 | |
| Odapada | Haripur | 170 | 312 | 0.080 | |
| Odapada | Haripur | 170 | 38/1080 | 0.160 | |
| Odapada | Haripur | 171 | 1/893 | 0.900 | |
| Odapada | Haripur | 171 | 43/916 | 0.450 | |
| Odapada | Haripur | 171 | 44/943 | 0.380 | |
| Odapada | Haripur | 171 | 113 | 0.620 | |
| Odapada | Haripur | 171 | 46 | 3.120 | |
| Odapada | Haripur | 171 | 322 | 0.420 | |
| Odapada | Haripur | 171 | 323 | 0.100 | |
| Odapada | Haripur | 171 | 326 | 0.690 | |
| Odapada | Haripur | 171 | 291 | 0.540 | |
| Odapada | Haripur | 171 | 291/1077 | 0.500 | |
| Odapada | Haripur | 171 | 76/939 | 0.320 | |
| Odapada | Haripur | 171 | 291/1048 | 0.340 | |
| | **Total** | | | **219.586** | |

***(Source: Records of the sampled Tahasils and IDCO)***

**Appendix 3.1.2**

***(Refer Paragraph 3.1.3.3)***

**Details of utilisation of land in violation of the permissible land use pattern, prescribed in CDPs of Bhubaneswar and Puri**

| Name of Tahasil | Name of village | Khata No. | Plot No. | Area in acres | Names of recorded tenant | Land use plan as per CDP | Nature of utilisation | Remarks |
|---|---|---|---|---|---|---|---|---|
| Balianta | Bhubanpur | 331/113 | 18 | 0.220 | Bigyan Bharati Charitable Trust marfat Tirupati Panigrahi | Environment Sensitive (ES) Zone | Educational Institution | |
| Balianta | Bhubanpur | 331/450 | 17 | 0.230 | Saroj Kumari | ES Zone | Educational Institution | |
| Balianta | Bhubanpur | 331/450 | 19 | 0.220 | Saroj Kumari | ES Zone | Educational Institution | |
| Balianta | Bhubanpur | 331/450 | 20 | 0.780 | Saroj Kumari | ES Zone | Educational Institution | |
| Bhubaneswar | Dadha | 246/192 | 698 | 0.155 | Nityananda Sahoo | ES Zone | Commercial | Tara Dhaba |
| Bhubaneswar | Dadha | 212 | 697 | 0.124 | Radhashyam Sahoo | ES Zone | Commercial | Shopping Complex |
| Bhubaneswar | Dadha | 246/266 | 701 | 0.281 | Dukhan Moharana | ES Zone | Commercial | Red Leaf Restaurant |
| Bhubaneswar | Dadha | 179 | 126 | 0.170 | Bhramarbar Sahoo | ES Zone | Residential | |
| Bhubaneswar | Dadha | 246/302 | 125 | 0.141 | Mithun Kumar Rout | ES Zone | Residential | |
| Bhubaneswar | Dadha | 246/1823 | 12 | 0.426 | Prafulla Kumar Bidhar | ES Zone | Commercial | Hotel Midland Yard/ PK Palace |
| Bhubaneswar | Dadha | 246/577 | 13 | 0.223 | Pitabas Behera | ES Zone | Commercial | |
| Bhubaneswar | Dadha | 246/751 | 14 | 0.157 | Basundhara Bibhav taraf Debapriya Bidhar | ES Zone | Commercial | |
| Bhubaneswar | Dadha | 246/720 | 14/1424 | 0.000 | Basundhara Bibhav | ES Zone | Commercial | |
| Bhubaneswar | Dadha | 246/719 | 15 | 0.089 | Basundhara Bibhav taraf Debapriya Bidhar | ES Zone | Commercial | |
| Bhubaneswar | Dadha | 246/129 | 16 | 0.240 | Bharat Lal Kumbhar | ES Zone | Commercial | |
| Bhubaneswar | Dadha | 49 | 22 | 0.129 | Gandharb Sahoo | ES Zone | Commercial | |

| Name of Tahasil | Name of village | Khata No. | Plot No. | Area in acres | Names of recorded tenant | Land use plan as per CDP | Nature of utilisation | Remarks |
|---|---|---|---|---|---|---|---|---|
| Bhubaneswar | Raghunathpur | 729/1949 | 781/2664 | 0.170 | St. Xaviers Educational and Charitable Trust taraf Chairman Badrinath Patnaik | ES Zone | Commercial | Manufacturing/ sale of water tank, running of petrol pump |
| Bhubaneswar | Raghunathpur | 176 | 781 | 0.180 | Jagannath Pradhan | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 260 | 208 | 0.350 | Dhadi Jena | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/244 | 784 | 0.140 | Basanta Manjari Mohanty | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/243 | 784/2696 | 0.060 | Basanta Manjari Mohanty | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/948 | 784/2697 | 0.160 | St. Xaviers Educational and Charitable Trust taraf Chairman Badrinath Patnaik | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/273 | 784/2729 | 0.020 | Harichandra Panda | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/2003 | 780 | 0.170 | St. Xaviers Educational and Charitable Trust taraf Chairman Badrinath Patnaik | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/3759 | 780/2450/ 3601 | 0.240 | St. Xaviers Educational and Charitable Trust taraf Chairman Badrinath Patnaik | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 345 | 780/2450 | 0.160 | Nishamani Devi | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/2024 | 795 | 0.390 | St. Xaviers Educational and Charitable Trust taraf Chairman Badrinath Patnaik | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/1257 | 794/3699 | 0.237 | Tapan Kumar Sethi | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/4374 | 706 | 0.460 | Durga Charan Patra | ES Zone | Commercial | |
| Bhubaneswar | Raghunathpur | 729/4266 | 720 | 0.120 | Birendra Patra | ES Zone | Commercial | Hotel Hindustani |
| Bhubaneswar | Raghunathpur | 729/4266 | 988 | 0.600 | Birendra Patra | ES Zone | Commercial | Fly ash Brick manufacturing unit |
| Bhubaneswar | Raghunathpur | 652 | 1046 | 0.095 | Saroj Kumar Patnaik | ES Zone | Educational Institution | Blumming bud school |
| Bhubaneswar | Raghunathpur | 729/665 | 1040 | 0.640 | Prasanta Kumar Praharaj | ES Zone | Commercial | |

| Name of Tahasil | Name of village | Khata No. | Plot No. | Area in acres | Names of recorded tenant | Land use plan as per CDP | Nature of utilisation | Remarks |
|---|---|---|---|---|---|---|---|---|
| Bhubaneswar | Raghunathpur | 494 | 1026 | 0.162 | Bhasi Jena | ES Zone | Commercial | Brindaban Garden Marriage venue |
| Bhubaneswar | Raghunathpur | 536 | 1025 | 0.350 | Mangaraj Sahu | ES Zone | Commercial | |
| Bhubaneswar | Bankuala | 533/2007 | 538/3169 | 0.045 | Kadambini Sahoo | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/3065 | 538 | 0.075 | Jajati Developers and infrastructure pvt limited taraf MD Sanjay Kumar Sabat | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/2346 | 538/3377 | 0.064 | Sandhyarani Patra | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/2186 | 538/3322 | 0.029 | Rajendra Narayan Satapathy | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/2140 | 538/3284 | 0.049 | Sunita Bagai | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/3042 | 538/2788 | 0.075 | Arati Hota | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1293 | 538/2766 | 0.045 | Sanatan Samal | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1313 | 538/2785 | 0.048 | Pranati Chhatoi | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1314 | 538/2786 | 0.045 | Sanatan Samal | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1315 | 538/2787 | 0.034 | Lunubala Sahoo | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1317 | 538/2789 | 0.045 | Prasanta Ku Jena | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1318 | 538/2790 | 0.063 | Bikram Keshari Mishra | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1319 | 538/2791 | 0.045 | Prabhas Kumar Sahoo | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1321 | 538/2793 | 0.034 | Prafulla Ku Biswal | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1322 | 538/2794 | 0.063 | Ananda Chandra Mohapatra | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1323 | 538/2795 | 0.060 | Gitarani parichha | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1324 | 538/2796 | 0.060 | Ramachandra Das | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1325 | 538/2797 | 0.045 | Pramodini Rath | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1326 | 538/2798 | 0.045 | Chapati Aditya | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1327 | 538/2799 | 0.050 | Dipti Kumar Das | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1328 | 538/2800 | 0.045 | Prasanta Ku Sahoo | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1329 | 538/2801 | 0.037 | Akshya Kumar Patra | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1348 | 538/2818 | 0.037 | Swarnalata Nayak | ES Zone | Residential | Housing project |

| Name of Tahasil | Name of village | Khata No. | Plot No. | Area in acres | Names of recorded tenant | Land use plan as per CDP | Nature of utilisation | Remarks |
|---|---|---|---|---|---|---|---|---|
| Bhubaneswar | Bankuala | 533/1349 | 538/2819 | 0.034 | Pravas Kumar Sahoo | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1350 | 538/2820 | 0.028 | Madhusmita Swain | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/2430 | 538/2828 | 0.045 | Sonali Rout | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1389 | 538/2851 | 0.057 | Soudamini Das | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1390 | 538/2852 | 0.034 | Sujata Mishra | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1391 | 538/2853 | 0.028 | Amar Singha | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1393 | 538/2855 | 0.034 | Kalpana Baral | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1445 | 538/2876 | 0.028 | Amansingh Rajpurohit | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1526 | 538/2828/ 2926 | 0.046 | Sanjita Mohanty | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1549 | 538/2934 | 0.045 | Amita Das | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1551 | 538/2936 | 0.027 | Saswati Senapati | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1552 | 538/2937 | 0.027 | Sujata Pradhan | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/1572 | 538/2952 | 0.027 | Anusaya Pradhan | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/2007 | 538/3169 | 0.045 | Kadambini Sahoo | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/3079 | 538/3170 | 0.027 | Jajati Developers and infrastructure pvt limited taraf MD Sanjay Kumar Sabat | ES Zone | Residential | Housing project |
| Bhubaneswar | Bankuala | 533/2710 | 538/2792/ 3718 | 0.045 | Mamun Mausumi Nayak | ES Zone | Residential | Housing project |
| Bhubaneswar | Basuaghai | 358 | 561 | 0.819 | Lingaraj Dev Bhubaneswar Bije marfat Brundaban Mohapatra | ES Zone | Residential | Crystal Heritage Mandap |
| Bhubaneswar | Basuaghai | 348 | 562 | 0.364 | Patitapaban Dev Bije marfat Kumar Panda | ES Zone | Commercial | Shop |
| Bhubaneswar | Bargarh | 2494/6318 | 2468/9786 | 0.441 | Bijaya Ku Pattnayak | ES Zone | Commercial | M/s Crystal attairs |
| Bhubaneswar | Bargarh | 1494/5058 | 2467/9480 | 0.029 | Bijaya Ku Pattnayak | ES Zone | Commercial | |
| Bhubaneswar | Pandara | 300 | 2913 | 0.175 | Umasankar Swain | ES Zone | Commercial | |

| Name of Tahasil | Name of village | Khata No. | Plot No. | Area in acres | Names of recorded tenant | Land use plan as per CDP | Nature of utilisation | Remarks |
|---|---|---|---|---|---|---|---|---|
| Bhubaneswar | Pandara | 302 | 2914 | 0.098 | Khetrabasi Swain | ES Zone | Commercial | Metro spare parts India Pvt Ltd. |
| Bhubaneswar | Pandara | 1330/3242 | 2571 | 0.860 | Bigyan Bharati Charitable Trust taraf Chairman Tirupati Panigrahi | ES Zone | Educational Institution | Remained within boundary of hitech group of institution and utilised for College, building, play ground, road, parking etc. |
| Bhubaneswar | Pandara | 1330/3242 | 2570 | 1.260 | | ES Zone | Educational Institution | |
| Bhubaneswar | Pandara | 1330/3242 | 2601 | 0.350 | | ES Zone | Educational Institution | |
| Bhubaneswar | Pandara | 1330/3242 | 2606 | 0.710 | | ES Zone | Educational Institution | |
| Bhubaneswar | Pandara | 1330/3905 | 2602 | 0.970 | | ES Zone | Educational Institution | |
| Bhubaneswar | Pandara | 1330/10160 | 2686 | 0.230 | | ES Zone | Educational Institution | |
| Bhubaneswar | Pandara | 1330/4023 | 2588 | 0.710 | | ES Zone | Educational Institution | |
| Bhubaneswar | Pandara | 1330/9185 | 2690 | 0.040 | | ES Zone | Educational Institution | |
| Bhubaneswar | Pandara | 1330/9185 | 2693 | 0.105 | | ES Zone | Educational Institution | |
| Bhubaneswar | Pandara | 1330/9185 | 2703 | 0.080 | | ES Zone | Educational Institution | |
| Bhubaneswar | Pandara | 1330/9625 | 2573 | 1.230 | Jai Batra | ES Zone | Educational Institution | |
| Bhubaneswar | Sisupal | 333 | 822 | 0.076 | Asish Kumar Badajena | Special Heritage (SH) Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 316 | 822/2041 | 0.160 | Maga Bhoi | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/3489 | 822/2804 | 0.042 | Manoj Kumar Sahu | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/681 | 822/2813 | 0.020 | Hemanta Kumar Sahu | SH Zone | Residential | Housing project |

| Name of Tahasil | Name of village | Khata No. | Plot No. | Area in acres | Names of recorded tenant | Land use plan as per CDP | Nature of utilisation | Remarks |
|---|---|---|---|---|---|---|---|---|
| Bhubaneswar | Sisupal | 417/2721 | 822/2041/3541 | 0.033 | Bijaya Laxmi Panda | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/1696 | 822/2041/3623 | 0.027 | Sudhanshu Sekhar Behera | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/2576 | 822/4259 | 0.046 | Baidyanath Das | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/4114 | 822/2804/4811 | 0.031 | Manoj Kumar Sahu | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/4824 | 822/2867/5856 | 0.015 | Ashalata Satapathy | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 235 | 823 | 0.120 | Pranakrishna Mohapatra | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/1520 | 824 | 0.054 | Ajaya Kumar Biswal | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/1519 | 824/3439 | 0.091 | Bikram Keshari Ray | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/2987 | 824/3439/4705 | 0.015 | Apurba Senapati | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 95 | 825 | 0.105 | Gunduchi Sundara | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 95 | 826 | 0.036 | Gunduchi Sundara | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/3119 | 826/3894 | 0.018 | Ajaya Kumar Swain | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 731/4100 | 826/3894/4448 | 0.018 | Kalpataru Swain | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/4538 | 826/5653 | 0.003 | Twinkle Tripathy | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/4538 | 826/5654 | 0.036 | Twinkle Tripathy | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/4824 | 883/2868/5855 | 0.035 | Ashalata Satapathy | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/4669 | 819/1393 | 0.046 | Nirmala Sahoo | SH Zone | Residential | Housing project |
| Bhubaneswar | Sisupal | 417/2682 | 819/4112 | 0.043 | Annapurna Majhi | SH Zone | Residential | Housing project |
| Puri | Balukhanda | 521/5850 | 1149/10688 | 0.5 | FS&CW Department | Forest | Government building | |
| Puri | Balukhanda | 521/5848 | 1149/10686 | 0.5 | Law Department | Forest | Government building | |
| Puri | Balukhanda, Unit 34 | 93 | 10 | 8.58 | Government of Odisha | Commercial use zone | Sports infrastructure | |

| Name of Tahasil | Name of village | Khata No. | Plot No. | Area in acres | Names of recorded tenant | Land use plan as per CDP | Nature of utilisation | Remarks |
|---|---|---|---|---|---|---|---|---|
| Puri | Balukhanda, Unit 34 | 93 | 10/162 (p) | 2 | Government of Odisha | Commercial use zone | Sports infrastructure | |
| | **Total** | | | **31.124** | | | | |

***(Source: Records of the sampled Tahasils and IDCO)***

# Appendix 3.2.1

***(Refer Paragraph 3.2.4.4)***

***Statement showing preparation of estimates with excess overhead charges leading to undue profit to contractors***

| Sl. No | Name of the Division | Total No. of Roads | Tender Cost including 15% (OH&CP) + 1% Cess (excluding maintenance cost) (₹ in lakh) | Agreement Value (excluding maintenance cost) (₹ in lakh) | Admissible Tender Cost including 12.5% (OH&CP) + 1% Cess (₹ in lakh) | Excess Cost (₹ in lakh) | Excess cost after tender premium (₹ in lakh) | Amount Paid to the Contractor (₹ in lakh) | Admissible amount (₹ in lakh) | Extra Expenditure already passed to the contractor (₹ in lakh) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Angul | 22 | 13,775.84 | 12,247.42 | 13,476.17 | 300.08 | 266.78 | 13,636.90 | 13,339.86 | 297.04 |
| 2 | Baripada | 53 | 19,405.57 | 17,614.94 | 18,982.87 | 422.70 | 378.28 | 19,705.89 | 19,276.65 | 429.24 |
| 3 | Bhanjanagar | 30 | 9,665.19 | 9,270.13 | 9,454.66 | 210.53 | 201.92 | 7,580.32 | 7,415.20 | 165.12 |
| 4 | Bhubaneswar | 47 | 14,170.24 | 13,187.24 | 13,861.58 | 308.66 | 287.25 | 12,562.95 | 12,289.30 | 273.65 |
| 5 | Ganjam-I | 25 | 7,769.03 | 7,022.86 | 7,599.80 | 169.23 | 152.97 | 4,740.07 | 4,636.82 | 103.25 |
| 6 | Ganjam-II | 52 | 15,396.29 | 13,789.32 | 15,060.93 | 335.36 | 300.36 | 12,434.19 | 12,163.35 | 270.84 |
| 7 | Karanjia | 35 | 11,247.93 | 10,463.55 | 11,002.93 | 245.00 | 227.92 | 11,610.78 | 11,357.87 | 252.91 |
| 8 | Nabarangpur | 27 | 9,067.80 | 8,081.83 | 8,870.28 | 197.52 | 175.95 | 7,746.5 | 7,577.76 | 168.74 |
| 9 | Nayagarh-I | 26 | 8,840.30 | 7,973.41 | 8,647.74 | 192.56 | 173.68 | 6,465.17 | 6,324.34 | 140.83 |
| 10 | Nayagarh-II | 15 | 4,758.37 | 4,246.65 | 4,654.72 | 103.65 | 92.50 | 3,058.83 | 2,992.20 | 66.63 |
| 11 | Nimapada | 13 | 5,669.39 | 5,146.74 | 5,545.90 | 123.49 | 112.11 | 5,936.44 | 5,807.13 | 129.31 |
| 12 | Puri | 27 | 9,036.26 | 8,450.28 | 8,839.43 | 196.83 | 184.07 | 7,809.83 | 7,639.71 | 170.12 |
| 13 | Rairangpur | 29 | 10,137.54 | 9,262.64 | 9,916.72 | 220.82 | 201.76 | 9,632.34 | 9,422.53 | 209.81 |
| 14 | Rourkela | 26 | 8,621.03 | 7,451.97 | 8,433.25 | 187.78 | 170.63 | 7,821.68 | 7,651.30 | 170.37 |
| 15 | Sundargarh | 42 | 15,080.11 | 13,418.16 | 14,751.63 | 328.48 | 290.28 | 13,788.63 | 13,488.28 | 300.35 |
| 16 | Umerkote | 19 | 5,728.45 | 5,222.30 | 5,603.67 | 124.78 | 113.75 | 4,169.91 | 4,079.08 | 90.83 |
| | **Total** | **488** | **1,68,369.34** | **1,52,849.44** | **1,64,702.28** | **3,667.47** | **3,330.21** | **1,48,700.43** | **1,45,461.38** | **3,239.04** |

***(Source: Records of the concerned Divisions)***

**Appendix 3.2.2**

***(Refer Paragraph 3.2.4.6(i))***

***Statement showing avoidable extra expenditure in execution of Open Graded Premix Carpet (OGPC) instead of Surface Dressing (SD)***

| Sl No. | Name of Division | No. of roads | Agreement value (₹ In lakh) | Up to date Expenditure (₹ In lakh) | Total Agreement Quantity of OGPC (in Square metre) | Inflated Estimated Cost (₹ in lakh) | Total execution quantity of OGPC (in Square metre) | Total expenditure incurred for OPGC (₹ in lakh) | Total expenditure involved for SD (₹ in lakh) | Avoidable extra expenditure (₹ in lakh) | Avoidable extra expenditure after tender adjustment (₹ in lakh) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Baripada | 4 | 1,158.58 | 1,185.45 | 95,843.03 | 60.80 | 97,799.04 | 266.15 | 204.10 | 62.05 | 58.37 |
| 2 | Ganjam-I | 8 | 1,805.66 | 1,231.45 | 1,35,133.45 | 37.63 | 1,13,234.37 | 256.60 | 223.64 | 32.95 | 29.63 |
| 3 | Nayagarh-I | 2 | 356.23 | 159.76 | 22,199.24 | 6.62 | 15,375.00 | 34.72 | 30.08 | 4.64 | 4.23 |
| 4 | Nayagarh-II | 5 | 1,159.05 | 1,209.01 | 66,655.55 | 22.60 | 66,429.69 | 157.10 | 134.58 | 22.52 | 20.12 |
| 5 | Nimapara | 6 | 2,133.73 | 2,373.23 | 1,25,914.56 | 34.30 | 1,11,707.31 | 255.35 | 217.53 | 37.82 | 36.74 |
| 6 | Puri | 5 | 1,290.16 | 647.07 | 82,798.80 | 18.42 | 49,346.14 | 115.42 | 104.63 | 10.79 | 10.04 |
| | **TOTAL** | **30** | **7,903.41** | **6,805.97** | **5,28,544.63** | **180.37** | **4,53,891.55** | **1,085.34** | **914.56** | **170.77** | **159.13** |

***(Source: Records of the concerned divisions)***

## Appendix 3.2.3

*(Refer Paragraph 3.2.4.6(ii))*

***Statement showing extra expenditure due to execution of Dry Lean Concrete in Rural Roads***

| Sl No | Package No | Estimated Cost (₹ in crore) | Agreement Cost (₹ in crore) | Up to date Expenditure (₹ in crore) | CVPD | MSA | Executed Quantity of GSB | Agreement Quantity of DLC (in cum) | Executed Quantity of DLC (in cum) | Rate per Cum (in ₹) | Extra Expenditure (in ₹) | Tender Premium (Less) | Extra Expenditure after Tender premium (in ₹) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | OR-01-168(A) | 438.90 | 328.69 | 319.72 | 65.00 | 0.49 | 427.35 | 161.91 | 134.10 | 4,220.29 | 5,65,940.89 | 12.50 | 4,95,198.28 |
| 2 | OR-01-169(A) | 521.18 | 428.60 | 428.60 | 244.00 | 1.66 | 2,045.14 | 297.60 | 407.86 | 3,834.31 | 15,63,861.68 | 12.70 | 13,65,251.24 |
| 3 | OR-01-169(B) | 385.91 | 306.08 | 305.65 | 240.00 | 1.62 | 1,270.73 | 156.42 | 189.92 | 3,911.07 | 7,42,790.41 | 12.70 | 6,48,456.03 |
| 4 | OR-01-171 | 368.32 | 316.69 | 296.13 | 240.00 | 1.62 | 2,118.35 | 157.56 | 283.77 | 4,204.40 | 11,93,082.59 | 7.13 | 11,08,015.80 |
| 5 | OR-01-173(A) | 677.49 | 222.30 | 228.88 | 41.00 | 0.31 | 1,927.29 | 46.06 | 45.94 | 4,302.27 | 1,97,637.68 | 8.83 | 1,80,186.27 |
| 6 | OR-01-173(B) | | 354.86 | 361.34 | 48.00 | 0.41 | 3,160.01 | 61.88 | 103.31 | 4,620.06 | 4,77,298.40 | 8.83 | 4,35,152.95 |
| 7 | OR-01-178 | 559.41 | 458.11 | 467.18 | 45.00 | 0.38 | 4,115.79 | 18.58 | 18.00 | 4,318.50 | 77,733.00 | 12.36 | 68,125.20 |
| 8 | OR-01-179 | 724.64 | 601.74 | 601.73 | 242.00 | 1.61 | 3,662.70 | 210.00 | 302.05 | 4,343.46 | 13,11,942.09 | 10.30 | 11,76,812.06 |
| | **TOTAL** | **1,284.05** | **3,017.07** | **3,009.23** | | | | **1,110.01** | **1,484.95** | | **61,30,286.74** | | **54,77,197.83** |

***(Source: Records of the concerned divisions)***

## Appendix 3.2.4

***(Refer Paragraph 3.2.4.7)***

***Statement showing incurring of extra expenditure due to unwarranted provision of lead charges***

| Sl No. | Name of the division | No of Roads | Est Cost ( ₹ in lakh) | Agreement Value (₹ in lakh) | Up to date Expenditure (₹ in lakh) | Agreement Quantity in cum. (Construction of Embankment with Earth Work) | Executed Quantity in cum. (Construction of Embankment with Earth Work) | Total Extra Cost (in ₹) | Total Extra Expenditure (in ₹) | Total Extra Expenditure after Premium Charges (in ₹) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Puri | 5 | 2,694.70 | 2,502.50 | 2,219.52 | 1,60,984.22 | 1,15,145.23 | 1,61,70,850.26 | 1,17,92,895.90 | 1,08,62,918.90 |
| 2 | Nimapara | 10 | 3,616.03 | 3,495.15 | 4,123.26 | 2,37,462.26 | 2,11,452.62 | 2,49,16,898.86 | 2,25,46,146.64 | 2,19,79,666.02 |
| 3 | Nayagarh-I | 12 | 5,542.68 | 5,004.66 | 4,215.25 | 2,06,093.77 | 1,55,516.40 | 18,4,91,197.25 | 1,40,06,832.50 | 1,27,05,438.76 |
| 4 | Nayagarh-II | 14 | 4,470.19 | 3,987.25 | 3,058.83 | 2,10,694.76 | 1,69,831.30 | 1,89,91,237.80 | 1,52,96,747.04 | 1,36,35,471.76 |
| 5 | Angul | 15 | 8,882.90 | 7,916.53 | 8,737.66 | 4,60,552.46 | 4,37,747.99 | 4,03,03,480.10 | 3,83,11,213.65 | 3,41,67,257.36 |
| 6 | Bhubaneswar | 10 | 5,111.41 | 4,755.38 | 3,966.18 | 2,13,292.25 | 1,72,344.32 | 2,04,12,623.75 | 1,67,11,949.87 | 1,55,91,431.22 |
| 7 | Cuttack-I | 6 | 2,903.89 | 2,912.65 | 1,575.89 | 1,48,104.51 | 29,104.84 | 1,30,21,348.52 | 25,58,897.53 | 25,77,826.93 |
| 8 | Cuttack-II | 9 | 3,151.74 | 3,068.98 | 1,739.76 | 1,48,187.03 | 82,127.16 | 1,30,06,170.39 | 72,08,351.20 | 70,55,458.86 |
| 9 | Nabarangpur-I | 10 | 3,556.15 | 3,107.71 | 3,347.18 | 2,04,826.80 | 1,98,329.01 | 1,80,08,372.26 | 1,74,37,086.56 | 1,50,77,299.08 |
| 10 | Rairangpur | 10 | 2,997.83 | 2,840.88 | 2,639.71 | 1,81,522.87 | 1,70,868.53 | 1,61,62,652.31 | 1,52,15,874.05 | 1,43,62,070.56 |
| 11 | Sambalpur | 6 | 2,317.37 | 2,401.07 | 236.38 | 1,94,713.60 | 1,44,294.42 | 1,71,19,219.71 | 1,26,86,365.41 | 1,10,17,875.30 |
| | **Total** | **107** | **45,244.89** | **41,992.76** | **35,859.62** | **23,66,434.53** | **18,86,761.81** | **21,66,04,051.21** | **17,37,72,360.35** | **15,90,32,714.75** |

***(Source: Records of the concerned divisions)***

**Appendix 3.2.5**

***(Refer Paragraph 3.2.4.8)***

***Statement showing extra expenditure due to non-utilisation of Fly-Ash in rigid pavement***

| Sl No | Name of the Division | Total No of Roads | Estimated Cost (₹ in Lakh) | Agreement Value(₹ in Lakh) | Total Agt Qty of Cement (cum) | Total Executed Qty of Cement (cum) | Excess Cost (in ₹) | Excess Expenditure (in ₹) | Excess Expenditure after tender premium(in ₹) | Up to date expenditure (₹ in Lakh) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Puri | 2 | 870.64 | 805.39 | 1,285.17 | 1,696.73 | 7,50,714.06 | 9,91,121.08 | 9,17,587.53 | 645.95 |
| 2 | Nimapada | 2 | 833.37 | 779.22 | 1,888.56 | 1,602.19 | 11,33,255.99 | 9,61,796.83 | 8,81,518.72 | 887.79 |
| 3 | Nayagarh-I | 5 | 1,757.89 | 1,518.77 | 8,236.72 | 5,949.70 | 46,50,059.37 | 33,65,592.68 | 29,08,487.76 | 1,409.67 |
| 4 | Nayagarh-II | 4 | 1,153.98 | 1,038.62 | 1,770.00 | 1,538.09 | 10,04,927.46 | 15,51,239.45 | 13,96,212.70 | 898.36 |
| 5 | Angul | 14 | 8,104.91 | 7,206.23 | 13,456.42 | 16,485.25 | 83,46,872.68 | 1,02,52,878.56 | 82,05,519.80 | 6,703.74 |
| 6 | Ganjam-I | 9 | 1,932.1 | 1,732.69 | 4,109.67 | 3,939.25 | 25,16,620.89 | 24,14,029.88 | 21,81,074.34 | 1,532.33 |
| 7 | Ganjam-II | 24 | 6,939.19 | 6,183.84 | 11,858.38 | 11,397.89 | 70,54,671.99 | 67,76,605.41 | 60,75,856.23 | 5,821.25 |
| | **Total** | **60** | **21,592.08** | **19,264.77** | **42,604.92** | **42,609.10** | **2,54,57,122.44** | **2,63,13,263.88** | **2,25,66,257.07** | **17,899.09** |

***(Source: Records of the concerned divisions)***

**Appendix 3.2.6**

***(Refer Paragraph 3.2.5.3)***

***Statement showing delay in award of work***

| Sl. No. | Name of the CCE, RW Circle | Total works | Tender Cost (₹ in Crore) | Date of Notifications | Agreement Value (₹ in Crore) | Date of Award | Delay in Days (Award) | Status of works | | Delay in Days against SDoC | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Completed | Progress | | |
| 1 | Angul | 32 | 119.17 | 3.12.2020/ 07.06.2021 | 115.23 | 20.03.2021/ 08.12.2021 | 30 to 298 | 31 | 1 | 107 to 858 | One work is still progress after lapse of 1,092 days of SDoC. |
| 2 | Baripada | 86 | 332.9 | 15.04.2021/ 09.06.2023 | 315.25 | 23.08.2021/ 26.09.2023 | 30 to 275 | 75 | 11 | 117 to 1,023 | There are 11 works were still progress after lapse between 712 to 1,036 days of SDoC. |
| 3 | Berhampur | 69 | 223.56 | 21.01.2021/ 21.05.2022 | 200.40 | 06.05.2021/ 28.11.2022 | 30 to 291 | 47 | 22 | 112 to 956 | There are 22 works were still progress after lapse between 602 to 1,185 days of SDoC. |
| 4 | Sunabeda | 67 | 282.57 | 07.12.2020/ 09.06.2023 | 247.71 | 07.12.2020/ 21.02.2024 | 33 to 1099 | 47 | 20 | 121 to 996 | There are 20 works were still progress after lapse between 159 to 1,109 days of SDoC. |
| 5 | Sundargarh | 25 | 100.64 | 07.12.2020/ 15.05.2023 | 92.19 | 22.03.2021/ 16.09.2023 | 30 to 148 | 22 | 3 | 100 to 631 | There are three works were still progress after lapse between 324 to |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | 1,125 days of SDoC. |
| 6 | Bhubaneswar | 106 | 368.49 | 18.08.2021/ 08.04.2022 | 339.53 | 30.11.2021/ 12.09.2022 | 32 to 234 | 77 | 29 | 105 to 832 | There are 29 works were still progress after lapse between 420 to 972 days of SDoC. |
| | **Total** | **385** | **1,427.33** | | **1,310.31** | | | **299** | **86** | | There were 86 works not completed even after lapse between 159 to 1,125 days of SDoC |

***(Source: Records of the concerned divisions)***

**Appendix 3.2.7**

***(Refer Paragraph 3.2.6.1)***

***Statement showing non-recovery of liquidated damages from the contractors due to delay in execution of work***

| Sl. No. | Name of the Division | Total no. of Roads | Estimated Cost (₹ in lakh) | Agreement Value (₹ in lakh) | Up-to-date Expenditure (₹ in lakh) | Compensation @ 10% of contract value (₹ in lakh) |
|---|---|---|---|---|---|---|
| 1 | Puri | 18 | 6,096.43 | 5,746.33 | 4,623.45 | 574.63 |
| 2 | Nayagarh-I | 13 | 4,115.54 | 3,726.33 | 1,597.71 | 372.63 |
| 3 | Nayagarh-II | 7 | 2,755.02 | 2,464.76 | 1,176.29 | 246.48 |
| 4 | Ganjam-II | 19 | 5,319.20 | 4,833.55 | 2,961.86 | 483.36 |
| 5 | Baripada | 8 | 2,975.43 | 2,679.35 | 1,845.67 | 267.94 |
| 6 | Karanjia | 4 | 1,223.03 | 1,005.95 | 952.67 | 100.60 |
| 7 | Rairangpur | 4 | 2,619.72 | 2,158.83 | 1,695.86 | 215.88 |
| 8 | Nabarangpur-I | 18 | 7,043.50 | 5,560.73 | 3,988.31 | 556.07 |
| 9 | Nabarangpur-II | 10 | 2,957.14 | 2,663.47 | 1,820.18 | 266.35 |
| 10 | Bhanjanagar | 26 | 10,066.05 | 9,714.16 | 5,970.31 | 971.42 |
| | **Total** | **127** | **45,171.06** | **40,553.47** | **26,632.31** | **4,055.35** |

***(Source: Records of the concerned divisions)***

**Appendix 3.2.8**

***(Refer Paragraph 3.2.8.1)***

***Irregular payment made without verifying the bitumen invoice***

| Sl. No. | Name of the Divisions | No. of roads | Agreement value (₹ in crore) | Execution Quantity (in Tonnes) | Amount paid (₹ in crore) |
|---|---|---|---|---|---|
| 1 | Puri | 7 | 22.93 | 231.08 | 1.11 |
| 2 | Ganjam-I | 11 | 30.51 | 424.10 | 1.96 |
| 3 | Ganjam-II | 13 | 41.01 | 1,966.45 | 9.20 |
| 4 | Nabarangpur-II | 19 | 57.15 | 918.69 | 5.67 |
| 5 | Nabarangpur-I | 27 | 98.91 | 2,592.29 | 15.53 |
| 6 | Bhanjanagar | 30 | 102.22 | 2,152.51 | 10.40 |
| | **Total** | **107** | **352.73** | **8,285.12** | **43.87** |

***(Source: Records of the concerned divisions)***

**Appendix 3.3.1**
**(*Refer paragraph 3.3.3.2*)**

**Excess expenditure due to procurement from non-EPM rate contract holders/ outside GeM platform**

| Sl. No. | Name of the Sample District | Test check entity | Name of the Agency selected and selection procedure | Unit cost of the goods with GST | Quantity procured | Total cost paid with GST | EPM rate per each dual desk with highest specification as approved by S&ME Deptt. | Avoidable excess Expenditure (in ₹) |
|---|---|---|---|---|---|---|---|---|
| 1 | Ganjam | DEO Ganjam | Ramchandrapur Saw Mill Cum Oil Expeller Co-Operative Societies Ltd. | 7,375 | 5,921 | 4,36,67,375 | 4,840 | 1,50,09,735 |
| 2 | Ganjam | DEO Ganjam | -do- | 7,594.06 | 6,040 | 4,58,68,122.4 | 4,840 | 1,66,34,522.40 |
| 3 | Keonjhar | R&B Keonjhar | Godrej & Boyce Mfg. Co. Ltd, BBSR on nomination basis | 1,2496 | 2,879 | 3,59,75,984 | 4,840 | 220,41,624 |
| 4 | Keonjhar | DEO Keonjhar | OSIC on nomination basis | 12,204.74 | 13,626 | 16,63,01,787 | 4,840 | 10,03,51,947.20 |
| 5 | Cuttack | Jhadeswar HS | Dynamic fabricator, Cuttack | 5,600 | 50 | 2,80,000 | 2,945 | 1,32,750 |
| 6 | Cuttack | KCGS HS | Deluxe Steel Industries, Bhubaneswar | 6,200 | 50 | 3,10,000 | 4,840 | 68,000 |
| 7 | Cuttack | Asureswar HS | Dynamic fabricator, Cuttack | 5,600 | 55 | 3,08,000 | 2,945 | 1,46,025 |
| | | | Dynamic fabricator, Cuttack | 6,000 | 23 | 1,38,000 | 4,840 | 26,680 |
| 8 | Cuttack | Ahmedbaux HS | Deluxe Steel Industries, Bhubaneswar | 6,200 | 40 | 2,48,000 | 4,840 | 54,400 |
| 9 | Cuttack | Ravenshaw Girl High School, | Dynamic fabricator, Cuttack | 5,600 | 50 | 2,80,000 | 2,945 | 1,32,750 |

| Sl. No. | Name of the Sample District | Test check entity | Name of the Agency selected and selection procedure | Unit cost of the goods with GST | Quantity procured | Total cost paid with GST | EPM rate per each dual desk with highest specification as approved by S&ME Deptt. | Avoidable excess Expenditure (in ₹) |
|---|---|---|---|---|---|---|---|---|
| 10 | Cuttack | Jobra High School,CMC | Dynamic fabricator, Cuttack | 6,200 | 50 | 3,10,000 | 4,840 | 68,000 |
| 11 | Cuttack | Badambadi High School,CMC | Dynamic fabricator, Cuttack | 6,200 | 40 | 2,48,000 | 4,840 | 54,400 |
| 12 | Cuttack | Ranihat High School,CMC | Dynamic fabricator, Cuttack | 5,600 | 50 | 2,80,000 | 2,945 | 1,32,750 |
| 13 | Jajpur | DPC Jajpur | OSIC (Direct Purchase) | 10,564.9 | 2942 | 3,10,81,970 | 4,840 | 1,68,42,655.80 |
| 14 | Jajpur | BDO, Badachana | OSIC (Direct Purchase) | 12,387.8 | 1797 | 22,26,087 | 4,840 | 1,35,63,396.60 |
| 15 | Jajpur | BDO, Badachana | OSIC (Direct Purchase) | 12,747.1 | 260 | 33,14,251 | 4,840 | 20,55,846 |
| 16 | Jajpur | BDO, Badachana | PIO, Ramachandrapur Saw Mill (Nomination basis) | 9,360 | 400 | 37,43,998 | 4,840 | 18,07,998 |
| 17 | Jajpur | BDO, Dasarathpur | OSIC (Direct Purchase) | 12,387.8 | 1500 | 1,85,81,717 | 4,840 | 1,13,21,700 |
| 18 | Jajpur | BDO, Dasarathpur | OSIC (Direct Purchase) | 12,747.1 | 600 | 76,48,273 | 4,840 | 47,44,260 |
| 19 | Jajpur | BDO,Dharmasala | OSIC (Direct Purchase) | 8,553.985 | 756 | 64,66,813 | 4,840 | 28,07,772.66 |
| 20 | Jajpur | BDO,Dharmasala | OSIC (Direct Purchase) | 8,553.985 | 894 | 76,47,262 | 4,840 | 33,20,302.59 |
| 21 | Jajpur | BDO,Dharmasala | OSIC (Direct Purchase) | 8,553.985 | 20 | 1,71,080 | 4,840 | 74,279.70 |
| 22 | Jajpur | BDO,Dharmasala | OSIC (Direct Purchase) | 8,553.985 | 690 | 58,76,026 | 4,840 | 25,62,649.65 |
| 23 | Jajpur | BDO,Dharmasala | OSIC (Direct Purchase) | 8,553.985 | 70 | 5,98,779 | 4,840 | 2,59,978.95 |

| Sl. No. | Name of the Sample District | Test check entity | Name of the Agency selected and selection procedure | Unit cost of the goods with GST | Quantity procured | Total cost paid with GST | EPM rate per each dual desk with highest specification as approved by S&ME Deptt. | Avoidable excess Expenditure (in ₹) |
|---|---|---|---|---|---|---|---|---|
| 24 | Sambalpur | DEO, Sambalpur | OSIC (Direct Purchase) | 10,909.10 | 804 | 87,70,916 | 2,945 | 64,03,136.40 |
| | | | | 12,558.74 | 1,234 | 1,54,97,485 | 4,840 | 95,24,925.16 |
| | | | | 12,558.74 | 449 | 56,38,874.26 | 4,840 | 34,65,714.26 |
| | | | | 12,204.74 | 1,280 | 1,56,22,067.20 | 4,840 | 94,26,867.20 |
| | | | | | | 42,71,00,867 | | **24,30,35,067** |
| **Total** | | | | | | | | **₹ 24.30 crore** |

***(Source: Records of executing agencies test-checked in Audit)***

**Appendix 3.4.1**
**(*Refer Paragraph 3.4.1*)**
**Details of non-commencement of construction of Mini-stadiums as of November 2024**

| Sl. No. | Name of the district | Name of the Block/ ULB | Location | Amount released (₹ in lakh) | Year of release of funds | Reason for non-commencement |
|---|---|---|---|---|---|---|
| 1. | Bhadrak | Bhadrak Municipality | Not identified | 20.00 | 2017-18 | Site not identified |
| 2. | Bhadrak | Bonth | Hanuman Jew Playfield, Tillo | 20.00 | 2014-15 & 2016-17 | Not available |
| 3. | Bolangir | Patnagarh NAC | Not identified | 20.00 | 2017-18 | Not available |
| 4. | Cuttack | Cuttack Municipal Corporation | Kacharamal Playfield | 20.00 | 2017-18 | Site not identified (change of site) |
| 5. | Ganjam | Berhampur Municipal Corporation | Ankuli Highschool playground | 20.00 | 2016-17 | Site not identified |
| 6. | Ganjam | Sanakhemundi | SRKP Vidyapitha Playground, Erendra | 20.00 | 2016-17 | Site not identified |
| 7. | Ganjam | Bhanjanagar | Jilundi HS Playground | 20.00 | 2016-17 | Non-completion of tendering process |
| 8. | Ganjam | Jagannathprasad | Block Hqrs Playground | 20.00 | 2016-17 | Non-completion of tendering process |
| 9. | Ganjam | Chhatrapur | Sri Ramachandra Playground | 20.00 | 2016-17 | Site not identified |
| 10. | Jharsuguda | Jharsuguda Municipality | Govt. HS, Jharsuguda | 20.00 | 2017-18 | Land Dispute |
| 11. | Kalahandi | Dharmagarh NAC | NAC Playground | 20.00 | 2016-17 | Not available |
| 12. | Keonjhar | Joda Municipality | Not identified | 20.00 | 2017-18 | Not available |
| 13. | Keonjahr | Barbil Municipality | Not identified | 20.00 | 2017-18 | Not available |
| 14. | Keonjahr | Anandpur Municipality | Not identified | 20.00 | 2017-18 | Not available |
| 15. | Keonjhar | Champua NAC | Not identified | 20.00 | 2017-18 | Not available |
| 16. | Rayagada | Rayagada Municipality | Municipality Playground | 20.00 | 2016-17 & 2017-18 | Not available |
| 17. | Rayagada | Gunupur Municipality | Gunupur (M) | 20.00 | 2017-18 | Not available |
| 18. | Rayagada | Kalyansinghpur | Not identified | 20.00 | 2016-17 | Not available |

| Sl. No. | Name of the district | Name of the Block/ ULB | Location | Amount released (₹ in lakh) | Year of release of funds | Reason for non-commencement |
|---|---|---|---|---|---|---|
| 19. | Sundergarh | Rourkela MC | Nabakrushna Nagar Playground | 20.00 | 2016-17 & 2017-18 | Not available |
| 20. | Sundergarh | Rourkela MC | Jagada Block Hqrs Playground | 20.00 | 2017-18 | Not available |
| 21. | Sundergarh | Lahunipada | Lahunipada Playground | 20.00 | 2016-17 | Not available |
| 22. | Angul | Angul | Bantala GP | 20.00 | 2016-17 | Not available |
| 23. | Mayurbhanj | Baripada | Sankhabhanga GP Playground | 20.00 | 2016-17 | Not available |
| 24. | Nayagarh | Odagaon | Narayan HS, Sarankul | 20.00 | 2014-15 & 2016-17 | Not available |

***(Source: Joint Physical Inspection and records of sampled DSOs)***

**Appendix 3.4.2**

(*Refer Paragraph 3.4.1.2*)

**Status of construction of Open-Gym, Mini-Hall and Toilets in test-checked Mini-stadiums.**

| Sl. No | Name of the district | Name of the Block/ULB | Location of Mini-stadium | Status of construction of Open-Gym, Mini-Hall & Toilet | Status of Open-Gym equipment | Status of the Mini Hall and toilets |
|---|---|---|---|---|---|---|
| 1 | Balasore | Nilagiri Block | Berhampur ME School Playground | Completed | Simply on the ground. Bushes and herbs had covered the equipment of the open gym indicating its non-utilisation. | Mini Hall and toilet constructed. |
| 2 | Koraput | Kotpad Block | Bhairab Ground | Completed | Simply on the ground. Bushes and herbs had covered the equipment of the open gym indicating its non-utilisation. | Mini Hall and toilets were constructed but were found in dilapidated condition. |
| 3 | | Jeypore Municipality | Vikram Dev College Playground | Completed | Open-gym constructed on paver block and in working condition | Toilets were constructed. No Mini Hall was constructed |
| 4 | | Pattangi Block | Pattangi Block Hqrs | Completed | Simply on ground. The Gym equipment were in deteriorated condition indicating its non-utilisation. | Neither Mini Hall nor toilets were constructed. |
| 5 | Boudh | Harbhanga | Govt. Highschool, Pururnakatak | Completed | The open gym is covered with weeds and grass and not in habitable condition to ensure fit for use. | Mini Hall and toilet were constructed. |

| Sl. No | Name of the district | Name of the Block/ULB | Location of Mini-stadium | Status of construction of Open-Gym, Mini-Hall & Toilet | Status of Open-Gym equipment | Status of the Mini Hall and toilets |
|---|---|---|---|---|---|---|
| 6 | Kalahandi | Junagarh Block | Dasilgaon GP Hqrs | Completed | The open gym fixed was in dilapidated condition and not in usable condition. | Mini Hall and toilet were constructed. |
| 7 | | Dharmagarh Block | Parla HS Playground | Completed | The Gym equipment in the open gym not fitted properly and covered with grasses indicating its non-utilisation. | Mini Hall and toilet were constructed. |
| 8 | | Kesinga Block | Utkela playground | Completed | Equipment of Open-Gym was damaged, bushes and herbs covered the equipment. | The condition of the Mini Hall indicated its non-utilisation |

***(Source: Joint Physical Inspection and records of sampled DSOs)***

**Appendix 3.4.3**

**(*Refer Paragraph 3.4.3*)**

**Deficiencies noticed during JPI of Mini-stadiums**

| Sl. No. | Name of the district | Name of the Block/ULB | Location | Presence of Boundary wall | Ground levelling | Grass turfing | Drainage facility | Watering facility | Others |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Cuttack | Cuttack Municipal Corporation | Nayabazar High School play field | All sides | No | Yes | No | Yes | It was noticed that a Multipurpose Indoor Hall was constructed in the same place acquiring most of the area of the Mini-stadium. In the remaining area of the Mini-stadium, a sump was also constructed, for which the area of the Mini-stadium was further reduced indicating its non-utilisation. |
| 2 | | Banki NAC | Banki College Playfield | Three sides | No | Yes | No | No | One Gallery and Changing room were constructed. The gate if the Mini-Stadium was not constructed. Grasses and herbs were abundantly grown indicating non-utilisation of the Mini-stadium. Temporary urinals were constructed inside the Mini-stadium during General Election 2024 as the field was used as dispersal center. |
| 3 | Balasore | Jaleswar Municipality, Balasore | Govt. HS Playground | Three sides | No | No | No | No | Gate of the Mini-stadium was not constructed. One Multi-Purpose Indoor Stadium had been constructed by acquiring major area of the Mini-stadium. The area of the Mini-Stadium was drastically reduced and unfit for full-fledged sports activities. This was indicative of non-utilisation of the Mini-stadium. |
| 4 | Puri | Pipili NAC, Puri | Jawahar Vidyapeetha Ground | All sides | No | No | No | No | The field was full of abundantly grown grasses and bushes and at places earthen heaps were present which indicated that the field was in unused |

| Sl. No. | Name of the district | Name of the Block/ULB | Location | Presence of Boundary wall | Ground levelling | Grass turfing | Drainage facility | Watering facility | Others |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | condition. One gallery was constructed which was in dilapidated condition due non-maintenance. In the same field on Multi-Purpose Indoor Hall had also been constructed. Another building with a cost of Rs 10 lakh was constructed which was in incomplete condition. |
| 5 | | Konark NAC, Puri | Bhagabati Mahavidyalaya Playground | One side | NO | No | No | No | No gate for the Mini-stadium was constructed. Abundant growth of grass and shrubs were noticed, which indicated that the Mini-stadium was in unused condition. The field was not levelled and large-scale water logging was noticed. |
| 6 | Koraput | Sunabeda Municipality | W-22, Semiliguda | Three sides | No | No | No | No | At places abundant grasses and herbs were grown which was indicative of non-utilisation of the stadium. One small building was present inside the stadium in dilapidated condition. |
| 7 | | Kotpad Block | Bhairab Playground | Two sides | No | No | No | No | At many places, the field was full of abundantly grown grasses and bushes which was indicative of non-utilisation of the field. |
| 8 | | Kotpad NAC | Bhairab Ground | Three sides | No | No | No | No | At many places, the field was full of abundantly grown grasses and bushes which was indicative of non-utilisation of the field. |
| 9 | Jharsuguda | Jharsuguda Block, Jharsuguda | Panchayat high school, Badmal (Pandripathar football field) | Two sides | No | No | No | No | Grown up bushes were present in the field. As the entire filled is covered with grown up bushes the field has not used for any playing activities |

***(Source: Joint Physical Inspection and records of sampled DSOs)***

**Appendix 3.6.1**

*(Refer Paragraph 3.6.3)*

**Hiring of chartered aircraft and payments made**

| Sl. No. | Date of use of Chartered aircraft | Route circuit | Supplier of aircraft | Cost of hiring (₹ in lakh) |
|---|---|---|---|---|
| 1 | 8 Jan 2019 | BBS-DEL-BBS | M/s Pinacle Air Pvt. Ltd | 33.50 |
| 2 | 14 Feb 2019 | BBS-BOM-BBS | M/s Pinacle Air Pvt. Ltd | 31.60 |
| 3 | 15 June 2019 | BBS-DEL-BBS | M/s OSS Air Management Pvt. Ltd | 22.70 |
| 4 | 28 Mar 2022 to 31 Mar 2022 | BBS-DEL-BBS | M/s OSS Air Management Pvt. Ltd | 49.75 |
| 5 | 29 Apr 2022 and 03 May 2022 | BBS-DEL-BBS | M/s OSS Air Management Pvt. Ltd | 49.90 |
| 6 | 30 May 2022 and 01 Jun 2022 | BBS-DEL-BBS | M/s OSS Air Management Pvt. Ltd | 30.00 |
| 7 | 18 Jun 2022 | DEL-BBS-DEL | M/s OSS Air Management Pvt. Ltd | 30.00 |
| 8 | 30 Jun 2022 | DEL-BBS-DEL | | |
| 9 | 23 Jul 2022 | DEL-BBS-DEL | M/s OSS Air Management Pvt. Ltd | 30.00 |
| 10 | 26 Jul 2022 | DEL-BBS-DEL | | |
| 11 | 6 Aug to 8 Aug 2022 | DEL-BBS-DEL | M/s OSS Air Management Pvt. Ltd | 60.00 |
| 12 | 31 Aug 2022 to 06 Sept 2022 | DEL-BBS-DEL | | |
| 13 | 13 to 15 Sept 2022 | BOM-BBS-BOM | M/s OSS Air Management Pvt. Ltd | 99.75 |
| 14 | 27 and 29 Sept 2022 | BBS-BLR-BBS | | |
| 15 | 16 Oct 2022 | DEL-BBS-HYD | M/s OSS Air Management Pvt. Ltd | 49.75 |
| 16 | 18 Oct 2022 | HYD-BOM | | |
| 17 | 19 Oct 2022 | BOM-BBS-BOM | | |
| 18 | 05 Dec 2022 to 06 Dec 2022 | BBS-DEL-BBS | M/s OSS Air Management Pvt. Ltd | 49.75 |
| 19 | 27 Feb 2023 to 28 Feb 2023 | BBS-BOM-BBS | M/s OSS Air Management Pvt. Ltd | 49.75 |
| 20 | 10 May & 13 May 2023 | DEL-BBS-DEL | M/s OSS Air Management Pvt. Ltd | 41.00 |
| 21 | 22 Nov 2023 | DEL-BBS-BOM | M/s Ziontech Aviation | 63.13 |
| 22 | 23 Nov 2023 | BOM-BBS-DEL | | |
| | **Total** | | | **690.58** |

***(Source: Records of Commerce & Transport Department)***

**Note:** BBS: Bhubaneswar, BOM: Mumbai, DEL: New Delhi, BLR: Bengaluru, HYD: Hyderabad

**Appendix 3.6.2**

***(Refer Paragraph 3.6.4.1)***

**Use of helicopter instead of aircraft for travelling between places having airstrips**

| **Sl. No.** | **Date of journey** | **Places of journey** | **Flying duration (Hours)** | **Hourly flying rate** | **Flying charges** | **Length of airstrip available at the destination point of helicopter** |
|---|---|---|---|---|---|---|
| | | | | ***(₹ in lakh)*** | | ***(in feet)*** |
| 1 | 05-09-2019 | VEBS-VEJH-VEBS | 3.15 | 1.15 | 3.62 | 7,844 |
| 2 | 11-09-2019 | VEBS-Utkela-VEBS | 3.15 | 1.15 | 3.62 | 3,000 |
| 3 | 12-09-2019 | VEBS-VEJH-VEBS | 3.30 | 1.15 | 3.80 | 7,844 |
| 4 | 08-11-2019 | VEBS-Utkela | 1.30 | 1.30 | 1.69 | 3,000 |
| 5 | 09-11-2019 | Utkela-VEJH-VEBS | 3.15 | 1.30 | 4.10 | 7,844 |
| 6 | 17-12-2019 | VEBS-Utkela-VEBS | 3.15 | 1.30 | 4.10 | 3,000 |
| 7 | 15-10-2020 | VEBS-VERK-VEBS | 3.45 | 1.30 | 4.49 | 5,987 |
| 8 | 15-02-2021 | VEBS-VERK-VEBS | 4.00 | 1.30 | 5.20 | 5,987 |
| 9 | 02-04-2021 | VEBS-Gudari- VEBS | 2.15 | 1.30 | 2.80 | 4,592 |
| 10 | 31-10-2021 | VEBS-PHULBANI-VEBS | 2.15 | 1.30 | 2.80 | 4,592 |
| 11 | 10-11-2021 | UTKELA-NAWAPADA-VEBS | 4.00 | 1.30 | 5.20 | 3,117 |
| 12 | 30-12-2021 | VEBS-VEJH-VEBS | 3.45 | 1.30 | 4.49 | 7,844 |
| 13 | 04-01-2022 | VEBS-HIRAKUD-VEBS | 3.15 | 1.30 | 4.10 | 3,600 |
| 14 | 06-01-2022 | VEBS-UTKELA-VEBS | 3.30 | 1.30 | 4.29 | 3,000 |
| 15 | 29-03-2022 to 30-03-2022 | VEBS-UTKELA-VEBS | 3.30 | 1.30 | 4.29 | 3,000 |
| 16 | 12-06-2022 | VEBS-UTKELA-VEBS | 3.45 | 1.30 | 4.49 | 3,000 |
| 17 | 14-06-2022 | VEBS-UTKELA-VEBS | 3.50 | 1.30 | 4.55 | 3000 |
| 18 | 30-08-2022 | VEBS-VERK-VEBS | 3.35 | 1.30 | 4.36 | 5,987 |
| 19 | 19-10-2022 | VEBS-RAYAGADA-VEBS | 3.30 | 1.30 | 4.29 | 3,700 |
| 20 | 28-10-2022 | VEBS-VERK-VEBS | 4.15 | 1.30 | 5.40 | 5,987 |
| 21 | 06-11-2022 | VEBS-VERK-VEBS | 3.10 | 1.30 | 4.03 | 5,987 |
| 22 | 05-01-23 & 06-01-23 | VEBS-VEJH-VERK-(N/H)<br>VERK-VEBS | 5.00 | 1.30 | 6.50 | 7,844 |
| 23 | 20-01-23 &21-01-23 | VEBS-VEJH-VERK-(N/H)<br>VERK-VEBS | 4.15 | 1.30 | 5.40 | 7,844<br>5,987 |
| 24 | 29-01-23 &30-01-23 | VEBS-VEJH-(N/H)<br>VEJH-VEBS-VEJH-VEBS | 6.15 | 1.30 | 8.00 | 7,844 |
| 25 | 31-01-2023 | VEBS-VEJH-VEBS | 3.15 | 1.30 | 4.10 | 7,844 |

| Sl. No. | Date of journey | Places of journey | Flying duration (Hours) | Hourly flying rate | Flying charges | Length of airstrip available at the destination point of helicopter |
|---|---|---|---|---|---|---|
| | | | | *(₹ in lakh)* | | *(in feet)* |
| 26 | 22-02-2023 | VEBS-VEJH-VERK (N/H) VERK-VEBS | 5.30 | 1.30 | 6.89 | 5,987 |
| 27 | 13-02-2023 | VEBS-KEONJHAR-VEBS | 3.00 | 1.30 | 3.90 | 3,000 |
| 28 | 17-03-2023 | VEBS-GOTMA air strip-VEBS | 4.00 | 1.30 | 5.20 | 3,117 |
| 29 | 18-03-2023 | VEBS-VEUK-VEBS | 3.15 | 1.30 | 4.10 | 5,280 |
| | **Total** | | **100.90** | | **129.80** | |

***(Source: Records of Commerce & Transport Department)***

***Note:*** *VEBS: Bhubaneswar; VEJH: Jharsuguda; VERK: Rourkela; VEUK: Utkela; N/H: Night halt*

## Appendix 3.7.1

*(Refer Paragraph 3.7)*

**Short realisation of SD and RF on Lease Agreements due to non-consideration of appropriate Annual Average Rents**

*(Amounts are in ₹)*

| Sl. No. | Doc ID No/ Date of Regn. | Land Premium | Other Charges | Annual Rent #1 | Cess #2 | Average Annual Rent (AAR) (Col. 5 + Col. 6) | 4 times of AAR | Total Consideration (Col. 3 + Col. 4 + Col. 8) | SD & RF Payable #3 | SD & RF Paid | Balance SD & RF payable |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** |
| **SR Lakhanpur** | | | | | | | | | | | |
| 1 | 872000558 20/11/2020 | 4,86,36,866 | 1,25,09,032 | 4,86,369 | 3,64,776 | 8,51,145 | 34,04,581 | 6,45,50,479 | 45,18,534 | 42,80,213 | 2,38,321 |
| 2 | 872200288 25/03/2022 | 4,90,44,090 | 1,40,37,434 | 4,90,441 | 3,67,831 | 8,58,272 | 34,33,086 | 6,65,14,610 | 46,56,023 | 44,15,708 | 2,40,315 |
| 3 | 872200296 25/03/2022 | 2,13,54,295 | 64,66,672 | 2,13,543 | 1,60,157 | 3,73,700 | 14,94,801 | 2,93,15,768 | 20,52,104 | 19,47,469 | 1,04,635 |
| 4 | 872200298 25/03/2022 | 5,70,68,000 | 1,37,36,911 | 5,70,680 | 4,28,010 | 9,98,690 | 39,94,760 | 7,47,99,671 | 52,35,977 | 49,56,345 | 2,79,632 |
| 5 | 872200300 25/03/2022 | 39,07,200 | 14,38,821 | 39,072 | 29,304 | 68,376 | 2,73,504 | 56,19,525 | 3,93,367 | 3,74,223 | 19,144 |
| **Total** | | **18,00,10,451** | **4,81,88,870** | **18,00,105** | **13,50,078** | **31,50,183** | **1,26,00,732** | **24,08,00,053** | **1,68,56,004** | **1,59,73,958** | **8,82,046** |

***(Source: Records of the test-checked SR office)***

***#1 @ one per cent of Land Premium, i.e, Column 3***
***#2 @ 75 per cent of Annual Rent, i.e., Column 5***
***#3 SD @ 5 per cent of Total Consideration (Col.9) and RF @ 2 per cent of Total Consideration (Col.9)***

**Appendix 3.7.2**

***(Refer Paragraph 3.7)***

**Short realisation of SD and RF from Lease Agreements due to non-consideration of Security Deposit for calculation of consideration amount**

***(Amounts are in ₹)***

| Sl. No. | Document No. & date | Name of the lessor | Name of the lessess | Mauza, Khata No./ Revenue Plot No. | Lease Case No./ Sairat Sources / name of the Querry | Security Deposit made by the Lessee | SD leviable *(@5 per cent of Col.7 )* | RF leviable *(@2 per cent of Col.7 )* | Total (Col.8+9) |
|---|---|---|---|---|---|---|---|---|---|
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
| **A.** | **DSR Angul** | | | | | | | | |
| 1 | 12204785/ 15.09.2022 | Tahasildar Banarpal | Jagannath Corporation Project Pvt Ltd | Krushnachandrapur Khata No.1, Plot No.42/03 | Touzi Misc.(Lease) No.03/2020-21, 5yrs | 9,69,912 | 48,496 | 19,398 | 67,894 |
| 2 | 12204835/ 17.09.2022 | Tahasildar Banarpal | Jagannath Corporation Project Pvt Ltd | Krushnachandrapur Khata No.1, Plot No.42/04 | Touzi Misc.(Lease) No.04/2020-21, 5yrs | 17,56,591 | 87,830 | 35,132 | 1,22,961 |
| 3 | 12205121/ 07.10.2022 | Tahasildar Banarpal | Jagannath Corporation Project Pvt Ltd | Krushnachandrapur Khata No.1, Plot No.42/07 | Touzi Misc.(Lease) No.07/2020-21, 5yrs | 8,47,963 | 42,398 | 16,959 | 59,357 |
| **B.** | **DSR Mayurbhanj** | | | | | | | | |
| 4 | 1262200703 /23.02.2022 | Tahasildar Shamakhunta | Rajkishore Mandal | Mouza-Inkdapal, Khata No-69, Plot No-412/1, Kissam-Nadi | Sand Quarry/ Block-A | 22,10,125 | 1,10,506 | 44,203 | 1,54,709 |
| **C.** | **SR Talcher** | | | | | | | | |
| 5 | 52102327/ 16.11.2021 | Tahasildar, Kaniha | Suneet Jena | Mz-Rutubhuin | 898/2020-21 | 5,92,482 | 29,624 | 11,850 | 41,474 |
| 6 | 52102364/ 24.11.2021 | Tahasildar, Kaniha | Pabitramohan Sahoo | Mz-Pattakhan | 108/2019-20 | 1,91,828 | 9,591 | 3,837 | 13,428 |
| 7 | 52102365/ 24.11.2021 | Tahasildar, Kaniha | Pabitramohan Sahoo | Mz-Derang | 96/2020-21 | 1,07,787 | 5,389 | 2,156 | 7,545 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 8 | 52102366/ 24.11.2021 | Tahasildar, Kaniha | Permananda sahoo | Mz-Burukuna | 110/2019-20 | 1,09,796 | 5,490 | 2,196 | 7,686 |
| 9 | 52102368/ 24.11.2021 | Tahasildar, Kaniha | Permananda sahoo | Mz-BoI | 105/2019-20 | 4,93,044 | 24,652 | 9,861 | 34,513 |
| 10 | 52102369/ 24.11.2021 | Tahasildar, Kaniha | Permananda sahoo | Mz-Santribida | 94/2020-21 | 1,20,731 | 6,037 | 2,415 | 8,451 |
| 11 | 52102371/ 24.11.2021 | Tahasildar, Kaniha | Sujit Kumar Pradhan | Mz-Suleipal | 109/2019-20 | 1,64,934 | 8,247 | 3,299 | 11,545 |
| 12 | 52102482/ 14.12.2021 | Tahasildar, Kaniha | Sudhakar Jena | Mz-Dangarbada | 93/2020-21 | 5,52,844 | 27,642 | 11,057 | 38,699 |
| 13 | 52300145/ 19.01.2023 | Tahasildar, Talcher | Pitamber Bhutia | Mz-Nizgarhzami | 08/2020-21 | 2,917,600 | 1,45,880 | 58,352 | 2,04,232 |
| **D.** | **SR Sukinda** | | | | | | | | |
| 14 | 842000457/ 19.08.2020 | Tahasildar, Danagadi | Hemanta Ku Sahoo | Mouza: Pankapal, Kh:224 Plot:1075, Kisam: Nadi | Ordinary river Sand | 51,045 | 2,552 | 1,021 | 3,573 |
| 15 | 842200166/ 19.04.2022 | Tahasildar, Danagadi | Gyana Ranjan Mohapatra | Mouza: Digambarpur, Kh:68 Plot:407, Kisam: Nadi | Digambarpur Sand Quarry (Brahmani River Sand Belt) | 11,72,510 | 58,626 | 23,450 | 82,076 |
| 16 | 842300010 / 4.01.2023 | Tahasildar, Danagadi | Gyana Ranjan Mohapatra | Mouza: Digambarpur, Kh:5 Plot:131(P), Kisam: Nadi | Digambarpur Sand Quarry (Brahmani River Sand Belt) | | | | |
| **E.** | **SR Bamanghaty** | | | | | | | | |
| 17 | 1271900078 | Tahasildar, Bijatala | MAA Ambika Minerals | Mouza-Patpur, Khata-84, Plot-583, Kissam-Patharbani | Patpur, 5yrs | 1,00,000 | 5,000 | 2,000 | 7,000 |
| 18 | 1271900104 | Tahasildar, Bijatala | MAA Ambika Minerals | Mouza-Taldiha, Khata-76, Plot-518/1, Kissam-Patharbani | Taldiha, 5 yrs | 1,00,000 | 5,000 | 2,000 | 7,000 |
| 19 | 1272200127 | Tahasildar, Bijatala | Hindustan Stone Crusher | Mouza-Badjharan, Khata-184, Plot-958,959,960, Kissam-Patharbani | Badjharan, 5yrs | 2,62,504 | 13,125 | 5,250 | 18,375 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 20 | 1271800398 | Tahasildar, Bijatala | Birat Chandra Dagara | Mouza-Raihari, Khata-217, Plot-418, Kissam-Patharbani | Raihari, 5yrs | 1,00,000 | 5,000 | 2,000 | 7,000 |
| 21 | 1271700068 | Tahasildar, Kusumi | Niranjan Giri | Mouza-Langalsila, Khata-361, Plot-623, Kissam-Patharbani | Langalsila, 5yrs | 10,000 | 500 | 200 | 700 |
| 22 | 1271900062 | Tahasildar, Kusumi | Satayndra kumar mishra | Mouza-Hatisiali, Khata-56, Plot-418, Kissam-Patharbani | Hatisiali, 5yrs | 10,000 | 500 | 200 | 700 |
| 23 | 1271900063 | Tahasildar, Kusumi | Manoj Kumar Agrawal | Mouza-Uperbeda, Khata-697, Plot-1100, Kissam-Patharbani | Uperbeda, 5yrs | 10,000 | 500 | 200 | 700 |
| **F.** | **DSR Keonjhar** | | | | | | | | |
| 24 | 1002201993/ 16.12.2022 | Tahasildar Patna | Sachinda Kilar | Gopalpur, Khata No.83, Plot No. 145/1 | Stone Quarry for 5 years. | 12,63,987 | 63,199 | 25,280 | 88,479 |
| 25 | 1002201413/ 22.08.2022 | Tahasildar Patna | Murari Narayan Gupta | Kathabaunsali, Khata No.204 Plot No.06 | Stone Quarry for 5 years. | 4,55,240 | 22,762 | 9,105 | 31,867 |
| | **Total** | | | | | **1,45,70,923** | **7,28,546** | **2,91,418** | **10,19,965** |

***(Source: Records of the test-checked SR and DSR offices)***

**Appendix 3.8.1**

***(Refer Paragraph 3.8)***

**Short realisation of revenue due to levy of SD and RF at arbitrary rates, in deviation of the provisions of the Indian Stamp Act**

***(Amounts are in ₹ )***

| Sl. No. | Document No. & date | Area (in acres) | Benchmark Value (BMV) per Acre | Value of the immovable property as per BMV | SD[2] leviable (5% or 2%) | RF[3] leviable (2%) | SD levied | RF levied | Short levy of SD | Short levy of RF | Total short levy of SD & RF |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **A.** | **S R Nandapur** | | | | | | | | | | |
| 1 | 1222000758/ 13/08/2020 | 0.27 | 30,25,000 | 8,16,750 | 4,77,390 | 1,90,956 | 1,500 | 250 | 4,75,890 | 1,90,706 | 6,66,597 |
| | | 0.375 | 30,25,000 | 11,34,375 | | | | | | | |
| | | 0.2325 | 30,25,000 | 7,03,313 | | | | | | | |
| | | 0.2775 | 9,68,000 | 2,68,620 | | | | | | | |
| | | 2.19 | 30,25,000 | 66,24,750 | | | | | | | |
| 2 | 1222100574/ 24/05/2021 | 3.045 | 30,25,000 | 92,11,125 | 1,00,18,119 | 40,07,248 | 1,000 | 250 | 1,00,17,119 | 40,06,998 | 1,40,24,117 |
| | | 12.278 | 1,21,00,000 | 14,85,57,750 | | | | | | | |
| | | 11.543 | 30,25,000 | 3,49,16,063 | | | | | | | |
| | | 2.025 | 30,25,000 | 61,25,625 | | | | | | | |
| | | 0.4275 | 36,30,000 | 15,51,825 | | | | | | | |
| **B.** | **S R Khandagiri** | | | | | | | | | | |
| 3 | 1132113121/ 28/12/2021 | 0.09 | 2,40,00,000 | 21,60,000 | 43,200 | 43,200 | 1,000 | 250 | 42,200 | 42,950 | 85,150 |
| 4 | 1132104945/ 26/04/2021 | 0.13 | 1,43,00,000 | 18,59,000 | 92,950 | 37,180 | 1,000 | 250 | 91,950 | 36,930 | 1,28,880 |
| 5 | 1132109794/ 08/10/2021 | 0.0444 | 1,80,00,000 | 7,98,750 | 15,975 | 15,975 | 1,000 | 250 | 14,975 | 15,725 | 30,700 |
| 6 | 1132202685/ 19/02/2022 | 0.035 | 3,10,00,000 | 10,85,000 | 21,700 | 21,700 | 1,000 | 250 | 20,700 | 21,450 | 42,150 |
| 7 | 1132202686/ 19/02/2022 | 0.02 | 3,10,00,000 | 6,20,000 | 12,400 | 12,400 | 1,000 | 250 | 11,400 | 12,150 | 23,550 |

[2] Applicable at the rate of 5 *per cent* of the value of consideration or market value/ BMV, whichever is higher, up to 04 October 2021 and at the rate of 2 *per cent* with effect from 05 October 2021

[3] Applicable at the rate of 2 *per cent* of the value of consideration or market value/ BMV, whichever is higher

| Sl. No. | Document No. & date | Area (in acres) | Benchmark Value (BMV) per Acre | Value of the immovable property as per BMV | SD[2] leviable (5% or 2%) | RF[3] leviable (2%) | SD levied | RF levied | Short levy of SD | Short levy of RF | Total short levy of SD & RF |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 8 | 1132204900/ 18/04/2022 | 0.0275 | 9,11,00,000 | 25,05,250 | 50,105 | 50,105 | 1,000 | 250 | 49,105 | 49,855 | 98,960 |
| **C.** | **S R Berhampur-II (Rural)** | | | | | | | | | | |
| 9 | 601903659/ 06/07/2019 | 0.113 | 9,00,000 | 1,01,700 | 5,085 | 2,034 | 1,000 | 250 | 4,085 | 1,784 | 5,869 |
| 10 | 602205916/ 15/12/2022 | 0.072 | 14,12,300 | 1,01,686 | 2,034 | 2,034 | 1,000 | 250 | 1,034 | 1,784 | 2,817 |
| | | 0.241 | 15,09,200 | 3,63,717 | 7,274 | 7,274 | 1,000 | 250 | 6,274 | 7,024 | 13,299 |
| **D.** | **S R Berhampur-I (Town)** | | | | | | | | | | |
| 11 | 611905509/ 04/10/2019 | 0.446 | 6,16,00,000 | 2,74,73,600 | 13,73,680 | 5,49,472 | 1,000 | 250 | 13,72,680 | 5,49,222 | 19,21,902 |
| 12 | 611906021/ 06/11/2019 | 1.183 | 3,30,00,000 | 3,90,39,000 | 19,51,950 | 7,80,780 | 1,000 | 250 | 19,50,950 | 7,80,530 | 27,31,480 |
| **E.** | **S R Bamanghaty** | | | | | | | | | | |
| 13 | 1271800293/ 02/08/2018 | 0.45 | 6,63,371 | 2,98,517 | 14,926 | 5,970 | 2,010 | 250 | 12,916 | 5,720 | 18,636 |
| **F.** | **DSR Jharsuguda** | | | | | | | | | | |
| 14 | 861902791/ 16/10/2019 | 0.723 | 1,65,00,000 | 1,19,29,500 | 5,96,475 | 2,38,590 | 1,000 | 250 | 5,95,475 | 2,38,340 | 8,33,815 |
| 15 | 862205456/ 19/12/2022 | 0.35 | 2,00,00,000 | 70,00,000 | 1,40,000 | 1,40,000 | 1,000 | 250 | 1,39,000 | 1,39,750 | 2,78,750 |
| 16 | 862000049/ 09/01/2020 | 1.645 | 1,15,50,000 | 1,89,99,750 | 9,49,988 | 3,79,995 | 1,000 | 250 | 9,48,988 | 3,79,745 | 13,28,733 |
| **G.** | **SR Barbil** | | | | | | | | | | |
| 17 | 1032100165/ 30/04/2021 | 0.11 | 1,65,00,000 | 18,15,000 | 90,750 | 36,300 | 1,000 | 250 | 89,750 | 36,050 | 1,25,800 |
| 18 | 1032100461/ 20/12/2021 | 0.3267 | 1,65,00,000 | 53,90,000 | 1,07,800 | 1,07,800 | 1,000 | 250 | 1,06,800 | 1,07,550 | 2,14,350 |
| **H.** | **DSR Keonjhar** | | | | | | | | | | |
| 19 | 1002001379/ 10/12/2020 | 0.1 | 22,00,000 | 2,20,000 | 11,000 | 4,400 | 1,000 | 250 | 10,000 | 4,150 | 14,150 |

| Sl. No. | Document No. & date | Area (in acres) | Benchmark Value (BMV) per Acre | Value of the immovable property as per BMV | SD[2] leviable (5% or 2%) | RF[3] leviable (2%) | SD levied | RF levied | Short levy of SD | Short levy of RF | Total short levy of SD & RF |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 20 | 1002101457/ 03/11/2021 | 0.67 | 3,02,50,000 | 2,02,67,500 | 4,05,350 | 4,05,350 | 1,000 | 250 | 4,04,350 | 4,05,100 | 8,09,450 |
| 21 | 1002200334 11/02/2022 | 0.0767 | 49,50,000 | 3,79,500 | 63,598 | 63,598 | 1,000 | 250 | 62,598 | 63,348 | 1,25,947 |
| | | 0.2933 | 44,00,000 | 12,90,667 | | | | | | | |
| | | 1.22 | 12,37,500 | 15,09,750 | | | | | | | |
| **I.** | **SR Satyabadi** | | | | | | | | | | |
| 22 | 1541700326, 10/05/2017 | 1.9286 | 2,78,300 | 5,36,729 | 26,836 | 10,735 | 1,005 | 250 | 25,831 | 10,485 | 36,316 |
| 23 | 1541600191, 16/04/2016 | 0.03 | 11,58,000 | 34,740 | 5,150 | 2,060 | 1,030 | 250 | 4,120 | 1,810 | 5,930 |
| | | 0.0925 | 7,38,000 | 68,265 | | | | | | | |
| 24 | 1541600275/ 10/05/2016 | 0.48 | 37,000 | 17,760 | 30,393 | 12,157 | 1,000 | 250 | 29,393 | 11,907 | 41,301 |
| | | 0.0367 | 45,000 | 1,650 | | | | | | | |
| | | 0.0033 | 3,83,000 | 1,277 | | | | | | | |
| | | 0.76 | 45,000 | 34,200 | | | | | | | |
| | | 0.0333 | 9,21,000 | 30,700 | | | | | | | |
| | | 0.18 | 8,82,000 | 1,58,760 | | | | | | | |
| | | 0.17 | 1,77,000 | 30,090 | | | | | | | |
| | | 0.0567 | 3,83,000 | 21,703 | | | | | | | |
| | | 0.7733 | 3,83,000 | 2,96,187 | | | | | | | |
| | | 0.21 | 74,000 | 15,540 | | | | | | | |
| **J.** | **SR Dolipur** | | | | | | | | | | |
| 25 | 822201507/ 28/03/2022 | 0.2325 | 3,93,800 | 91,559 | 4,489 | 4,489 | 1,000 | 250 | 3,489 | 4,239 | 7,729 |
| | | 0.045 | 3,93,800 | 17,721 | | | | | | | |
| | | 0.060 | 3,93,800 | 23,628 | | | | | | | |
| | | 0.2325 | 3,93,800 | 91,559 | | | | | | | |
| 26 | 822201516/ 28/032022 | 0.60 | 3,93,800 | 2,36,280 | 4,726 | 4,726 | 1,000 | 250 | 3,726 | 4,476 | 8,201 |
| 27 | 822201517/ 28/03/2022 | 0.6075 | 7,87,200 | 4,78,224 | 9,564 | 9,564 | 1,000 | 250 | 8,564 | 9,314 | 17,879 |

| Sl. No. | Document No. & date | Area (in acres) | Benchmark Value (BMV) per Acre | Value of the immovable property as per BMV | SD[2] leviable (5% or 2%) | RF[3] leviable (2%) | SD levied | RF levied | Short levy of SD | Short levy of RF | Total short levy of SD & RF |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 28 | 822201518/ 28/03/2022 | 0.6338 | 3,93,800 | 2,49,571 | 4,991 | 4,991 | 1,000 | 250 | 3,991 | 4,741 | 8,733 |
| | **Total** | | | **35,75,54,215** | **16,53,79,00** | **71,51,084** | **30,545** | **7,250** | **1,65,07,355** | **71,43,834** | **2,36,51,189** |

***(Source: Records of the test-checked SR and DSR offices)***

**Appendix 3.10.1**

***(Refer Paragraph 3.10)***

**Loss of Government revenue to non-adherence to rates of SD and RF stipulated for Agreement to Sell**

***(Amount in ₹)***

| Sl. No. | Document ID/ Date | Advance amount | Consideration set forth in the agreement | Market Value | Higher between Consideration and BMV | Realisable | | Realised | | Short realisation | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | SD | RF | SD | RF | SD | RF | Total |
| **SR Berhampur-II** | | | | | | | | | | | | |
| 1 | 601905880/ 27.12.2019 | 1,00,000 | 3,50,000 | 76,560 | 3,50,000 | 17,500 | 7,000 | 35 | 2,000 | 17,465 | 5,000 | 22,465 |
| 2 | 602205624/ 24.11.2022 | 6,00,000 | 50,00,000 | 57,73,460 | 57,73,460 | 1,15,469 | 1,15,469 | 1,15,469 | 12,000 | 0 | 1,03,469 | 1,03,469 |
| **DSR Jharsuguda** | | | | | | | | | | | | |
| 3 | 861902935/ 23.10.2019 (*11 different plots*) | 9,00,000 | 80,00,000 | 2,26,60,000 | 2,26,60,000 | 11,33,000 | 4,53,200 | 45,000 | 18,000 | 59,02,150 | 23,60,860 | 82,63,010 |
| | | | | 1,80,40,000 | 1,80,40,000 | 9,02,000 | 3,60,800 | | | | | |
| | | | | 3,01,40,000 | 3,01,40,000 | 15,07,000 | 6,02,800 | | | | | |
| | | | | 3,30,00,000 | 3,30,00,000 | 16,50,000 | 6,60,000 | | | | | |
| | | | | 40,26,000 | 40,26,000 | 2,01,300 | 80,520 | | | | | |
| | | | | 35,31,000 | 35,31,000 | 1,76,550 | 70,620 | | | | | |
| | | | | 10,67,000 | 10,67,000 | 53,350 | 21,340 | | | | | |
| | | | | 4,18,000 | 4,18,000 | 20,900 | 8,360 | | | | | |
| | | | | 25,08,000 | 25,08,000 | 1,25,400 | 50,160 | | | | | |
| | | | | 26,18,000 | 26,18,000 | 1,30,900 | 52,360 | | | | | |
| | | | | 9,35,000 | 9,35,000 | 46,750 | 18,700 | | | | | |
| | ***Sub-total*** | 9,00,000 | 80,00,000 | 11,89,43,000 | 11,89,43,000 | 59,47,150 | 23,78,860 | 45,000 | 18,000 | 59,02,150 | 23,60,860 | 82,63,010 |
| **DSR, Khurda** | | | | | | | | | | | | |
| 4 | 1082203803/ 14.03.2022 | 20,00,000 | 1,90,00,000 | 64,80,000 | 1,90,00,000 | 3,80,000 | 3,80,000 | 100 | 40,000 | 3,79,900 | 3,40,000 | 7,19,900 |
| 5 | 1082116400/ 20.12.2021 | 0 | 3,22,24,000 | 6,08,00,000 | 6,08,00,000 | 12,16,000 | 12,16,000 | 6,44,800 | 6,44,480 | 5,71,200 | 5,71,200 | 11,43,040 |
| | **Total** | | 6,45,74,000 | | **20,48,66,460** | **76,76,119** | **40,97,329** | **8,05,404** | **7,16,480** | **68,70,715** | **33,80,849** | **1,02,51,244** |

***(Source: Records of District Sub-Registrars of Berhampur-II, Jharsuguda and Khurda)***

***Note:*** *SD realisable: @ 5 per cent up to 4 October 2021 and thereafter @ 2 per cent on the Consideration value. RF realisable: @ 2 per cent on Consideration value*

**Appendix 3.11.1**

***(Refer Paragraph 3.11)***

**Non/ Short-levy of SD and RF on enhanced production level of mines.**

| Sl. No. | Name of the Lessee | Name of the Mining Block | Tenure of lease (in year) | Date of enhance-ment | Previous production level | Enhanced annual production level (highest) | Quantity enhanced (f-e) | Rate of Royalty per MT (₹) | Royalty amount on the enhanced quantity (g*h) (₹ in crore) | Multipli-cation factor {Art 35 (a) (iii) to (viii)} | Annual average value for the purpose of SD and RF (i*j) | SD realisable (k*5 *per cent*) | RF realisable (k* 2 *per cent*) | Total realisable (l+m) | SD & RF levied | Non/ Short-levy of differential SD&RF (n-o) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | (in MT) | | | | | | (₹ in crore) | | | | | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) |
| **DSR, Keonjhar** | | | | | | | | | | | | | | | | |
| 1. | M/s JSW Steel Ltd. | Nuagaon Iron Ore Block | 50 | 2024-25 | 75,90,258 | 2,00,00,000 | 1,24,09,742 | 658.69 | 817.42 | 4 | 3,269.68 | 163.48 | 65.39 | 228.87 | 81.11 | 147.76 |
| 2. | M/s Odisha Mining Corporation Ltd. | Gandha-mardan Iron Ore Mines, Block-B | 20 | 2022-23 | 91,15,680 | 91,20,000 | 4,320 | 829 | 0.36 | 2 | 0.72 | 0.036 | 0.014 | 0.05 | 0.00 | 0.05 |
| **DSR, Jajpur** | | | | | | | | | | | | | | | | |
| 3. | M/s Jindal Stainless Ltd. | Kaliapani Chromite Mines | 30 | 1-04-2022 | 2,03,860 | 2,15,000 | 11,140 | 2,797 | 3.11 | 3 | 9.33 | 0.47 | 0.18 | 0.65 | 0.00 | 0.65 |
| | | **Total** | | | **1,69,09,798** | **2,93,35,000** | **1,24,25,202** | | **820.89** | | **3279.73** | **163.98** | **65.58** | **229.57** | **81.11** | **148.46** |

***(Source: Records of Deputy Director of Mines at Keonjhar and Jajpur)***

**Appendix 3.12.1**

***(Refer Paragraph 3.12)***

**Under valuation of buildings and consequential loss of SD and RF**

**(Amount ₹ in lakh)**

| Sl. No. | Document ID No./ date | Value of land and building with GST (12 *per cent*) | Consideration as per Deed | SD & RF leviable | SD & RF levied | Short levy of SD and RF | Audit Observation |
|---|---|---|---|---|---|---|---|
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** |
| **SR Nandapur** | | | | | | | |
| 1 | 1222000847/ 06/08/2020 | 38.98 | 36.06 | 2.34 | 2.16 | 0.18 | • Plinth area rates for ground floor were allowed as ₹1,278 per square feet instead of ₹1,427 per square feet, as per notified rates (Difference/₹149 per square feet) and for first floor, ₹1,158 per square feet instead of ₹1,242 per square feet (Difference/ ₹84 per square feet) respectively;<br>• Depreciation was not allowed due to non/disclosure of the year of construction of the building. |
| 2 | 1222001574/ 23/12/2020 | 51.30 | 49.48 | 3.08 | 2.97 | 0.11 | • Plinth area rate for ground floor was allowed as ₹1,314.00 per square feet instead of ₹1,427 per square feet (Difference/₹113 per square feet);<br>• Depreciation was not allowed in spite of disclosure of the year of construction of the building in the recitals; |
| **DSR Sambalpur** | | | | | | | |
| 3 | 1622101660 23/03/2021 | 62.91 | 60.02 | 4.40 | 4.20 | 0.20 | • Value of internal sanitary fittings at the rate of 15 *per cent* of the total plinth area rates of the building, amounting to ₹2,58,222 was not added to the building value;<br>• Depreciation was not allowed due to non/disclosure of the year of construction of the building; |
| **DSR Balasore** | | | | | | | |
| 4 | 62209966 13/07/2022 | 294.45 | 166.67 | 20.61 | 11.67 | 8.94 | • Plinth area rates for residential building were taken for valuation whereas the building was a commercial one as mentioned in Form/B annexed to the Sale deed (Difference/₹112 per square feet for ground floor, ₹91 |

| Sl. No. | Document ID No./ date | Value of land and building with GST (12 *per cent*) | Consideration as per Deed | SD & RF leviable | SD & RF levied | Short levy of SD and RF | Audit Observation |
|---|---|---|---|---|---|---|---|
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** |
| | | | | | | | per square feet for first floor and ₹252 per square feet for second floor)<br>• Depreciation allowed at the rate of 3 *per cent* instead of 1.5 *per cent* as the building falls under Class/I category;<br>• Value of internal sanitary fittings was calculated at the rate of 10 *per cent* instead of 15 *per cent*; |
| 5 | 62207818 06/08/2022 | 580.10 | 416.61 | 40.61 | 29.16 | 11.45 | • Plinth area rates such as ₹50 per square feet for ground floor, ₹40 square feet for first floor, ₹30 per square feet for second floor and ₹20 per square feet for portico were taken as basis for calculation of building valuation by the Superintendent Engineer, R&B Division/1, Balasore, which was accepted by the DSR, Balasore. As per the guidelines, the plinth area rates to be followed were ₹1,639, ₹1,333, ₹1,530 and ₹862 per square feet for ground floor (Difference/₹1589 per square feet), first floor (Difference/₹1293 per square feet), second floor (Difference/₹1500 per square feet) and portico (Difference/₹842 per square feet) respectively;<br>• Depreciation was allowed at the rate of 5 *per cent* instead of 3 *per cent* as the building falls under Class/II(b) category;<br>• Internal electrical installations and sanitary fittings at the rate of 25 *per cent* of the total plinth area rates, valuing ₹86,09,501 were not added to the building valuation; |
| **DSR Keonjhar** | | | | | | | |
| 6 | 1002201434 26/08/2022 | 75.97 | 62.45 | 5.32 | 4.37 | 0.95 | • Plinth area rate for ground floor was allowed as ₹1,314 per square feet instead of ₹1,427 per square feet (Difference/₹113 per square feet);<br>• Depreciation was not allowed due to non/disclosure of the year of construction of the building; |

| Sl. No. | Document ID No./ date | Value of land and building with GST (12 *per cent*) | Consideration as per Deed | SD & RF leviable | SD & RF levied | Short levy of SD and RF | Audit Observation |
|---|---|---|---|---|---|---|---|
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** |
| 7 | 1002201502<br>13/09/2022 | 110.63 | 87.35 | 6.64 | 5.24 | 1.40 | • Plinth area rate for ground floor was allowed as ₹1,314 per square feet instead of ₹1,427 per square feet (Difference/₹113 per square);<br>• Depreciation was not allowed due to non/disclosure of the year of construction of the building; |
| 8 | 1002201608<br>30/09/2022 | 179.70 | 175.00 | 12.58 | 8.75 | 3.83 | • Plinth area rate for ground floor was allowed as ₹1,314 per square feet instead of ₹1,427 per square feet (Difference/₹113 per square);<br>• Depreciation was not allowed due to non/disclosure of the year of construction of the building; |
| 9 | 1002300472<br>27/03/2023 | 68.92 | 63.67 | 4.82 | 4.46 | 0.37 | • The value of internal electrical installations and sanitary fittings were calculated at the rate of 20 *per cent* of plinth area rates of the building instead of 25 *per cent*;<br>• Depreciation was not allowed due to non/disclosure of year of construction of the building. |
| | **Total** | **1,462.96** | **1,117.31** | **100.04** | **72.98** | **27.42** | |

***(Source: Records of the test/checked Registration offices)***

***Note: Buyers at Sl. Nos. 1, 2 and 7 were female buyers and therefore, SD at a rate of 4 per cent was applicable***

## Appendix 3.14.1
*(Refer Paragraph 3.14)*
### Consideration Money due, paid and outstanding as of March 2024

| Sl. No | District | Name of Shop | Licence validity Period | Monthly consideration money | No of months | Total Consideration Money | Consideration Money Deposited | Consideration Money dues. | No. of years for penal interest | Penal interest @12% per annum as on 31.03.2024 | Total Dues as on 31.03.2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Angul | Sanjay Kumar, Anadipur OS shop | 21/10/2021 to 31/03/2022 | 9,54,990 | 5 months 11 days | 51,13,817 | 32,03,837 | 19,09,980 | 2 | 4,58,395 | 23,68,375 |
| 2 | Angul | Nidhishyam Sahoo, Lodhabandha OS shop | 21/10/2021 to 31/03/2022 | 16,27,764 | 5 months 11 days | 81,88,557 | 65,60,793 | 16,27,764 | 2 | 3,90,663 | 20,18,427 |
| 3 | Jajpur | Rashmita Pradhan, Ragadiposi CL shop | 01/05/2021 to 31/03/2022 | 33,000 | 11 months | 3,63,000 | 2,97,000 | 66,000 | 2 | 15,840 | 81,840 |
| 4 | Jajpur | Soumaya Prakash Sahoo, Baragadia CL shop | 01/05/2021 to 31/03/2022 | 33,000 | 11 months | 3,63,000 | 1,32,000 | 2,31,000 | 2 | 55,440 | 2,86,440 |
| 5 | Jajpur | Subhransu Sekhar Mahapatra, Chirgunia CL shop | 01/05/2021 to 31/03/2022 | 33,000 | 11 months | 3,63,000 | 1,32,000 | 2,31,000 | 2 | 55,440 | 2,86,440 |
| 6 | Jajpur | Soumaya Prakash Sahoo, Sukinda CL shop | 01/05/2021 to 31/03/2022 | 33,000 | 11 months | 3,63,000 | 1,32,000 | 2,31,000 | 2 | 55,440 | 2,86,440 |
| **Total** | | | | | | **147,54,374** | **104,57,630** | **42,96,744** | | **10,31,219** | **53,27,963** |

***(Source: Records of the test/checked District Excise Offices)***

# Glossary

## Glossary of Abbreviations

| Abbreviation | Description |
|---|---|
| AAP | Annual Action Plan |
| AAR | Average Annual Rent |
| AIILSG | All India Institute of Local Self Government |
| AL | Acceptable Limit |
| AMC | Annual Maintenance Contract |
| APS | Additional Performance Security |
| ARWSP | Accelerated Rural Water Supply Programme |
| ASCIL | Aska Co-operative Sugar Industries Limited |
| ATR | Action Taken Report |
| AWC | Anganwadi Centre |
| BASUDHA | Buxi Jagabandhu Assured Drinking Water to all Habitation |
| BDA | Bhubaneswar Development Authority |
| BDO | Block Development Officer |
| BEO | Block Education officer |
| BIS | Bureau of Indian Standards |
| BLKWLS | Balukhanda-Konark Wild Life Sanctuary |
| BM | Bituminous Macadam |
| BT | Barefoot Technicians |
| CBO | Community Based Organisation |
| CCE | Chief Construction Engineer |
| CDP | Comprehensive Development Plan |
| CDWLS | Chandaka Dampara Wild Life Sanctuary |
| CEO | Chief Executive Officer |
| CEPT | Centre for Environmental Planning & Technology |
| CGWB | Central Ground Water Board |
| CIIL | Crackers India Infrastructure Limited |
| CP & OH | Contractor's Profit and Overhead Charges |
| CRCC | Cluster Resource Centre Coordinator |
| CRPs | Community Resource Persons |
| CRWC | Central Rural Works Circle |
| CSR | Corporate Social Responsibility |
| CWPP | Community Water Purification Plant |
| DA | Development Authority |
| DAP | District Action Plan |
| DDM | Deputy Director of Mines |
| DEOs | District Education Officers |
| DEOs | District Excise Officers |
| DHS | Director of Health Service |
| DLAE | District Level Academic Enrichment Committee |

| Abbreviation | Description |
|---|---|
| DLC | District Level Committees |
| DLC | Dry Lean Concrete |
| DMF | District Mineral Fund |
| DMF | District Mineral Fund |
| DPC | District Project Co-ordinator |
| DPC | Duties, Powers, and Conditions of Service |
| DPR | Detailed Project Report |
| DRIT | Dhenkanal Regional Improvement Trust |
| DRRP | District Rural Roads Plan |
| DSOs | District Sports Officers |
| DSP | District Saturation Plans |
| DSR | District Sub-Registrar |
| DTP | Directorate of Town Planning |
| DWSM | District Water and Sanitation Mission |
| EIC | Engineer-in-Chief |
| EIC | Engineer-in-Chief |
| EOT | Extension of Time |
| EPM | Export Promotion and Marketing |
| ESZ | Eco Sensitive Zone |
| FGD | Focus Group Discussion |
| FHTC | Functional Household Tap Connections |
| FRA | Forest Right Act |
| FS & CW | Food Supplies and Consumer Welfare |
| FTK | Field Test Kit |
| GAD | General Arrangement of Design |
| GAPG | General Administration and Public Grievance |
| GCC | General Conditions of Contract |
| GIS | Geo-Information System |
| GP | Gram Panchayat |
| H&UD | Housing and Urban Development |
| HFW | Health and Family Welfare Department |
| HGM | Hydro-Geo-Morphological Maps |
| HH | Household |
| HMP | Hot Mix Plant |
| HRD | Human Resource Development |
| HSTP | High School Transformation Programme |
| HTC | Household Tap Connections |
| IAs | Industrial Areas |
| IDCO | Odisha Industrial Infrastructure Development Corporation |
| IEC | Information, Education and Communication |

| Abbreviation | Description |
|---|---|
| IEs | Industrial Estates |
| IMFL | India Made Foreign Liquor |
| IMIS | Integrated Management Information System |
| IRC | Indian Road Congress |
| IS | Indian Stamp Act |
| ISA | Implementation Support Agencies |
| ISO | International Organisation for Standardisation |
| JJM | Jal Jeevan Mission |
| KBWLS | Konark Balukhand Wildlife Sanctuary |
| KCAL | Konark Cement & Asbestos Limited |
| KISS | Kalinga Institute of Social Sciences |
| LAO | Land Acquisition Officer |
| LD | Liquidated Damages |
| LSB | Long Span Bridges |
| MBKs | Master Book Keepers |
| MCL | Mahanadi Coal Fields Limited |
| MOEFCC | Ministry of Environment, Forest and Climate Change |
| MoRTH | Ministry of Road Transport and Highways |
| MRL | Major Rural Link |
| MSA | Million Standard Axles |
| MSAPS | Mo School Abhiyan Parichalana Sangathan |
| MT | Million Tonnes |
| MVS | Multi-Village Scheme |
| NABL | National Accreditation Board for Testing and Calibration Laboratories |
| NAC | Notified Area Council |
| NDET | Naba Digant Educational Trust |
| NGO | Non-Government Organisation |
| NHAI | National Highway Authority of India |
| NJJM | National Jal Jeevan Mission |
| NQMs | National Quality Monitors |
| NRDWP | National Rural Drinking Water Programme |
| NRIDA | National Rural Infrastructure Development Agency |
| NSOP | Non-Scheduled Operator's Permit |
| O&M | Operation & Maintenance |
| ODA | Odisha Development Authorities Act |
| OER | Odisha Excise Rules |
| OGLS | Odisha Government Land Settlement |
| OGPC | Open Graded Premix Carpet |
| OLR | Orissa Land Reforms Act |
| OM | Operations Manual |

| Abbreviation | Description |
|---|---|
| OMBADC | Odisha Mineral Bearing Area Development Corporation |
| OMMAS | Online Management, Monitoring and Accounting System |
| OPC | Ordinary Portland Cement |
| OPLE | Orissa Prevention of Land Encroachment |
| OPWD | Odisha Public Works Department |
| ORSAC | Odisha Space Applications Centre |
| OSEPA | Odisha School Education Programme Authority |
| OSHB | Odisha State Housing Board |
| OSIC | Odisha Small Industries Corporation |
| OSMCL | Odisha State Medical Corporation Limited |
| OSPCB | Odisha State Pollution Control Board |
| OSRRA | Odisha State Rural Road Agency |
| OTP&IT | Orissa Town Planning and Improvement Trust |
| OTPC | Odisha Thermal Power Corporation |
| PFMS | Public Finance Management System |
| PIUs | Programme Implementation Units |
| PKDA | Puri Konark Development Authority |
| PL | Permissible Limit |
| PMGSY | Pradhan Mantri Gram Sadak Yojana |
| PMU | Project Monitoring Unit |
| PR&DW | Panchayati Raj & Drinking Water Department |
| PWS | Piped Water Supply |
| RAs | Registering Authorities |
| RD | Rural Development |
| RDM | Revenue and Disaster Management |
| REPL | Rudrabhishek Enterprises Private Limited |
| RF | Registration Fees |
| RFCTLARR | Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement |
| RI | Revenue Inspector |
| RIDF | Rural Infrastructure Development Fund |
| RW | Rural Works |
| RWSS | Rural Water Supply and Sanitation |
| S&YS | Sports and Youth Services |
| SAP | State Action Plan |
| SBP | Shamuka Beach Project |
| SCADA | Supervisory Control and Data Acquisition |
| SD | Surface Dressing |
| SD | Stamp Duty |
| SDG | Sustainable Development Goals |
| SDLL | Sub-divisional Level Laboratory |

| Abbreviation | Description |
|---|---|
| SEM | Self-Employed Mechanic |
| SH | State Highway |
| SIA | Social Impact Assessment |
| SIZ | Special Institution Zone |
| SLSSC | State Level Scheme Sanctioning Committee |
| SMC | School Management Committee |
| SMDC | School Management and Development Committee |
| SME | School and Mass Education |
| SNMT | Swami Narayan Mandir Trust |
| SOR | Schedule of Rates |
| SQC | State Quality Coordinator |
| SQMs | State Quality Monitors |
| SR | Sub-Registrar |
| SRI | Satisfactory Requiring Improvement |
| STA | State Technical Agency |
| STDC | Shamuka Tourism Development Corporation Limited |
| SVS | Single Village Scheme |
| SWSM | State Water and Sanitation Mission |
| TC | Technical Committee |
| TDS | Total Dissolved Solids |
| TPH | Tons per Hour |
| TSSAL | TUV SUD South Asia Ltd. |
| U | Unsatisfactory |
| UC | Unauthorised Construction |
| UDISE+ | Unified District Information System for Education Plus |
| UEPL | Uttaranchal Engineering Private Limited |
| VAP | Village Action Plan |
| VO | Village Organisation |
| VWSC | Village Water Supply Committees |
| VWSC | Village Water and Sanitation Committee |
| WAMIS | Works and Accounts Management Information System |
| WAPCOS | Water and Power Consultancy Services Limited |
| WASH | Water, Sanitation and Hygiene in Schools |
| WATCO | Water Corporation of Odisha |
| WQM&S | Water Quality Management and Surveillance |
| WSHG | Women Self-helf Group |
| WTP | Water Treatment Plants |
| COPU | Committee on Public Undertakings |
| PAC | Public Accounts Committee |
| IR | Inspection Reports |

https://cag.gov.in/ag1/odisha/en