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# **MANAGEMENT OF NARCOTICS SUBSTANCES**

**[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Ninety-sixth Report (16<sup>th</sup> Lok Sabha)]**

**MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)**

**PUBLIC ACCOUNTS COMMITTEE  
(2018-19)**

**ONE HUNDRED AND TWENTIETH REPORT**

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**SIXTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**PAC NO. 2159**

**ONE HUNDRED AND TWENTIETH REPORT**

**PUBLIC ACCOUNTS COMMITTEE**  
(2018-19)

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**[Action Taken by the Government on the Observations/ Recommendations of the Committee contained in their Ninety-sixth Report (16<sup>th</sup> Lok Sabha)]**

**MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)**



सत्यमेव जयते

**Presented to Lok Sabha on: 18.12.2018**

**Laid in Rajya Sabha on: 18.12.2018**

**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 2018/Agrahayana, 1940 (Saka)**

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\* To be appended at the time of Printing.

## **COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2018-19)**

**Shri Mallikarjun Kharge** - **Chairperson**

### **MEMBERS**

#### **LOK SABHA**

2. Shri Subhash Chandra Baheria
3. Shri Sudip Bandyopadhyay
4. Shri Prem Singh Chandumajra
5. Shri Gajanan Chandrakant Kirtikar
6. Shri Bhartruhari Mahtab
7. Smt. Riti Pathak
8. Dr. Ramesh Pokhriyal “Nishank”
9. Shri Janardan Singh Sigriwal
10. Shri Abhishek Singh
11. Shri Gopal Shetty
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar Chanabasappa Udasi
15. Dr. Ponnusamy Venugopal

#### **RAJYA SABHA**

16. Prof. M. V. Rajeev Gowda
17. Shri Bhubaneswar Kalita
18. Shri Shwait Malik
19. Shri Narayan Lal Panchariya
20. Shri Sukhendu Sekhar Roy
21. Shri C.M.Ramesh
22. Shri Bhupender Yadav

### **SECRETARIAT**

1. Shri A.K. Singh - Additional Secretary
2. Shri T. JayaKumar - Director
3. Smt. Bharti S. Tuteja - Deputy Secretary

## **INTRODUCTION**

I, the Chairperson, Public Accounts Committee (2018-19), having been authorised by the Committee, do present this One Hundred and Twentieth Report (Sixteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Ninety-sixth Report (Sixteenth Lok Sabha) on '**Management of Narcotics Substances**' relating to the Ministry of Finance (Department of Revenue).

2. The Ninety-sixth Report was presented to Lok Sabha/laid in Rajya Sabha on 28 March, 2018. Replies of the Government to the Observations/ Recommendations contained in the Report were received on 6<sup>th</sup> November, 2018. The Public Accounts Committee considered and adopted the One Hundred and Twentieth Report (Sixteenth Lok Sabha) at their sitting held on 5 December, 2018. Minutes of the Sitting are given at Appendix-I.
3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold of the Report.
4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.
5. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the Ninety-sixth (Sixteenth Lok Sabha) is given at Appendix-II.

**NEW DELHI;**  
**13 December, 2018**  
**22 Agrayana, 1940 (Saka)**

**Mallikarjun Kharge**  
**Chairperson**  
**Public Accounts Committee**

## **CHAPTER - I**

### **REPORT**

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations and Recommendations of the Committee contained in their Ninety-sixth Report (16<sup>th</sup> Lok Sabha) on "**Management of Narcotic Substances**".

2. The Ninety-sixth Report which was presented to Lok Sabha on 28<sup>th</sup> March, 2018 contained fourteen Observations/Recommendations. The Action Taken Notes on all the Observations/Recommendations have been received from the Ministry of Finance (Department of Revenue) and are categorized as under:

(i) Observations/Recommendations which have been accepted by the Government:

Para Nos. 2,6,7,8,9 and 10

**Total: 06**  
**Chapter – II**

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

NIL

**Total: NIL**  
**Chapter – III**

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para Nos. 3, 4 and 11

**Total: 03**  
**Chapter – IV**

(iv) Observations/Recommendations in respect of which Government have furnished interim replies/no replies:

Para No. 1,5,12,13, and 14

**Total: 05**  
**Chapter -V**

3. The detailed examination of the subject by the Committee had revealed certain shortcomings/deficiencies on the part of Ministry of Finance (Department of Revenue) in Management of Narcotic Substances like illicit cultivation of opium poppy, absence of clear policy framework for the management of opium production and sales and overlapping roles of Narcotics Control Bureau (NCB) and Central Bureau of Narcotics (CBN). The Committee while dealing with the issues pointed out by the Audit made recommendations/observations on huge vacancies in major controlling agencies, need for a robust policy and narcotic control framework, augmenting opium production, technological advancement and foolproof monitoring mechanism .

4. The final Action Taken Notes furnished by the Ministry of Finance (Department of Revenue) have been reproduced in the relevant chapters of this Report. The Committee will now deal with action taken by the Government on their Observations/Recommendations which either need reiteration or merit comments.

**5. The Committee desire the Ministry of Finance (Department of Revenue) to furnish Action Taken Notes in respect of Observations/Recommendations contained in Chapter I and final action taken replies in respect of Observations/Recommendations contained in Chapter V for which interim reply has been given by the Government within six months of the presentation of the Report to the House.**

**(Recommendation Para No. 3)**

6. *Audit examination had revealed that no soil testing was carried out before issue of licenses to cultivators and the District Opium Officer of Barabanki, Uttar Pradesh accepted the audit observation. The Committee were shocked to note from the reply of the Ministry that observations made by the audit regarding issuance of license on the basis of soil testing etc are neither supported by the provisions of the NDPS rules issued under NDPS Act, nor by NDPS Policy and nor even by the Guidelines issued by the Govt. for issuance of license. However, CBN issued licenses for soil research and development to five Research Institutes. The Committee desired that expenditure incurred on soil research and development in last 5 years and the innovations / decisions etc. made on the basis of above research be furnished to the Committee. The Committee were of the considered opinion that logically, soil testing must be a pre-requisite before issuing licenses and desired that an explicit provision in this regard be added to the Rules so that the licenses are issued on scientific basis. The Committee*

*also desired that soil testing in new areas should also be done for determining the production capability of the country. The figures so derived be intimated to the Department of Commerce for inclusion in EXIM Policy for the narcotics substances and the International Narcotics Control Bureau (INCB) for being considered while fixing of country quotas by them.*

7. The Ministry of Finance (Department of Revenue) in their Action Taken Notes have stated as under:-

“As regard to the explicit provision of soil testing before issuing licenses, it is submitted that around 60000 licenses are issued every year. This suggestion of the Committee does not seem to be practical as it is not possible to carry out soil testing of more than 60000 cultivators. However, Ministry of Agriculture has been requested to offer comments on procedure /mechanism for carrying out soil testing for opium cultivation through Ministry of Agriculture and agency there under. Ministry of Agriculture has informed that soil testing is required for fertilizer recommendations to obtain optimum crop yield. The State Agriculture Departments carry out soil testing for opium cultivation and give fertilizer recommendations if their soil testing labs are approached. However, it is not mandatory.”

8. While vetting the above ATNs, the Audit made the following comments:-

- i) Ministry may apprise the PAC, whether proposal of soil testing in new areas is under consideration for determining/increasing the production capability of the country so as to reduce the import of poppy seed?
- ii) Expenditure incurred on soil research and development in last 5 years and innovations/decisions etc. made on the basis of above research may be furnished to PAC.

9. In their further comments to the above said Audit observation, the Ministry stated as under:-

- i) With regard to the soil testing para 3 of the Action Taken Report may please be perused.
- ii) With regard to the expenditure incurred on soil research and development in last 5 years , it is submitted that CBN does not have any budget for incurring expenditure on Research and Development. No soil research and development work has been undertaken by University/Colleges engaged in the research work pertaining to opium during last five years.

10. The Committee while noting that no soil testing was carried out before issue of licenses to cultivators had opined that soil testing must be a pre-requisite before issuing licenses and desired that an explicit provision for testing of soil before issuing licenses should be added to the rules to ensure that licenses are issued on scientific basis. The Committee note from the submission of the Ministry that carrying out soil testing in respect of more than 60000 cultivators is not possible and that State Agricultural Departments carry out soil testing for opium cultivation when fertilizer recommendations are sought from their labs. The Committee are, therefore, of the view that it may be made mandatory for the cultivators to get their soil tested from the labs of the States' Agricultural Departments for getting licences to cultivate opium. Department of Revenue may take up with the Ministry of Agriculture for addition of a column in the existing soil card, being issued by it, regarding fitness of soil for production of opium. Since the Committee are of the firm opinion that licenses for cultivation of poppy should only be issued after soil testing has been carried out, they, reiterate, their earlier recommendation that an explicit provision be added to the rules to make it mandatory for the cultivators to get their soil test report once in every three years.

**(Recommendation Para No. 4)**

11. *The Committee observed that manufacture, sale and export of the narcotic alkaloid extracts higher up in the value chain have the potential to provide exponentially higher economic returns to the poppy plantation and save foreign exchange in procuring poppy seeds from the traditional hinter lands. However, Audit pointed out that there seemed to be no clear policy framework aiming at the twin objectives of revenue generation through sale of finished opium based pain relief chemicals and foreign exchange savings by indigenous production of opium seeds. The Committee noted that the CBN which is under the DoR is responsible for the supervision of opium cultivation and is regulatory authority for licensing import and export of the alkaloids and licit opium etc. Narcotics Control Bureau(NCB) which is under the Ministry of Home Affairs, is an apex enforcement agency for the narcotics drugs and destruction of illicit cultivation of*

opium. The DRI, the Customs, the State police, are other agencies which are involved in management of narcotics substances. The Committee observed that the system in place to monitor and control production of opium poppy is deficient as is evident from illegal crop production, rampant uprooting of crops, not achieving even the Minimum Quality Yield (MQY), absence of soil testing, limiting the production to only three States etc. The Committee found that involvement of CBN, NCB and State authorities has only added to the confusion, mismanagement, overlapping of monitoring and control, not taking action by one organisation as they think that the other organisation might take action due to lack of coordination and absence of clearly defined responsibilities in inter-related areas. The Committee therefore, referred to the Principle of Management i.e. 'Unity of Direction' which states that activities aimed at the same objective should be so organized that there is one plan and one head responsible for accomplishment of the same. The Committee were of the view that there should be an integrated plan for management of narcotics substances under the supervision of Narcotics Control Division (NCD), Department of Revenue to ensure unity of action and coordination. Accordingly, the Committee desired that all functions related to management of narcotics substances be transferred to the NCD to ensure efficient handling of related aspects.

12. The Ministry of Finance (Department of Revenue) in their Action Taken Notes have stated as under:-

"In so far as proposal to bring all functions related to management of narcotics substances under a single Department is concerned, it is submitted that:-

- (a) Prior to NDPS Act 1985, Department of Revenue was administrating the opium Act-1852, the Opium Act-1878 and the Dangerous Act 1930 right from the year 1950. Department of Revenue came out with a comprehensive legislation of the NDPS Act- 1985 in order to strengthen controls over drug abuse, enhanced penalties for drug related offense and make provisions for implementation of obligation under the international Drug Conventions. Department of Revenue has been functioning as the Nodal Department in the field of Drug Administration even before independence.

(b) The NDPS Act has assigned different sphere of works related to Drug Administration to different Ministries/ Departments/ Agencies/ State Governments as follows :

(i) Responsibility of Narcotics Control Division under DoR – Framing of Rules for Regulation under NDPS Act.

CBN – Supervision of licit cultivation, licensing for manufacturing and import-export of substances for legitimate use.

CCF- Extracting of Alkaloids from Opium and supplying of drugs for legitimate use.

(ii) Supply Reduction –

Narcotic Control Division under DoR (MoF) – Regulatory aspect

NCB (MHA)- Enforcement and reporting to INCB.

(iii) Demand Reduction –Ministry of Social Justice and Empowerment (MSJE) &

Harm Reduction – Ministry of Health and Family Welfare (MoH&W)

Apart from the above Customs, State Police, State drug administration and state excise department also have different roles in the narcotics management. Therefore as per the national Policy there are various Ministries associated with narcotics management in the country.

(c) Drug Administration involves a large number of areas which are quite different from enforcement and intelligence. It involves a complex array of activities. These include regulation of licit opium cultivation; manufacture, import and export of opium and its alkaloids; manufacture, import and export of narcotic drugs and psychotropic substances; control over precursor chemicals, investigation and forfeiture of drug related assets and drug money laundering. The majority of these functions are regulatory in nature and require to be addressed by different agencies under Department of Revenue, Ministry of Finance.

(d) Department of Revenue has administrative control over CBEC which is the legitimate authority to keep check on manufacture and trade in the country, making it suitable to effectively control the licensing, surveillance and

enforcement of NDPS Act and Rules. Further, economic crime is closely linked to with narcotics. Ministry of Finance is ideally poised with agencies which gather intelligence, monitor and enforce economic offences under SAFEMA, FEMA Prevention of Money laundering Act. etc.

(e) CCF with two Government Opium Alkaloids Works at Ghazipur, UP and Neemuch, MP is involved in revenue earning and taxation activity also which are sole mandate of Department of Revenue.

(f) Various Central and State Government agencies like NCB, CBN, Central Excise, paramilitary Forces are entrusted with preventive activities under NDPS Act, 1985. Therefore, NCB is not the sole agency for destruction of illicit poppy cultivation, prevention, combating abuse of and illicit traffic in narcotic drugs and psychotropic substances.

(g) Training on Narcotics is a part of the training module of IRS ( C&CE) Officers for which Department of Revenue is the cadre controlling authority.

(h) Establishment matters of CBN are in the domain of CBIC while operational issues are in the domain of Narcotics Control Division under Department of Revenue, further, the establishment matters are distributed among various desks in CBIC, in addition to the establishment matters of personnel of Central Excise, Customs and Service Tax Commissionerates. Similarly, staff matters of laboratory staff of GOAWs are in the domain of CRCL. Therefore, number of staff dealing the establishment matters of these organizations need to be worked out before transferring the NC Division.

In view of the foregoing paras it may be seen that policy making and enforcement related to narcotics are better administered in the present scenario."

13. While vetting the above ATNs, the Audit made the following comments:-

"Due to deficiencies found in present system of monitoring & controlling Poppy cultivation, PAC opined that there should be an integrated plan for management of Narcotic substances. PAC may be apprised of steps initiated to ensure unity of action and coordination w.r.t narcotic substances."

14. In their further comments to the above said audit observation, the Ministry stated as under:-

"Reply already given in ATR."

15. The Committee noted that involvement of CBN, NCB and State authorities had only added to the confusion, mismanagement, overlapping of monitoring and control, lack of coordination and absence of clearly defined duties and responsibilities in inter-related areas. The Committee were of the view that there should be an integrated plan for management of narcotics substances under the supervision of Narcotics Control Division (NCD), Department of Revenue to ensure unity of action and coordination and desired that all functions related to management of narcotics substances be transferred to the NCD to ensure efficient handling of related aspects. However, on perusal of the reply of the Ministry, the Committee are appalled to note that the Department has only detailed the mandate of the various agencies concerned and has not commented upon the Committee's observation regarding transferring all functions related to narcotics to NCD. The Committee note from the reply of the Ministry that policy making and enforcement related to narcotics are better administered in the present scenario. Ministry of Home Affairs had submitted that a Cabinet note for transfer of NCD, CBN and CCF from Department of Revenue to MHA. The Committee are shocked to note that the policy making and enforcement agencies have not been able to even align their views on who should be the controlling agency. The Committee while noting that Department of Revenue is handling most of the activities related to management of narcotics substances and has the required manpower for enforcement activities across the length and breadth of the country are of the opinion that NCD, be made responsible for handling all aspects related to the over all management of narcotic substances.

**(Recommendation Para 5)**

16. *The Committee had observed that there were no apparent rationale for allowing cultivation of poppy seeds in only three States when the demand for the same is much higher than its production which is consequently met through imports. The Committee noted that last demand survey was conducted by the Ministry of Social Justice and Empowerment seventeen years back in 2001. The Committee desired that a comprehensive demand survey be done urgently by the NCD and thereafter every five years to assess the actual demand of opium poppy in India. However, the Committee observe that the demand for opium have already been much higher than its cultivation*

*and will increase manifold in next 5-10 years after National Health Policy is enforced. The Committee exhorted the Ministry to conduct soil testing in more States to ascertain its quality for poppy Cultivation to cope up with the ever increasing demand of opium. The Committee desired that the results of soil testing of new and existing areas and drug demand survey be considered by NCD for adding new areas of cultivation to meet the domestic demand.*

17. In this regard, The Ministry of Finance (Department of Revenue) in their Action Taken Notes have stated as under:-

"In so far as demand survey for opium is concerned, the Ministry of Social Justice and Empowerment is responsible for conducting demand survey. For soil testing, Ministry of Agriculture has informed that soil testing is required for fertilizer recommendations to obtain optimum crop yield. The State Agriculture Departments carry out soil testing for opium cultivation and give fertilizer recommendations if their soil testing labs are approached. However, it is not mandatory."

18. While vetting the said ATNs, the Audit made the following comments:-

"Ministry may apprise the PAC whether it is in correspondence with Ministry of Social justice & Empowerment for conducting the comprehensive demand survey on regular basis as directed by PAC, to assess the actual demand of opium poppy in India.."

19. In their further comments to the above said Audit observation, the Ministry stated as under:-

"It has been intimated by the Ministry of Social Justice & Empowerment that they have assigned the National Survey on extent and pattern of Substance (Drugs) abuse in India to national Drug Dependence Treatment Centre (NDDTC), AIIMS, New Delhi, which is under progress. The substances which are being surveyed includes alcohol, tobacco, opioids, sedative –hypnotics, cannabis, stimulants, hallucinogens, inhalants (volatile solvents). The survey will provide national and state-level estimates of proportion and absolute number of people who use various substances and people who are suffering from substance use disorders in India. It will also map the presence of services and interventions for individuals suffering from substance use disorders and identify the gaps in service delivery."

**20. The Committee had noted that the demand for poppy seeds is much higher than its production and desired that a comprehensive demand survey be done urgently by the NCD to assess the actual demand in the country. The Committee**

had also observed in their earlier recommendation that the demand for opium poppy will increase manifold after National Health Policy is enforced. As per the reply of Department of Revenue, the Ministry of Social Justice & Empowerment have assigned the national survey on extent and pattern of Substance(Drugs) abuse in India to National Drug Dependence Treatment Centre (NDDTC), AIIMS, New Delhi which is under progress. The Committee while noting that Ministry of Social Justice & Empowerment is conducting a survey on extent and pattern of Substances abuse, reiterate that a survey of the demand of opium/ poppy seeds for licit/ medicinal use may be conducted and more areas of cultivation be added to enable augmenting the production of the same.

**(Recommendation Para 11)**

21. *The Committee noted that contrary to the provisions, the Department had paid more than Rs. 2 crore being 90 percent price of opium and its balance amount to the persons other than cultivators like son, brother, daughter and Mukhiya etc. On being asked about the matter, it was replied that as per Opium Manual Volume-II "If any cultivator is absent, payment for him may be made to the Lambardar or substitute appointed by the cultivator himself on the responsibility of the Lambardar", and that no complaint had been received from cultivators regarding non receiving of cost of opium and since 2012-13 opium cost had been paid to the cultivator's individual bank account through e-Payment. The Committee were dismayed to note that though e-payment has been introduced, large amount such as Rs. 1.51 crore and Rs. 0.56 crore (approx.) in respective States was paid to persons other than cultivators without obtaining any authority letter from the cultivators and the original cultivator had not given authority to whom the payment was to be made; hence, the payment was irregular. The Committee desired that the responsibility of the officials for making irregular payments be fixed and action taken against them and the Committee be apprised thereof.*

22. In this regard, the Ministry of Finance ( Department of Revenue) in their Action Taken Note have stated as under:-

"With regard to the payment, it is submitted that the cash payment noted by the committee pertains to the period when e-payment was not introduced. After introduction of e-payment there are no cash payments made either to the cultivators or to the person named by him. There is no reported case of misuse of facility of payment to named individual if cultivator himself is absent. Action of officers is in line with the Department manual. The problem is of past era when many cultivators did not have bank accounts and e-payment was not implemented. However, as of now, there are only stray cases of such payments being made to other than cultivator which are made through cheque/demand draft in the name of person named by the cultivator. In all other cases, e-payment is made."

23. While vetting the said ATNs, the Audit made the following comments:-  
"Ministry is required to apprise the PAC about the action taken against the officials responsible for mismanagement of records, for making irregular payments before the introduction of e-payments."

24. In their further comments to the above said audit observation, the Ministry stated as under:-

"In this regard, it is submitted that there is no reported case of misuse of facility of payment to named individual if cultivator himself is absent. Action of officers is in line with the departmental manual. The problem is of past era when many cultivators did not have bank accounts and e-payment was not implemented. However, as of now there are only stray cases of such payment being made to other than cultivator which are made through cheque/demand draft in the name of person named by the cultivator. In all other cases, e-payment is made.

In view of above position, no officer appear to be responsible. However, caution is being issued to all officers intimating that e-payment should be made to the bank account of cultivator, if for some reason e-payment is not possible account payee cheque/demand draft in the name of cultivator should be issued. "

**25. The Committee had noted that despite introduction of e-payment mechanism large amounts such as Rs 1.51 crore and Rs 0.56 crore were paid to persons other than cultivators without obtaining any authority letter from the cultivators. The Committee had desired that the responsibility of the officials for making irregular payments be fixed and action taken against them. The Committee note from the reply of the Ministry that the problem was of past era**

when many cultivators did not have bank accounts and e-payment was not implemented. However, presently there are only stray cases of such payments being made to other than cultivators and that no officer appears to be responsible. The Committee are appalled to note the non-chalant attitude of the Ministry in matters relating to financial procedures. The Committee are of the opinion that due diligence cannot be compromised in any circumstance and action should be taken against violations, even if negligible. The Committee, therefore, reiterate their earlier recommendation that responsibility of officials for mis-management of records and making irregular payments be fixed and exemplary action taken against them. The Committee also desire that 100% internal audit of the payments made through cheques/ drafts may be furnished to ensure genuineness in those transactions.

**(Recommendation Para 12)**

26. *The Committee noted that the Department claims to conduct 100 per cent internal audit of cultivation of opium records after the completion of settlement operation each year and as per the internal audit report, no discrepancies irregularities/ambiguity was found during the period 2010-11 to 2012-13. However, C&AG audit found, inter-alia, non-adherence to the provisions of licensing policy, smart card identification, satellite based cultivation management and lack of serious efforts for recovery of outstanding dues from the cultivators indicating lack of internal controls in the Department.*

*The Committee further noted that there was no reconciliation done with the State Excise Departments of the States to control the sale/diversion of the by-products of the poppy (poppy straw, poppy husk and poppy seeds). The Department replied that there is a system of monthly reporting on all aspects of the functioning of State units of CBN and CCF, which is regularly scrutinized and monitored at the level of Headquarters. Besides, reports of all seizures and those on other developments are sent as and when they occur and a number of steps have been taken for automation of its functional activities including interaction with public by introducing web-application and sharing of information. The Committee were shocked to note that instead of taking*

*measures to rectify the flaws pointed out by the Audit, the Ministry is reiterating the prevailing mechanism .The Committee were of the view that since cases of non-adherence to the provisions of Licensing Policy, non-maintenance of records at District Opium Office i.e. Preliminary Weighment Register, Payment Weighment Register etc. have been pointed out by the Audit the reporting, recording and monitoring system be strengthened and a time frame be prescribed for CBN to get an ISO certification. The Committee were of the view that non-adherence to the provisions of licensing policy, non-maintenance of records and non-reconciliation with the State Excise Department to control diversion are serious issues which should be enquired into and action taken against those found responsible. The Committee exhorted the Ministry to take urgent steps to improve the system and apprise the Committee accordingly.*

27. The Ministry of Finance ( Department of Revenue) did not reply to the above para in their Action Taken Notes.

28. While vetting the said ATNs, the Audit made the following comments:-  
"Ministry is required to apprise the PAC about the steps taken towards strengthening the reporting, recording and monitoring system. Further time frame to be prescribed for CBN to get an ISO certification may be informed."

29. In their comments to the above said audit observation, the Ministry stated as under:-

"The present reporting, recording and monitoring mechanism is manual and is based primarily upon the monthly reports sent by the officers to controlling unit/headquarters. Apart from this, special reports are sought for from field formations time to time during the cultivation season. Regular maintenance of records is being done in the form of registers in the prescribed format (as prescribed by Narcotics Commissioner time to time.)

For better record keeping, reporting and monitoring, it is desirable that the entire documentation and recording work is computerized and made online. This proposal will require appointment of specialized agency for studying the departmental records and suggesting ways and means to computerize them and provide online linkages. Processes and record keeping needs to be first aligned

with the ISO certification requirements and then completely made online for better recording, reporting and monitoring. As regards time period required for implementation of it, this office has no previous experience of it, however, the process may take between 2-3 years. ”

**30. The Committee were of the view that since cases of non-adherence to the provisions of Licensing Policy, non-maintenance of records at District Opium Office have been pointed out by the Audit the reporting, recording and monitoring system be strengthened and a time frame be prescribed for CBN to get an ISO certification. The Committee note from the reply of the Ministry that the present reporting, recording and monitoring mechanism is manual and is based primarily upon the monthly reports sent by the officers to control unit/headquarters. Further, it has been stated that for better record keeping, reporting and monitoring, it is desirable that the entire documentation and recording work is computerized and made online. The Ministry has submitted that the computerization will require appointment of specialized agency for studying the departmental records and suggesting ways and means to computerize them and provide online linkages. Processes and record keeping needs to be first aligned with the ISO certification requirements and then completely made online for better recording, reporting and monitoring. Notably, Ministry has also stated "As regards time period required for implementation of it, this office has no previous experience of it, however, the process may take between 2-3 years". The Committee are amazed to note that though the Department has understood that computerization and going online can improve the system of reporting, recording and monitoring, it has not made any efforts to bring about the required changes. Further, the Committee are shocked to note the submission of the NCD that it has no experience of computerization though CBIC under whose domain the establishment matters of CBN fall is almost fully computerized. The Committee are aghast to note the lackadaisical approach of the NCD and desire that the steps necessary to computerize the system be taken urgently and they may be apprised thereof.**

**(Recommendation Para 13)**

31. The Committee were distressed to note that audit has pointed out serious problems like licenses issued to ineligible farmers, exorbitant ploughing back of opium, no mechanism to verify opium testing report, irregularities in Preliminary Weightment Register etc indicating deficiencies and irregularities in the internal control mechanism. The above cases highlighted the lackadaisical attitude of the District Opium Officers (DOO), Lambardar in recording and maintaining the records at regional level. Hence, the Committee exhorted the Ministry to develop a robust monitoring mechanism to ensure that rules, regulations and procedures are followed by all levels in the hierarchy. The Committee desired the Ministry to prescribe yearly schedule of regular inspections of Regional Offices by the senior officers of the Department and all inspection reports be made available online to ensure transparency and easy access by the higher authorities. The DOO should also be made accountable by prescribing submission of fortnightly reports online.

32. The Ministry of Finance ( Department of Revenue) did not reply to the above para in their Action Taken Notes.

33. While vetting the said ATNs, the Audit made the following comments:-  
"Steps taken towards prescribing yearly schedule of regular inspections of Regional offices and making such inspection reports online may be informed."

34. In their comments to the above said audit observation, the Ministry stated as under:-

"At present there is no practice of regular inspection of regional offices. The frequency of conducting regular inspection is suggested as under

	<b>Inspecting Officer</b>	<b>Formations to be inspected</b>
	Narcotics Commissioner	(a) Office of any two units (b) One DOO Office of each Unit
	Deputy Narcotics Commissioner (Hqrs.)	(a) Unit Office not scheduled to be inspected by Narcotics Commissioner.  (b) One DOO and one P&I Cell Office in each unit not scheduled for

		inspection by Narcotics Commissioner.
	Unit Deputy Narcotics Commissioner	Four division and 2 P & I Cell offices for inspection of other unit not scheduled for inspection by Narcotics Commissioner (Hqs)
	Assistant Narcotics Commissioner (Hqrs.) (Tech./Narcotics).	Each ANC to inspect one DOO and one p&I Cell Office of each unit not scheduled for inspection by any of above officers.
	Unit Assistant Narcotics Commissioner	To inspect remaining DOO/P & I Cell Offices of unit other than their own.

In addition to above, Additional/Special Secretary (Revenue) may conduct inspection of Headquarters' office or any one unit office as deemed fit."

**35. The Committee had desired the Ministry to prescribe yearly schedule of regular inspections of Regional Offices by the senior officers of the Department to ensure transparency and accountability. The Committee are unhappy to note that the Ministry has replied to the recommendation of the Committee only after being pointed out by the Audit to do so. The Ministry has in its reply given a detailed suggestion for routine inspections, the Committee desire that the same be implemented urgently and regularly followed scrupulously.**

**(Recommendation Para 14)**

*36. The Committee further noted that the satellite based monitoring of illicit cultivation of opium is not enough as cases of illegal cultivation not detected by the Satellite have been noticed. Also, the areas reflected in satellite data was at times short captured than actual area found and destroyed by agencies. Such inefficiency defeats the very purpose of the systems of identification of illegal opium cultivation and monitoring. The Committee were of the view that mapping of areas be done in a manner where satellite based monitoring functions as an adjunct to the ground level survey to give effective results. The Committee opined that Centralized Monitoring System would work better with the Departments and Ministries concerned coming together, coordinating and working effectively for the cause. The Committee desired that in order to reduce illicit cultivation a facility be developed whereas an image of the illegally*

*cultivated area can be uploaded on the website by anyone as is being done by the DDA.*

37. In this regard, the Ministry of Finance ( Department of Revenue) in their Action Taken Note have stated as under:-

“To implement satellite based monitoring of illicit cultivation of opium it is submitted that imaginary report on suspected location of illicit Poppy cultivation are being generated by Aviation Research Centre, Director General of Security in Collaboration with ADRIN, Department of Space, Government of India. As far as uploading of images of illicit cultivation of Opium by disgruntled elements, informers or responsible citizens is concerned a Whatsapp number is being circulated for this purpose.”

**38. The Committee had desired that in order to present illicit cultivation a facility be developed whereas an image of the illegally cultivated area can be uploaded on the website by anyone as is being done by the DDA. The Committee note from the reply of the Ministry that a whatsapp number is being circulated for the purpose. The Committee are of the opinion that in order to keep the identity of those informers who do not wish to reveal the same, a provision be made to upload the images on the website as well as whatsapp messages without revealing the contact details of the sender.**

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## CHAPTER II

### **OBSERVATION/RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Observation/Recommendation**

The Committee note that opium poppy is cultivated strictly in accordance with the general conditions finalized by the Government of India and one of the condition stipulates for a certain Minimum Qualifying Yield (MQY) of opium produce per hectare, which is required to be tendered by the licensed cultivators, to be eligible for license during the following crop year. Audit revealed that the State of Uttar Pradesh was not achieving the average MQY and is producing less opium ranging from 6.67 % to 31.38% of average MQY during the period 2008-09 to 2012-13. The Committee further note that a huge number of cultivators in Uttar Pradesh fully/Partially uprooted the crop during the years 2008-09 to 2012-13 and though 23591 hectares areas was licensed there was a shortfall of 49 percent in utilization. The Ministry replied that to reduce cases of uprooting, a provision has been made in the general conditions that cultivators who have uprooted their crops for three years continuously will be delicensed in the next crop year. The Committee desire that the details regarding delicensing of the number of farmers who have been delicensed for uprooting their crops be furnished to the committee and an enquiry be made into issuing of licenses to the farmers who could not achieve MQY repeatedly and stern action taken against those found abetting illegal trade so as to curb the menace of drug-trafficking. The committee further desire that clear guideline for destruction of uprooted crops be issued and enforced strictly as these uprooted crops can be used for extracting narcotic substances and the issue of large number of such cases be investigated.

**(Observation/Recommendation No. 2 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

### Action Taken by the Ministry

It has been asked for reasons for issuing of licenses to the cultivators of UP despite non-fulfillment of condition of Minimum Qualifying Yield (MQY) during the period 2008-09 to 2012-13. In this regard, it is submitted that no cultivator of UP Unit, whose average yield was found to be lower than the MQY fixed, was issued license in the next crop year. The CBN issues licenses for opium poppy cultivation to eligible cultivators only on the basis of opium policy notified by the Government of India.

Crop Year	Number of cultivators who have tendered opium in UP unit	Number of cultivators de-licensed due to not achieving the MQY	Number of cultivators who have achieved MQY	Opium tendered by the cultivators who have achieved MQY	Net productive area of cultivators who have achieved MQY	Average yield Kg/Hect. achieved by the cultivators who have achieved MQY
1	2	3	4	5	6	7
2008-09	9	1	8	79.724	1.4100	56.542
2009-10	162	102	60	605.278	10.7300	56.410
2010-11	427	250	177	1837.157	31.7100	57.936
2011-12	125	47	78	759.148	12.6400	60.059
2012-13	113	21	92	234.232	3.9595	59.157

From the data above it could be seen that many cultivators were de-licensed on the basis of MQY.

2. The provisions for plough back before lancing exist primarily to safeguard the cultivator from damage caused to the opium crop prior to lancing due to reasons such as rain, hailstorm, etc. when the cultivator is unlikely to fulfill the MQY and stands the chance of getting de-licensed in the next crop year. The system of allowing plough back has been revisited. The licensing conditions for issue of license is being issued to the cultivators for production of opium. In order to check the cultivators who are habitually applying for uprooting, a provision has been made in the general conditions that cultivators who uprooted their crop continuous for three years will be de-licensed in the next crop year. To make this provision more effective, in the Opium Policy for the year 2018-19 a clause has been inserted as forewarning that the cultivators who get their opium poppy crop ploughed back in excess of 50% of total areas cultivated during the

crop years 2018-19, 2019-20 and 2020-21 may not be eligible for a license to cultivate opium poppy in the following year i.e 2021-22.

### **Vetting comments of the Audit**

Ministry may apprise the PAC about conducting of enquiry for issuing of licenses to the farmers who could not achieve MQY repeatedly and report on action taken against those found abetting illegal trade.

### **Final Reply of the Ministry**

With regard to the conducting enquiry for issuing of licenses to the farmers who could not achieve MQY repeatedly, Para 1 of the Action Taken Report may please be perused.

### **Observation/Recommendation**

Audit revealed a shortfall in production of opium 100 MTs, 600 MTs and 169 MTs in respect of requirement of opium for the year 2010-11, 2011-12 and 2012-13 clearly indicating the failure of Department to achieve the estimated requirement/production of opium. The Committee note from the reply of the Department that shortfall in production of opium was due to less harvesting of crop due to damage in crop (plant disease/natural calamity) in year 2010-11, large uprooting/plough back of opium in year 2011-12 and licenses given to cultivators for 10 ares and 15 ares in place of 35 ares and 50 ares resulting in less harvested area in year 2012-13. The Committee are shocked to note that Annual Narcotics Conference (ANC) on poppy cultivation was held every year to discuss various aspects before finalizing the policy for next crop year cultivation. Even after factoring the stated reasons every year during Annual Conference there was a shortfall in achievement of required opium production year after year. The Committee desire that a Sub-Group may be constituted to review poppy cultivation in India and suggest measures to increase cultivation, production, technology up-gradation and changes in licensing policy and fee and amendments to NDPS Act to arrest continuous decline in production.

**(Observation/Recommendation No. 6 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

### **Action Taken by the Ministry**

It is informed that the shortfall in production as compared to targeted production arises mainly on account of bad weather condition, hail storm, drought diseases etc. which cannot be predicted and hence, no steps can be incorporated in the licensing policy of year. In compliance of the PAC recommendation a sub group has been formed comprising of (1) Narcotics Commissioner, CBN (2) Chief Controller of Factories, GOAW (3) Director, CRCL (4) Representative of DoR (5) Representative of NCB (6) Representative of Drug Controller General of India, Ministry of Health & Family Welfare (7) Representative of Department of Pharmaceuticals to review and suggest measures to increase cultivation, production, technology up-gradation and changes in licensing policy and fee and amendments to NDPS Act to arrest continuous decline in production. The committee has recommended as follows -

- (i) There is no additional requirement of opium in the country to meet its present level of domestic and export requirements.
- (ii) There is a need to augment the production capacity of Codeine Phosphate as at present production capacity is lower than the domestic requirement of codeine Phosphate. However, the cost of codeine Phosphate manufactured in India is much higher than the landed cost of imported Codeine Phosphate. In other words, though there is unmet demand of Codeine Phosphate, but meeting this demand by way of increase of production may not be economical unless we change the manner of cultivation of opium poppy and its use.
- (iii) There is need to establish/upgrade GOAWs to make them compliant with US FDA norms if India wishes to achieve import substitution of imported Codeine Phosphate.
- (iv) There is unmet demand of poppy seeds from domestic production to a very large extent and as such there is need to augment production of poppy seeds while not increasing production of opium (India has already got surplus opium stock and production capacity)
- (v) The committee has noted that in the month of July 2018 Government has sanctioned Rs. 68.80 Lakh to CIMAP towards the first instalment of total project cost of Rs. 238 Lakh. The Committee has recommended to complete the project undertaken by Council of Scientific & Industrial Research- Central Institute of Medicinal and Aromatic Plant ( CSIR-CIMAP) for development of latex-less and alkaloid free variety of Opium poppy in time bound manner. The committee has noted that the research work of CIMAP goes at slow speed. In case CIMAP expresses its inability to do so or delays the agreed milestone, the project should be offloaded to a private entity for expeditious development.

(vi) The committee has recommended that production of alkaloids from opium is not going to be an economical proposition and the way forward is only to switch to organized cultivation of opium crop and production of alkaloids through CPS route. The committee has recommended that investment in introducing new technology for extraction of alkaloids through gum opium process should be avoided.

### **Observation/Recommendation**

The Committee observe that India is one of the few producers of opium in the world, yet opium seeds have to be imported. As per the Department of Commerce, the imports of poppy seeds during 2016-17 was USD 44.07 million as against exports to the tune of USD 0.73 million. The Committee further observe that West Bengal, Bihar, Jharkhand, Manipur, Arunachal Pradesh and Uttrakhand are the areas where illicit crop has been cultivated and destroyed. The Committee are of the view that in order to increase production within the country such areas of land can be brought under licit cultivation and new cultivators included through advertisement and by involving village Panchayat offices. The Committee note that two factories, one in Neemuch and another in Ghazipur are employing ,methods based on old and outdated technology leading to delay as well as shortage in production in addition to its misuse. The Committee while noting the submission of the Secretary that technological up-gradation is needed to make production in the country viable, desire that the above said Sub-Group may also suggest the road map for introducing new technology to increase production in a time-bound manner.

### **(Observation/Recommendation No. 7 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

### **Action Taken by the Ministry**

The policy for opium poppy cultivation is decided on the basis of demand of the opium for export and domestic consumption. At present, the stock of opium is enough to cater to requirement of 2 ½ years. It is therefore submitted that increase in production of opium will not fruitful.

As regards of imports of poppy seeds is concerned, it is submitted that poppy seeds is by-product of cultivation. In our country, demand for poppy seeds is more than 25000 MT in compare to production of 5000-6000 MT. To cater the demand, poppy seeds is imported from Turkey, Czech Republic and China. To increase the domestic production , a project entitled “ Improvement of Latex-less and low alkaloid variety of Papaver Somniferum L” towards development of phenotypically distinct variety for commercial exploitation as nutritive seed crop has been approved by this Department. This project will be completed in five years. After successful completion of the project, commercial production will be explored.

#### **Vetting comments of the Audit**

No further comments subject to final decision of PAC and monitoring the progress the project for improvement of Latex-less and low alkaloid variety of Papaver Somnifererum.

#### **Observation/Recommendation**

The Committee observe that in Uttar Pradesh, area uprooted vis-a-vis measured area showed an upward trend and was carried out in disregard of the provisions laid down in opium manual issued by the Department. In Barabanki district, the uprooted area increased from 59.57 per cent in 2011 to 75.32 per cent in 2013, and no reasons like natural calamities such as rains, plant diseases etc. were available on record. Further, In Bareilly district, a cultivator had an excess cultivation beyond the 5% 'Condonable Limit' during the crop year 2011-12 and the appellate authority vide appeal order No.9/2012 dated 29 March 2012 had ordered the ploughing back of excess portion of crop only. District Opium Officer (DOO), however, ploughed back the entire crop of the cultivator in disregard of the aforesaid provisions and the order of the appellate authority. Besides, this fact was willfully not mentioned by the District Opium Officer in his annual report of 2012. On being pointed out by the

Audit, the Ministry replied that entire crop of said cultivator had dried up by the time of passing of Appeal Order and ploughing-back was on application of the farmer. The Committee are of the view that the reply is not acceptable as no such record was available in the State of Uttar Pradesh and that such cases point to the callous attitude of the higher authorities and complicity of the officials at field level. The Committee desire that strict action be taken against the erring DDO and delinquent officials and the Department may also look into other such cases to ensure that uprooting has only been allowed in genuine cases.

**(Observation/Recommendation No. 8 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

**Action Taken by the Ministry**

It is submitted that there does not seem to be any mala fide in the matter as the plough back of the partial/entire crop is routine matter. The records of plough back are available in the office of District Opium Officer. It may be appreciated that the information about plough back of entire crop could be detected by audit only because it was available in the records of District Opium Officer. It should also be appreciated that the plough back order issued by the Appellate Authority was dated 29.03.2012 and by that time the crop dries up leaving no opportunity for lancing of crop to obtain opium. Therefore there was no alternative available to the farmer but to get the entire crop ploughed back as lancing was not possible at all.

**Vetting comments of the Audit**

Ministry is required to apprise the PAC about the action taken against the officials responsible for mismanagement of records, for making irregular payments before the introduction of e-payments.

**Final Reply of the Ministry**

In this regard, it is submitted that there is no reported case of misuse of facility of payment to named individual if cultivator himself is absent. Action of officers is in line

with the departmental manual. The problem is of past era when many cultivators did not have bank accounts and e-payment was not implemented. However, as of now there are only stray cases of such payment being made to other than cultivator which are made through cheque/demand draft in the name of person named by the cultivator. In all other cases, e-payment is made.

In view of above position, no officer appear to be responsible. However, caution is being issued to all officers intimating that e-payment shold be made to the bank account of cultivator. if for some reason e-payment is not possible account payee cheque/demand draft in the name of cultivator should be issued.

### **Observation/Recommendation**

The Committee observe that a new mode of drug trafficking is happening through darknet using crypto currency. The Committee are distressed to note that growing e-commerce in the country is facilitating significant increase in online pharmacies that are being used for trafficking drugs with the help of shady courier services under the veil of darknet. The Committee feel that as India is also facing challenges associated with narco-terrorism, illegal cultivation of opium poppy and rising drug abuse there is a need to improve coordination and reducing number of agencies, giving impetus to increasing opium production in India and restricting imports, eliminating illegal internet pharmacies, while safeguarding trade interests. The Committee desire the need for a dedicated technical Cyber Wing under NCD, DoR to monitor drug trafficking through virtual currency and internet pharmacy.

**(Observation/Recommendation No. 8 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

### **Action Taken by the Ministry**

In compliance of the suggestion of the committee to develop cyber wing, it is submitted that proposal for creating of dedicated Technical cyber Wing has been initiated by NCB in consultation with Ministry of Home Affairs.

### **Observation/Recommendation**

The Committee observe that during the scrutiny of quarterly information/report in respect of pending cases in the District/Subordinate Courts for the quarter ending on December 2013 sent by U.P Unit of CBN to their Headquarters, out of 104 cases pending as on date, about 37 cases involve seizures prior to the year 2000; but neither respective date(s) of filing these 104 cases had been mentioned nor the Department was aware of the present status of any of these cases. Shockingly, the Ministry submitted that it is not correct to say that 104 no. of cases are pending as the Officers of CBN have filed these cases and Special Public Prosecutor (SPP) concerned is regularly directed to request Courts for early disposal of cases. The Committee do not agree with the contention of the Department as the observation had been concluded from the records provided by U.P. unit to CBN Headquarters. Though speedy decisions by Courts is beyond the control of the Department, poor record keeping and lack of monitoring by the Department is a serious matter. The Committee desire that strict action be taken against the officials responsible for mismanagement of records. The Committee are of the opinion that there must be special NDPS courts in all States where tracts have been notified. and desire that Ministry to vigorously pursue disposal of NDPS cases besides regular monitoring of all the Court cases which should be preferably made online and easily accessible to higher authorities.

### **(Observation/Recommendation No. 10 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

### **Action Taken by the Ministry**

In compliance of the suggestion of the committee to establish Special Court for NDPS, it is submitted that Section 36 of the NDPS Act, 1985 empowers State Government to constitute as many special Courts as may be necessary for the purpose of speedy trial of offence under NDPS Act, 1985. The State Government of UP, MP and Rajasthan have been requested to take necessary action for setting up special NDPS Courts.

## **CHAPTER III**

### **OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE GOVERNMENT**

**- NIL -**

## **CHAPTER-IV**

### **OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION**

#### **Observation/Recommendation**

Audit examination revealed that no soil testing was carried out before issue of licenses to cultivators and the District Opium Officer of Barabanki, Uttar Pradesh accepted the audit observation. The Committee are shocked to note from the reply of the Ministry that observations made by the audit regarding issuance of license on the basis of soil testing etc are neither supported by the provisions of the NDPS rules issued under NDPS Act, nor by NDPS Policy and nor even by the Guidelines issued by the Govt. for issuance of license. However, CBN issues licenses for soil research and development to five Research Institutes. The Committee desire that expenditure incurred on soil research and development in last 5 years and the innovations / decisions etc. made on the basis of above research be furnished to the Committee. The Committee are of the considered opinion that logically, soil testing must be a pre-requisite before issuing licenses and desire that an explicit provision in this regard be added to the Rules so that the licenses are issued on scientific basis. The Committee also desire that soil testing in new areas should also be done for determining the production capability of the country. The figures so derived be intimated to the Department of Commerce for inclusion in EXIM Policy for the narcotics substances and the International Narcotics Control Bureau (INCB) for being considered while fixing of country quotas by them.

**(Observation/Recommendation No. 3 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

#### **Action Taken by the Ministry**

As regard to the explicit provision of soil testing before issuing licenses, it is submitted that around 60000 licenses are issued every year. This suggestion of the committee

does not seem to be practical as it is not possible to carry out soil testing of more than 60000 cultivators. However, Ministry of Agriculture has been requested to offer comments on procedure /mechanism for carrying out soil testing for opium cultivation through Ministry of Agriculture and agency there under. Ministry of Agriculture has informed that soil testing is required for fertilizer recommendations to obtain optimum crop yield. The State Agriculture Departments carry out soil testing for opium cultivation and give fertilizer recommendations if their soil testing labs are approached. However, it is not mandatory.

#### **Vetting comments of the Audit**

- i)Ministry may apprise the PAC, whether proposal of soil testing in new areas is under consideration for determining/increasing the production capability of the country so as to reduce the import of poppy seed?
- ii)Expenditure incurred on soil research and development in last 5 years and innovations/decisions etc. made on the basis of above research may be furnished to PAC.

#### **Final Reply of the Ministry**

- i)With regard to the soil testing para 3 of the Action Taken Report may please be perused.
- ii) With regard to the expenditure incurred on soil research and development in last 5 years , it is submitted that CBN does not have any budget for incurring expenditure on Research and Development. No soil research and development work has been undertaken by University/Colleges engaged in the research work pertaining to opium during last five years.

#### **Observation/Recommendation**

The Committee observe that manufacture, sale and export of the narcotic alkaloid extracts higher up in the value chain have the potential to provide exponentially higher economic returns to the poppy plantation and save foreign exchange in procuring poppy seeds from the traditional hinter lands.

However, Audit pointed out that there seemed to be no clear policy framework aiming at the twin objectives of revenue generation through sale of finished opium based pain relief chemicals and foreign exchange savings by indigenous production of opium seeds. The Committee note that the CBN which is under the DoR is responsible for the supervision of opium cultivation and is regulatory authority for licensing import and export of the alkaloids and licit opium etc. Narcotics Control Bureau(NCB) which is under the Ministry of Home Affairs, is an apex enforcement agency for the narcotics drugs and destruction of illicit cultivation of opium. The DRI, the Customs, the State police, are other agencies which are involved in management of narcotics substances. The Committee observe that the system in place to monitor and control production of opium poppy is deficient as is evident from illegal crop production, rampant uprooting of crops, not achieving even the Minimum Quality Yield (MQY), absence of soil testing, limiting the production to only three States etc. The Committee find that involvement of CBN, NCB and State authorities has only added to the confusion, mismanagement, overlapping of monitoring and control, not taking action by one organisation as they think that the other organisation might take action due to lack of coordination and absence of clearly defined responsibilities in inter-related areas. The Committee would, therefore, like to refer to the Principle of Management i.e. 'Unity of Direction' which states that activities aimed at the same objective should be so organized that there is one plan and one head responsible

for accomplishment of the same. The Committee are of the view that there should be an integrated plan for management of narcotics substances under the supervision of Narcotics Control Division (NCD), Department of Revenue to ensure unity of action and coordination. Accordingly, the Committee desire that all functions related to management of narcotics substances be transferred to the NCD to ensure efficient handling of related aspects.

**(Observation/Recommendation No. 4 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

### **Action Taken by the Ministry**

In so far as proposal to bring all functions related to management of narcotics substances under a single Department is concerned, it is submitted that :-

(a) Prior to NDPS Act 1985, Department of Revenue was administrating the opium Act-1852, the Opium Act-1878 and the Dangerous Act 1930 right from the year 1950. Department of Revenue came out with a comprehensive legislation of the NDPS Act- 1985 in order to strengthen controls over drug abuse, enhanced penalties for drug related offense and make provisions for implementation of obligation under the international Drug Conventions. Department of Revenue has been functioning as the Nodal Department in the field of Drug Administration even before independence.

(b) The NDPS Act has assigned different sphere of works related to Drug Administration to different Ministries/ Departments/ Agencies/ State Governments as follows :

(i) Responsibility of Narcotics Control Division under DoR – Framing of Rules for Regulation under NDPS Act.

CBN – Supervision of licit cultivation, licensing for manufacturing and import-export of substances for legitimate use

CCF- Extracting of Alkaloids from Opium and supplying of drugs for legitimate use.

(ii) Supply Reduction –  
Narcotic Control Division under DoR (MoF) – Regulatory aspect

NCB (MHA)- Enforcement and reporting to INCB

(iii) Demand Reduction –Ministry of Social Justice and Empowerment (MSJE) & Harm Reduction – Ministry of Health and Family Welfare (MoH&W)

Apart from the above Customs, State Police, State drug administration and state excise department also have different roles in the narcotics management. Therefore as per the national Policy there are various Ministries associated with narcotics management in the country.

(c) Drug Administration involves a large number of areas which are quite different from enforcement and intelligence. It involves a complex array of activities. These include regulation of licit opium cultivation; manufacture, import and export of opium and its alkaloids; manufacture, import and export of narcotic drugs and psychotropic substances; control over precursor chemicals, investigation and forfeiture of drug related assets and drug money laundering. The majority of these functions are regulatory in nature and require to be addressed by different agencies under Department of Revenue, Ministry of Finance.

(d) Department of Revenue has administrative control over CBEC which is the legitimate authority to keep check on manufacture and trade in the country, making it suitable to effectively control the licensing, surveillance and enforcement of NDPS Act and Rules. Further, economic crime is closely linked to narcotics. Ministry of Finance is ideally poised with agencies which gather intelligence, monitor and enforce economic offences under SAFEMA, FEMA Prevention of Money laundering Act. etc.

(e) CCF with two Government Opium Alkaloids Works at Ghazipur, UP and Neemuch, MP is involved in revenue earning and taxation activity also which are sole mandate of Department of Revenue.

(f) Various Central and State Government agencies like NCB, CBN, Central Excise, paramilitary Forces are entrusted with preventive activities under NDPS Act, 1985. Therefore, NCB is not the sole agency for destruction of illicit poppy cultivation, prevention, combating abuse of and illicit traffic in narcotic drugs and psychotropic substances.

(g) Training on Narcotics is a part of the training module of IRS ( C&CE) Officers for which Department of Revenue is the cadre controlling authority.

(h) Establishment matters of CBN are in the domain of CBIC while operational issues are in the domain of Narcotics Control Division under Department of Revenue, further, the establishment matters are distributed among various desks in CBIC, in addition to the establishment matters of personnel of Central Excise, Customs and Service Tax Commissionerates. Similarly, staff matters of laboratory staff of GOAWs are in the domain of CRCL. Therefore, number of staff dealing the establishment matters of these organizations need to be worked out before transferring the NC Division.

In view of the foregoing paras it may be seen that policy making and enforcement related to narcotics are better administered in the present scenario.

#### **Vetting Comments of the Audit**

Due to deficiencies found in present system of monitoring & controlling Poppy cultivation, PAC opined that there should be an integrated plan for management of Narcotic substances. PAC may be apprised of steps initiated to ensure unity of action and coordination w.r.t narcotic substances.

#### **Final Reply of the Ministry**

Reply already given in ATR

#### **Observation/Recommendation**

The Committee note that contrary to the provisions, the Department had paid more than Rs. 2 crore being 90 percent price of opium and its balance amount to the persons other than cultivators like son, brother, daughter and Mukhiya etc. On being asked about the matter, it was replied that as per Opium Manual Volume-II "If any cultivator is absent, payment for him may be made to the Lambardar or substitute appointed by the cultivator himself on the responsibility of the Lambardar", and that no complaint had been received from cultivators regarding non receiving of cost of opium and since 2012-13 opium

cost had been paid to the cultivator's individual bank account through e-Payment. The Committee are dismayed to note that though e-payment has been introduced, large amount such as Rs. 1.51 crore and Rs. 0.56 crore (approx.) in respective States was paid to persons other than cultivators without obtaining any authority letter from the cultivators and the original cultivator had not given authority to whom the payment was to be made; hence, the payment was irregular. The Committee desire that the responsibility of the officials for making irregular payments be fixed and action taken against them and the Committee be apprised thereof.

**(Observation/Recommendation No. 11 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

**Action Taken by the Ministry**

With regard to the payment, it is submitted that the cash payment noted by the committee pertains to the period when e-payment was not introduced. After introduction of e-payment there are no cash payments is made either to the cultivators or to the person named by him. There is no reported case of misuse of facility of payment to named individual if cultivator himself is absent. Action of officers is in line with the Department manual. The problem is of past era when many cultivators did not have bank accounts and e-payment was not implemented. However, as of now, there are only stray cases of such payments being made to other than cultivator which are made through cheque/demand draft in the name of person named by the cultivator. In all other cases, e-payment is made.

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## CHAPTER V

### **OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH THE GOVERNMENT HAVE FURNISHED INTERIM REPLIES**

#### **Observation/Recommendation**

The Committee observe an acute shortage of staff in Group 'A' and Group 'D' cadres in CBN and CCF telling upon the quality of inspections and implementation of work. The vacancies stood at 56.83% in CBN and 60.85% in CCF. The difference between the sanctioned and actual strength for different cadres ranged from 14% to 63% in CBN whereas for Chief Controller of Factories (CCF) it was 30 % to 60% in 2013-14. The Committee further note that even after being pointed out by the Audit in the Report and the Committee during evidence, the vacancies are still at 54 % and 65 % in CCF and CBN. Also, a large number of vacancies are yet to be filled in NCB. The Committee note from the reply of the Ministry that the vacancies are being filled and meetings with Staff Selection Commission and Central Board of Excise and Customs have been organized and that Staff Selection Commission informed that, their calendar was full and they would not be in position to organize the special examination for recruitment of Hawaldars in CBN, CBEC and NCB, before May, 2018. Further, the Committee note from the reply of the Ministry that a request was made to Staff Selection Commission in May 2016, followed by request to DoPT in August 2016, to devise a system of maintaining wait list in the selection list. The Committee desire that the Ministry may follow up with the SSC and DoPT on the request for maintaining a wait list and apprise the Committee of the action taken by SSC and DoPT thereon. The Committee are of the view that in the instant case, for NDPS Act to be properly implemented, it is necessary to fill these key positions urgently. The Committee observe that such large scale vacancies in all of the major agencies involved in controlling and management of narcotic substances has seriously hampered the functioning of these Agencies which is clearly visible from the findings of the

Audit Report and exhort the Ministry to take up the matter urgently with the recruitment agencies so that the vacancies are filled up at the earliest.

The Committee are of the view that delay in filling up vacancies across all the Ministries/Departments is taking its toll on the output of these organizations. The working of organizations mandated to enforce laws, rules regulations etc is severely affected by shortage of manpower. The Committee opine that the Ministry may allow organizations with large number of vacancies to absorb deputationists who served that organization satisfactorily for a specified number of years. The Committee desires that Ministries/Departments should have a well laid down rotational transfer policy to be implemented in letter and spirit to discourage vested and personal interests hampering judicious decisions. The Committee also recommend that the recruitment procedure be comprehensively reviewed by the Government to ensure that vacancies are filled up at the earliest.

**(Observation/Recommendation No. 1 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

**Action Taken by the Ministry**

In connection with above observation the updated vacancy position as on 01.01.2018 in CBN and CCF is as under

Sr. No.	Grade	CBN/CCF		
		Sanction Strength	Working Strength	Vacancy Position
Main Stream Posts				
1.	Commissioner	2	2	0
2.	ADC/JC	6	5	1
3.	DC/AC	8	4	4
4.	AD(OL)	1	0	1
Technical Posts				
CBN				
1	Group A	1	0	1
2	Group B	69	61	8
3	Group C	1335	404	931

2. The Staff position of CCF indicating the staff strength (Sanctioned Strength & Vacancy Position) of CBN Cadre/CCF Cadre/CRCL Cadre as on 31.08.2018 is as under :

	Cadre	Sanctioned Strength	Working Strength	Vacancy Position
GOAW, Ghazipur	Factory Cadre	676	340	336
	CBN	98	34	64
	CRCL	53	15	38
GOAW, Neemuch	Factory Cadre	397	179	218
	CBN	80+6*	28	58
	CRCL	27+2**	8+1**	19+1**
CCF Office	Common Cadre (CBN)	50	20	30

\* 06 Post of Upper Division clerk are diverted by CCF from CCF office to the GOAW, Neemach  
\*\* 02 post of chemical Examiner are temporarily diverted by CRCL, New Delhi

3. In AGT-2018 order in respect of DC/AC of IRS Cadre, suitable replacement in the grade of AC/DC has been provided. The combined vacancy position of CBN/CCF vis-à-vis All India Vacancy Position of IRS cadre as on 01.01.2018 is as under :-

	Grade	Sanctioned Strength	Working strength	Vacancy Position	%age Vacancy Position	All India Vacancy Position
CBN/CCF	Commissioner	2	2	0	0%	19%
	ADC/JC	6	6	0	0%	47%
	DC/AC	8	7	1	12%	25%

From the above table, it may be seen that Out of 16 posts, 15 posts have already been filled and only one post is vacant at present.

4. Regarding filling up of the vacancies in various Group 'B' and 'C' posts of CBN cadre, the Staff Selection Commission has time and again been approached by CBIC with the request to conduct examination for recruitment in the grades of Hawaldars. The CBIC pursued the matter with SSC vigorously. The team of CBIC including Joint Secretary and Officer from DGHARD have held several meetings with top officials of SSC for securing a special recruitment drive for this purpose. It is mentioned that a meeting on 14.06.2018 was conveyed to discuss the possibility of combining the examination of

Hawaldars in CBIC/CBN and GD constables in CAPFs, which was attended by CBIC DoPT, CAPFs and MHA officials. The suggestion was discussed at a length in a meeting however, the suggestion was not agreed due to differences in recruitment rule for both the post and divergent opinions expressed with regard to implementing the clubbed proposals. A meeting was again convened on 28.06.2018 with the officials of SSC to discuss any possible way. The commission rejected the possibility of conducting stand alone examination for this purpose citing the heavy work load and shortage of vendors to conduct separate exam with additional responsibility to conduct common eligibility test next year. But the commission finally agreed to club this MTS examination to be held in June 2019 . In the meanwhile , Option of opening window for lateral entry is also being explored by deputing of officers holding equivalent posts in the Armed Forces and other Central Organizations by amending the present Recruitment Rules.

5. As regards to the filling of vacancy through absorption of deputation post, it is submitted that none of the Officer/Staff is working on deputation in the office of CCF and GOAWs. There is no policy for absorption of the deputation posts as well as for their transfer. The CCF and GOAWs are being run with the officials/staff of Factory Cadre, CBN Cadre and CRCL Cadre. There is separate Recruitment Rules for different post and Factory cadre, CBN Cadre and CRCL Cadre. As there is separate cadre, inter cadre transfer is not feasible. Transfer and posting of CBN and CRCL Cadre are being done by the respective Competent Authorities. Regarding Cadre restructuring and amendment in Recruitment Rules, it is submitted that Cadre-structuring has not been done in the GOAWs in the past fifty years. With decreasing export requirement, the activity of drying of opium has been completely stopped w.e.f 01.04.2016. All the staff of the opium factory has been diverted to the alkaloid plant. There are unit wise (alkaloid Plant and Opium Factory) sanctioned strengths of various posts in the each GOAW. A Committee under the Chairmanship of Additional Commissioner, CCF office has been constituted for re-determining the cadre strength in the various posts. The Committee has submitted its report which is expected to be implemented by 31.03.2019.

6. Nomination of 13 Laboratory Assistant has been received from recruitment agency and is likely to join in GOAW shortly.

### **Vetting Comments of the Audit**

i) It has been noticed that though percentage of vacancy in Group A and B have been decreased but the percentage of vacancy in Group C have been substantially increased from 59.6% to 69.7%.

ii). Ministry may state whether they have followed up with the SSC & DoPT of their request maintaining a waitlist and if so apprise the PAC about the action taken by SSC and DoPT on Ministry's request to devise a system of maintaining wait list in the selection process.

iii) The Ministry has stated that the Staff Selection Commission has time and again been approached for filling up of vacancies in Group B and Group C and provided vacancy position in Group A,B and C.

iv) Ministry may explain briefly how the recommendations of Committee constituted for re-determining the cadre strength would address the concerns raised in the PAC Report.

v) :-Ministry may state whether they have initiated any action on laying down rotational transfer policy to discourage vested & personal interest hampering judicious decisions.

### **Final Reply of the Ministry**

In this regard to above comments, para 4 & 5 may please be perused.

ii): -The business activities of GOAWs have been changed in such a long period of time. With decreasing export requirements, the major activity of opium factory i.e drying of opium has been completely stopped w.e.f 01.04.2016. All the staff of the opium factory has been diverted to the alkaloid plants. There are unit wise (Alkaloid Plant and Opium Factory) sanctioned strengths of various (posts in the each GOAWs. Therefore, there is requirement of cadre restructuring by way of redetermination. A Committee under the Chairmanship of Additional Commissioner, CCF office has been constituted for re-determining the cadre strength in the various posts. The redetermination of the cadre strength for various posts would facilitate the assessment of existing requirement of manpower for running the both Alkaloid plants in increased number of shifts, if so required. The amendment in the Recruitment Rules as per the re-

determined cadre strength may further enable recruitment of manpower which will certainly address the concern expressed in the report of the PAC for augmentation of production of alkaloids by increasing use of opium.

iii) : - The CCF organization is being run with the officials of three different cadres i.ed Central Bureau of narcotics (CBN), Central Revenue Control Laboratory (CRCL) and Factory Cadre. The transfer policy is laid out by the concerned cadre controlling authorities with regard to CRCL and CBN officials. The GOAWs have their different set of posts and sanctioned strength with different pay scales. Thus, the rotational transfer policy cannot be undertaken for factory cadre officials in the current dispensation governed by separate Recruitment Rules for both GOAWs.

#### **Observation/Recommendation**

The Committee note that there seems to be no apparent rationale for allowing cultivation of poppy seeds in only three States when the demand for the same is much higher than its production which is consequently met through imports. The Committee note that last demand survey was conducted by the Ministry of Social Justice and Empowerment seventeen years back in 2001. The Committee desire that a comprehensive demand survey be done urgently by the NCD and thereafter every five years to assess the actual demand of opium poppy in India. However, the Committee observe that the demand for opium have already been much higher than its cultivation and will increase manifold in next 5-10 years after National Health Policy is enforced. The Committee exhort the Ministry to conduct soil testing in more States to ascertain its quality for poppy Cultivation to cope up with the ever increasing demand of opium. The Committee desire that the results of soil testing of new and existing areas and drug demand survey be considered by NCD for adding new areas of cultivation to meet the domestic demand.

**(Observation/Recommendation No. 5 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

### **Action Taken by the Ministry**

In so far demand survey for opium is concerned, the Ministry of Social Justice and Empowerment is responsible for conducting demand survey. for soil testing, ministry of Agriculture has informed that soil testing is required for fertilizer recommendations to obtain optimum crop yield. The State Agriculture Departments carry out soil testing for opium cultivation and give fertilizer recommendations if their soil testing labs are approached. However, it is not mandatory.

### **Vetting Comments by the Audit**

- i):Ministry may apprise the PAC whether it is in correspondence with Ministry of Social justice & Empowerment for conducting the comprehensive demand survey on regular basis as directed by PAC,to assess the actual demand of opium poppy in India.
- ii):- Ministry may furnish the details of steps taken towards increasing the indigenous production of opium seeds.

### **Final Reply of the Ministry**

i):- It has been intimated by the Ministry of Social Justice & Empowerment that they have assigned the national Survey on extent and pattern of Substance (Drugs) abuse in India to national Drug Dependence Treatment Centre (NDDTC), AIIMS, New Delhi, which is under progress. The substances which are being surveyed includes alcohol, tobacco, opioids, sedative –hypnotics, cannabis, stimulants, hallucinogens, inalalants (volatile solvents). The survey will provide national and state-level estimates of proportion and absolute number of people who use various substances and people who are suffering from substance use disorders in India. It will also map the presence of services and interventions for individuals suffering from substance use disorders and identify the gaps in service delivery.

ii) :-In this regard, reply of Ministry in para IV (V) of Action Taken Report may be perused.

### **Observation/Recommendation**

The Committee note that the Department claims to conduct 100 per cent internal audit of cultivation of opium records after the completion of settlement operation each year and as per the internal audit report, no discrepancies/irregularities/ambiguity was found during the period 2010-11 to 2012-13. However, C&AG audit found, inter-alia, non-adherence to the provisions of licensing policy, smart card identification, satellite based cultivation management and lack of serious efforts for recovery of outstanding dues from the cultivators indicating lack of internal controls in the Department.

The Committee further note that there was no reconciliation done with the State Excise Departments to control the sale/diversion of the by-products of the poppy (poppy straw, poppy husk and poppy seeds). The Department replied that there is a system of monthly reporting on all aspects of the functioning of State units of CBN and CCF, which is regularly scrutinized and monitored at the level of Headquarters. Besides, reports of all seizures and those on other developments are sent as and when they occur and a number of steps have been taken for automation of its functional activities including interaction with public by introducing web-application and sharing of information. The Committee are shocked to note that instead of taking measures to rectify the flaws pointed out by the Audit, the Ministry is reiterating the prevailing mechanism. The Committee are of the view that since cases of non-adherence to the provisions of Licensing Policy, non-maintenance of records at District Opium Office i.e. Preliminary Weighment Register, Payment Weighment Register etc. have been pointed out by the Audit the reporting, recording and monitoring system be strengthened and a time frame be prescribed for CBN to get an ISO certification. The Committee are of the view that non-adherence to the provisions of licensing policy, non-maintenance of records and non-reconciliation with the State Excise Department to control diversion are serious issues which should be enquired into and action taken against those found responsible. The Committee exhort the Ministry to take urgent steps to improve

the system and apprise the Committee accordingly.

**(Observation/Recommendation No. 12 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

**Action Taken by the Ministry**

**NIL**

**Vetting Comments by the Audit**

Ministry is required to apprise the PAC about the steps taken towards strengthening the reporting, recording and monitoring system. Further time frame to be prescribed for CBN to get an ISO certification may be informed.

**Final Reply of the Ministry**

The present reporting, recording and monitoring mechanism is manual and is based primarily upon the monthly reports sent by the officers to controlling unit/headquarters. Apart from this, special reports are sought for from field formations time to time during the cultivation season. Regular maintenance of records is being done in the form of registers in the prescribed format (as prescribed by Narcotics Commissioner time to time.)

For better record keeping, reporting and monitoring, it is desirable that the entire documentation and recording work is computerized and made online. This proposal will require appointment of specialized agency for studying the departmental records and suggesting ways and means to computerize them and provide online linkages. Processes and record keeping needs to be first aligned with the ISO certification requirements and then completely made online for better recording, reporting and monitoring. As regards time period required for implementation of it, this office has no previous experience of it, however, the process may take between 2-3 years.

**Observation/Recommendation**

The Committee are distressed to note that audit has pointed out serious

problems like licenses issued to ineligible farmers, exorbitant ploughing back of opium, no mechanism to verify opium testing report, irregularities in Preliminary Weighment Register etc indicating deficiencies and irregularities in the internal control mechanism. The above cases highlight the lackadaisical attitude of the District Opium Officers (DOO), Lambadar in recording and maintaining the records at regional level. Hence, the Committee exhort the Ministry to develop a robust monitoring mechanism to ensure that rules, regulations and procedures are followed by all levels in the hierarchy. The Committee desire the Ministry to prescribe yearly schedule of regular inspections of Regional Offices by the senior officers of the Department and all inspection reports be made available online to ensure transparency and easy access by the higher authorities. The DOO should also be made accountable by prescribing submission of fortnightly reports online.

**(Observation/Recommendation No. 13 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

**Action Taken by the Ministry**

NIL

**Vetting Comments of the Audit**

Steps taken towards prescribing yearly schedule of regular inspections of Regional offices and making such inspection reports online may be informed.

**Final Reply of the Ministry**

At present there is no practice of regular inspection of regional offices. The frequency of conducting regular inspection is suggested as under

Sl. No.	Inspecting Officer	Formations to be inspected
1.	Narcotics Commissioner	(a) Office of any two units (b) One DOO Office of each Unit
2.	Deputy Narcotics Commissioner (Hqrs.)	(a) Unit Office not scheduled to be inspected by Narcotics Commissioner. (b) One DOO and one P&I Cell Office

		in each unit not scheduled for inspection by Narcotics Commissioner.
3.	Unit Deputy Narcotics Commissioner's	Four division and 2 P & I Cell offices for inspection of other unit not scheduled for inspection by Narcotics Commissioner (Hqs)
4.	Assistant Narcotics Commissioner (Hqrs.) (Tech./Narcotics).	Each ANC to inspect one DOO and one p&I Cell Office of each unit not scheduled for inspection by any of above officers.
5.	Unit Assistant Narcotics Commissioner's	To inspect remaining DOO/P & I Cell Offices of unit other than their own.

In addition to above, Additional/Special Secretary (Revenue) may conduct inspection of Headquarters office or any on unit office as deemed fit.

### **Observation/Recommendation**

The Committee further note that the satellite based monitoring of illicit cultivation of opium is not enough as cases of illegal cultivation not detected by the satellite have been noticed. Also, the areas reflected in satellite data is at times short captured than actual area found and destroyed by agencies. Such inefficiency defeats the very purpose of the systems of identification of illegal opium cultivation and monitoring. The Committee are of the view that mapping of areas be done in a manner where satellite based monitoring functions as an adjunct to the ground level survey to give effective results. The Committee opine that Centralised Monitoring System will work better with the Departments and Ministries concerned coming together, coordinating and working effectively for the cause. The Committee desire that in order to reduce illicit cultivation a facility be developed whereas an image of the illegally cultivated area can be uploaded on the website by anyone as is being done by the DDA.

### **(Observation/Recommendation No. 14 of the 96<sup>th</sup> Report of PAC (16<sup>th</sup> LS)**

### **Action Taken by the Ministry**

To implement satellite based monitoring of illicit cultivation of opium it is submitted that imaginary report on suspected location of illicit Poppy cultivation are

being generated by Aviation Research Centre, Director General of Security in Collaboration with ADRIN, Department of Space, Government of India. As far as uploading of images of illicit cultivation of Opium by disgruntled elements, informers or responsible citizens is concerned a Whatsapp number is being circulated for this purpose.

**NEW DELHI;**  
**13 December, 2018**  
**22 Agra Hayana, 1940 (Saka)**

**MALLIKARJUN KHARGE**  
**CHAIRPERSON**  
**PUBLIC ACCOUNTS COMMITTEE**

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**APPENDIX-II**  
(*Vide Paragraph 5 of Introduction*)

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR NINETY-SIXTH REPORT (SIXTEENTH LOK SABHA)**

(i) Total number of Observations/Recommendations	- 14
(ii) Observations/Recommendations of the Committee which have been accepted by the Government:	- Total : 06 Percentage: 43%
<p style="margin-left: 40px;">Para Nos. 2, 6, 7, 8, 9 &amp; 10</p>	
(iii) Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government:	- Total : 0 Percentage:0%
<p style="margin-left: 40px;">-Nil-</p>	
(iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:	- Total : 03 Percentage:21%
<p style="margin-left: 40px;">Para Nos. 3, 4 &amp; 11</p>	
(v) Observations/Recommendations in respect of which the Government have furnished interim replies/no replies:	- Total : 05 Percentage: 36%
<p style="margin-left: 40px;">Para Nos. 1, 5, 12, 13 &amp; 14</p>	