

## Chapter 4: DISTRIBUTION OF RATIONS

### **Audit Objective:**

**To assess whether**

- **the distribution system ensured timely supply of sufficient quantity and variety of ration.**
- **users' satisfaction with regard to quality and availability of ration was maintained.**

### 4.1. Fresh rations

The proportion in which different varieties of vegetables and fruits are to be issued to the consuming units is prescribed for each month, for each station by the respective Station Commanders depending upon the troop's preference and local availability. Therefore the contract for the procurement of fruits and vegetables also stipulates that the contractor would supply the varieties of vegetables and fruits according to the prescribed proportion. Audit compared the procurement, issues and receipt of vegetables and fruits at 29 units at three major stations.

It was found that the consuming units did not receive the fruits and vegetables according to the prescribed mix. Analysis showed that in the case of vegetables and fruits, about 74 *per cent* of the issues made during the month were not in accordance with the prescribed norms of issue. In some months the non-adherence was even to the extent of 100 *per cent*.

Of the total fruit supply during July 2007, one of the units was to receive 65 *per cent* mangoes, against which it received only 19 *per cent*. While no guava was prescribed during that month, 29 *per cent* of the fruits received during the month were guavas. During October 2007, another unit was supposed to get 50 *per cent* apples and 20 *per cent* banana but it actually received 20 *per cent* apples and 60 *per cent* banana. At Delhi station, 10 *per cent* mussambi was authorised to the units in September 2006. It was found that no mussambi was issued to eight of the 15 units selected by Audit. While in the remaining units, the extent of issue was upto 23 *per cent* against the authorized 10 *per cent* per month. In reply the units

stated that regular monthly feedbacks were being rendered where it was being asserted that only 60 to 70 per cent of the laid down percentage were being issued.

### Discrepancy in issue and receipt of items

Audit also found that the quantities received by the consuming units were different from what was shown to have been issued to the units by the Supply Depots. Certain varieties of vegetables shown to have been issued by the Supply Depot and received by the consuming units were not even procured by the Supply Depots on those particular days. The units attributed short receipt to the Supply Depots. While no system for reconciliation between the units and depots existed, crosschecking of the unit records by Audit with the issue records at the depots indicated that there was a mismatch between what was issued to the units by the Depot and what was received by the units. A typical snapshot of issues by Supply depot Akhnoor and receipts by 510 ASC Bn. in two days is given in the table below. Both the unit and the depot are commanded by the same Commanding Officer.

**Table-17**  
*Anomalies in issue/receipt of vegetable and fruit fresh*

Date: 9 July 2007				Date: 20 February 2008			
Issued by SD Akhnoor to 510 ASC Bn		Recd by 510 ASC BN		Issued by SD Akhnoor to 510 ASC Bn		Recd by 510 ASC BN	
Item	Qty (Kg)	Item	Qty (Kg)	Item	Qty (Kg)	Item	Qty (Kg)
Pumpkin	19	Pumpkin	15	Brinjal	58.5	Brinjal	15
Bitter Gourd	28	Bitter Gourd	7	Cauliflower	30	Cauliflower	16
Mint Green	4	Mint Green	Nil	Peas	20	Peas	12
Totamo Green	11	Tomato Green	3	Carrot	15	Carrot	35
Cucumber	Nil	Cucumber	3	Cabbage	25	Cabbage	33
Bottle Gourd	39	Bottle Gourd	Nil	Tomato	11	Tomato	8
Chillies Green	Nil	Chillies Green	1	Ginger	6	Ginger	Nil
Knol Khol	Nil	Knol Khol	30	Chillies Green	10.5	Chillies Green	3
R Saag	Nil	R Saag	15	Lime Sour	6.3	Lime Sour	Nil
Ladies Finger	33	Ladies Finger	60	Coriander	Nil	Coriander	5
				Spinach	Nil	Spinach	30
				Radish	Nil	Radish	25
<b>Total</b>	<b>134</b>	<b>Total</b>	<b>134</b>	<b>Total</b>	<b>182.3</b>		<b>182</b>
<b>Fruits</b>							
Mango (S/F)	90	Pears	90	Banana	36	Banana	82
				Kinoo	22		

During audit such discrepancies were widely seen across many units and Commands.

## PA Report of Supply Chain Management of Rations in Indian Army

The table below highlights item wise discrepancy in receipt of vegetables and fresh fruits by various units. It could be seen that out of the 43 cases, the discrepancy in the types of items issued and received was 100 per cent in 17 cases of vegetables and 23 cases of fruits.

**Table-18**  
*Item wise discrepancy in receipt of vegetable/fruit fresh*

S. No.	Year	Name of unit	Date	No. of items issued to units		Discrepancy in receipts	
				Veg	Fruits	Veg	Fruits
1.	2006-07	510 ASC Bn	01.07.06	7	0	7	2
2.			22.07.06	7	2	-	-
3.			16.08.06	7	3	-	-
4.			16.09.06	7	4	-	-
5.	2007-08	510 ASC Bn	12.04.07	7	2	7	2
6.			26.05.07	9	2	6	1
7.			18.06.07	8	3	7	2
8.			09.07.07	6	1	6	1
9.			08.08.07	8	1	6	1
10.			10.08.07	7	0	7	0
11.			20.08.07	7	0	7	0
12.			27.08.07	6	1	6	1
13.			05.09.07	8	1	8	0
14.			19.09.07	8	2	4	1
15.			29.09.07	5	1	5	1
16.			19.11.07	7	1	4	0
17.			07.01.08	10	1	7	0
18.			20.02.08	9	2	5	2
19.	2007-08	75 Armd Regt	05.09.07	7	1	7	1
20.			19.09.07	8	1	3	0
21.			29.09.07	6	3	6	3
22.			19.11.07	7	1	7	1
23.			07.01.08	10	1	4	1
24.			20.02.08	9	2	5	2
25.	2007-08	6 Raj Rif	26.05.07	9	2	6	1
26.			18.06.07	8	3	8	1
27.			27.06.07	6	1	6	1
28.			05.09.07	8	1	8	0
29.			29.09.07	8	4	6	4
30.			19.11.07	7	1	5	1
31.			20.02.08	9	2	6	2
32.	2007-08	110 Engr Regt	02.01.08	10	2	2	2
33.		25 Panjab Regt	02.01.08	10	2	7	2
34.		110 ER	28.01.08	10	1	8	1
35.		25 PR	28.01.08	8	1	8	1
36.		110 ER	04.02.08	10	1	6	0
37.		25 PR	04.02.08	10	1	4	1
38.		110 ER	22.02.08	11	2	6	1
39.		25 PR	22.02.08	12	3	8	3
40.		110 ER	07.03.08	9	3	9	2
41.		25 PR	07.03.08	9	3	9	3
42.		110 ER	28.03.08	9	3	6	2
43.		25 PR	28.03.08	10	3	5	0

Thus the existing system failed to ensure that the required quantity and variety of vegetable and fruits are supplied to the troops and underscored the lack of awareness about the authorization and entitlements amongst the users.

### 4.2. Discrepancy in demand by the Units and Supply by the Depots

As per the laid down procedure, the units would submit their demand on IAFS-1555 forty-eight hours in advance to the Supply Depot. The same would be consolidated and order placed on the contractor. The demands placed on the contractor would indicate the variety and quantity to be supplied and date, time and place where required.

Quantity of fresh rations demanded and supplied to a unit will depend on the feeding strength. Thus generally the proportion of vegetable, fruits and other items would follow a particular trend. This however was not seen in a few cases. As would be seen from the following table, the quantities of fruits and vegetables moved in a narrow band but the eggs supplied ranged from 1920 to 10470.

**Table-19**  
*Disproportionate issue of fresh items of rations*

Unit	Month	Vegetable (Kg)	Fruits (Kg)	Eggs (Nos)
5011 ASC Bn	Feb 06	1486	1039	1920
	Mar 06	1721	992	2190
	Jan 08	1733	1040	10100
	Feb 08	1633	997	10470
11 CSR	Feb 06	2273	1335	1740
	June 06	2089	1341	4680
	Sept 06	2777	1614	9150
	Mar 08	2682	1475	3270

In reply the Supply Depot stated that it was the responsibility of the accounting unit to draw their rations as per entitlement and that the Depot does not exercise any checks thereon. The reply further suggested that the overdrawn items should be adjusted by the units in subsequent demands. Such issue of huge amount of eggs without corresponding increase in other items would indicate issue of eggs as "in lieu" item.

### 4.3. No evidence of receipt of rations

While accounting for rations, all issues during the year are reconciled with the receipts by units. This involves matching of issue and receipt vouchers. In the Northern Command alone, Rs 1.92 crore worth of rations remained untraceable as

of 31 March 2008. Of this, Rs 1.20 crore worth of rations was issued during 2005-06, the receipt of which was yet to be traced.

Army HQ stated that the vagaries of weather, local production of items, seasonal changes, changes in government policies etc. were variables which could lead to changes in availability of items which could be procured from the market by the contractor. Though generally 100 *per cent* adherence to percentage and schedule was maintained at the depot level, it was practically difficult to maintain the percentage for each variety issued for each and every unit, every month. Thus there could be minor variations as far as individual units were concerned.

It stated that the mismatch in issue and receipt vouchers in Northern Command was being investigated

Army HQ also stated that to obviate the problem of distribution a proposal to bring in a reasonable amount of flexibility in the system was being taken up.

Audit views that if 100 *per cent* adherence to percentage and schedule is maintained at the Supply depot level, it is not clear why the same is not adhered to in cases of units as they are the final recipients of fresh rations.

This issue also is required to be viewed in the light of the contractual format for fresh rations. If all the items carry the same rates, as are usual, some of the rates are freakishly low and flexibility is allowed in the system to the prescribed mix, it would be reasonable to assume that the contractor would tend to supply the items which are beneficial to him in terms of profit.

Finally, the fact of mismatch of issue and receipt is not explained by the above factors.

### Recommendation No 13

It is strongly recommended that Ministry and Army Headquarters should immediately draw up a detailed plan to computerise the management of supply chain of both dry and fresh nations. The power of the Information Technology should be leveraged to create a networked system connecting all the Supply Depots and Supply points. Issues, Receipts, Inventory management, Procurement and other aspects of supply chain management should be brought under this system. Contracted prices of various items should be published on the dedicated website to be created for this purpose.

### 4.4. Quality of rations found inadequate by the Army's own feedback reporting system

#### Internal Study by Army HQ

A detailed study was conducted by Defence Research and Development Organization in coordination with the Director General Armed Forces Medical Services from September 2001 to September 2005 to assess the nutritional status of the three Services and the adequacy of the existing scales of rations. The study also included surveys at selected stations to assess the satisfaction level of troops regarding quantity, quality and taste of rations. The survey was repeated after a gap of three months.

While in the initial survey, the satisfaction with the quality of rations was 34 *per cent*, it decreased to 29 *per cent* in the second survey. Similarly the satisfaction with regard to taste of rations decreased from 32 *per cent* to 16 *per cent* in the second survey. Satisfaction with respect to quantity was also low at 38 *per cent* during the initial survey and 33 *per cent* during the repeat survey. The following were the important findings and recommendations of the report relevant in this context.

- Satisfaction level of troops regarding quantity, quality and taste of rations was very low; and
- The quality of meat and fresh vegetable was particularly low, and efforts should be made to improve the quality of meat and chicken.

In order to assess the quality of rations and make improvements, Army has a system of obtaining periodic feedback reports from the consuming units wherein the troops evaluate the quality of various items as excellent, good, satisfactory or poor. The reports are finally rendered to the Army HQ, which monitors the quality of rations provided to the troops.

Audit analysed 224 such feedback reports rendered by the units in Northern and Western Command during the period. Feedback reports were not furnished to Audit by Eastern Command. It was found that in 68 *per cent* of the feedback reports, the quality of rations was graded as satisfactory and below, in 31 *per cent* the grading was good and in only one *per cent* the grading was excellent. In 14 of the 50 cases pertaining to a Corps in Northern Command, the units had complained that the quality of rations was poor and sub-standard. Dissatisfaction was also experienced against the specification and size of eggs. The Commander

of the Corps had issued instructions stating that any rations if graded as “Satisfactory” by the troops should be rejected and that only rations graded as “Good” or above should be accepted.

The feedback report also contains a form for reporting of rejection of rations received from the Supply Depots due to poor quality. Audit found that only in case of 33 reports these rejection forms were filled up by the units. In rest of the feedback reports such forms were not included at all.

The draft report was issued to the Ministry of Defence in January 2009. Their reply had not been received till the finalization of this report as of March 2010.

**New Delhi**

**Dated April 2010**

**(Gautam Guha)**

**Director General of Audit**

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**Dated April 2010**

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**Comptroller and Auditor General of India**