

# **Chapter 2**

## **Performance Audits**

**Chapter 2: Performance Audits**

**CORRECTIONAL ADMINISTRATION DEPARTMENT**

**2.1 Working of Correctional Homes in West Bengal**

**Executive Summary**

Correctional homes are assigned functions like providing correctional treatment to the prisoners and rehabilitating them in the society. Correctional homes are also responsible for providing the inmates with food, clothing, basic amenities, medical treatment, vocational training, etc. Correctional homes are to take measures for the security of the prisoners. There are 58 correctional homes (CHs) of various categories in West Bengal with total capacity of 20916 inmates.

The Performance Audit on working of correctional homes covering the period from 2010-15 was conducted during November 2014 to June 2015, which flagged various areas that needed improvement.

- Many correctional homes had inmates in excess of sanctioned capacity, especially owing to higher percentage of under trial prisoners and thereby putting acute strain on the correctional home amenities. Area, numbers of kitchens, latrines and bathrooms were subnormal affecting the quality of life of the inmates. The situation was aggravated by tardy execution of civil works which were assigned mostly to the Public Works Department.
- The medical care of the inmates suffered owing to lack of hospitals as well as inadequate facilities like shortage of beds, manpower and equipment requiring referral of inmates to civil hospitals. Quality testing of supplied water also needed more emphasis.
- The safety and security of the prisoners was an area of concern as scanners, CCTVs, metal detectors, mobile phone jammers were either not installed or were non-functional. There was need to bring in stricter controls over entry of prohibited goods in correctional homes. Further, existence of damaged watch towers, buildings in close proximity to correctional homes, etc. compromised the safety and security of correctional homes.
- Vocational training, the key initiative for rehabilitation of inmates, needs more attention as only a few convicts could be trained in various trades and engaged in prison industries.
- There were significant shortages in various posts, as a result of which many test-checked correctional homes had higher number of inmates per staff in comparison to national average indicating inadequate care of the inmates.

**2.1.1 Introduction**

Correctional homes in West Bengal are governed by the West Bengal Correctional Services Act, 1992<sup>1</sup> (Act) and the West Bengal Jail Code (Code). As per the Act, apart from keeping custody of the prisoners committed to it by any court or other competent authority, the major functions of a correctional home are:

<sup>1</sup> This came into force with effect from 14 April 2000

- to give correctional treatment to the prisoners in custody so as to efface from their mind the evil influence of anti-social ways of life and rehabilitate them in the society as good and useful citizens;
- to provide the prisoners with food, clothing, accommodation and other necessities of life and adequate medical treatment and care in case of sickness;
- to adopt measures to put the prisoners to vocation-oriented labour, so that after release they may find themselves equipped with bread-earning vocations;
- to take measures for its own security and the security of the prisoners with due safeguard to ensure that it does not become a place of horror instead of being an institution for correction and
- to adopt measures to ensure effective after-care service of the released prisoners.

There are 58 correctional homes (CHs) of six<sup>2</sup> categories in West Bengal with total capacity to accommodate 20916 inmates (Male: 19393 and Female: 1523). As of March 2015, these CHs had 21228 inmates which included 14303 (67 per cent) under trial prisoners (UTPs) and 252 children. During 2010-15, the Department spent ₹ 870.99 crore (Plan: ₹ 74.02 crore and Non-plan: ₹ 796.97 crore) for management of correctional homes in the State (*Appendix 2.1.1*).

### **2.1.2 Organisational Structure**

Correctional Administration Department (CAD) is headed by a Principal Secretary, assisted by a regular Secretariat set-up. The Additional Director General & Inspector General of Correctional Services (ADG&IG), who is the head of Directorate of Correctional Services, is responsible for overall control and supervision of correctional homes. ADG&IG is assisted by three Additional Inspectors General of Correctional Services, six Deputy Inspectors General of Correctional Services and other officials. Each correctional home is headed by one Superintendent, who is assisted by Deputy Superintendents, Chief Controllers, Controllers, Assistant Controllers, Chief Head Warders/ Head Warders and Warders. There is a hospital in each Central Correctional Home (CCH) and District Correctional Home (DCH) under the overall supervision of a Senior Medical Officer at the State level. There are two training facilities for the staff - Regional Institute of Correctional Administration (RICA), Dumdum and Warders Training Institute, Medinipur.

### **2.1.3 Audit objectives**

The Performance Audit was conducted to assess whether

- facilities and privileges of inmates, as envisaged in the Act and Code, were being provided;
- safety and security were ensured for the inmates;

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<sup>2</sup> Six Central Correctional Homes (CCHs), 12 District Correctional Homes (DCHs), three Special Correctional Homes; 33 Subsidiary Correctional Homes (SCH); two Correctional Homes for Women and two Open Air Correctional Homes.

- initiatives taken for reformation, rehabilitation and education of the inmates were effective and
- there was an adequate number of trained staff to ensure effective delivery of correctional services.

#### 2.1.4 Audit Criteria

The criteria used for framing audit comments were

- West Bengal Correctional Services Act, 1992, West Bengal Jail Code and Rules, Orders framed by the Government under the Code and Act;
- West Bengal Treasury Rules;
- Prison Statistics India (PSI) 2010-14, brought out by National Crime Records Bureau (NCRB), Ministry of Home Affairs (MHA), Government of India and
- Guidelines issued by National Human Rights Commission (NHRC).

Besides the above, in case where the Code and Act were silent on any performance aspect, Model Prison Manual (MPM), 2003, brought out by the Bureau of Police Research & Development, Ministry of Home Affairs (MHA), GoI has been referred to.

#### 2.1.5 Audit coverage and methodology

The Performance Audit on working of correctional homes covering the period from 2010-11 to 2014-15 was conducted during November 2014 to June 2015. Audit scrutinised the records of Correctional Administration Department, Directorate of Correctional Services along with 12<sup>3</sup> correctional homes (*Appendix 2.1.2*) selected through stratified sampling by applying Simple Random Sampling without Replacement. The two staff training centres were also reviewed.

An Entry Conference was held in April 2015 with the Principal Secretary and the ADG&IG, wherein audit objectives, scope, methodology, criteria, etc. were explained.

A Performance Audit on Management of Correctional Homes was featured (Paragraph 3.1) in the Report of the C&AG of India (Civil) for the year ended March 2008. This Report highlighted issues of overcrowding of prisoners and consequent inadequate facilities, ineffective surveillance leading to escape of prisoners from CHs/ police custody, inadequate and ineffective provisions for reformation and rehabilitation of prisoners in custody, etc. Observations contained in that report alongwith responses given by the Department thereon have also been taken into consideration while preparing this report.

Further, an Exit Conference was held (December 2015) with the Principal Secretary of the Department wherein audit findings were discussed. The views of the Department have been suitably incorporated in the report.

<sup>3</sup> Three CCHs, four DCHs, two Open Air CHs and three Sub CHs

**Audit Findings**

**2.1.6 Facilities and privileges to inmates**

Audit analysed the inmate population with the sanctioned strength in 10<sup>4</sup> CHs, out of the selected 12, and found that in nine, the inmate population exceeded the sanctioned capacity (*Appendix 2.1.3*). The position of inmate population as of December 2014 in these CHs is indicated in **Table 2.1.1** below.

**Table 2.1.1: Inmate population and overcrowding in nine selected CHs**

Sl. No.	Name of CH	As on 31 December each year	Inmates Capacity			Inmates accommodated			Overcrowding (per cent)	
			Male	Female	Total	Male	Female	Total	Male	Female
1	Berhampore CCH	2014	1900	122	2022	1685	118	1803	-	-
2	Malda DCH	2014	230	42	272	532	16	548	302 (131)	-
3	Lalbagh Sub CH	2014	50	0	50	165	0	165	115 (230)	-
4	Dum Dum CCH	2014	2509	100	2609	2920	255	3175	411 (16)	155 (155)
5	Krishnanagar DCH	2014	486	12	498	642	81	723	156 (32)	69 (575)
6	Basirhat Sub CH	2014	59	0	59	240	0	240	181(307)	-
7	Jalpaiguri CCH	2014	629	45	674	1117	66	1183	488 (78)	21 (47)
8	Raiganj DCH	2014	101	12	113	266	41	307	165 (163)	29 (242)
9	Cooch Behar DCH	2014	186	33	219	210	14	224	24 (13)	-
10	Tufanganj sub CH	2014	27	10	37	24	1	25	-	-

*Source: Data collected from respective Correctional Homes*

**Significant percentage of undertrials in CHs:** One of the reasons for overcrowding was custody of substantial number of Under-trial Prisoners (UTP) in CHs. In nine test-checked CHs, UTPs constituted 22 to 92 per cent of the total inmates during 2010-14 (*Appendix 2.1.3*). In the State, during 2010-14, 67 to 72 per cent (**Table 2.1.2**) of the correctional home inmates were UTPs.

**Table 2.1.2: Under trials in West Bengal during 2010-2014**

As on 31 <sup>st</sup> December	Inmate population	No. of under trial inmates (per cent)
2010	18519	12361 (67)
2011	19508	13567 (70)
2012	20431	13977 (68)
2013	22778	16471 (72)
2014	20069	14050 (70)

*Source: Prison Statistics India, National Crime Records Bureau*

The issue has been further discussed later in this report *vide paragraph 2.1.6.7*.

Such excess inmate population had an impact on the facilities available to the inmates in terms of floor area, cubic space (which is obtained by multiplying the floor area with height of the cell), kitchens, bathrooms and latrines as indicated below.

<sup>4</sup> Out of 12 CHs, two were open Correctional Homes and the same have not been considered as these have been established with a view to grant more freedom to long-term prisoners as to adapt to community life by allowing them more liberty and more opportunity of association with the social life outside. These are not surrounded by boundary walls and normally only night-lock up is done.

### 2.1.6.1 Inadequate space, bathrooms and kitchens

Norms for superficial area and cubic space have been laid down in the West Bengal Jail Code. But the Code does not indicate any norms for kitchen, bathrooms and latrines. Accordingly Audit compared these facilities with the norms indicated in the Model Prison Manual framed by the Ministry of Home Affairs, the results of which are detailed in *Appendix 2.1.4*. It was seen that the Department failed to provide minimum space (superficial area and cubic space), adequate kitchens, bathrooms and latrines as per norms as detailed below.

- **Space:** As per norms of West Bengal Jail code, the per capita availability of superficial area and cubic space was 4.18 sqm. and 16.99 cu.m respectively. Against these, eight CHs<sup>5</sup> had floor areas ranging from 1.22 to 3.50 sqm. and cubic space ranging from 5.62 to 13.95 cu.m.
- **Kitchens:** As per norms stipulated in Model Prison Manual, there should be a kitchen for every 250 inmates and the kitchen area should be 150 sqm. per 100 inmates. In comparison to these norms, in terms of numbers, kitchens were short in five CHs while there was deficiency in terms of area in nine test-checked CHs (excepting Dum Dum CH, for which the position was not supplied though sought by Audit) as is evident from **Table 2.1.3**.

**Table 2.1.3: Position of kitchens in test-checked Correctional Homes**

Sl. No.	Name of correctional home (Data as of)	No. of inmates	Kitchens (Norms: Number-As per MPM one kitchen per 250 inmates; Area: 150 sqm. per 100 inmates)			
			Number		Area	
			Norm	Available	Norm	available
1	Berhampore CCH (December 2014)	1719	7	1	2579	196.8
2	Malda DCH (December 2014)	548	2	1	822	249
3	Lalbagh Sub CH (December 2014)	165	1	1	248	26.12
4	Dum Dum CCH (April 2015)	3795	15	2	5693	NA
5	Krishnanagar DCH (May 2015)	697	3	2	1046	119.65
6	Basirhat Sub CH (May 2015)	240	1	1	360	22.63
7	Jalpaiguri CCH (May 15)	1314	5	2	1971	111
8	Raiganj DCH (June 2015)	279	1	1	419	30.18
9	Cooch Behar DCH (June 2015)	262	1	1	393	289.94
10	Tufanganj Sub CH (July 15)	20	1	1	30	15.33

Source: Data collected from respective Correctional Homes

- **Bathrooms and latrines:** As per norms indicated in Model Prison Manual, there should be one bathroom and one latrine for every 10 inmates. Compared to these norms, in seven CHs, bathrooms were being used by more than 10 inmates. Similarly in five CHs, more than 10 persons had to use the latrines as indicated in **Table 2.1.4**.

**Table 2.1.4: Position of bathrooms and latrines in test-checked CHs**

Sl. No.	Name of correctional home (Data as of)	No. of inmates	No. of inmates	
			Per bathroom (norm: 10)	Per latrine (norm: 10)
1	Berhampore CCH (December 2014)	1719	72	17
2	Malda DCH (December 2014)	548	Bathrooms not available	6
3	Lalbagh Sub CH (December 2014)	165	14	9

<sup>5</sup> Berhampore CCH, Malda DCH, Lalbagh Sub CH, Krishnanagar DCH, Basirhat Sub CH, Jalpaiguri CCH, Raiganj DCH and Cooch Behar DCH

Sl. No.	Name of correctional home (Data as of)	No. of inmates	No. of inmates	
			Per bathroom (norm: 10)	Per latrine (norm: 10)
4	Dum Dum CCH (April 2015)	3795	19	19
5	Krishnanagar DCH (May 2015)	697	39	8
6	Basirhat Sub CH (May 2015)	240	48	24
7	Jalpaiguri CCH (May 2015)	1314	25	18
8	Raiganj DCH (June 2015)	279	17	14
9	Cooch Behar DCH (June 2015)	262	8	7
10	Tufanganj Sub CH (July 2015)	20	10	3

Source: Data collected from respective Correctional Homes

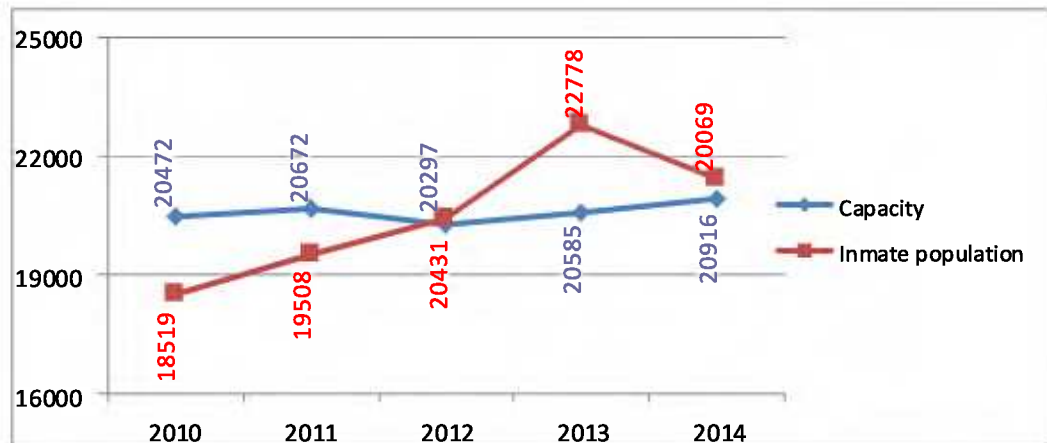
A number<sup>6</sup> of renovation works had not been completed by the respective PWD divisions for years together (as discussed in detail later in this report under *Para 2.1.8* read with *Appendix 2.1.8*).

**2.1.6.2 Efforts taken to augment space and accommodation**

The shortage of space and consequent inadequacies in facilities in correctional homes were not sufficiently addressed by the Department as discussed below:

- (i) **Inability to augment capacity of CHs reckoning inmate population:** Analysis of capacity and inmate population for entire State for the period 2010-14 revealed that against 16 per cent increase in number of inmates, capacity increase was a mere two per cent (*Chart 2.1.1*):

**Chart 2.1.1: Capacity vis-à-vis inmate population (2010-2014)**



Source: Prison Statistics India, NCRB 2010-14 and data furnished by DCS<sup>7</sup>

Despite this increasing trend, no action was taken by the Department to augment the capacity of correctional homes. In fact, the Department could not spend 39 per cent (₹ 46.58 crore) of the budget allotment (₹ 120.60 crore) under Plan heads during 2010-15.

- (ii) **Reduced capacity due to damaged wards:** In two test-checked correctional homes (Berhampore CCH and Jalpaiguri CCH), eight wards were in uninhabitable condition. In Jalpaiguri, the wards were dilapidated due to earthquake (May 2015). PWD had been requested (May 2015) to estimate the

<sup>6</sup> Total 63 major works of repair/ renovation (as listed out in *Appendix 2.1.8*) remained incomplete earliest of which dates back to July 2010. Of the same 11 works were sanctioned in 2010-11, 12 in 2011-12, nine in 2012-13, eight in 2013-14 and 23 in 2014-15

<sup>7</sup> Capacity decreases due to temporary closure of wards/ cells for repair, etc.

cost for repairs; while in Berhampore CCH, no action was taken to repair these wards.



Uninhabitable wards of Berhampore CCH



Damaged ceiling of earthquake affected wards of Jalpaiguri CCH

Non-completion of a number of repair and renovation works by the PW Divisions also contributed to this situation (discussed under *Para 2.1.8* read with *Appendix 2.1.8*).

In reply (November 2015), the Department stated that it “was trying hard to augment the capacity of different Correctional Homes as well as facilities and privileges to inmates by acquiring land and constructing new buildings and also repairing and renovating damaged ward to meet up the problems of overcrowding”. It also added that “new CHs were coming up with modern facilities”. However, the efforts of the Department would not succeed unless the unfinished works assigned to the PW divisions are pursued and completed in a time bound manner.

### 2.1.6.3 Drinking water

Rules 1203 to 1211 of West Bengal Jail Code stipulate that sufficient precaution is to be taken to prevent contamination of water supplied in the CH. It was also provided that bacteriological examination of water used for drinking and culinary purposes to be conducted once a year. Model Prison Manual (MPM), however, recommends both chemical and bacteriological examination of water twice a year.

Audit found that none of the 12 test-checked CHs (except Basirhat Sub CH) conducted any test during 2010-14. Five<sup>8</sup> CHs analysed the water only in 2014-15. Out of this, two (Cooch Behar DCH and Krishnanagar DCH) conducted only bacteriological analysis and no chemical tests. The test reports issued by laboratories (under the Public Health Engineering Department) indicated that drinking water of Basirhat Sub CH was (June 2012) unsafe due to presence of chlorine, total dissolved solids, alkalinity and faecal coliform beyond desirable limits.

Thus, the correctional homes did not carry out water tests as per norms set out exposing the inmates to water borne diseases. Moreover, the work of Supply of Arsenic free pure water in Basirhat SCH remained a non-starter even after financial sanction of ₹ 5.46 lakh (*vide para 2.1.8* and *Appendix 2.1.8*) in November 2013 which was a matter of concern.

<sup>8</sup> Cooch Behar DCH, Jalpaiguri CCH, Krishnanagar DCH, Raiganj DCH and Tufanganj Sub CH



**2.1.6.4 Inadequate infrastructure for medical care**

There were deficiencies in correctional home hospitals as these facilities did not have adequate beds, equipment and manpower thereby affecting the quality of medical care provided to the inmates as discussed below:

(i) **Insufficient hospital beds:** Section 44(2) of the Act provides for a hospital in every correctional home, except subsidiary correctional homes. Though the Act does not prescribe the number of beds to be maintained in these hospitals, MPM, stipulates this as five *per cent* of the authorised inmate population. Audit noted that out of seven test-checked CHs, there was no hospital in one (Coochbehar DCH) while the one in Raiganj DCH was non-functional. The remaining five did not have adequate beds with shortages ranging from 1 to 56 beds (Table 2.1.5).

**Table 2.1.5: Shortage of beds in hospitals of test-checked CHs**

Name of CHs	Capacity of CHs	No. of beds required as per MPM (@5 per cent of capacity of CHs)	Actual no. of beds	Shortage of beds	
				Number	Percentage
Berhampore CCH	2022	101	45	56	55
Malda DCH	272	14	10	4	29
Dum Dum CCH	2609	130	100	30	23
Krishnanagar DCH	498	25	24	1	4
Jalpaiguri CCH	674	34	17	17	50

Source: Data furnished by respective CHs and estimation by Audit.

Audit scrutiny of departmental records revealed that it did not undertake any work during 2010-15 for augmentation of bed strength of hospitals. As a result, during 2010-15, 37544 inmates had to be taken to civil hospitals for outdoor treatment in four test-checked CHs.

(ii) **Shortage in health care personnel:** Section 40 (1) and 41 of the Correctional Services Act prescribe that there should be adequate number of medical officers and medical subordinates in each correctional home hospital. It, however, did not specify any number. Comparison of available staff strength *vis-à-vis* sanctioned posts and MPM norms<sup>9</sup> in terms of available beds is shown in Table 2.1.6.

**Table 2.1.6: Availability of manpower *vis-à-vis* norms and sanctioned strength in test-checked correctional home hospitals**

Name of CH	Required bed Strength	Medical Officer			Pharmacist			Others		
		MPM norm	Sanctioned	Actual	MPM norm	Sanctioned	Actual	MPM norm	Sanctioned	Actual
Berhampore CCH	101	4	2	2	2	2	1	18	0	1
Malda DCH	14	4	1	1	2	1	0	9	0	0
Dum Dum CCH	130	7	5	3	4	2	1	18	1	1
Krishnanagar DCH	25	4	1	1	2	1	1	9	0	0
Jalpaiguri CCH	34	4	3	2	2	2	1	9	0	1
Raiganj DCH	6	4	1	1	2	1	0	9	0	0
Cooch Behar DCH	11	4	1	0	2	1	1	9	0	0
<b>Total</b>	<b>321</b>	<b>31</b>	<b>14</b>	<b>10*</b>	<b>16</b>	<b>10</b>	<b>5</b>	<b>81</b>	<b>1</b>	<b>3</b>

\*Five on contract and one on deputation

Source: Data furnished by Superintendents of respective correctional homes

<sup>9</sup> For hospitals with bed strength of 50 and above : seven Medical Officers, six staff nurse, four Pharmacists, two Psychiatric Counsellors and others 10 ;  
For hospitals with bed strength less than 50 : four Medical Officers, three staff nurse, two Pharmacists, one Psychiatric Counsellors and others five.

Thus, in seven test-checked CHs, there was a shortage of four Medical Officers and five pharmacists with respect to the sanctioned strength. However, even the sanctioned strength was far below the MPM norms, indicating substantial staff shortages in the hospitals. In Berhampur CCH and Dum Dum CCH, where capacity of inmates warranted hospitals of bed strength more than 50, the position of shortage with respect to the MPM norm was a matter of concern.

There was no post of staff nurse in any of the hospitals, compromising the quality of health care for the patients.

Section 48 of the Act envisaged that a team of dentists and eye specialists should visit every correctional home. However, no such teams were constituted.

The Department, in its reply (November 2015) assured that appointment of Medical Officers in vacant posts had been taken up with the Health & Family Welfare (H&FW) Department as per existing Rules and filling of vacant posts of medical staff in different categories was given utmost importance to provide required medical facilities to inmates. Further, it was informed that the Department was “contemplating recruitment of Medical Officers on their own replacing the present system of deputation of West Bengal Health Service Medical Officers”.

During the Exit Conference (December 2015), the Department accepted the need for more number of Medical Officers (MOs) for smooth functioning of the Correctional Home hospitals. It was stated that efforts were being made in consultation with the H&FW Department to mitigate this problem.

**(iii) Monitoring of health care:** As per the Act, there should be one Chief Medical Officer of Correctional Home from the West Bengal Health Services for all the CHs. He is to supervise and inspect the performance of the Medical Officers and should also periodically visit the Correctional Homes. However, Chief Medical Officer had not been appointed till October 2015. Thus, the mechanism meant for monitoring the medical care of inmates was not in place.

During Exit conference (December 2015), the Department stated that although there is provision for the post of Chief Medical Officer in the Act, no such post was created.

**(iv) Health care for women inmates:** The Act does not specify any gender specific norms for medical care for women inmates. However, paragraphs 24.18 and 24.97 of Model Prison Manual provide that correctional homes accommodating women inmates should have a ten bedded hospital with at least one woman gynaecologist and psychiatrist. Medical care infrastructure like X-ray, ECG and ultrasound should also be available. Moreover, only lady doctors should attend to the medical care of women inmates.

Out of the 12 test-checked CHs, two were open correctional homes and three were Sub-correctional homes where there were no provision for hospitals. Of the remaining seven, hospitals were available only in five. There were 342 women inmates (December 2014) in these five CHs<sup>10</sup>, but in none of the

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<sup>10</sup> Berhampore CCH, Malda DCH, Dum Dum CCH, Jalpaiguri CCH and Krishnanagar DCH

hospitals attached to these CHs, there was any separate arrangement for women. Neither was there any lady medical officer/ woman gynaecologist/ psychiatrist. Further, there was no facility for X-ray, ECG and Ultrasound. Thus, the medical facilities available to the women inmates were inadequate.

The Department informed during Exit Conference (December 2015) that one lady MO has since been appointed on contractual basis in Dum Dum CCH.

(v) **Defunct hospital equipment:** In six<sup>11</sup> test-checked correctional home hospitals, 99 hospital equipment in 25 items (*Appendix 2.1.5*) were either non-functional (86) or never put to use (13) compromising the quality of medical care to that extent. Of the same, non-use of three equipments (ENT set, Dentist chair and Eye set) was attributable to non-availability of ENT, dentist and eye specialists in the CHs.

(vi) **Administering of untested drugs:** Under the prevailing system, medicines are procured centrally by the Directorate of Correctional Services through open tender. Central Tender Committee for procurement of medicines prescribed that the Medical Officers of the respective correctional homes in consultation with the Superintendent of that correctional home should get drugs/ chemicals tested at Government Drug Testing Laboratory or any other competent and enlisted organisation. This testing would be in addition to tests that may be done by any authority exercising statutory powers.

Audit scrutiny in five test-checked CHs indicated that drug testing was done sporadically. In the five year period reviewed by Audit, number of years in which drug samples were not sent for testing by the test-checked CHs ranged from two to four years<sup>12</sup>. Even in cases where medicines were sent for analysis, these medicines were issued to the inmates before the test reports were received.

During the Exit Conference (December 2015), the Department admitted that there were instances of receipt of reports after consumption of the drugs. It was also stated that the time taken for replenishing the stock of the medicines also contributed to this problem, as the time interval between exhausting the existing stock and the purchase of new stock did not permit withholding the medicine distribution till the arrival of the test report. The Department accepted the need for streamlining the procurement process of medicines and stated that it would, henceforth, try to rely on laboratories with proper track record.

(vii) **Medical facilities to mentally ill inmates:** Section 73 of the Act stipulates that the State Government shall set up in every central correctional home a separate ward or wing for custody and care of criminal lunatics and such a ward or wing shall be placed under the charge of a qualified psychiatrist. Further, mentally ill convicts/ UTPs in correctional homes are to be transferred to such separate ward or wing for mentally ill inmates. It was

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<sup>11</sup> Berhampore CCH, Cooch Behar DCH, Malda DCH, Dum Dum CCH, Jalpaiguri CCH and Krishnanagar DCH

<sup>12</sup> Berhampore CCH: 2010-11, 2011-12 and 2012-13, Malda DCH: 2010-11, 2011-12 and 2012-13, Dum Dum CCH: 2012-13 and 2014-15, Krishnanagar DCH: 2011-12, 2012-13, 2013-14 and 2014-15 and Jalpaiguri CCH: 2010-11, 2011-12 and 2012-13

seen that despite having 302<sup>13</sup> mentally ill inmates (as of March 2013), no such separate ward/ wing for treatment of mentally ill inmates was set up in any of the Central Correctional Homes.

Thus, care of mentally ill inmates could not be ensured as per provisions of the West Bengal Correctional Services Act.

The Department, in its reply (November 2015) stated that the H&FW Department and the Institute of Psychiatry had issued instructions to Medical Officers and Psychiatrists to visit correctional homes regularly. The Department informed (December 2015) that a special correctional home for mentally ill inmates was being set up in Purulia.

#### **2.1.6.5 Financial assistance not provided to inmates of Open Air Correctional Homes**

Section 91 of the Act stipulates that Superintendent of Open Air<sup>14</sup> CH (OACH) should assist the inmates in obtaining small trade loans from nationalised banks. The disbursed loan is to be guaranteed by the State Government for repayment. The loan is to be utilised exclusively for purchase of working implements and raw materials for cottage industry.

During scrutiny of records at Lalbagh Open Air CH (with 71 to 121 inmates) and Durgapur Open Air CH (with 34 inmates), it was seen that no such assistance for obtaining trade loan was extended to any inmate during 2010-15. Thus, the objectives of rehabilitation, with which OACHs were created, remained unattended.

The Department in its reply (November 2015) stated that it was in “constant touch with NGOs and reputed organisations for providing livelihood to the inmates of Open CHs”. However, during the Exit Conference (December 2015), it was stated that ADG & IG of Correctional Services and other officials had been directed to meet the District Magistrates to explore the possibilities in this regard.

#### **2.1.6.6 Retention of inmates’ cash**

As per Section 55 (2) of the Act, every inmate shall be entitled to spend up to 50 per cent of the wages earned by him per month and the remaining 50 per cent shall be kept reserved for payment to the inmate at the time of release as deferred wages. The Superintendent shall open individual savings bank account in any Nationalised Bank or Postal Savings Account wherein deferred wages earned by such prisoners shall be deposited. Further, as per Department’s directions issued in March 1999, bank accounts were to be opened in respect of all the inmates in six months.

Scrutiny of records at six<sup>15</sup> out of 12 selected CHs revealed that in case of three (Berhampore CCH, Malda DCH and Cooch Behar DCH), where

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<sup>13</sup> Convicts:103 and UTP:199

<sup>14</sup> These were set up with a view to grant more freedom to prisoners so as to avail themselves to adapt to community life after release from the correctional home. There are two such CHs in West Bengal, one each at Durgapur and Lalgola.

<sup>15</sup> Berhampore CCH, Malda DCH, Dum Dum CCH, Krishnanagar DCH, Jalpaiguri CCH and Cooch Behar DCH

information was available, against 4414 labourers (inmates), only 836 (19 per cent) bank accounts were opened as on June 2015. In these six CHs, expendable part of wages of inmates<sup>16</sup> amounting to ₹ 94.58 lakh were kept in cash chest, while the remaining part amounting to ₹ 1.79 crore was kept in the personal ledger (PL) account of the correctional homes. The deposits of individual inmates were being paid on release without interest thereon. Thus, the inmates were deprived of the interest income of ₹ 15.64 lakh. Non-opening of bank accounts were attributable to the contradictory provisions of West Bengal Treasury Rules, 2005 (Rule 6.08) and the Act. While WBTR provided for handling of excess amount of the prisoner's private cash through PL account, the Act required opening of savings bank accounts. Further, though 16 years had elapsed since the Department's directions to open bank accounts, adequate steps were not taken to open individual bank accounts.

Audit also noted that in four test-checked CHs (Jalpaiguri CCH, Raiganj DCH, Cooch Behar DCH and Berhampore CCH), wages amounting to ₹ 7.57 lakh earned by 434 inmates during September 2008 to May 2014 were not paid to them on their release.

In its reply (November 2015), the Department stated that the Superintendents of all CHs had been directed to take necessary steps for opening of bank accounts of all inmates in Nationalised Banks.

#### ***2.1.6.7 Detention of under-trial prisoners beyond three years***

Right to speedy trial is a tenet of fair procedure guaranteed in Article 21 of the Constitution of India. The Chairperson of National Human Rights Commission (NHRC) requested (December 1999) the Chief Justices of all High Courts about the decision of the Hon'ble Supreme Court of India to complete the trial of prisoners for offences punishable upto seven years within two years and for offences punishable beyond seven years within three years.

Audit scrutiny (January 2015) of records at the Directorate of Correctional Services revealed that in 31 CHs of West Bengal, 558 under-trial prisoners (UTP) had been detained for three to five years and 252 beyond five years. In eight test-checked CHs, there were 315 UTPs who had been lodged for periods beyond three years as on December 2014.

During Exit Conference (December 2015), the Department stated that this issue fell entirely under the purview of Judicial Department and Department of Correctional Administration had no role to play except that of custodian. The Department also highlighted the social issues such as poverty which prevented many from paying surety bond.

While appreciating the Department's limitations in this regard, the issue was being flagged as it was not only a humanitarian issue but also one of the prime factors which contributed to overcrowding and the consequent strain on the limited resources in correctional homes.

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<sup>16</sup> The number of inmates who were being paid wages could not be ascertained as information in respect of all the test-checked CHs were not furnished.

### 2.1.6.8 Retention of children in correctional homes

The Act (Section 69) and Code (957) do not permit women inmates to retain their children beyond the age of six years. Audit scrutiny revealed that during 2010-15, 17 to 52 children above six years were kept with their mothers serving sentences in Berhampore CCH. Out of this, while four children were transferred to child care home, no action was taken in respect of the remaining children.

Further, the Code stipulates that children in correctional homes should be provided with adequate<sup>17</sup> clothing. Though there were 171 children in seven out of 12 tests checked CHs, clothing for the children of the inmates was not provided.

During Exit Conference (December 2015), the Department stated that it would amend the age criteria of the children who could be retained in correctional homes. The Department also appreciated Audit in bringing to their notice that children in CHs were not provided with clothing as per stipulation and assured that action would be taken in this regard.

## 2.1.7 Safety and security of inmates

### 2.1.7.1 Escape of prisoners from custody

Custody of inmates inside CHs is the responsibility of the Jail Cadre Staff *i.e.* the warders, whereas the duty of escorting of prisoners to court, hospital and other correctional homes, etc. were assigned to State Police within respective jurisdiction.

Audit found that during 2010-14, 85 inmates, some having been charged with crimes like abduction, theft, criminal breach of trust, unlawful entry by a foreign national, etc., managed to escape either from inside the CHs (24 inmates) or outside (seven) or from police custody (54) in West Bengal, the details of which are given in Table 2.1.7.

**Table 2.1.7: Escape of inmates during 2010-14 in West Bengal**

Year	Escapes from inside prison	Escapes from outside prison	Escapes from police custody	Total escapes	Rearrested
2010	4	6	0	10	0
2011	3	0	13	16	1
2012	5	0	7	12	3
2013	5	0	19	24	13
2014	7	1	15	23	11
<b>Total</b>	<b>24</b>	<b>7</b>	<b>54</b>	<b>85</b>	<b>28</b>

Source: Prison Statistics India by National Crime Records Bureau

During 2010-15, in five test-checked CHs, 25 inmates escaped out of which two were re-arrested till date of audit (July 2015). Out of these, 21 inmates escaped from police custody during production to court or during treatment in civil hospital, while two escaped from CH. This may be viewed with the fact that initiatives for reducing the movement of inmates outside the CHs, like implementing video conferencing facility under e-court project, strengthening the infrastructure of hospital of CHs, etc. were not given adequate attention. Similarly, the security of CHs was also compromised by non-installation of CCTV cameras in CHs, ineffective watch towers, etc.

<sup>17</sup> Two half shirts, two half pants, two frocks in summer and two mixed flannel half shirts, two mixed flannel frocks, two woollen full pants and two woollen pajamas in winter per child per year.

Audit also observed that security of CHs was an area of concern as there were instances of inadequate control in entry of prohibited goods in CHs, non-functional security equipment, presence of buildings near CHs, etc. as brought out in the following paragraphs.

### **2.1.7.2 Non-functional security equipment**

The Code and the Act do not prescribe any scale for modern security equipment which should ordinarily be available at CHs to aid effective vigilance over inmates. MPM, however, prescribes installation of CCTV. Principal Secretary of Home and Correctional Administration Departments emphasised (July 2012) the strengthening the security with the help of sophisticated gadgets, such as mobile jammers, scanners, door frame/ hand held metal detectors, etc.

In test-checked CHs, it was seen that security equipments were either non-functional or unused. Out of 10 test-checked CHs, Audit noted that no action was taken to install/ supply CCTV (eight CHs), walkie talkie sets (two CHs), metal detectors (six CHs), X-ray baggage scanner (seven CHs), Video



**Defunct Baggage Scanner at Jalpaiguri CCH (June 2015)**

Conferencing (seven CHs) and Cell Phone Jammers (nine CHs), while in two to seven CHs more than half of the equipment were non-functional (*Appendix 2.1.6*). This compromised security of the CHs. Audit found that these equipment could not be made functional due to the absence of annual maintenance contracts.

Major issues as to installation of some of the above items are discussed below.

### **2.1.7.3 Video Conferencing facility under e-court project**

Under National Policy and Action Plan for Implementation of Information and Communication Technology in the Indian Judiciary, video conferencing between court and prison was to be adopted in order to save expenditure and unnecessary movement of police personnel and under-trial prisoners and also to avoid unpleasant incidents that might occur during transit. This was to be implemented as a part of e-court project under the National e-Governance Plan (NeGP).



**Video Conferencing unit at Jalpaiguri CCH remaining in packed condition (June 2015)**

Seven<sup>18</sup> out of 10 tests checked CHs (excluding two open air correctional homes) had received (January 2014 to April 2015) the hardware equipment valuing ₹ 5.83 lakh for video conferencing. All these equipments remained in packed condition as of July 2015 due to non-completion of Video Conferencing room (six CHs) and non-completion of electrical works (Berhampore CCH). Thus, the risk of escape of inmates during transit to court could not be minimised by introducing video-conferencing facilities at any of the test-checked CHs as of July 2015.

The Department in its reply (November 2015) stated that “video conferencing systems in e-court project are being provided in all the CCHS and DCHs. Government is contemplating to extend such facilities to all Sub-CHs as well in near future. For successful implementation of e-Court, discussions are on with the Judicial Authorities”.

However, the role of the Correctional Administration Department in successful implementation of the project is yet to be fulfilled as seven of the test-checked CHs failed to install the machinery of video conferencing system (July 2015).

**Installation of technologically obsolete Cell Phone Jammers:** Consequent to the decision taken in July 2012 by the Principal Secretary of Home and Correctional Administration Department, administrative approval for installation of 33 cell phone jammers at Alipore (10), Presidency (10), Dum Dum (13) Central Correctional Homes (cost: ₹ 11.93 crore) was given in January 2014. The selected vendor was to complete the entire installation by February 2015. However, except in Dum Dum CH, these were yet to be installed.

The objective of installation of cell phone jammers was to stop the blatant misuse of cell phones for undesirable activities. Moreover, the Department had noted (August 2012) that different correctional homes emerged as major centres for organising terrorist activities through use of mobile phones. However, Audit found that the delay in according administrative approval frustrated this objective as the mobile jammers installed/ being installed are capable of blocking only 2G/ 3G frequencies, but not the more modern 4G based mobile networks. Thus departmental initiative fell short in coping up with the changing technical scenario.

#### **2.1.7.4 Ineffective watch towers**

The Act and Code do not prescribe any norms for the number of watch towers along the perimeter wall of correctional homes. However, MPM under Para 5.02 stipulates that watch towers, should be constructed both inside and outside the prison wherever necessary and searchlights and binoculars should be provided to security staff posted on the watch towers.

Out of the 10 test-checked CHs<sup>19</sup>, it was observed that there were no watchtowers at four<sup>20</sup>. The position of watch towers in remaining CHs is indicated in the **Table 2.1.8** below:

<sup>18</sup> BCCH, Cooch Behar DCH, DDCCH, JCCH, Krishnanagar DCH, Malda DCH and RDCH

<sup>19</sup> Excluding two open air CHs at Durgapur and Lalgola

<sup>20</sup> Raiganj DCH, Lalbagh Sub CH, Basirhat Sub CH and Tufanganj Sub CH



**Table 2.1.8: Position of watch towers in five test-checked CHs**

Name of CH	Number of watch towers					Search lights provided	Binoculars provided
	Total	In damaged condition	In usable condition	Manned	Unmanned		
Berhampore CCH	5	1	4	Not Available		0	0
Malda DCH	4	2	2	1	1		
Jalpaiguri CCH	6	1	5	2	3		
Cooch Behar DCH	3	3	0	0	0		
Dum Dum CCH	4	0	4	Not Available		4	0
Krishnanagar DCH	Information not provided						
<b>Total</b>	<b>22</b>	<b>7</b>	<b>15</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>0</b>

*Source: Data collected from respective CHs*

As is clear from **Table 2.1.8** above, out of 22 watchtowers in five CHs, only 15 (68 *per cent*) were in usable condition, while all the watch towers in Cooch Behar DCH were damaged. No initiative to repair the watch towers in Cooch Behar DCH was forthcoming from the records, while repair works at Berhampore CCH and Jalpaiguri CCH remained incomplete, though funds have been sanctioned in August 2014 and July 2010 respectively for the purpose (*vide para 2.1.8 read with Appendix 2.1.8*).



**Damaged central watch tower at Berhampore CCH**



**Inaccessible watch tower and private buildings in close vicinity at Jalpaiguri CCH**

In Malda DCH, during joint physical inspection (February 2015), a big pit was found near the perimeter wall (southern side) beside one unguarded watchtower. The Superintendent was of the view that this was a security threat. Administrative approval and financial sanction for ₹ 23.59 lakh for repair of perimeter wall of Malda DCH were awaited from IGCS, West Bengal since August 2014.



**Watchtower (Southern Side) at Malda DCH**



**Big pit at the bottom of southern perimeter wall**

Search lights were provided only in Dum Dum CCH while binoculars were not provided in any of the five test-checked CHs. To this extent, the security of the correctional homes was lax.

#### **2.1.7.5 Buildings in close vicinity of correctional homes**

Code 1188 of West Bengal Jail Code prohibits construction of building within 4.88 meter of the main wall. It further states that in case of double storeyed building; the distance from the outer wall should be equal or nearly equal to the height of the building. Paragraph 5.02 of MPM stipulates demarcation of an 'out-of-bound' area as a sterile zone (Central CH -150 meters, District CHs - 100 meters and Sub CHs- 50 meters) around every prison premises and prohibits construction within the sterile zone.

During joint physical verification, in five<sup>21</sup> out of 12 CHs, existence of high rise buildings well within the sterile zone was seen. In Cooch Behar DCH, Police Quarters were constructed in close proximity to the CH within the restricted distance of 50 metres despite Superintendent's objection (October 1983).



**Private huts constructed by public attached to Eastern perimeter wall of Malda DCH**



**Private building in close vicinity to eastern perimeter wall of Raiganj DCH**

Thus, the correctional homes did not exercise adequate caution as to construction of buildings in close vicinity to perimeter wall of CH, which left these CHs vulnerable to interference from outside.

Accepting the fact of buildings in close vicinity of CHs, Principal Secretary, during the Exit Conference (December 2015), attributed it to rapid urbanisation.

#### **2.1.7.6 Possession of prohibited articles**

Section 9 of the Act requires the Chief Discipline Officer<sup>22</sup> to take measures against slackening of security and discipline at the gate of the correctional home and to prevent smuggling of any prohibited or unauthorised article in the correctional home. All prisoners passing into or out of, or coming into or going out of, the gate of a correctional home are to be searched.

<sup>21</sup> Berhampore CCH, Malda DCH, Raiganj DCH, Jalpaiguri CCH and Cooch Behar DCH

<sup>22</sup> In case of CCHs.

It was, however, seen that in six<sup>23</sup> out of 10 test-checked CHs, 1263 mobile phones, 1004 mobile accessories (mobile batteries, SIM cards, mobile chargers, etc.) and other prohibited/ intoxicating items like fire arms, bullets, knives, shaving blades, foreign liquor, cannabis, etc. were found inside the CHs, during the period 2010-15, indicating inadequate control over entry of prohibited items into the correctional homes.

The entry of prohibited items inside CHs may be viewed against the unserviceable condition of security equipment (scanners, metal detector, etc.) and inadequate number of security guards. Besides, instances of throwing of prohibited items over the perimeter wall from outside, smuggling of prohibited items by staff of correctional home, etc. also were reported by the CH authorities, as seen from the minutes of discussions with the Head Warden of Raiganj DCH, which has been countersigned by the Superintendent/ communication to the Department from Berhampore CCH.

Thus, there is much scope and need for honing up of the security and watch and ward system for prevention of entry of prohibited items in CHs.

During the Exit Conference (December 2015), Principal Secretary stated that regular searches resulted in such heavy seizure of items. He, however, stated that use of technology would be ensured to curb this problem.

#### ***2.1.7.7 Absence of system to gather intelligence within CHs***

Audit noted that though the Department of Correctional Administration (DCA) proposed (May 2013) for creation of a secret service fund for intelligence collection to control various illegal activities within the CHs, Finance Department approved it only in December 2014 after a delay of more than one and a half years. However, this fund was yet to be allotted to DCA. Such intelligence gathering assumed significance given that during 2010-14, there were 45 group clashes in CHs in West Bengal causing injury to 93 persons (inmates: 80 and jail staff: 13).

#### ***2.1.7.8 Encroachment of land***

In August 2011, Government of West Bengal prepared a database of land bank and identification of land belonging to the Department of Correctional Administration. Audit scrutiny revealed that out of 200.42 acres of land belonging to eight test-checked CHs, 88.01 acres (44 *per cent*) were encroached (*Appendix 2.1.7*). Out of this, as per available records, 8.52 acres had been encroached by individuals<sup>24</sup>. In case of encroachment of public land, the Correctional Home authorities should have approached the Collector for eviction as prescribed in the West Bengal Public Land (Eviction of Unauthorised Occupants) Act, 1962. Audit, however, found that no such steps were taken even after three years (May 2015) since this initiative.

As regards safety and security of inmates, the Department in its reply (November 2015) stated that “procurement of modern equipment such as CCTV, walkie talkie, baggage scanner, mobile phone jammers are given due

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<sup>23</sup> Berhampore CCH, Dum Dum CCH, Jalpaiguri CCH, Raiganj DCH, Krishnanagar DCH and Malda DCH

<sup>24</sup> These are in respect of three CHs- Dum Dum CCH, Malda and Krishnanagar DCHs. Records not available in other CHs.

importance and being continued”. It was further added that the “Superintendents of CHs are directed strictly to maintain proper security to avoid escape of prisoners from custody. Recruitment of Guarding staff is under process. Maintaining watch towers are given top priority”.

While Audit appreciates the Department’s assurances, the Department needs to take concrete steps to address the inadequacies pointed out by Audit.

### 2.1.8 Civil works

For improving the habitability, security and other amenities in correctional homes, the Department took up various civil works like roof treatment, repairing, special repairing and renovation work, construction of boundary wall/ pathway, construction of drains, sinking of deep tube well, construction of CH office, generator room, replacement of cable and light fittings, etc. During 2010-15, total 1754 such works were handed over to PWD divisions in the State for which ₹ 89.56 crore was sanctioned by the Department. Against this, 472 works (27 per cent) were completed at an expenditure of ₹ 19.57 crore (22 per cent) as of March 2015. The status of such works in the test-checked CHs is shown in Table 2.1.9.

**Table 2.1.9: Status of civil works in test-checked CHs taken up during 2010-15**  
(₹ in crore)

Name of CH	Total no. of works		Works completed	
	Taken up	Funds sanctioned	Number	Expenditure
Berhampore CCH, Lalbagh SCH & Lalgola OACH	38	4.67	07	0.55
Malda DCH	17	1.23	02	0.27
Dum Dum CCH & RICA, Dum Dum	203	10.38	93	2.76
Krishnanagar DCH	24	1.39	02	0.02
Jalpaiguri CCH	41	1.82	02	0.15
Raiganj DCH	11	1.07	01	0.02
Cooch behar DCH	23	0.79	Nil	Nil
Basirhat SCH	15	0.56	05	0.15
Tufanganj SCH	06	0.09	Nil	Nil
<b>Total</b>	<b>378</b>	<b>22.00</b>	<b>112</b>	<b>3.92</b>

Source: Data collected from Department

It may be mentioned that each work was to be completed within the financial year of sanction of funds. However, 266 (70 per cent) of the works for which ₹ 18.08 crore was sanctioned to PW Divisions during 2010-15 have been lying incomplete, some of which were sanctioned as early as in 2010-11. The CH authorities expressed their ignorance of the physical and financial progress of the works. The information on the status of the incomplete works could not be obtained by Audit even from the concerned PW Divisions which were executing these works, in spite of repeated pursuance. A CH-wise list of some such major works lying incomplete and adversely affecting habitability, security and other amenities have been listed out in *Appendix 2.1.8*. Significant works like urgent roof treatment, roof-replacement with new RCC slab, construction of day-toilets, reconstruction of perimeter wall, special repair and renovation of wards/ cells, supply of arsenic free pure water to the inmates and staff, sinking of deep tube well, repair of watch tower, etc. have been lying incomplete for years together even after sanction of funds.

There was a lack of synergy between the Correctional Administration Department and the Public Works Divisions, which adversely impacted the

amenities and security of the correctional homes, as discussed under relevant sections of this Report.

The Department during the Exit Conference (December 2015) stated that the pace of works had increased after the Department officials started regular meetings with Executive Engineers and that the Department took every effort for speedy release of funds to PWD so that works were not stalled owing to fund constraints. No data, however, was provided to support these statements.

### **2.1.9 Reformation and rehabilitation**

The Act mandates the Correctional Homes to adopt measures to engage the prisoners in vocation-oriented labour so that after release, they are equipped with bread-earning vocations. The efforts of the Department in this direction are discussed below:

#### **2.1.9.1 Vocational Training**

The major objectives for providing vocational training to inmates are infusing value for work, imparting skills to earn honourable livelihood after release, developing self-confidence and self-esteem and boosting morale amongst inmates.

Records submitted by Directorate of Correctional Services (Prison Statistics India, 2010-14) indicated that only 15 to 33 *per cent* of inmates were imparted vocational training during 2010-14 in West Bengal as shown in the *Appendix 2.1.9*.

#### **2.1.9.2 Engagement of inmates in CH industries**

Out of seven test-checked CHs, where prison industries should have existed as per norms, it was available in only two (Dum Dum and Berhampore CCHs). In Berhampore CCH prison industries consisted of six<sup>25</sup> trades while Dum Dum CCH had only Handloom trade. Audit found that in Berhampore CCH, out of the six trades, one (Blacksmith trade) was not operational as the tools were unusable. Audit also noted that there was insufficient manpower in prison industry at these CCHs. Out of six sanctioned posts, five were vacant at Berhampore CCH while at Dum Dum CCH, out of seven sanctioned posts, five posts were lying vacant. Moreover, many tools like sewing machines (four), weaving machines (three) and bellows of blacksmith section were out of order at Berhampore CCH. Such deficiencies in prison industries must be viewed with the fact of engagement of low percentage of convicts (five *per cent* of inmates in Berhampore CCH and eight *per cent* in Dum Dum CCH) in prison industries.

Thus, the Department did not give adequate attention to vocational training which aimed at effective rehabilitation of inmates.

In its reply (November 2015), the Department stated that “Vocational trainings are being provided urgently to inmates. Prison industries are being revamped. Recently, training in leather goods making, beautician course, bamboo show-pieces making, etc. have been organised in different CHs.

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<sup>25</sup> *Wheat/ Turmeric grinding, Blacksmith Workshop, Book binding, Carpentry, Tailoring and Weaving.*

Proper marketing facilities are also being looked into through various organisations”.

The Department’s reply was very general in nature, without supporting evidence. The data examined by Audit, however, indicated that prison industries needed more attention.

## 2.1.10 Manpower

### 2.1.10.1 Deficient Manpower

Correctional homes have five categories of personnel viz., officers, jail cadre staff, correctional staff, medical staff and others<sup>26</sup>. The sanctioned strength, actual men in position and vacancy of 11<sup>27</sup> test-checked CHs are indicated in **Table 2.1.10** (details in *Appendix 2.1.10*).

**Table 2.1.10: Manpower position in 11 test-checked CHs**

Type of personnel	Sanctioned Strength	Men in position	Vacancy	
			Number	per cent
Officers	70	53	17	24
Jail Cadre staff	1032	685	347	34
Correctional staff	6	5	1	17
Medical staff	29	17	12	41
Ministerial staff	50	30	20	40
Others	57	28	29	51

Source: Data furnished by respective CHs

Thus, there were significant shortages in Jail Cadre staff, Medical staff and others. According to National Crime Records Bureau, number of inmates per official is considered as an indicator of how well inmates are being looked after in correctional homes. Though it did not stipulate any benchmark, comparison of these indicators with national average revealed the following:

**Table 2.1.11: Manpower position in 11 test-checked CHs**

Name of CH	No. of inmates as on 31:December 2014	Jail Cadre Staff	Number of inmates per jail cadre staff	Correctional Staff	Number of inmates per Correctional Staff	Medical Staff	Number of inmates per Medical Staff
<b>National average</b>			<b>10</b>		<b>710</b>		<b>258</b>
Berhampore CCH	1803	200	9	1	1803	3	601
Malda DCH	548	31	18	0	-	1	548
Lalgola Open Air CH	121	16	8	0	-	1	121
Lalabagh Sub CH	165	11	15	0	-	0	-
Dum Dum CCH	3175	187	17	1	3175	4	794
KrishnanagarDCH	723	51	14	1	723	2	362
Basirhat Sub CH	240	19	13	0	-	1	240
Jalpaiguri CCH	1183	77	15	2	592	3	394
Raiganj DCH	307	28	11	0	-	1	307
Cooch Behar DCH	224	55	4	0	-	1	224
Tufanganj Sub CH	23	10	2	0	-	0	-

Source: Data furnished by respective CHs and Prison Statistics, India

As is evident from **Table 2.1.11**, among test-checked CHs, manpower position compared adversely with the national average. Thus, the CHs were short of adequate staff to take proper care of the inmates.

<sup>26</sup> Clerks, cashiers, etc.

<sup>27</sup> No posts were created for Durgapur Open Correctional Home

Further, there was wide variance in the number of inmates per staff among the test-checked CHs (jail cadre staff: 8 to 18; correctional staff: zero to 3175 and medical staff: zero to 794) calling for rationalisation in deployment of available manpower.

The Department, in its reply (November 2015), intimated that “the process of recruitment of about 800 warders was on through West Bengal Police Recruitment Board, which would be completed within the ongoing financial year”. This was reiterated during the Exit Conference (December 2015).

The reply, however, was silent on the rationalisation of deployment of manpower.

### **2.1.10.2 Training of officers, warders and other staffs**

The Department had training facilities for training of officers (Regional Institute of Correctional Administration, Dumdum) and warders (Training Institute at Medinipur). The training of warders is of utmost importance as they perform a major role for safety and security of all CHs. Further, as per para 5.02 of MPM, untrained personnel should not be posted inside the prison and prison premises for security duty.

Scrutiny of records at Regional Institute of Correctional Administration (RICA), Dum Dum and Training Institute, Medinipur revealed that 1339 officers and staff and 960 jail cadre staff were trained during 2010-15, as shown below:

**Table 2.1.12: Training of officers and staff**

Year	RICA, Dumdum			Training Institute, Medinipur		
	No. of Officer and Staff	Officers/ Staff trained		No. of Jail cadre staff	Jail cadre staff trained	
		Number	Percentage		Number	Percentage
2010-11	507	173	34	2870	222	8
2011-12	424	256	60	2401	200	8
2012-13	420	271	65	2373	295	12
2013-14	386	325	84	2214	243	11
2014-15	386	314	81	Not available	Not available	--
<b>Total</b>	<b>2123</b>	<b>1339</b>	<b>63</b>	<b>9858</b>	<b>960</b>	<b>10</b>

*Source: Data furnished by respective training facilities*

Thus, coverage of jail cadre staff, who are the lowest level of staff with direct interaction with the inmates was on the lower side.

### **2.1.11 Conclusions**

The Performance Audit on working of correctional homes flagged various areas that needed improvement.

Many correctional homes had inmates in excess of sanctioned capacity, especially owing to higher percentage of under trial prisoners and thereby putting acute strain on the correctional home amenities. Area, cubic space, numbers of kitchens, latrines and bathrooms were subnormal affecting the quality of life of the inmates. The Department could not augment the capacity to cope with the increasing inmate population, nor could it pursue expeditious execution of civil works assigned to the Public Works Department. Quality testing of supplied water needed more emphasis as otherwise it would expose the inmates to water borne diseases. The Medical care of the inmates suffered

owing to lack of hospitals as well as inadequate facilities like shortage of beds, manpower and equipment requiring referral of inmates to civil hospitals.

The safety and security of the prisoners also left much to be desired as security equipment like scanners, CCTVs, metal detectors, mobile phone jammers were either not installed or were non-functional. There was need to bring in stricter controls over entry of prohibited goods in correctional homes. Further, existence of damaged watch towers, buildings in close proximity to correctional homes, etc. compromised the safety and security of correctional homes.

In open correctional homes, the inmates were not given desired support for availing bank loans while in other correctional homes, financial interest of significant number of inmates could not be safeguarded due to non-opening of individual saving bank accounts.

Vocational training, the key initiative for rehabilitation of inmates, was not given adequate attention as only a few convicts could be trained in various trades and engaged in prison industries.

There were significant shortages in various posts, as a result of which many test-checked correctional homes had higher number of inmates per staff in comparison to national average, indicating inadequate care of the inmates.

#### **2.1.12 Recommendations**

- 1. Steps may be taken to improve the living conditions of inmates in correctional homes by pursuing the unfinished repair works with PW Department for their time-bound completion.*
- 2. Correctional home hospitals may be equipped with adequate beds, equipment and manpower to ensure quality medical care to inmates. Steps may be taken to streamline purchase of medicines so as to ensure the receipt of test reports of medicines before their distribution.*
- 3. Steps may be taken for installation and effective operationalisation of the security equipments. The Department may also ensure annual maintenance of these equipment so as to ensure their continued operation. Watch towers may be repaired and manned for effective surveillance.*
- 4. Adequate attention may be given to vocational training.*



## **HEALTH & FAMILY WELFARE DEPARTMENT**

### **2.2 *Medical Education in West Bengal***

#### **Executive Summary**

Effective delivery of healthcare services depends largely on the nature of education, training and appropriate orientation of all categories of medical and health personnel. Presently, the State has an annual capacity of producing 1950 under-graduate and 881 post-graduate doctors through 13 Government Medical Colleges; while there are 1688 seats for nursing training of all categories in the Government Sector. This Performance Audit on Medical Education in West Bengal attempts to evaluate the situation in West Bengal in relation to threshold density of human resources for healthcare prescribed in the 12<sup>th</sup> Five Year Plan document as well as the projected future demand of health personnel along with increase in population.

Conducted during April-June 2015 covering the five year period 2010-15, the Performance Audit focussed on the medical education imparted in allopathic medicine (PG, UG and diploma courses), nursing and diploma courses in paramedical technology and came out with various areas of concern needing Government's attention. Major findings include:

- The State Government had neither assessed the requirement of additional healthcare personnel in the coming years, nor did it chalk out a plan for augmenting the seats in various branches of medical education to meet the increasing demand. Shortage of nurses was also a matter of concern. Adverse doctor to nurse ratio (1:0.66 against the norm of 1:3) emphasises the need to give adequate attention to nursing education. The State is not sufficiently geared to meet the additional requirement of PG seats for the next 10 years.
- The Department not only failed to provide adequate funds for increasing the seats, but could not take advantage of the Centrally Sponsored Schemes also. The schemes taken up by the State have suffered from various planning and implementation deficiencies.
- The Government had failed to equip the institutions with the stipulated infrastructure and manpower which can potentially have adverse impact on the quality of education.
- Shortage of faculty in Medical Colleges/ Nursing Colleges and schools was also a matter of concern. There was scope to rationalise manpower deployment.

#### **2.2.1 Introduction**

Trained and competent human capital is the foundation for an effective health system. As per the Report of the Working Group on Tertiary Care Institution for the 12<sup>th</sup> Five Year Plan (2012-17), effective delivery of health care services would depend largely on the nature of education, training and appropriate orientation of all categories of medical and health personnel. Presently, the State has an annual capacity of producing 1950 under-graduate and 881 post-graduate doctors through 13 Medical Colleges in Government Sector; while there are 1688 seats for nurses of all categories in the Government Sector. The setting up of new facilities will have to address imbalances at three levels – regional, specialities and ratio of doctors to nurses and other healthcare professionals. This Performance Audit attempts to evaluate the situation in West Bengal in relation to medical education.

### 2.2.2 Organisational set-up

The Director of Medical Education (DME) under the Health & Family Welfare (H&FW) Department is responsible for imparting medical education and training, dental education, nursing education and paramedical education. The Medical Education, Research and Training (MERT) Branch under the H&FW Department deals with human resource issues like recruitment, posting, transfer and promotion of the doctors in medical colleges. Its functions, *inter alia*, include construction and maintenance of buildings in medical colleges and hospitals, purchase/ maintenance of equipment and giving approval for any new branch/ Department at teaching hospitals.

Other authorities involved in medical education include:

**West Bengal University of Health Sciences (WBUHS):** WBUHS was established in January 2003 *vide* Act XIII of 2002 of the State Legislature (Act), for the purpose of affiliating, teaching and ensuring proper and systematic instruction, training and research in Modern Medicine, Homeopathy, Ayurveda, Unani, Nursing, Pharmacy, Dental, Laboratory technology, Physiotherapy, speech therapy and other Paramedical courses. It is responsible for medical education courses from the graduation level upwards.

**Medical Council of India (MCI):** The MCI was established in 1934 with the primary function of establishing uniform standards of higher qualifications in medicine and recognition of medical qualifications in India and abroad. It lays down standards and carries out inspections of the institutions to ensure that the required standards are met. Medical colleges have to adhere to the norms (both in terms of infrastructure and manpower) prescribed by MCI in order to get recognition before starting MBBS and Post-Graduate courses.

**Indian Nursing Council (INC):** INC prescribes the minimum requirements for setting up of nursing training institutes. It affiliates and conducts examination for Auxiliary Nursing Midwifery (ANM) and General Nursing & Midwifery (GNM) courses.

**State Medical Faculty:** This is an autonomous body constituted by the Government of West Bengal for affiliating and conducting examinations for the Diploma courses in Laboratory technology.

### 2.2.3 Audit Objectives

The audit aimed to assess whether

- ❖ there was adequate planning for equitable distribution of facilities of medical education and to raise the availability of health personnel to the minimum requirement;
- ❖ the requirement of funds was assessed properly by the Department and included in the budget and annual action plans and its utilisation was efficient;
- ❖ available infrastructure in medical education institutions conformed to the relevant norms and
- ❖ availability of medical teaching staff are as per norms.

#### **2.2.4 Audit Criteria**

Audit criteria adopted were

- Guidelines of the Medical Council of India (MCI) on Under-Graduate (UG) and Post-Graduate (PG) education;
- Indian Nursing Council Regulations;
- Planning Commission guidelines on Medical Education and
- The West Bengal University of Health Sciences Act, 2002.

#### **2.2.5 Audit coverage and methodology**

The Performance Audit, conducted during April-June 2015, focused on the medical education imparted in allopathic medicine (PG, UG and diploma courses) and nursing and diploma courses in paramedical technology. The audit covered the five year period 2010-15. Audit covered the MERT Branch of H&FW Department, WBUHS, and five<sup>28</sup> out of 13 Government medical colleges, selected through stratified sampling. Audit also covered seven<sup>29</sup> out of total 39 nursing institutions, selected through stratified sampling.

An Entry Conference was held in April 2015 with the Additional Chief Secretary (ACS) of the Department, wherein audit objectives, methodology, coverage, etc. were discussed. The audit findings, conclusions and recommendations were discussed in an Exit Conference (December 2015) with the ACS of the Department. The Departmental views expressed therein have been suitably incorporated in relevant paragraphs.

#### **2.2.6 Planning**

##### ***2.2.6.1 Preparation of perspective plan***

As per the West Bengal University of Health Sciences Act, 2002 (Act), the WBUHS shall prepare a perspective plan for educational development for identification of the location of institutions of higher learning in a manner ensuring equitable distribution of facilities of health sciences education having due regard to the needs of un-served and under-developed areas within the jurisdiction of the University. The plan was to be updated every five years.

Audit, however, noticed that no such plan was prepared by the University as of September 2015.

##### ***2.2.6.2 Locational distribution of institutions***

Eighteen out of 26 medical colleges (both UG and PG) and 17 out of 21 nursing colleges (both Government and private sectors) are situated in Kolkata and its suburbs. Such uneven distribution of professional colleges and schools may result in severe imbalances across the State, both in terms of number of seats and quality of education and training, eventually affecting the quality of healthcare in districts and putting undue pressure on Kolkata based facilities.

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<sup>28</sup> College of Medicine, Kalyani, Institute of Post Graduate Medical Education & Research (IPGMER), Kolkata Medical College, Bankura Sammilani Medical College and Midnapore Medical College

<sup>29</sup> Colleges of nursing attached to IPGMER, Kolkata Medical College, Bankura Sammilani Medical College and Midnapore Medical College and Nursing Training Schools attached to IPGMER, Kolkata Medical College and Bankura Sammilani Medical College.

This uneven distribution of medical colleges shows up in the skewed distribution of doctors between the rural and urban areas of West Bengal. In 2013-14<sup>30</sup>, the population served by one doctor in urban areas was 676 while it was 5781 for rural areas. This calls for careful planning for establishment of medical colleges factoring regional imbalances and normative requirements of health personnel.

### 2.2.6.3 Assessment of requirement of medical personnel

The 12<sup>th</sup> Five Year Plan document had adopted a threshold density of Human Resources for Health (HRH) at 25 health workers per 10000 population adopting the norm established (2004) by the World Health Organisation (WHO). Against this, 19.4 health personnel were available in West Bengal per 10000 population (*Appendix 2.2.1*) in 2013<sup>31</sup>. However, there were certain constraints in estimating the exact number of health workers as under:

- The number of paramedics is not factored into the calculation, as the State Medical Faculty does not have any data on paramedics. Thus, actual number of available health workers in West Bengal per 10000 population is higher than 19.4. Nevertheless, considering that the State produces only 1186 paramedics a year, the availability of health workers remains well below 25 per 10000 population.
- Further, the present position of doctors and nurses has been calculated by the Government on the basis of number registered with the respective Councils since their inception in 1956 and 1947 respectively without considering the attrition rate (25 per cent for doctors and 40 per cent for nurses as calculated by the Planning Commission on account of death, migration, retirement, etc.).

No attempt was made by the Department to assess the availability of health personnel *vis-à-vis* plan document norms to chalk out a road map to raise the availability of health personnel to that level.

During the Exit Conference (December 2015), the ACS agreed that the Department had not prepared any such plans.

A category-wise segregation of current scenario *vis-à-vis* plan document norms has been shown in **Table 2.2.1**:

**Table 2.2.1: Current scenario *vis-à-vis* plan document norms**

		Parameter	Present position	Plan document target
<b>Under-graduate medical education (MBBS)</b>		Doctor Population ratio	1:1700 <sup>32</sup>	1:1500 by 2015 and 1:1000 by 2030
<b>Post-graduate (PG) medical education</b>	<b>Clinical Speciality</b>	Number of seats	568	2060 by 2020
	<b>Super Speciality</b>		126	210 by 2020
	<b>Basic Science and other Speciality</b>		241	2357 by 2020
<b>Nursing Education</b>		Doctor- Nurse ratio	1:0.66	1:3
		Number of Nurses (overall)	58612	2.67 lakh by 2022
		Number in Government Sector	35167 in 2014	151167 by 2022

Source: 12<sup>th</sup> Five Year Plan document and departmental figures

<sup>30</sup> As per "Health on the March" 2013-14, a publication by Health & Family Welfare Department, Government of West Bengal

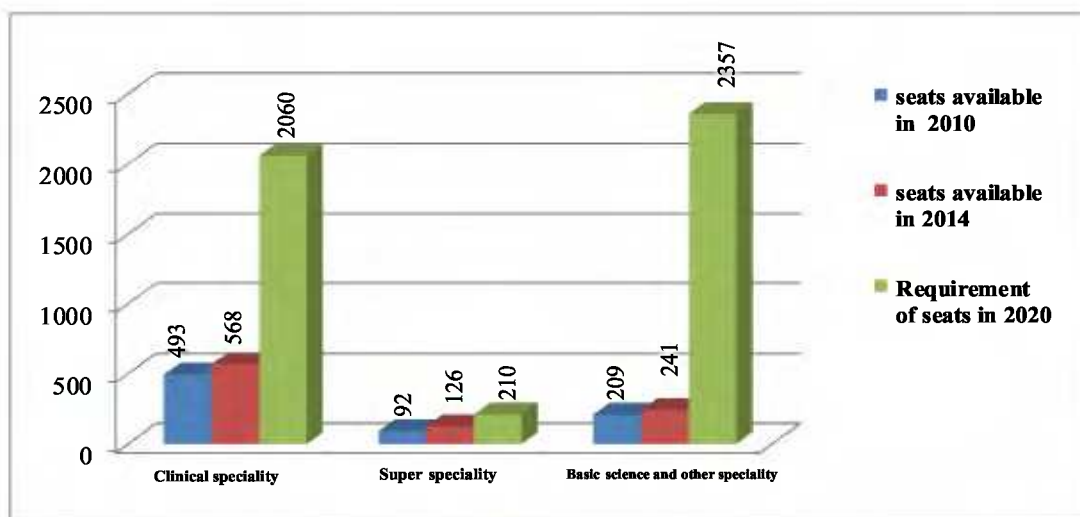
<sup>31</sup> Latest figures available from West Bengal Medical Council pertained to 2013

<sup>32</sup> As per data available in last published Departmental publication "Health on the March" 2013-14

**Under-graduate level:** Without assessing the requirement of doctors and number of medical colleges required to be established to meet the stated target, GoWB decided (August 2010) to establish three medical colleges as well as to increase seats in the existing medical colleges. Besides, student intake was increased by 450 in seven<sup>33</sup> colleges as per instruction of the Ministry of H&FW, GoI. However, State Government did not make any assessment of additional infrastructure requirement<sup>34</sup> as per the MCI norms associated with increase in seats.

**Post-graduate (PG) level:** Taking a cue from an assessment made (2011) in the Plan document considering the present deficiency and future requirement of teachers in medical colleges as well as outside of medical colleges over the next 20 years, Audit attempted to estimate the extent to which PG seats in West Bengal is to be increased by 2020 (details in *Appendix 2.2.2*). The result is depicted in **Chart 2.2.1** below.

**Chart 2.2.1: Availability of seats in specialities in 2010, 2014 and the requirement in 2020**



(Source: Data provided by Health & Family Welfare Department and Audit estimation)

Thus, increase in the number of seats between 2010 and 2014 were only marginal in respect of all the three categories as shown in the chart. Under Clinical speciality and Basic Science and other specialities, the requirements of seats are projected to shoot up steeply in the coming years. The State Government, however, did not make any assessment of the required number of PG seats at any level and neither did it take any step to increase the PG seats commensurate with this increasing requirement. Since the West Bengal Medical Council did not maintain any data regarding the discipline-wise number of PG doctors in the State, it was not possible to quantify the shortage.

In reply, the Department stated (October 2015) that “initiatives had been taken to enhance post-graduate seats in State-run medical colleges and there was an ongoing process to meet the quantum required for the next 10 years”. The reply, however, did not specify the initiatives taken. It was observed that there was indeed an increase in post-graduate seats in the State; but the increase was

<sup>33</sup> 100 each in Kolkata Medical College (KMC) and Nil Ratan Sarkar (NRS) Medical College and 50 each in RG Kar, IPGMER, Burdwan, Bankura Sammilani and North Bengal Medical Colleges.

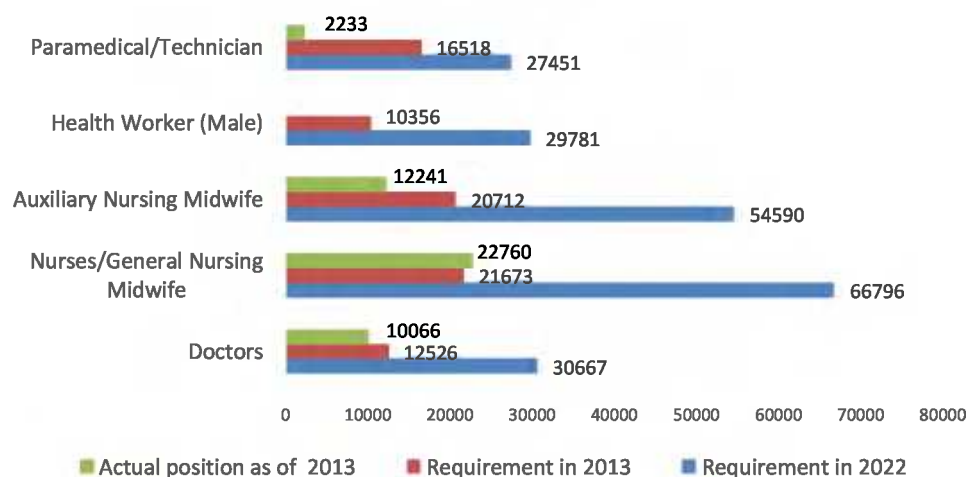
<sup>34</sup> Practical rooms, library, lecture theatre, auditorium-cum-examination hall, demonstration rooms, research laboratories, hostels, etc.

attributable primarily to relaxation of teacher-student ratio<sup>35</sup> by the MCI, rather than initiative taken by the Government (as discussed later in the *para* 2.2.7.3).

**Nursing Education:** Though there is an overall shortage of nurses in India with doctor nurse ratio of 1:1.6, in West Bengal, doctors outnumbered the nurses. This calls for careful planning to improve the doctor-nurse ratio in the coming years. The Department, however, had no policy on the doctor-nurse ratio and neither was any plan prepared aimed at rationalisation of the ratio. The situation appeared alarming with only 2345 nurses getting registered with the West Bengal Nursing Council annually (as of 2014). With this trend, the goal of bridging the gap between future demand and actual availability of nurses would remain unfulfilled in a foreseeable future (99 years, as analysed in *Appendix 2.2.3*). Even in the Government Sector, availability/ addition of nursing staff *vis-à-vis* future requirement as per IPHS norms considering the gap was too big to be bridged within a reasonable time (50 years, as analysed in *Appendix 2.2.3*).

**Requirement of health personnel in Government facilities:** The requirement of Health care professionals of various cadres in various levels<sup>36</sup> of Government facilities have been specified in the Indian Public Health Standard (IPHS), while Minimum Standard Requirements (MSR) for Medical College & Hospitals (MCHs) have been prescribed by the Medical Council of India (MCI). The current requirement<sup>37</sup> of health personnel and the requirement in 2022<sup>38</sup> as per these standards are shown in **Chart 2.2.2** below:

**Chart 2.2.2: Requirement of health workers in 2013 and 2022 as per IPHS norms in Government hospitals**



*Total number of Health Worker (Male) in West Bengal was not furnished by the Department*

<sup>35</sup> Prior to PG Regulation 2010 came into force, one unit of PG education (consisting of one Professor, one Associate Professor and one Assistant Professor) against 30 beds in the attached hospital was allowed to admit three PG students. In the said Regulation, this was increased to four students per unit without increase in number of teaching personnel or number of bed. This had led to higher intake of PG students against the existing infrastructure.

<sup>36</sup> Sub Centres (SCs), Primary Health Centres (PHCs), Community Health Centres (CHCs), Sub-district Hospitals (SDH) and District Hospitals (DHs)

<sup>37</sup> Considering the existing 10356 SCs, 909 PHCs, 347 CHCs, 68 SDHs, 21 DHs and 13 MCHs

<sup>38</sup> Population of 10.48 crore in 2022 would entail total of 20960 SHCs, 3493 PHCs, 873 CHCs, 68 SDHs, 21 DHs and 31 MCHs.

As is clear from **Chart 2.2.2** above, the existing gaps between requirement of all categories of health personnel and numbers actually available are substantial and unless planned well, meeting such wide demand gaps will be a challenge to the Government. However, the Government did not chalk out any concrete road map to bridge the gap between the requirement and availability, resorting only to *ad hoc* measures to augment the capacity of teaching medical institutions.

In its reply (October 2015), the Department stated that it was endeavouring to augment the annual student intake capacity, opening new colleges (five new medical colleges are proposed to be set up) as also retaining health manpower (by increasing the retirement age). In its opinion, there appeared to be a “disconnect between the policies of the Central Government for Human Resources Development in Medical/ Nursing colleges and the stands taken by the Councils in as much as the assessment and accreditation parameters do not seem to meet with the objectives set forth by the Central Government”. However, there was no attempt by GoWB to take up the matter with the GoI Ministry to remove this ‘apparent disconnect’ that has been impeding the objective.

#### **2.2.6.4 Comparative position with some other States**

Comparison of number of seats of doctors and nurses in West Bengal with those of a few States such as Karnataka, Tamil Nadu, Maharashtra and Andhra Pradesh (*vide Appendix 2.2.4*) showed that in terms of availability of institutions and number of seats, West Bengal lags far behind these States as indicated in the **Table 2.2.2** below. It is seen that involvement of private sector has made most of the differences.

**Table 2.2.2: Comparison of availability of Medical institutions and seats in West Bengal with those available in comparable states**

Parameters	West Bengal			Comparable States*		
	Government sector	Private sector	Total	Government sector	Private sector	Total
Number of Medical Colleges	13	3	16	12-21	24-34	43- 46
MBBS seats	1950	400	2350	1500-2715	3145-5255	5745 -6755
Number of NTCs	7	11	18	4-14	90-336	96-344
B.Sc Nursing seats	310	605	915	200-771	4015-18243	4315-18773
Number of NTSs	34	31	65	13-35	180-546	212-559
GNM seats	1378	1165	2543	491-1284	5285-25405	6503-25896

\*Karnataka, Tamil Nadu, Maharashtra and Andhra Pradesh

Source: Union Health Ministry’s reply to Parliamentary questions (October 2013)

Even in Government Sector, Tamil Nadu and Andhra Pradesh, their lesser population notwithstanding, have more number of medical colleges as compared to West Bengal.

### **2.2.7 Steps taken to increase the availability of health personnel**

#### **2.2.7.1 Management of funds**

The 12<sup>th</sup> Five Year Plan document had adopted a goal of 500 Health Workers (consisting of 85 doctors, 170 nurses/ GNMs, 85 ANMs and others) per lakh population by the end of the 13<sup>th</sup> Plan (2022). Considering these parameters

and the population growth<sup>39</sup>, the State would require 5.24 lakh health personnel (consisting of 0.89 lakh doctors, 1.78 lakh Nurses/ GNMs and 0.89 lakh ANMs<sup>40</sup>). To address this quantum jump in the requirement of human resources, Planning Commission had proposed (November 2011) setting up of 20 new Medical Colleges, six new Colleges of Nursing, 32 new Nursing Schools and 25 new ANM schools in West Bengal by 2022. This would entail an expenditure of ₹ 2441 crore<sup>41</sup> over the period 2012 to 2022. The Department, however, did not adequately respond to this need, as capital allotment on medical education during 2010-15 was only ₹ 1917.24 crore, against which ₹ 985.68 crore was expended (*Appendix 2.2.5*). This included non-drawal of ₹ 1095.66 crore out of capital allocation of ₹ 1234.40 crore during 2013-14, the reasons for which was not found on record.

During the Exit Conference (December 2015), neither the reasons of such increase in budget allocation for 2013-14 nor the factors behind non-utilisation of the allocated funds could be explained by the Department.

### 2.2.7.2 Under-graduate Medical Education (MBBS)

The status of establishment of three medical colleges and enhancement of seats in the existing ones is discussed in the subsequent paragraphs in the perspective of targeted increase in the doctor-population ratio from the existing 1:1700<sup>42</sup> to 1:1000 by 2030 as envisaged by the GoWB.

#### (i) Setting up of three new medical colleges

The Department entrusted (August 2010) the works of planning, designing and construction of three new medical colleges (100 seats each) at Malda, Murshidabad and Kamarhati to West Bengal Medical Services Corporation Limited (WBMSCL) with the target of admitting the first batch of students from the academic year 2011-12. The Department, however, ignored the fact that with high vacancy position in technical cadre (82 to 90 per cent posts remaining vacant out of total 101 such posts), WBMSCL was not in a position to undertake or supervise such a volume of work. WBMSCL assigned (November 2010) the work on a turnkey basis to a private company (contractor) selected through tender with the target date of completion in March 2012. The contractor assessed the total built-up area of these three medical colleges as 118957 sqm.<sup>43</sup> and quoted a price of ₹ 183.61 crore.

The built-up area assessed by the contractor was three per cent less than the requisite space as per MCI norms (123106 sqm.). However, after issuing the work order (November 2010), WBMSCL increased the floor space requirement without any recorded justification to 171891 sqm.<sup>44</sup>, which was 40 per cent higher than normative requirement and worked out the enhanced cost as ₹ 354.50 crore. The contractor pointed out that such increase in

<sup>39</sup> The projected population of the State in 2021, considering the decadal growth rate of 13.93 per cent, shall be 10.4845 crore

<sup>40</sup> The rest 167752 Health Workers shall consist of AYUSH, Dentist, Pharmacist and Paramedics.

<sup>41</sup> Going by the unit cost estimate of Education and Training cost of ₹100 crore for Medical Colleges, ₹10 crore for Nursing Colleges, ₹8 crore for Nursing Schools and ₹5 crore for ANM Schools. All these estimates are based on 2011 prices.

<sup>42</sup> As per data available in last departmental publication "Health on the March" 2013-14.

<sup>43</sup> New construction: 102665 sqm. and modification: 16292 sqm.

<sup>44</sup> New construction: 165130 sqm. and addition & alteration: 6761 sqm.



built-up area would necessitate increase in number of lifts, elevation of buildings, etc. However, the contractor was asked to execute (November 2010) the enhanced scope of work without any amendment in the work order. WBMSCL terminated the contract in March 2014 on the ground of slow progress (financial progress being 44 *per cent*) and entrusted the residual work to Macintosh Burn Ltd. (a State Government PSU) with the target date as July 2015 necessitating a cost enhancement by ₹ 103 crore (based on prevailing PWD rates). The contractor sought arbitration (January 2015) against the said decision of WBMSCL; the decision of the arbitrator was awaited as of September 2015.

Thus, owing to WBMSCL's arbitrary decision to increase the scope of work without any justification led to delay in completion of the work. The project was yet to be completed even with a time over-run of more than three years jeopardising the academic schedules. Though two colleges got permission from MCI for admitting first year students from 2011, Murshidabad MCH got the permission only in 2012 as the first year's requirement of MCI could not be fulfilled.

In reply (June 2015), WBMSCL attributed the delay to the failure of the contractor without justifying its own reasons behind the arbitrary decision. The reply was not acceptable as it was primarily the increase of scope of work by WBMSCL, which had resulted in such delay. Besides, decision of the Department in assigning the work to WBMSCL without considering its existing technical capability also lacked justification.

**(ii) Increasing MBBS seats in existing medical colleges**

The Central Government had instituted a scheme for 'Upgradation of existing State Government Medical Colleges to increase MBBS seats in the Country' with funds shared between the Centre and States in the ratio of 70:30. GoI instructed (January 2010) the State Government to increase the number of seats in the existing colleges, considering the optimum number of seats<sup>45</sup> that can be accommodated against the existing number of beds in the attached hospitals. Accordingly, 450 seats were to be increased in seven<sup>46</sup> colleges, which necessitated setting up of additional infrastructure like central library, lecture theatres, auditorium/ examination hall, playground/ gymnasium, etc. As envisaged under the scheme, increase of one MBBS seat would involve an expenditure of ₹ 1.20 crore, indicating a total investment of ₹ 540 crore (Central: ₹ 378 crore, State: ₹ 162 crore) for 450 additional seats. The State Government, however, did not apply for Central Assistance under this scheme for no recorded reasons and consequently, relinquished an opportunity to avail funds for increasing MBBS seats.

Though the seats were increased from 2011-12 onwards, the State Government allotted only ₹ 198 crore (37 *per cent* of ₹ 540 crore required) to these colleges, of which 60 *per cent* of the allotments were made only during 2013-15. Thus, enhancement of seats was made without allocating adequate

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<sup>45</sup> 1100 beds are required in the attached hospital for admitting under-graduate 250 seats, 900 beds for 200 seats, 700 beds for 150 seats and 500 beds for 100 seats

<sup>46</sup> 100 each in Kolkata Medical College (KMC) and Nil Ratan Sarkar (NRS) Medical College and 50 each in RG Kar, IPGMER, Burdwan, Bankura Sammilani and North Bengal Medical Colleges.

funds for necessary infrastructure. Audit test-checked three<sup>47</sup> out of these seven colleges and found that there were shortfalls<sup>48</sup> in the capacity of the central library (in three MCHs), lecture theatre (in three), lecture theatre within hospital (in three), auditorium cum examination hall (in one) and hostels (in three) (*vide Appendix 2.2.6*).

Thus, the Department increased MBBS seats without providing for the requisite infrastructure.

In reply (October 2015), the Department did not offer any comment explaining the reason behind non-opting for the Central scheme for increasing the number of seats in the above mentioned seven colleges. It was, however, intimated that the Department had recently submitted DPRs for enhancement of 50 MBBS seats each in Calcutta National Medical College and Midnapore Medical College to the GoI for availing itself of the benefit of the Central Scheme.

During the Exit Conference (December 2015), the Department stated that it had now applied for the Central Government Scheme.

### **2.2.7.3 Initiatives for increasing the PG seats**

During 2010-14, 119 PG seats were increased in the State. Of this, 37<sup>49</sup> were increased by the initiative of the State Government and 82 seats were increased under one Central Scheme. Further, 23 seats were increased in DM and four in MCH.

The status of two Central Schemes aimed at increasing PG seats is detailed below.

#### **(i) Centrally Sponsored Scheme of “Upgradation of State Government Medical Colleges”**

Ministry of Health & Family Welfare (MOH&FW), GoI approved (January 2010) creation of additional 466 post-graduate seats in eight State Medical Colleges under the Centrally Sponsored Schemes “Upgradation of State Medical Colleges” at an approved cost of ₹ 168.91 crore. It released ₹ 112.67 crore between November 2010 and March 2013 directly to eight medical colleges. Against the State share of ₹ 42.23 crore, State Government released only ₹ 9.3 crore (22 *per cent*) to three colleges, with no funds being released to the remaining five colleges. The status of implementation of the scheme in these eight colleges is shown in *Appendix 2.2.7*.

As of March 2015, the college authorities had spent ₹ 73.09 crore on infrastructure (₹ 33.65 crore) and equipment (₹ 39.44 crore) out of the said grant. Expenditure on infrastructure, however, included ₹ 31.78 crore handed over to different PWD divisions for works, which were in various stages of completion. Audit scrutiny revealed the following:

<sup>47</sup> Bankura Sammilani, IPGMER and KMC

<sup>48</sup> Shortfalls in the capacity of the central library in three (Bankura Sammilani MC, Midnapore and KMC), lecture theatre in three (Bankura Sammilani, IPGMER and KMC), lecture theatre within hospital in three (KMC, Midnapore and COM JNM Kalyani), auditorium cum examination hall in two (Bankura Sammilani and IPGMER) and in hostels in three (IPGMER, Midnapore and COM JNM)

<sup>49</sup> Kolkata Medical College (15), Midnapore (18) and BC Roy (4)

- The Department had not made any gap analysis in respect of infrastructure, equipment and faculty in respect of the colleges selected for upgradation.
- The Department did not even have figures regarding the amount received and expended by each college.

Thus, the colleges were spending project funds without any centralised guidelines/ monitoring.

Since the posting of teachers in various disciplines were beyond the purview of the colleges, it was found that the colleges were not able to increase PG seats or start PG courses for want of faculty. It was also seen that the medical colleges were not prepared to avail the benefits of the scheme as only five of the selected colleges applied for 151 additional seats to MCI during 2012-14 after obtaining essentiality certificate from DME and taking consent for affiliation from WBUHS. Three colleges<sup>50</sup> did not apply for increase of PG seats, though they received funds under the scheme. MCI permitted only 54 post-graduate seats in various disciplines in those five colleges from the academic years 2013-14 and 2014-15 on the basis of inspection. It did not approve the remaining proposals due to manpower and infrastructure constraints.

Thus, State Government and the medical colleges failed to take advantage of the Central Scheme due to their lack of preparedness. During the Exit Conference (December 2015), the Department stated that the Central Government was giving funds directly to medical colleges without consulting it. However, once the funds have been received, the Department should have taken co-ordinated efforts to utilise it fruitfully.

#### **(ii) Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)**

The GoI, in consultation with the State Government, identified (March 2004) Kolkata Medical College (KMC) for upgradation to the level of AIIMS under the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY). This upgraded institute was to provide teaching and treatment facility in 39 Super Speciality subjects. The upgradation was proposed to be taken up in two phases *i.e.* construction of Out Patient Department (OPD) and Academic Block in first phase and construction of 288 bedded Super Speciality Block (SSB) in the second phase, which was to be completed by 2009. The construction of SSB was scheduled to begin after transferring the OPDs to the new block followed by demolition of the existing OPD block.

Construction of the buildings by engaging contractors was the responsibility of GoI. State Government was to make available clear site for construction, arrange for necessary power supply to the buildings and to prepare a detailed assessment report to identify the gaps in the existing facilities and quantify Department/ speciality-wise requirements. A Project Monitoring Committee<sup>51</sup> was also to be constituted (November 2007) for reviewing the progress of work through monthly meetings.

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<sup>50</sup> IPGMER, School of Tropical Medicine and RG Kar MCH

<sup>51</sup> Headed by the Principal Secretary (Health) consisting of representatives from the Local bodies, Civil Works Departments, in addition to the Project Consultants of the MOH&FW, Architects and Head of the Medical College being upgraded.

Audit scrutiny, however, revealed that the State Government did not prepare any gap analysis report specifying the deficiencies in the existing infrastructure of KMC. Consequently, instead of taking a holistic view of the whole project, works were sanctioned in 31 tranches during 2010-11 to 2014-15 leading to longer time span taken for preparing estimates, tender formalities, etc.

Further, the State Government did not constitute any Project Monitoring Committee consisting of all the stakeholders. As a result, the impediments faced during the execution of the work (encroachment of land, existence of undemolished substructure/ underground sewer lines/ water lines at the site, delay in providing all necessary licences, delay in permission for cutting trees, lack of additional power, etc.) could not be effectively addressed, which contributed to delay in the execution. The building was handed over to the State Government in January 2011. Thereafter, there was further delay of three years in making adequate arrangement of power from Calcutta Electric Supply Corporation (CESC). The building was officially taken over by the Principal, Kolkata Medical College in January 2014.

As of December 2015, out of three buildings envisaged under the project, OPD Building and Academic Building had been handed over to the Kolkata Medical College in January 2014 without the requisite heating and ventilation systems and without a functional lift, while construction of the third (Super Speciality Building) was yet to begin.

Thus, creation of AIIMS-like teaching and treatment facilities in the State remained unachieved even after lapse of six years from the target date of completion due to apparent lack of a sense of urgency in the approach of the Department.

During the Exit Conference (December 2015), the Department stated that the Project Monitoring Committee had now been created for the Phase III of PMSSY which was currently being implemented in three medical colleges.

#### **2.2.7.4 Nursing Education**

In view of shortage of nurses, Planning Commission had proposed (2011) setting up of 63<sup>52</sup> nursing training institutions in West Bengal which would entail a capital investment of ₹ 441 crore over the period from 2011 to 2021. Against this requirement, capital expenditure for nursing education for the period 2010-15 was only ₹ 30.55 crore. Not a single Nursing Training Centre (NTC)/ Nursing Training School (NTS) was established in the State in the Government Sector during the period of review.

The Government had no policy regarding Medical Education in General and in Nursing Education in particular. Considering that the population of nurses in West Bengal was less than that of the doctors, this was a failure on the part of the Government. Thus, lack of any policy regarding improving the doctor to nurse ratio coupled with the poor allocation of resources for nursing education had stymied the availability of nurses in adequate numbers in the State.

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<sup>52</sup> Six new Colleges of Nursing, 32 new Nursing Schools and 25 new ANM schools

**(i) Setting up of Nursing Training Schools under Centrally Sponsored Scheme**

With a view to increasing the over-all availability of nursing personnel as well as addressing their uneven spread across the country, Government of India (GoI) initiated a Centrally Sponsored Scheme for strengthening and upgradation of Nursing Schools and Colleges during the 11<sup>th</sup> Five Year Plan. Under the scheme, eight<sup>53</sup> General Nursing & Midwifery (GNM) Schools were to be established at an expenditure of ₹ 10 crore each with 85:15 cost sharing between the Centre and the State. Accordingly, in December 2011, GoI had released ₹ 34 crore to West Bengal State Health & Family Welfare Samiti for establishment of eight GNM Schools at the rate of ₹ 4.25 crore each.

In June 2012, Department entrusted WBMSCL, the task of preparation of detailed plan and estimate for each school as per model drawing. After WBMSCL expressed its inability (June 2012) to take up this work, the Department entrusted (June 2012) the task of preparing the estimates to PWD. However, the estimates (ranging from ₹ 10.43 crore to ₹ 18.55 crore) prepared by the PWD (January to March 2013) for the building were higher than the cost estimated (₹ 5.35 crore) by GoI as per model drawing. The Department, therefore, decided (October 2013) to start the construction work in a phased manner to keep the expenditure on first phase limited to GoI stipulations and again asked PWD to prepare revised estimates which were received only in August-September 2014. Accordingly, the Department accorded (December 2014 and January 2015) administrative approval and financial sanction of ₹ 38.44 crore for seven GNM Schools (except Malda). Analysis of time consumed in decision making and subsequent actions indicated delay at various levels of the process as discussed in **Table 2.2.3**.

**Table 2.2.3: Analysis of delay in the process of planning and finalising**

Month in which funds were received from GoI	Month in which work was entrusted to executing agency	Month in which estimate was submitted by PWD	Month in which Department instructed PWD to prepare revised estimate within ₹ 5.35 crore	Month in which revised estimate submitted by PWD	Month in which Department issued administrative approval and financial sanction	Total delay from receipt of fund to issue of administrative approval and financial sanction
December 2011	June 2012 (Delay of six months)	January 2013 to March 2013 (Delay of six to nine months)	October 2013 (Delay of seven to nine months)	August 2014 and September 2014 (Delay of 10 to 11 months)	December 2014 and January 2015 (Delay of three to four months)	36 to 37 months

*Source: Records of H&FW Department*

As of March 2015, the works had not proceeded beyond soil testing and the process of tendering even after lapse of more than three years since receipt of GoI funds. The funds, however, remained parked with WBMSCL.

The delays in project creation would adversely affect the future availability of nurses in the State.

<sup>53</sup> Ghatal (Paschim Medinipur), Barasat (North 24 Parganas), Malda Uttar, Jangipur (Murshidabad), Jhargram (Paschim Medinipur), Uluberia (Howrah), Kolkata Uttar and Basirhat (North 24 Parganas).

### 2.2.7.5 Paramedical Education

Paramedical and allied healthcare professionals constitute the base of the pyramid of Human Resources for Health (HRH). They are required in adequate numbers for optimal performance of teams. The primary role of paramedics is to provide advanced pre-hospital medical care to the patients. They work in a healthcare field in an auxiliary capacity to a physician. They are specially trained medical technicians certified to provide a wide range of emergency medical services. With the advent of technological development of medical sciences, several invasive and non-invasive tools were designed, that required an increase in trained paramedical manpower.

As indicated earlier in this Report, actual number of paramedics in the State was not ascertainable as the State Medical Faculty, the statutory body in charge of conducting the paramedical courses (diploma and certificate), does not award any registration number. It, therefore, had no data on the paramedics in the State. However, as per IPHS standards, the present requirement of paramedics in the Government sector in West Bengal is likely to increase from present level of 16518<sup>54</sup> in 2013 to 27451 in 2022 considering the enhanced number of health facilities as per the increased population in 2022.

The Department, however, did not take steps to assess the number of paramedics required in the State to meet the future need. Neither did it provide any budgetary allocation for paramedical education during 2010-15. The courses were run on self-financing mode taking fees from the students. Though MOH&FW launched (2013) a Centrally Sponsored Scheme<sup>55</sup> with funds sharing pattern of 85:15 between GoI and State, the State Government did not send any proposal for setting up institutions for paramedical education. The number of paramedical courses increased marginally from 11 in 2010 to 13 in 2014 while there was 79 *per cent* increase in number of students (661 to 1186). However, production of 1186 paramedics in a year was evidently too meagre to address the prospective needs as at this rate it would take about 21 years<sup>56</sup> to meet the demand in 2022.

The Department, in its reply stated (October 2015) that West Bengal Allied and Paramedical Council Bill has been passed (September 2015) in West Bengal Legislative Assembly, which would not only facilitate creation of more teaching facilities but also ensure registration of paramedical professionals and maintenance of educational standards of paramedical health workers.

## 2.2.8 Infrastructure and medical equipment

### 2.2.8.1 Availability of infrastructure

Out of 13 Medical Colleges, data regarding availability of basic infrastructure in respect of two colleges (Malda and Calcutta National Medical College) were not available. In 11 other colleges, there were shortfall in the capacity of

<sup>54</sup> Number of paramedical personnel required in existing Government health facilities in 2013 as per Indian Public Health Standard

<sup>55</sup> Setting up of institutions of Paramedical Sciences in State and setting up of college of Paramedical education for enhancing the availability of Allied Health Professionals

<sup>56</sup> Computed by Audit based on IPHS norms

the central library in six<sup>57</sup> medical colleges, in lecture theatres in nine<sup>58</sup> medical colleges, in lecture theatres within hospital in nine<sup>59</sup> medical colleges, in auditorium-cum-examination hall in four<sup>60</sup> medical colleges and in hostels in five<sup>61</sup> medical colleges (*Appendices 2.2.6 and 2.2.8*). This could be attributed to inadequate and delayed capital allotment and expenditure as indicated in *paragraph 2.2.7.1*.

The Department in its reply, stated (October 2015) that infrastructure was being developed as per MCI norms and some of the components were expected to be completed within 2015-16.

### **2.2.8.2 Availability of medical equipment**

MCI stipulates the minimum standard requirements of equipment depending on the student intake. Every medical institution for MBBS admissions shall have 21 Departments equipped with specified equipment for each Department.

Scrutiny of records in four<sup>62</sup> test-checked medical colleges having annual admission capacities in MBBS courses ranging between 100 and 250 revealed that there were noticeable shortages of medical equipment *vis-à-vis* MSR in almost each Department (*Appendix 2.2.9*). The most significant shortages were noticed in Departments of Medicine (89 to 100 *per cent*), Forensic Science Medicine (80 to 100 *per cent*), Pharmacology (58 to 99 *per cent*), Biochemistry (57 to 85 *per cent*) and Gynaecology & Obstetrics (63 to 93 *per cent*) in each test-checked college. As the colleges had not analysed the requirement and availability of medical equipment, it could not intimate their projected requirements of medical equipment while preparing budget estimates, which included mainly the amounts required for salary disbursement. Further, in test-checked colleges, there were shortages of storekeepers (82 *per cent* in State as a whole) who were responsible for keeping the accounts of equipment. As a result, availability/ shortage of equipment was not ascertainable.

Thus, deficiencies both in terms of equipment as well as other infrastructure potentially compromised the quality of education provided by these colleges.

### **2.2.8.3 Infrastructure deficiencies in Nursing Colleges/ Schools**

The Indian Nursing Council (INC) prescribes the minimum infrastructure requirement<sup>63</sup> for setting up a nursing training institution. Out of four<sup>64</sup> test-

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<sup>57</sup> Midnapore, Bankura Sammilani, Kolkata Medical College, College of Medicine (COM), Sagar Dutta Hospital, RG Kar Medical College and NRS Medical College

<sup>58</sup> KMC, IPGMER, Bankura Sammilani, Murshidabad, COM Sagar Dutta Hospital, Burdwan Medical College, North Bengal Medical College, RG Kar Medical College and NRS Medical College

<sup>59</sup> Midnapore, Kalyani, KMC, Murshidabad, COM Sagar Dutta Hospital, Burdwan Medical College, North Bengal Medical College, RG Kar Medical College and NRS Medical College

<sup>60</sup> Midnapore, Kalyani, Bankura Sammilani and IPGMER

<sup>61</sup> Midnapore, Kalyani, IPGMER, KMC and Murshidabad

<sup>62</sup> Bankura Sammilani Medical College and Midnapore Medical College (each having 100 admissions annually), IPGMER Kolkata (150 admissions) and Kolkata Medical College (250 admissions)

<sup>63</sup> ANM School: Two class rooms, two laboratories and other facilities for staff, library, toilets, etc. totalling 10060 Sq. ft. for Academic block and 15625 Sq. ft. for Hostel block for admitting 40-60 students.

Nursing Training School/ College of Nursing: Four lecture halls, six laboratories and other common facilities of staff, library and toilets totalling 23720 Sq. ft. for the Teaching block and 30750 Sq. ft. for the Hostel block for admitting 40-60 students.

<sup>64</sup> Midnapore, Bankura, Kolkata Medical and SSKM

checked Colleges of Nursing, two<sup>65</sup> were being operated in the premises of the Nursing Hostel while the remaining two had separate buildings.

As regards adequacy of infrastructure in the Government Nursing Colleges/ Schools, information was furnished to Audit by four out of ten colleges and 25 out of 39 schools. In response to a questionnaire issued by Audit, none of the colleges stated they had adequate infrastructure. Only six out of 25 schools stated that they had sufficient infrastructure, while 15 other schools stated that their infrastructure was not sufficient.

In three<sup>66</sup> test-checked Nursing Training Schools (NTS), which are fully residential, there were severe shortages of infrastructure compared to INC norms

- Compared to norms, only 20 to 35 *per cent* floor area was available in academic blocks while hostel blocks had less than 20 *per cent* of normative requirement of floor area.
- Kolkata Medical College NTS had no hostel of its own. It faced a severe shortage of infrastructure with the result that it admitted students only once every three years.

Thus, the Department failed to equip the existing colleges/ schools with adequate infrastructure to provide quality nursing education.

### 2.2.9 Availability of faculty

The MCI lays down the requirement of faculty for both under-graduate (based on the number of annual admissions) and post-graduate<sup>67</sup> admission (as per the Post Graduate Medical Education Regulations). These regulations provide that a Clinical Department or its unit<sup>68</sup> which trains candidates for Broad or Super Specialities shall have a minimum of three full time faculty members belonging to the concerned disciplines, of whom one shall be a Professor, one Associate Professor and one Assistant Professor/ Lecturer. The second or subsequent unit may be headed by an Associate Professor alongwith two Assistant Professors/ Lecturers. The ratio of PG teacher to the number of students to be admitted for the degree course shall be 1:2 for a Professor and 1:1 for other cadres in each unit per year subject to a maximum of four PG seats per unit per academic year including diploma.

Applying these principles, Audit computed the requirement of manpower in 12<sup>69</sup> of the 13 colleges where both UG and PG courses are conducted considering the number of faculty required as per Minimum Standard Requirement (MSR) and also PG seats as per actual intake. The results are summarised in **Table 2.2.4** below:

<sup>65</sup> Midnapore and Kolkata Medical

<sup>66</sup> Kolkata Medical, Bankura and SSKM

<sup>67</sup> MD/ MS, DM/ M.Ch. and Diploma

<sup>68</sup> A unit shall consist of not less than 30 and not more than 40 beds for Degree/ Diploma courses. In case of Super Speciality course, a unit should have not less than 20 and not more than 30 beds.

<sup>69</sup> Excluding college of Medicine, Kalyani which has a different cadre being attached to WBUHS



**Table 2.2.4: Manpower required, sanctioned and posted in 12 Medical colleges**

Name of the post	Requirements(MSR)	Sanctioned Posts	Excess in sanctioned posts ( <i>per cent</i> )	Men in position as on 1 January 2015
Professor	314	557	77	599
Associate Professor	558	744	33	587
Assistant Professor	799	1005	26	922
Basic Tutor	1214	1302	7	903

*Source: Estimation by Audit and data furnished by Department*

**Table 2.2.4** clearly indicates that the sanctioned post (especially in case of Professor) was higher than the minimum requirement.

However, college-wise and discipline-wise analysis revealed that the faculty was concentrated in the two Kolkata colleges (KMC and IPGMER<sup>70</sup>) while even MSR was not being met in Medinipur (eight disciplines) and Bankura (eight disciplines). This points to the need for an even distribution of faculty.

In its reply, the Department stated (October 2015) that apart from teaching, some medical college hospitals also required increased number of faculty for providing patient care services. However, the reply was silent on the issue of the MSR not being fulfilled in the colleges situated away from Kolkata. This assumes further significance as manpower deficiency in individual colleges had factored behind MCI's decision in not allowing enhancement of all PG seats applied for in some colleges (*vide para 2.2.7.3*).

During Exit Conference (December 2015), the Department agreed that there was scope to rationalise manpower.

#### **2.2.9.1 Faculty position in Nursing Education**

As per INC norms, the teacher-student ratio for nursing education should be 1:10 on sanctioned strength of students.

**Nursing colleges:** The sanctioned numbers of faculty for a nursing college with an annual intake of 60 students for B.Sc. and 25 students for M.Sc. are 25 and five respectively. For a college running both GNM and B.Sc. with an annual intake of 60 in each, 43 faculty were necessary and for post-Basic B.Sc., it was 12. The position in four test-checked colleges is given in **Table 2.2.5:**

**Table 2.2.5: Availability of teaching faculty in test-checked Nursing Colleges**

Sl. No.	Name of the College	Intake Capacity	Required Sanctioned Strength as per INC norms	Sanctioned Strength	Men in position (March 2015)
1	Government College of Nursing, Midnapore Medical College & Hospital	B.Sc. - 50	21	18	5
2	Government College of Nursing, Bankura Sammilani Medical College & Hospital	B.Sc.-50	21	18	7
3	Government College of Nursing, Kolkata Medical College & Hospital	B.Sc.-50 PB B.Sc. – 40 M.Sc.- 25	34	26	15
4	Government College of Nursing, SSKM Hospital (IPGMER)	B.Sc.-30 PB B.Sc. – 25 M.Sc.- 25	28	39	16
<b>Total</b>			<b>104</b>	<b>101</b>	<b>43</b>

*Source: Records of test-checked Nursing Colleges*

<sup>70</sup> In IPGMER, 21 Departments out of 37 had excess manpower while in KMC, 13 out of 28 Departments had excess manpower.

Thus, only 43 teaching staff were posted in the four test-checked nursing colleges against the normative requirement of 104.

**Nursing schools:** For an ANM School, there should at least be one Principal and sufficient numbers of nursing tutors to meet the above ratio of 1:10. The Directorate of Nursing Services did not have any consolidated figures of number of teaching posts sanctioned in nursing schools and actual men-in-position thereagainst. In response to an audit query, 19 NTSs furnished information on the same. In these 19 NTSs, 229 posts were required as per norms, against which the number of sanctioned posts stood at 241. However, against these 241 posts, only 183 teachers were in position as of March 2015.

In all three test-checked NTS (Bankura, KMC and IPGMER), there were shortages of manpower ranging from 21 to 71 *per cent* compared to the norm. The Department, in its reply stated (October 2015) that it was on course to achieving the target in Nursing Training Schools by filling vacant posts by recruitment, promotion, etc. and also by sanctioning/ creating Nursing Teaching posts. The reply, however, did not indicate any specifics.

The Department during the Exit Conference held in December 2015 stated that it was planning to recruit more nurses.

#### 2.2.10 Quality and Monitoring

To attain the highest standards of academic excellence by providing the physical infrastructure, West Bengal University of Health Sciences (University) had powers to monitor, evaluate and classify the academic performance of affiliated colleges and recognised institutions. The General Council of the University can consider and pass appropriate resolutions on the Annual Report, financial estimates and Audit Reports on the accounts of the University. The Executive Council (EC) is to prepare the Annual Report of the working of the University for presenting before the General Council at its annual meeting. Copies of the Annual Report, along with the resolution of the General Council are to be submitted to the State Government for tabling in the State Legislature. Further, a report of the working of the University is to be presented by the Vice Chancellor to the General Council at its annual meeting. Audit observed the following in this regard:

- The University did not prepare any Annual Report since inception (January 2003), as the annual reports of the constituent colleges were not received. As a result, Annual Reports were never submitted to the State Government for tabling in the Legislature.
- Since the General Council did not meet after 2010, reports on the working of the University were not presented to the General Council by the Vice-Chancellor.

The University also has a Planning Board responsible for preparing physical and academic development plan and conducting academic audit of University Departments, institutions and colleges at least once in three years. In addition to the above, the Chancellor at least once in every ten years, is to constitute a Commission to review the functioning of the University and make recommendations. It was observed that

- The Planning Board and the General Council were non-functional since 2010, as the term of the members had expired and new members were not appointed. Hence, academic audit of any University Departments, institutions, colleges or institutes were never conducted.
- The Chancellor also did not constitute any Commission to review the functioning of the University even though ten years had elapsed since its establishment.

Further, there was an Inspector of Colleges who is to inspect the affiliated colleges once a year and submit a report as to fulfilment of conditions of affiliation, maintenance of financial accounting and the academic administration of the colleges. Affiliated colleges are also to furnish an Annual Report to the Academic Council at the close of the academic year, indicating the subject-wise number of lectures delivered together with a performance report of the teaching staff, with comments thereon by the Principal. Audit noticed that

- The affiliated colleges never furnished any report/ return to the University. There was also no system of routine inspections of the affiliated colleges periodically, as envisaged in the Act. Colleges or Departments were inspected only once either before opening of the college/ institutions or before introducing new courses. This was mainly due to paucity of staff as the Inspector of Colleges functioned for only two days a week. Hence, it was not possible to judge the academic standards of the affiliated colleges or Departments.

Evidently, the University had failed in its job of monitoring its affiliated institutions. The University did not fulfill its task of planning and development of medical education.

During the Exit Conference (December 2015), the Department agreed that the University was functioning only as a body conducting examination and issuing certificates.

### **2.2.11 Conclusions**

The State Government would need to strengthen its efforts to augment its human capital in order to ensure availability of sufficient medical personnel in the coming years to attain the threshold density of Human Resources for Health, envisaged in the 12<sup>th</sup> Five Year Plan document.

The State Government had neither assessed the requirement of additional health care personnel in the coming years, nor did it chalk out a plan for augmenting the seats in various branches of medical education to meet the increasing demand. Shortage of nurses was also a matter of concern. Adverse doctor to nurse ratio (1:0.66 against the norm of 1:3) emphasises the need to give adequate attention to nursing education. The State is not sufficiently geared to meet the additional requirement of PG seats for the next 10 years.

The Department not only failed to provide adequate funds for increasing the seats, and also could not take advantage of the Centrally Sponsored Schemes. The schemes taken up by the State have also suffered from planning and

implementation deficiencies. The Government had failed to equip the institutions with the stipulated infrastructure and manpower which can potentially have adverse impact on the quality of education.

Shortage of faculty in Medical Colleges/ Nursing Colleges and schools was also a matter of concern. There was scope to rationalise manpower deployment.

#### **2.2.12 Recommendations**

- 1. The Government/ WBUHS may prepare a comprehensive medical education plan encompassing all categories of medical personnel in adherence with IPHS norms and GoI targets. This Plan may be based on pragmatic assessment of current availability of personnel and may be targeted towards time bound reduction in the gaps/ rationalising the ratio of doctors and supporting health personnel.*
- 2. The teaching hospitals may be instructed to assess the infrastructural gaps and place their requirement of additional infrastructure/ equipment at the time of submission of budgets to the Department.*
- 3. Manpower may be rationally deployed to address human resource deficiencies and to ensure quality medical education.*
- 4. The WBUHS may take up its monitoring responsibilities to ensure quality medical education.*

**PANCHAYAT & RURAL DEVELOPMENT DEPARTMENT**

**2.3 Pradhan Mantri Gram Sadak Yojana**

**Executive Summary**

Pradhan Mantri Gram Sadak Yojana (PMGSY), the flagship programme of Government of India for achieving rural connectivity, was launched in December 2000. The primary objective of this 100 *per cent* Centrally Sponsored Scheme is to provide road connectivity in the rural areas through all-weather roads with necessary culverts and cross-drainage structures to all unconnected habitations with population of 500 persons and above. In the districts where all the habitations of the designated population size have already been connected, upgradation of the existing roads would be taken up.

A Performance Audit on the implementation of this scheme during the period 2010-15 was undertaken between December 2014 and October 2015 through test-check of records of West Bengal State Rural Development Agency (WBSRDA), the State level implementing agency and the Programme Implementation Units (the district level implementing units) of five districts selected through statistical sampling.

The performance evaluation revealed that there was scope for strengthening in areas like planning, execution, quality control and oversight functions. The programme, though progressed slowly in the first three years under review (2010-13) gathered pace towards the later years (2013-15). The significant findings of this evaluation are indicated below.

- Core Network was deficient to the extent that there were exclusion and inclusion errors - several unconnected habitations were omitted while some connected habitations found place in it leading to multi-connectivity.
- Timely completion of roads required increased attention as the execution of many roads continued beyond the stipulated time of 12 months thereby delaying the planned connectivity to targeted habitations.
- DPRs were prepared without conducting transect walks (other than Asian Development Bank funded packages) meant for finalising road alignments and resolving related land issues. Consequently, several road packages got delayed or had to be abandoned.
- There was opportunity to exercise more economy in execution by adopting economic lead for carriage of material, adoption of standard compaction ratio, use of uniform compositions for various layers, etc.
- Maintenance of constructed roads did not get adequate attention leaving many roads in poor condition.
- Quality control needed strengthening as there were shortfalls in conducting all the mandatory tests. Shortage of equipment in laboratories needed to be taken care of. There is also scope to strengthen quality control by the State Quality Monitor by conducting mandatory numbers of inspections.

**2.3.1 Introduction**

With the objective of providing rural connectivity, Government of India had launched Pradhan Mantri Gram Sadak Yojana (PMGSY), a 100 *per cent* Centrally Sponsored Scheme in December 2000. The primary objective of the programme is to provide road connectivity in the rural areas through all-weather roads with necessary culverts and cross-drainage structures to all

unconnected habitations with population<sup>71</sup> of 500 persons and above<sup>72</sup>. In the districts, where all the habitations of the designated population size have already been connected, upgradation of the existing roads would be taken up.

### 2.3.2 Organisational set-up

Panchayat & Rural Development Department (P&RD) is the nodal Department for execution of PMGSY in West Bengal. The Department implements the programme through a State Level Agency, a society named West Bengal State Rural Development Agency (WBSRDA), which receives the programme funds from the Ministry of Rural Development (MoRD), Government of India<sup>73</sup>. The Principal Secretary, P&RD Department is the Chief Executive Officer (CEO) of the WBSRDA. WBSRDA has Programme Implementation Units (PIUs) at the district level headed by Executive Engineers, which are responsible for execution of the programme. PIUs get outsourced technical support from five State Technical Agencies<sup>74</sup> (STAs) in the form of vetting of the District Rural Roads Plan, Core Network and Detailed Project Reports (DPR). There is a State Level Standing Committee headed by the Chief Secretary including all the major stakeholders of the programme for clearing the annual project proposals for onward transmission to MoRD. Vigilance and Monitoring Committees at the State level and district levels are responsible for monitoring of the scheme.

### 2.3.3 Audit Objectives

The audit objectives were to assess whether

- planning for providing rural connectivity was adequate;
- programme execution was economic, efficient and effective and
- monitoring and quality control mechanisms were adequate.

### 2.3.4 Audit Coverage and Methodology

A Performance Audit on PMGSY featured in the Audit Report (Civil) for the year ended March 2004 (paragraph 3.4). The said Report flagged certain areas of concern, viz., shortfall in achievement in connecting rural habitations, improper prioritisation of works, unauthorised deviation from DPRs, deficient planning, irregularities in expenditure, expenditure becoming unfruitful, quality control issues, etc.

The current Performance Audit covering the period from 2010-11 to 2014-15 was conducted between December 2014 and October 2015 through test-check of records of WBSRDA, PIUs and Zilla Parishads of five districts<sup>75</sup> selected statistically by applying Probability proportional to size without replacement (PPSWOR) method. In these selected districts, Audit also test-checked a

<sup>71</sup> Population, as recorded in the Census 2001

<sup>72</sup> For tribal and backward districts identified by the Ministry of Home Affairs and Planning Commission, unconnected habitations with a population of 250 persons and above are also eligible.

<sup>73</sup> This arrangement continued till 2012-13. From 2013-14 onwards, the funds were given to the State Government which in turn released it to WBSRDA.

<sup>74</sup> Jadavpur University, Indian Institute of Engineering Science and Technology, Shibpur, National Institute of Technology, Durgapur, Indian Institute of Technology, Kharagpur and Jalpaiguri Engineering College

<sup>75</sup> Hooghly, Malda, North 24 Parganas, Purba Medinipur and Uttar Dinajpur

minimum of 25 *per cent* of the packages<sup>76</sup> selected through Simple Random Sampling. The scrutiny of records was supplemented by joint physical inspection of road packages (three from each selected district) along with departmental officials.

An Entry Conference was held (April 2015) with the Principal Secretary of the Department to explain the audit objectives, scope, methodology, criteria, etc. to the Department. An Exit Conference was also held in December 2015 with the Principal Secretary during which the audit findings were discussed and the views of the Department have been incorporated suitably in the report.

### **2.3.5 Audit Criteria**

Implementation of the PMGSY was assessed with reference to the following criteria:

- Scheme Guidelines, Rural Road Manual, Guidelines for quality control and Standard Bidding Document (SBD) for PMGSY published by MoRD/ National Rural Road Development Agency (NRRDA)<sup>77</sup>;
- Schedule of rate (SoR) published by WBSRDA from time to time;
- Detailed Project Report (DPR) and
- Orders issued by NRRDA & WBSRDA.

### **Audit findings**

#### **2.3.6 Planning**

##### **2.3.6.1 Preparation of DRRP and Core Network**

PMGSY guidelines envisage a participatory planning process under which a District Rural Roads Plan (DRRP) is to be prepared by the District Planning Committee integrating the block level plans approved by the Panchayat Samitis. A Core Network (CN) is to be extracted out of DRRP consisting of existing roads and roads required to be constructed to provide basic access, *i.e.* one all-weather connectivity to each habitation. Further, a Comprehensive New Connectivity Priority List (CNCPL) is to be prepared from the CN both at the district and block levels. Higher priority should be accorded on habitations with 1000+ population followed by habitations with 500+ population. Annual proposals, based on this priority list, are to be approved by the Zilla Parishad. These are then placed before the State Level Standing Committee for approval and transmission to the NRRDA for clearance by MoRD. Audit found the following in this regard pointing to inadequate planning.

- (i) **Preparation of DRRP:** It could not be checked in audit, if the participatory planning process was followed as in none of the five test-checked districts, DRRPs were available. The Department, however, without submitting any corroborative documentary evidence, stated (October 2015) that DRRP was prepared following the due process.

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<sup>76</sup> Packages represent work/ group of works put to tender in one lot.

<sup>77</sup> NRRDA is a society under the MoRD established to extend support to the programme through advice on technical specifications, project appraisal and appointment of part-time Quality Control Monitors, Management of Monitoring Systems and submission of Periodic Reports to the Ministry of Rural Development.

(ii) **Preparation of Core Network:** CN was to include all the eligible unconnected habitations. It was seen that in two test-checked districts (Hooghly and Uttar Dinajpur), CN did not include 2909 eligible habitations<sup>78</sup>. Further, in these districts, 86 habitations, though unconnected, were indicated as connected in the CN. The remaining three districts did not make this assessment despite WBSRDA's directions. This pointed to inadequacies in preparation of CN.

While admitting (October 2015) the fact, the Department attributed such lapses to oversight and stated, though without any supporting documentary evidence, that a list of dropped out eligible habitations had been sent to NRRDA for consideration.

During Exit Conference (December 2015), Principal Secretary stated that the MoRD had allowed modifications in the Core Network at present and these were being rectified.

(iii) **Multi-connectivity:** Deviating from the guidelines which proscribe multi-connectivity, CN of four test-checked districts included more than one road connecting a single habitation. In these districts, multi-connectivity was provided to 24 habitations (16 road packages) spending ₹ 19.17 crore<sup>79</sup>. The amount could have been spent more productively for connecting unconnected habitations.

While admitting the fact, the Department stated (October 2015) that due to oversight there had been some multi-connectivity in the Core Network. It was added that a gap of 500 m was left in the second road to avoid multi-connectivity<sup>80</sup>. During Exit Conference (December 2015), it was further informed that PRIs generally take up the work of constructing the road for these left out gaps thereby leading to multi-connectivity. However, no such gaps were noticed in any of the 16 multi-connecting roads either covered by Audit under joint physical inspection (three) or the status of which had been confirmed by the PIUs (13).

### 2.3.6.2 Frequent change of data on target habitation

As of April 2000, WBSRDA had reported that 35667 unconnected habitations were eligible for assistance under the programme. Subsequently in 2007, at the request of NRRDA, ground verification was conducted and a revised target of 15676 set for unconnected eligible habitations. Further, in February 2009, the Principal Secretary, P& RD who is also the CEO of WBSRDA, reported another set of figures (row E of Table 2.3.1) which appeared incorrect as it differed from the earlier figures as shown in Table 2.3.1.

**Table 2.3.1: Discrepancy in reporting of data as to unconnected habitations**

Period of reporting	Number of eligible unconnected habitations		
	1000 & above	500 to 999	Total
A) At the beginning of programme (2000)	11941	11668	23609
B) Number of unconnected habitation as per 2007 report	8558	7118	15676

<sup>78</sup> Hooghly: 1000+: 24 and 500+: 53 and Uttar Dinajpur: 1000+: 2094 and 500+: 738

<sup>79</sup> Hooghly: 12 habitations, ₹ 6.49 crore; Malda: 4 habitations, ₹ 4.80 crore; Purba Medinipur: 4 habitations, ₹ 5.63 crore and Uttar Dinajpur: 4 habitations, ₹ 2.25 crore

<sup>80</sup> As per PMGSY guideline a habitation will be treated as unconnected if it is situated beyond 500 m from an all weather road.



Period of reporting	Number of eligible unconnected habitations		
	1000 & above	500 to 999	Total
C) Connectivity works sanctioned upto February 2009	6676	2988	9664
D) Balance of unconnected habitation to be cleared upto February 2009	1882	4130	6012
E) Unconnected habitation reported by the State as of February 2009, which differed from D above	940	1200	2140
F) Number of habitations cleared since February 2009 upto March 2015	997	1191	2188
G) Number of habitations yet to be sanctioned as of date	885	2939	3824

Source: Records of WBSRDA

The discrepancy was pointed out by the Ministry, when the Principal Secretary intimated (September 2014) NRRDA that 3824 eligible habitations were yet to be connected. NRRDA declined (November 2014) to approve new connectivity for the State on the ground that there should not have been any unconnected eligible habitations in the State, as all unconnected habitations reported earlier (February 2009) had already been cleared (February 2009 to November 2014). During 2014-15, funds were released only for upgradation. Thus, the State stands to lose funds for new connectivity owing to incorrect reporting by the Department.

The Department in its reply (October 2015) stated that the discrepancy occurred because *moorum*<sup>81</sup> roads were earlier considered as connected. It further added that NRRDA has allowed WBSRDA to rectify the core network data and that the problem was expected to be resolved soon. However, NRRDA had issued no specific guidelines in this regard though it had allowed a limited period window for correction in CN, which otherwise cannot be modified. The process of modification was in progress. During Exit Conference (December 2015), the Principal Secretary informed that after discussion with the MoRD, it had been decided to convert the *moorum* roads to all weather roads under the up-gradation window.

### 2.3.7 Programme execution

#### 2.3.7.1 Physical progress of the programme

The progress of the scheme since inception is indicated in Table 2.3.2 and Table 2.3.3.

**Table 2.3.2: Up to date progress in coverage in terms of number of habitations**

Population	No. of eligible habitations (Census 2001)	Habitations provided with connectivity (31.03.2010)	Habitations provided with connectivity (31.03.2015)	Per cent connected by March 2010	Per cent connected by March 2015
1000+	8558	5144	6987	60	82
500+	6992	2056	3942	29	56
250+	3611	892	1684	25	47

Source: Data furnished by WBSRDA

<sup>81</sup> *Moorum* or *Morrum* is a road of laterite grains.

**Table 2.3.3: Up to date progress in coverage in terms of road length as of 2015**

Coverage of road length	Kms	Per cent
Length of roads to be covered to provide new connectivity	37264.10	100
Length of roads covered on new connectivity as on 31.03.2010	8578.35	23
Length of roads covered on new connectivity as on 31.03.2015	15803.02	42

Source: Online Management and Monitoring System

Thus, as against the target of 100 *per cent*, the actual coverage in respect of habitations with 1000+, 500+ and 250+ populations were only 82, 56 and 47 *per cent* respectively as of March 2015. In terms of length of the road to be constructed, 58 *per cent* of the target was yet to be achieved. The tardy execution of the scheme would be further corroborated by the fact that the annual achievement of physical targets ranged only between 19 *per cent* and 48 *per cent* during the entire period 2010-15 as depicted in Table 2.3.4.

**Table 2.3.4: Physical performance under PMGSY during 2010-15**

Year	No. of eligible habitations					Percentage of physical achievement
	Sanctioned but remaining unconnected at the beginning of the year	Sanctioned during the year	Total to be connected	Connected during the year	Unconnected	
2010-11	1667	725	2392	477	1915	20
2011-12	1915	514	2429	536	1893	22
2012-13	1893	2361	4254	821	3433	19
2013-14	3433	519	3952	1577	2375	40
2014-15	2375	0	2375	1131	1244	48

Source: Data furnished by WBSRDA

Such unsatisfactory performance was mainly attributable to land-related issues and non-finalisation of tenders, as discussed in the succeeding paragraphs.

(i) **Delay in tendering:** It follows from the PMGSY guidelines that the award of a work should be completed within three months from the date of sanction. During the period 2010-15, tender procedures in respect of altogether 2587 works were completed. Audit scrutiny showed that out of these 2587 works, as much as 79 *per cent* could not be awarded for construction to the contractors (Table 2.3.5) within the stipulated period of three months.

**Table 2.3.5: Roads against which tendering could not be finalised within three months**

Year	No. of sanctioned works	Works for which tendering process were		Works awarded within three month of clearance	Percentage of works against which tender was not awarded within three months
		Non-finalised	Finalised		
2010-11	356	03	353	24	93.0
2011-12	246	15	231	01	99.6
2012-13	1425	08	1417	456	68.0
2013-14	597	11	586	53	91.0
2014-15	76	76	nil	00	---
<b>Total</b>	<b>2700</b>	<b>113</b>	<b>2587</b>	<b>534</b>	<b>79.0</b>

Source: Online Monitoring and Management System

In reply, the Department stated (October 2015) that as the eligibility criteria of bidders under PMGSY were very strict, there was a scarcity of eligible contractors in the State for execution of PMGSY works and consequently,

repeated calls were to be invited. However, these are problems that need to be addressed effectively in consultation with NRRDA as these are likely to cause delay in implementation of the scheme in future also, and for other similar schemes as well. The Department has not taken any initiative to address these recurrent problems and neither has it taken up these issues with the NRRDA.

(ii) **Land issues:** For determining the most suitable route (alignment), sorting out issues of land availability (including forest land), moderating any adverse social and environmental impact and eliciting necessary community participation in the programme, guidelines mandated holding of ‘transect walk<sup>82</sup>’ while preparing DPR, involving the gram panchayats and other stakeholders, after which the alignment shall be finalised after considering the issues that arose during the walk and actions taken/ proposed to resolve the issues. A copy of these minutes along with digital photographs of transect walk must be attached to the finalised DPR. However, neither any such minutes nor the required photographs were found attached with any of the test-checked (137) DPRs (except for 29 Asian Development Bank assisted projects).

The Department stated (October 2015) that for normal PMGSY roads, though transect walk had been done; the same was not recorded. The reply only confirmed the deviation from the guidelines of the scheme. PIU of Purba Medinipur stated that transect walk was not done in case of regular PMGSY.

Thus, the mechanism of transect walks, which was devised for identifying and resolving land issues for smoother execution of the work, had been undermined by the PIUs giving rise to land disputes at execution stage as illustrated below:

- In five test-checked districts, owing to land disputes, 27 road proposals had to be abandoned, three became sub-judice and 12 roads had to be truncated. Out of these, nine road packages in Uttar Dinajpur were dropped midway at district level after incurring expenditure of ₹ 10.05 crore, while in case of 12 truncated road packages, connectivity could not be achieved after expending ₹ 23.55 crore. Further, execution of 41 road packages in five test-checked districts were running behind schedule for five months to more than four years as of March 2015 owing to land-related disputes.
- In four packages in Malda and Purba Medinipur, clearances were not obtained from other Departments (Forest and Irrigation & Waterways) resulting in non-achievement of connectivity to 28 habitations with 41902 people.
- In 2012-13, 42<sup>83</sup> road packages (230.74 km) which were to benefit 124 eligible habitations were dropped citing land issues and non-finalisation of tenders. In addition, in five test-checked districts, 27 road packages meant to connect 112 habitations were dropped during 2010-15 for non-availability of land.

During Exit Conference (December 2015), it was informed that considering that only 42 roads out of 1270 were dropped, the percentage of dropped works was meagre. Audit, however, found that these 42 works

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<sup>82</sup> *Transect Walk is a walk through the alignment of the road involving all stakeholders i.e. local public representative, villagers, etc.*

<sup>83</sup> *Sanctioned amount: ₹ 73.50 crore*

pertained to works sanctioned up to 2005-06 and apart from this 27 road works in five test-checked districts were also dropped during 2010-15.

(iii) **Delay in execution:** It was seen that owing to land problems, there was inordinate delay in execution of road works. In the test-checked districts, against the stipulated norm of 12 months for completion of roads, delays ranging to five years were noticed (Table 2.3.6).

**Table 2.3.6: Delay in completion of road works**

District	Total number of completed roads (2010-15)	Completed within schedule	Delay upto two years	Delay more than two years to five years	Delay more than five years	Percentage of road packages completed behind schedule
Hooghly	74	19	47	07	01	74
Malda	29	0	21	8	nil	100
Purba Medinipur	52	8	29	14	01	85
North 24 Parganas	142	100	42	nil	nil	30
Uttar Dinajpur	171	104	53	14	nil	39
<b>Total</b>	<b>468</b>	<b>231</b>	<b>192</b>	<b>43</b>	<b>02</b>	<b>51</b>

Source: Data furnished by PIUs.

The Department in its reply (October 2015) attributed the delay to land problems as there was no scope for acquisition of land in PMGSY. It was further added that as PMGSY roads are constructed on voluntarily donated land, help of local representatives would be taken to make the unwilling villagers agree. This may also be viewed with perfunctory holding of transect walk as discussed earlier.

During Exit Conference (December 2015), it was informed that the works were progressing slowly during 2010-13 and it gathered momentum only in the later years. The Department further attributed the delay to fund crunch and an extended monsoon.

Audit observed that out of five years audited, there was fund crunch only in 2013-14. The Department's contention as to delays caused by monsoon was also not acceptable as the maximum execution period of 12 months stipulated by guidelines included three months for delays caused by monsoon and other seasonal factors also.

### 2.3.7.2 Incomplete road packages owing to non-construction of bridges

PMGSY guideline (2004) allows construction of minor bridges less 15 meter (modified to 50 meters from December 2008) in length as part of the same DPR. For bridge span exceeding this length, a separate DPR is required to be prepared treating the bridge work as a separate work. *Pro-rata* costs for the additional length of the bridge are to be borne by State Government. Therefore, separate DPRs and necessary provisions of funds should have been made by the PIUs while proposing construction of bridge of length exceeding this limit.

Audit scrutiny revealed that in respect of 46 road works in the State, though the works involved construction of bridges of lengths beyond the limit, no separate DPRs were prepared; neither could the funds be arranged by the PIUs from the State Government. As a result, though the road works were

completed during 2006-13 at a cost of ₹ 84.33 crore, the desired connectivity remained unachieved due to non-construction of bridges.

Available records indicated that the WBSRDA appointed (September 2012) consultants for preparation of DPRs for all 46 bridge works; however, none of the consultants had submitted any DPR till date of audit. Evidence of further effort by WBSRDA was not forthcoming from records.

While admitting the fact, the Department stated that new DPR for bridge work was under preparation. The reply confirmed the lack of synergy between ground level planning for implementation of PMGSY and fund-sanctioning mechanism of the State Government for construction of the bridges.

### **2.3.7.3 Construction of roads not included in CNCPL**

Audit found that in five test-checked districts, 49<sup>84</sup> roads not included in CNCPL were constructed. Out of this, in 12 cases, roads were constructed spending ₹ 27.36 crore to connect ineligible habitations which had already been shown as connected as per Core Network. Thus, resources were used to provide multi-connectivity.

The Department in its reply (October 2015) admitted the fact and attributed it to oversight.

### **2.3.7.4 Order of priority for connecting target habitation not maintained**

The PIUs were to maintain the order of works as per CNCPL which is based on the population of the habitation. Departing from guidelines, 45<sup>85</sup> road works were taken up in four test-checked districts for connecting 500+ habitations despite having 627 unconnected 1000+ habitations in CNCPL. Reasons for such deviation was not verifiable from the available records.

The Department, in its reply (October 2015), attributed this to dispute in respect of eligible unconnected 1000+ and 500+ habitations. It was further added that 500+ habitations had to be taken up as NRRDA had allowed only 500+ habitations despite the existence of unconnected 1000+ habitations. The matter was also reiterated by the Principal Secretary during the Exit Conference (December 2015). The fact, however, remains that these issues cropped up due to misreporting of the number of habitations in 2009 by the Department as mentioned in *paragraph 2.3.6.2*.

### **2.3.7.5 Preparation of Detailed Project Report**

A Detailed Project Report (DPR) is to be prepared in respect of each road after detailed physical survey of existing roads. These DPRs are prepared by consultants engaged by PIUs. The following shortcomings were noticed:

**(i) Preparation of DPR without proper survey:** DPRs were prepared without adequate survey. Consequently, in seven cases in four test-checked districts, the lengths of the roads planned in DPR were found to be short or in excess of requirements during execution as indicated in **Table 2.3.7**.

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<sup>84</sup> Hooghly: 12, Malda: 3, North 24 Parganas: 5, Purba Medinipur: 21 and Uttar Dinajpur: 8

<sup>85</sup> Hooghly: 10, Malda: 7, North 24 Parganas: 11, Purba Medinipur: 7 and Uttar Dinajpur: 10

Table 2.3.7: Cases of variation in length of road in DPR *vis-à-vis* requirement

Sl. No.	District	Package number	Sanctioned length (In metres)	Extent to which the DPR/ BOQ was (in metres)	
				shorter than the required length (percentage of variation)	more than the required length (percentage of variation)
1	Hooghly	WB/08/102	4470	--	500 (11)
2	Malda	WB/11/166	3300	850 (26)	--
3	Purba	WB/19/72	6750	--	1300(19)
4	Medinipur	WB/19/97	9600	--	1600(17)
5	Uttar Dinajpur	WB/15/205	2653	1500(56)	--
6		WB/15/188	3209	--	900 (28)
7		WB/15/195	1889	800 (42)	--

Source: Extracted from the records of concerned PIUs

As an illustration of the casual attitude and neglect of due diligence in the process of preparation of DPRs, it was seen that in respect of one road in Uttar Dinajpur, DPR was prepared for a road which did not even connect the targeted habitation. This resulted in public resentment and ultimately in a dead lock in the road works. It shows that even the layout for the road could not be mapped correctly.

During Exit Conference (December 2015), the Department stated that as per guidelines, WBSRDA was competent to approve deviations upto 10 *per cent*. Audit, however, found that the deviations were well above 10 *per cent* ranging between 11 and 56 *per cent*.

(ii) **Frequent revisions of DPR during execution:** Inadequacies in preparation of DPR were further evident from the fact that there were frequent revisions of DPRs during execution. Out of 681 DPRs of completed and ongoing road works in five test-checked districts, in 224<sup>86</sup> (33 *per cent*) cases DPRs had to be revised. Such revisions included increase in the volume of earth work, change in quantity of protection work, cross drainage, changing of road design, non-execution of side drain, etc. This indicated that DPRs were prepared without due diligence.

In reply, the Department stated (October 2015) that sometimes during execution the alignment of road had to be modified on demand of the local people and/ or as per resolution of the Zilla Parishad, but the connectivity of all proposed habitations remained unchanged.

The reply is unacceptable. It was pointed out earlier that transect walks were not conducted for all non-ADB projects before preparation of DPRs. Transect walk is the stage when the demands of local people are taken into account. Moreover, the nature of changes did not represent any change in road alignment on public demand as mentioned in the reply; rather the changes comprised increasing or decreasing protection work, earth work, cross-drainage work, etc., which only reflected the deficiencies in the DPRs. The fact that these constituted as much as 33 *per cent* of the test-checked cases is indeed a matter of concern and reflects the lack of due diligence in the preparation of DPRs.

<sup>86</sup> Purba Medinipur: 17 out of 78, North 24 Parganas: 10 out of 91, Malda :27 out of 124, Hooghly: 58 out 113 and Uttar Dinajpur: 112 out of 275

**(iii) Change in thickness of road:** In respect of nine packages in North 24 Parganas, Purba Medinipur and Uttar Dinajpur, the California Bearing Ratio<sup>87</sup> (CBR) test report of earth indicated in DPR did not match with the test results during execution. Consequently, in five cases, thickness of the roads had to be changed during execution from what had been indicated in DPRs. In North 24 Parganas, in three packages, the thickness was reduced from 325 to 225 mm while in Purba Medinipur, it had to be increased from 325 to 375 mm. However, in four packages in Uttar Dinajpur, no change in thickness was made, even though it was required to be increased from 275 to 325 mm as per norms in IRC-SP-72 resulting in roads being constructed below standards. In these five cases, it was seen that the approval of changes was not obtained from STA.

Joint physical inspection of one of these roads connecting Haripur to Noapara in North 24 Parganas (WB01/96 package) revealed that the surface of the road between 6 and 7 km from Haripur had caved in, indicating the substandard quality of construction of the road.

The Department, in its reply (October 2015), stated that CBR was tested for borrow pit<sup>88</sup> earth and during execution, earth of different CBR values carried from other place might have been used. As regards, the defects in package WB01/96, the Department, while admitting the fact, stated that the defects were attended to by the agency within the scheduled time. However, no such defect rectification work was found to have been carried out by Audit during test-check.

**(iv) Unauthorised change of layer material:** DPRs in respect of nine road packages in Uttar Dinajpur vetted by STA and approved by NRRDA were changed by WBSRDA without taking approval from STA. The reasons for such changes were, however, not on record.

**(v) Road design prepared on erroneous/ unauthenticated data:** In Uttar Dinajpur, out of 106 packages executed during 2010-15, in respect of 53 packages, STA had noted defects in DPR like incorrect CBR, adoption of erroneous/ un-authenticated data of traffic census, soil report, etc. and recommended rectifications thereof. However, it was observed in Audit that the works had been executed without rectification of those defects as advised by the STA.

### ***2.3.7.6 Economy aspects being overlooked in DPR***

Audit found that there was scope for bringing in more economy in implementation by considering economic lead, ensuring uniformity in composition of GSB layers, adhering to standard compaction ratio, etc. as discussed below:

**(i) Economical lead for stone metal not considered:** The lead for stone metal for Water Bound Macadam (WBM) should be taken from the quarry or the railway stack yard whichever is nearer. In four test-checked districts (Hooghly, Malda, Purba Medinipur and Uttar Dinajpur), out of 14 consultants who prepared the DPR for 163 packages, nine did not follow economical lead

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<sup>87</sup> For the pavement design of new roads, the subgrade strength needs to be evaluated in terms of CBR.

<sup>88</sup> Pit created by lifting of earth for executing earth work at sub base.

in respect of 50 packages resulting in excess expenditure coupled with extension of undue advantage of ₹ 5.54 crore to the agency.

Department replied (October 2015) that many of the Railway stack yards shown in official records were not actually available for carriage of stone metals. The reply of the Department was not tenable as Audit had considered the Railway Stack Yard for the districts in question (Dankuni, Malda and Kharagpur) which were available for carriage of stone metal; in two districts (Hooghly and Malda) lead was actually taken from the railway stack yards for some works.

(ii) **Variance in GSB Grading-III resulting in extra expenditure:** It was seen that Schedule of Rates (SOR) of WBSRDA had stipulated proportional composition of stone metal and sand to be used in GSB-III. Analysis of DPRs prepared by four consultants in Malda during 2012-13 indicated that different proportions of stone metal and sand (*Appendix 2.3.1*) had been adopted for GSB-III layer resulting in variation in average rate ranging between ₹ 1180.57 and ₹ 1728.28 per cum. as shown in **Table 2.3.8** below.

**Table 2.3.8: Variance in composition of GSB-III layer: DPR vis-à-vis actual**

Consultant	Proportion of material provided in the DPR (percentage)		Average rate per cum arrived at by the consultant (₹ per cum)	Proportion of material given by the contractors during execution (percentage)	
	Stone metal	Sand		Stone metal	Sand
Consultant 1 (CS Consultant)	63	37	1414.19	59-48	41-52
Consultant 2 (Rotary)	70	30	1728.28	57-46	43-54
Consultant 3 (Nirman)	65	35	1243.54	58-42	42-58
Consultant 4 (BPC India)	58	42	1180.57	63-60	37-40

Source: Records of PIU, Malda

It was noticed that the composition adopted by Consultant 4 was the cheapest while it conformed to the SOR. Quality control reports also indicated that the cheapest composition conformed to the quality as desired under the Rural Road Manual. Thus, adoption of higher and costlier composition by the remaining three consultants apparently lacked justification. This had resulted not only in excess cost of ₹ 4.96 crore but also in undue financial advantage to the contractors.

While making no comments on core issue of uneconomic composition adopted in the DPRs, the Department stated (October 2015) that the rate analysis was vetted by STA and subsequently approved by NRRDA. The reply was not acceptable as the STA had certified only the technical aspect of the design and estimation at the time of vetting. It was the responsibility of the State Level Agency to ensure economy in execution without compromising on quality.

(iii) **Allowance of excess loose volume of stone metal in WBM:** As per NRRDA stipulations, for 360 cum. of compacted thickness, 435.60 cum. of loose stone metal was required (*i.e.* compaction ratio of 1:1.21). PWD Schedule, 2014-15 also stipulated the same. However, in five test-checked districts, PIUs had allowed compaction ratio of 1:1.32 indicating excess allowance of loose stone metal. This had resulted in excess expenditure of ₹ 21.15 crore. This may be viewed with the fact that till 2008-09, these PIUs had allowed compaction ratio of 1:1.21.



While admitting the fact, the Department stated that compaction factor should depend on the hardness of stone metal which in turn depends on their source. It was added that based on hardness of the stone metal, they had provided for 1.32 cum loose stone metal for one cum of compacted stone metal.

The reply was not acceptable as the decision of the Department to adopt compaction ratio of 1:1.32 was apparently arbitrary as the hardness of stone metal had not been analysed source-wise for arriving at the required compaction ratio. Moreover, the Standard Data Book of NRRDA allowed compaction factor of 1:1.21 only, which was followed by WBSRDA for all the packages executed till 2008-09 without raising any quality issue.

**(iv) Undue benefit to contractor by inflating the royalty charges in DPR:** While preparing DPR, the rate of earth work included the royalty charges (including cess) at the rate of ₹ 19.47 per cubic meter instead of the prevailing government rate of ₹ 17.30 per cubic meter. The royalty is to be recovered from the contractors' bills. Due to adoption of higher rate of royalty charges, contractors were thus allowed an extra ₹ 2.17 (*i.e.* ₹ 19.47 minus ₹ 17.30) per cum of earth work. In four<sup>89</sup> test-checked districts, contractors were thus extended undue financial benefit of ₹ 1.83 crore towards lesser recovery of royalty charges.

Department did not give a specific reply to this issue. In the Exit Conference (December 2015), it was stated that the difference in royalty charges were due to providing contractor's profit on royalty charges.

The contention of the Department was not correct as it was a wrong practice to provide such profit.

**(v) Undue benefit to contractor by payment of GSB at higher rates:** It was noticed from the final bill and BOQ of a package in Polba-Dadpur block, Hooghly, that rate of GSB -III provided in the BOQ was ₹ 2836.99 per cubic meter whereas in case of other packages executed in the same block, the rate of GSB-III was paid at the rate of ₹ 1428.79 for each cubic meter. Such higher allowance of rates of GSB resulted in undue benefit of ₹ 20.34 lakh to the contractors.

In reply, the Department stated that the analysis of rate was vetted by STA and approved by NRRDA. The reply, however, did not address the reasons for marked difference in rates in the same block.

The provision of connectivity to ineligible habitations and deficiencies in DPRs led to an avoidable expenditure of ₹ 61.04 crore which could have otherwise been utilised for constructing 107<sup>90</sup> km roads.

### **2.3.7.7 Maintenance of constructed roads**

All PMGSY roads are to be covered by five-year maintenance contracts, to be entered into along with the construction contract, with the same contractor. On expiry of five-year post-construction maintenance, this would be placed under Zonal Maintenance Contracts consisting of five-year maintenance including renewal as per cycle. The State Government is to make the necessary budget

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<sup>89</sup> In Uttar Dinajpur, ₹19.47 per cum was deducted

<sup>90</sup>The average cost of construction of one kilometre of road in test-checked districts came to ₹ 56.72 lakh

provisions and place the funds at the disposal of the SRRDA in the Maintenance Fund Account. Till Zilla Parishads take over maintenance functions, the PIUs are responsible for administration of post-construction and zonal maintenance contracts on PMGSY roads.

Audit noticed the following as regards maintenance:

(i) **Inadequate efforts on maintenance work:** Though the maintenance of roads was built into the system, PIUs did not take adequate efforts to carry it out. In five test-checked districts, Audit found that no maintenance was done for periods ranging from one to five years in respect of 157 packages as shown in Table 2.3.9.

**Table 2.3.9: Post-construction maintenance of roads in five test-checked districts**

Number of packages due for maintenance	Maintenance not done for five years	Maintenance not done for four years	Maintenance not done for three years	Maintenance not done for two years	Maintenance not done for one year
103 packages due for five years' maintenance	30	16	14	41	02
12 packages due for four years' maintenance	-	10	02	nil	Nil
42 packages due for three years' maintenance	-	-	25	17	Nil
<b>Total 157 packages</b>	<b>30</b>	<b>26</b>	<b>41</b>	<b>58</b>	<b>02</b>

Source: Data furnished by test-checked PIUs

Audit found that the maintenance expenditure incurred by the PIUs during the period from 2010-15 ranged only between 11 and 18 *per cent* of the funds required to be spent during that period as shown in Table 2.3.10.

**Table 2.3.10: Comparison between maintenance expenditure required and actually incurred by PIUs (₹ in crore)**

Year	Maintenance fund required to be spent as per maintenance contract	Expenditure	
		Amount	Per cent
2010-11	24.23	2.69	11
2011-12	46.46	8.44	18
2012-13	167.17	23.80	14
2013-14	227.87	30.57	13
2014-15	192.40	28.93	15
<b>Total</b>	<b>658.13</b>	<b>94.43</b>	<b>14</b>

Source: Data furnished by WBSRDA

The Department in its reply (October 2015) stated that PIUs had been instructed to take up maintenance work in full swing. During Exit Conference (December 2015), however, the Department accepted that adequate funds could not be released for maintenance. It also added that maintenance was now being undertaken.

(ii) **Absence of system to watch the validity of bank guarantee:** In order to ensure quality of the work, a performance security in the form of bank guarantee is to be furnished by the contractor until expiry of Defect Liability Period (DLP) which is for five years post construction. Audit found that there was no system to watch the validity of bank guarantee all through the DLP period. In 78 cases in North 24 Parganas, bank guarantee had expired during DLP.

During Exit Conference (December 2015), the Department appreciated the Audit for pointing this out.

**(iii) Post five years maintenance:** In this case also, State Government did not provide adequate funds. Funds were not provided at all during 2010-12 while only 50 per cent of the funds were provided in 2012-13. Spending of the available funds was also very meager (six per cent and below) during 2012-15 (Table 2.3.11) indicating that almost no maintenance was done.

**Table 2.3.11: Funds for post-five years maintenance** (₹ in crore)

Year	Total Post Five year Maintenance fund required to be credited per annum	Funds actually credited by the State (percentage w.r.t requirement)	Total expenditure on maintenance of road (percentage w.r.t. available funds)
2010-11	Not assessed by PIUs/ WBSRDA	Nil	Nil
2011-12		Nil	Nil
2012-13	135.48	67.72(50)	0(0)
2013-14	160.34	145.51(91)	8.19(6)
2014-15	154.15	157.77(102)	4.33(3)
<b>Total</b>	<b>449.97</b>	<b>371.00(82)</b>	<b>12.52(3)</b>

Source: Data furnished by WBSRDA

Audit noted that the following stipulations were not followed as to maintenance:

- Pavement Condition Index (PCI) survey of core network at the frequency of once in two years immediately after rainy season was not done though required for maintenance planning. PCI register was not maintained in any of the four test-checked districts. In three test-checked districts, either PCI was not conducted (Malda and North 24 Parganas) or work orders for maintenance were issued before conducting PCI (Hooghly). Accordingly, roads were not prioritised for maintenance as required by the guidelines.
- Audit physically inspected 15 roads and found that edges were broken in eight packages while there were potholes in five; surface was damaged in ten packages and road had caved in three packages. Thus, maintenance aspect remained neglected.

### **2.3.7.8 Observations made during joint physical inspection:**

Audit physically inspected 15 roads (three in each of the five districts) jointly with the PIU officials and found the following:

- In 12, maintenance work of road furniture (logo board, citizens' information board, mile stone, etc.) was not being done.
- In two, traffic safety measures (cautionary, mandatory and informatory signboards, etc.)/ signage was absent and in six packages maintenance of signboards was not being done.
- Protection work was damaged in four packages.
- In 14, roadside tree plantation was not done.
- In three packages, all borrow pits<sup>91</sup> were dug closely to the embankment instead of at a distance, thereby compromising the strength of the embankment.

Thus, adequate attention was not being given to the maintenance of roads.

<sup>91</sup> Borrow pit is the pit created by lifting of earth for construction of embankment. The borrow pit should not be adjacent to the road, as in that case it would make the embankment of the road weak.

### 2.3.7.9 Convergence with other programmes

The Zilla Parishad was to focus on convergence of PMGSY with other ongoing Programmes. It was noticed that such efforts were taken only in 2014-15 to plant roadside trees under MGNREGA programme. Out of the five test-checked districts, roadside tree plantation was taken up in respect of 139 road packages in three: North 24 Parganas (92), Hooghly (14) and Purba Medinipur (33) - while in the remaining two districts (Malda and Uttar Dinajpur), initiatives for convergence had not been taken. It was, however, found that the trees planted were not fruit bearing as required by the guidelines.

In its reply, the Department stated (October 2015) that the matter had been “noted for future guidance”. During Exit Conference (December 2015), the Principal Secretary stated that planting activities under MGNREGA had since been made obligatory for roads constructed under the PMGSY programme.

### 2.3.8 Quality control & Monitoring

A three-tier quality control mechanism is envisaged under the Scheme. First tier is in-house quality control at the PIU level for ensuring control over process and workmanship through mandatory tests on materials at field laboratories. Second tier is devised as an independent quality monitoring at State level through State Quality Monitors (SQMs) wherein each work is to be inspected at least once during three stages of construction *i.e.*, at earth work stage, base course stage and bituminous stage of construction. The works are to be inspected after completion also. The third tier of quality control is in the form of independent National Quality Monitors (NQMs), deployed by NRRDA for inspection of road works at random. Recurrent adverse reports about quality of roadworks in a given district/ State might entail suspension of the Programme in that area till the underlying causes of defective work are addressed. Audit noticed the following:

#### 2.3.8.1 First Tier Monitoring (PIU level)

(i) **Test prescribed for maintaining quality during construction:** In order to maintain quality and standard of PMGSY roads, different tests are to be conducted at the field laboratories under supervision of departmental officials during various stages of construction. The results of the test are to be duly recorded in quality control registers with signature of supervising officials. Scrutiny of 151 Quality Control Registers (QCR) of 123 packages in five test-checked districts revealed that several mandatory tests were not conducted as indicated in **Table 2.3.12**.

**Table 2.3.12: Mandatory tests not conducted**

Type of work	Description of test	No. of QCRS in which test not done (percentage of total)
Earth Compaction	Three tests/ day for moisture content	33(22)
Granular Sub Base	Regular test of thickness of layer	23 (15)
	Three tests/ day of density of compacted layer	27 (18)
Water Bound Macadam	Aggregate impact value - One test/ source	13 (9)
	Gradation - Two tests/ day	10 (7)
	Flakiness index - Two tests/ day	21(14)
	Water absorption - One test/ day	48 (32)
	Thickness	64 (42)

Type of work	Description of test	No. of QCRS in which test not done (percentage of total)
Bitumen work	Two test/ day for binder content	72 (48)
	Regular test for thickness of layer	69 (46)
	Temperature of binder	67 (44)

Source: Information collected from test-checked PIUs.

(ii) **Ill-equipped district laboratory:** Out of five test-checked districts, district laboratory in North 24 Parganas was non-functional since 2011 due to shortage of manpower. In three districts (Hooghly, Malda and Purba Medinipur), it was noticed that out of 21 items of equipment required in each laboratory, four to five items were not available while one to four were non-functional. Thus, the district laboratories were not sufficiently equipped to ensure quality.

In Hooghly district, it was further seen that the documentation in respect of testing was not adequate as there was neither any mention of the referring officials nor any mention of date of test. Besides, the laboratory register was not authenticated by any responsible officer.

The Department replied (October 2015) that necessary laboratory equipment would be procured within 2015 and instructions were being given to ensure conducting of the prescribed tests.

#### **2.3.8.2 Second Tier Monitoring (State Quality Monitor)**

Against the norm of three visits by SQM in respect of completed packages, there was substantial shortfall in the number of visits. Out of 468 completed packages, shortfall in monitoring was noticed in 320 (68 per cent) out of which 22 were not monitored at all as indicated in the **Table 2.3.13**.

**Table 2.3.13: Shortfall in visits by SQM during 2010-15**

District	Completed roads during 2010-15	Visited thrice or more	Visited twice	Visited once	Not visited at all
North 24 Parganas	142	22	24	80	16
Hooghly	74	28	21	23	02
Malda	29	11	14	03	01
Purba Medinipur	52	35	15	02	Nil
Uttar Dinajpur	171	30	87	51	03
<b>Total</b>	<b>468</b>	<b>126</b>	<b>161</b>	<b>159</b>	<b>22</b>

Source: Data collected from PIUs.

In reply, Department stated (October 2015) that steps would be taken to conduct SQM inspection thrice for each package.

#### **2.3.8.3 Third Tier Monitoring (National Quality Monitor)**

**Unsatisfactory report by NQM:** In the State, out of 985 roads inspected by NQM, 424 (43 per cent) were rated as unsatisfactory (**Table 2.3.14**) which indicated that the first tier and second tier quality monitors were not functioning effectively. Further, out of these 424 roads, 63 works were rated unsatisfactory after re-inspection which indicated that the quality control aspect did not receive the requisite attention. No follow up action was taken to correct these deficiencies.

Table 2.3.14: Inspections by NQM during 2010-15

State/ District	Number of works inspected by NQM during 2010-15	Number of works rated unsatisfactory	Number of works re-inspected by SQM/ NQM after submission of ATR	Number of works rated unsatisfactory after re-inspection
State as a whole	985	424	357	63
North 24 Parganas	62	11	Nil	Nil
Hooghly	24	11	11	Nil
Malda	47	05	04	03
Purba Medinipur	57	09	09	Nil
Uttar Dinajpur	68	30	27	Nil

Source: Data collected from WBSRDA and test-checked PIUs

Audit also noted that WBSRDA had to refund ₹ 4.52 crore to NRRDA in April 2011 owing to inferior quality of work noticed in inspection (2009) of three packages in Hooghly and Birbhum districts. In these cases, NQM had reported deficiency in grading of WBM *vis-à-vis* Rural Road Manual norms.

Thus, though the scheme had put in place a strict oversight regime for ensuring quality, the same was not functioning effectively in the initial two tiers<sup>92</sup>.

The Department accepted the facts in its reply (October 2015).

#### 2.3.8.4 Vigilance & Monitoring Committees

The Vigilance & Monitoring Committees (V&MC) are constituted at State as well as district levels to function as important instruments for exercising effective monitoring of implementation of the programmes of MoRD. It was seen that this Committee has been constituted at State level and it was meeting quarterly as required. However, out of five districts, V&MCs have not been formed in three (Malda, Purba Medinipur and Uttar Dinajpur) and in one district (North 24 Parganas), where it had been formed, it met only eight times against the norm of 20 (during 2010-15). In Hooghly, records of meetings were not available.

The Department in its reply, stated (October 2015) that concerned District Magistrate would be advised to form V&MC. As for minutes of V&MC, Department replied that discussion was held as per queries of the members. Further, during Exit Conference (December 2015), Principal Secretary stated that Vigilance & Monitoring Committees had been constituted in every district and that they were working properly. However, no documentary evidence was provided to Audit in this regard.

#### 2.3.9 Conclusions

The implementation of Pradhan Mantri Gram Sadak Yojana, the flagship programme for achieving rural connectivity, could be strengthened in areas like planning, execution, quality control and oversight functions. There was deficiency in Core Network as several unconnected habitations were omitted from it, while some connected habitations found place in it leading to multi-connectivity.

<sup>92</sup> Only the first two tiers of checking are under the Control of the WBSRDA, while NQM is a mechanism under NRRDA.

The programme which progressed slowly in the first three years under review (2010-13) gathered pace towards the later years (2013-15). However, more attention needs to be given for timely completion of roads as the execution of many roads continued beyond the stipulated time of 12 months, thereby delaying the planned connectivity to targeted habitations. DPRs were prepared without conducting transect walks (other than ADB funded packages) meant for finalising road alignments and resolving related land issues. Consequently, several road packages got delayed or had to be abandoned. There were also instances of frequent revisions of DPRs indicating that their preparation needed more diligence.

There was opportunity to exercise more economy in execution by adopting economic lead for carriage of material, adoption of standard compaction ratio, use of uniform compositions for various layers, etc.

Maintenance of constructed roads did not get adequate attention and maintenance beyond the initial five years was also neglected leaving many roads in poor condition.

As regards quality control, there were instances where the first and the second tier quality control mechanisms failed to ensure that the roads passed the standards set by the National Quality Monitor. There were shortfalls in conducting all the mandatory tests. Laboratories were equipped inadequately. There is scope to strengthen quality control by the State Quality Monitor by conducting mandatory numbers of inspections.

Thus, there was much scope for improvement in the areas of planning, execution, quality control and monitoring.

#### **2.3.10 Recommendations**

- 1. Transect walks should be undertaken to identify and resolve land disputes for ensuring timely execution of roads.*
- 2. Maintenance needs to be given adequate attention by ensuring regular holding of joint inspections of roads with contractors.*
- 3. The first and second tier quality control should be made more rigorous by ensuring that the mandatory tests are conducted and the deficiencies reported are rectified.*

## FOOD & SUPPLIES DEPARTMENT

### 2.4 Working of West Bengal State Warehousing Corporation

#### Executive Summary

West Bengal State Warehousing Corporation (Corporation) aims at providing scientific storage facilities and allied services to farmers to save them from distress sale of their produce and facilitating bank credit against the warehouse receipt of the stored produce. The Corporation, jointly owned by the Government of West Bengal (GoWB) and Central Warehousing Corporation (CWC) on 50:50 basis, is under the administrative control of the Food & Supplies (F&S) Department. With 29 warehousing centres having a total area of 12.96 lakh sq. ft. and 3.84 lakh sq. ft. of open space, the present activities of the Corporation comprise storage of foodgrains, fertilisers, relief materials and other tradable goods as well as custom bonded goods. It has also been assigned with 43 Rural Infrastructure Development Fund godowns for management on leasehold basis.

The Performance Audit of the Corporation, conducted between April and July 2015 covering the period from 2010-15, threw light on various planning and management deficiencies affecting not only profitability but also fulfilment of the basic mandate of the Corporation.

- The Corporation did not have any system of long or short-term planning for constructing new godowns though there were high demand. It did not avail of the benefits of several Central schemes meant for assisting the Warehousing Corporations to construct more godowns. Though there was a business optimisation plan to augment the Corporation's business, it was not implemented.
- The Corporation's capacity utilisation remained below its own benchmark.
- Deficient maintenance had made many of the Corporation's godowns unusable. They were lacking in scientific storage facilities including grading facilities, weighing machines, etc. As the godowns did not meet the standards of Warehousing Development & Regulatory Authority (WDRA), they could not be registered and as a result, warehouse receipts could not be used by farmers for availing pledge finance.
- Further, the Corporation did not give adequate priority to storing of agricultural produce of farmers, as space utilised for storing foodgrains was meagre. Neither did the Corporation have any concessional tariff for farmers though recommended by the Planning Commission. Moreover, with urban bias in location, the Corporation's godowns have limited scope in storing farmers' produce.
- The manpower of the Corporation was not in consonance with the norms of WDRA calling for rationalisation of deployment. Especially, shortage at the level of centre-in-charge was a matter of concern, as it can potentially affect performance of the centres.
- The Corporation's initiative and pursuance in realising outstanding storage charges was also lackadaisical.

#### 2.4.1 Introduction

West Bengal State Warehousing Corporation (Corporation) was established in 1958<sup>93</sup> with the objectives of providing scientific storage facilities and allied

<sup>93</sup> Under Agricultural Produce (Development and Warehousing) Corporation Act 1956



services to farmers to save them from distress sale of their produce and facilitating bank credit against the warehouse receipt of the stored produce. This Act was replaced by the Warehousing Corporation Act, 1962 (WC Act). Under this new Act, major activities of the Corporation were (i) to construct/ acquire/ operate warehouses within the State to facilitate storage and transportation of agricultural produce, seeds, manures, fertilisers, agricultural implements and notified commodities, (ii) to facilitate transport of these goods and (iii) to act as an agent of the Central Warehousing Corporation (CWC) or the Government for purchase, sale, storage and distribution of these or other commodities. Further, Parliament passed the Warehousing (Development & Regulation) Act, 2007 (WDR Act) *inter alia* with the objective of making provision for the development and regulation of warehouses, negotiable<sup>94</sup> warehouse receipts, etc. Administrative control of the Corporation, jointly owned by the Government of West Bengal (GoWB) and CWC on 50:50 basis, was transferred from the Public Enterprises Department to the Food & Supplies (F&S) Department in February 2014.

Present activities of the Corporation comprise storage of agricultural produce (mainly foodgrains, as there is no cold storage facility available with the Corporation), fertilisers, relief materials and other tradable goods and custom bonded goods. The Corporation offers three types of arrangements for its warehousing services *viz.* Actual Occupancy<sup>95</sup> (AO), Guaranteed Occupancy<sup>96</sup> (GO) and Self Operation<sup>97</sup> (SO). As of March 2015, the Corporation had 29 warehousing centres<sup>98</sup> having a total area of 12.96 lakh sq. ft. with a total capacity of 2.16 lakh tonnes<sup>99</sup>. Besides, it had 3.84 lakh sq. ft. of open space in Haldia. Total revenue from services earned during 2010-14 was ₹ 34.44 crore. As of October 2015, total capacity stood at 4.31 lakh MT due to assignment of 43 Rural Infrastructure Development Fund (RIDF) godowns<sup>100</sup> of 5000 MT each by F&S Department for management on leasehold basis.

#### **2.4.2 Organisational structure**

The Corporation's Board of Directors consist of ten members (as of November 2015) of which five are nominated by CWC and the rest by the State Government including the Chairman and the Managing Director. The Managing Director is assisted at the headquarters level by Secretary, Assistant Secretary, Storage Officer, Construction Engineer, Commercial Manager, Account Officers and Audit Officer, while the field activities of the Corporation are managed by Zonal Officers assisted by Warehouse

<sup>94</sup> *The Negotiable Warehouse Receipts (NWRs) issued by the warehouses registered under this Act would help farmers to seek loans from banks against NWRs to avoid distress sale of agricultural produce.*

<sup>95</sup> *In this system, warehouse receipts are issued to the depositor against the stock and delivery of stock are made upon realisation of warehousing charges.*

<sup>96</sup> *In this system, agreement is made with the depositor for reservation for space against which depositor guarantees rent for the period stipulated in the agreement.*

<sup>97</sup> *In this system, depositors transact the stock themselves at their own risk and responsibility and the Corporation neither maintains any inventory nor bears the cost of security, insurance and repair and maintenance. In this, a joint locking system is followed.*

<sup>98</sup> *Warehousing Centre is a cluster of godowns at a single location.*

<sup>99</sup> *17 no. of own centres of 1.37 lakh MT and 12 no. of hired centres of 0.79 lakh MT*

<sup>100</sup> *A godown built under Rural Infrastructure Development Fund from NABARD.*

Superintendents. There is also an additional manager on contractual service for management and supervision of RIDF godowns.

### 2.4.3 Audit objectives

The audit objectives were to ascertain whether:

- The Corporation had assessed the overall requirement of storage facilities for the State and took steps to bridge the gap by creating additional capacity through construction or hiring of godowns economically;
- The Corporation has put its warehouses to optimum use by making them available to farmers at reasonable tariff rates while creating awareness among them;
- The warehouses were managed efficiently by providing safe and scientific storage of commodities, with adequate manpower and proper financial management and
- Adequate monitoring and internal control systems were in place.

### 2.4.4 Audit criteria

Audit comments were framed against the criteria available in the following:

- Warehousing Corporation Act 1962, West Bengal Warehousing Corporation Act 1963 and Warehousing (Development & Regulation) Act 2007;
- Warehouse Manual of Warehousing Development & Regulatory Authority;
- Recommendations of working group of Planning Commission on warehousing development and regulation;
- Schemes and directions of the Government of India;
- Agenda and minutes of the meeting of Board of Directors of the Corporation and
- Business Optimisation Plan 2008.

Besides above, reference has also been made to good practices followed by the Central Warehousing Corporation and other State Warehousing Corporations.

### 2.4.5 Scope, coverage and methodology

The Performance Audit was conducted between April and July 2015 through test-check of records at the Head office of the Corporation and 12 Warehouse Centres<sup>101</sup> covering 94 godowns (out of 185) selected through stratified sampling. Audit covered the period from 2010-11 to 2014-15 and also conducted joint physical inspection (JPI) of all sampled godowns.

Audit objectives, criteria, scope and methodology were explained to the Corporation and the Food & Supplies Department in an Entry Conference (April 2015) attended by the Secretary, F&S Department, Managing Director WBSWC (MD) along with other officials. In the Exit Conference (January 2016), audit findings were presented to the Secretary of the F & S Department and MD and their responses have been incorporated in the Report appropriately.

<sup>101</sup> Alipurduar, Bankura, Hide Road, Jessore Road, Kaliaganj, Krishnanagar, Memari-I, Naskarpara, Raiganj, Siliguri, Tarakeshwar and Taratala-I.

#### **2.4.6 Financial position and working results**

As per the WC Act, audited annual accounts were to be placed before the Annual General Meeting (AGM) of the Corporation within six months of the closure of the financial year. However, the accounts of the Corporation for 2013-14 were still in arrears as of June 2015. The financial position and working results during the years 2010-11 to 2013-14 are shown in *Appendix 2.4.1*. The Corporation has a total paid up capital of ₹ 7.61 crore and earned total income of ₹ 40.77 crore during 2010-14, with warehousing charges (₹ 34.44 crore) accounting for 84 per cent of its revenue. Total expenditure of the Corporation stood at ₹ 26.73 crore during this period. Return on investment varied between 13 and 19 per cent during last four years. It was noticed that the Corporation has been operating in a very low scale with high operating cost.

Scrutiny of accounts for the period 2010-14 revealed that the debtors increased from ₹ 9.66 crore as of March 2011 to ₹ 12.58 crore as of March 2014. Out of the outstanding debtors of ₹ 12.58 crore, there has been no transaction for more than five years in respect of debtors worth ₹ 6.70 crore indicating the possibility of their turning bad. Of this, outstanding receivable amount of ₹ 2.24 crore was not supported by legally enforceable documents.

#### **Audit findings**

#### **2.4.7 Demand vis-à-vis capacity augmentation of godowns**

##### ***2.4.7.1 Absence of initiative to augment storage capacity despite demand***

To provide reliable, cost effective, warehousing/ logistic facilities to the farmers, Government agencies and other stakeholders and to increase its turnover/ profitability on a sustainable basis, it was imperative for the Corporation to assess the sector wise requirement of storage capacity in the State and to prepare a long term strategic plan. These plans would indicate how the Corporation intended to bridge the gap by creating additional capacity through construction or hiring of godowns or up-gradation of its existing facilities. The Corporation, however, did not have any system of assessing the long term requirement for overall storage capacity in the State with reference to statistics and future projections. It did not have year-wise targets for capacity augmentation.

This assumes significance given the fact that there is an unmet requirement<sup>102</sup> of storage capacity for foodgrains at the farm level. However, consequent upon de-hiring of three hired godowns by the Corporation, the total storage capacity of the corporation has come down from 2.60 lakh tonnes in 1996-97 to 2.16 lakh tonnes in 2014-15. Moreover, food grain production in the State had registered an annual increase of five per cent during 2010-11 to 2013-14 on an average. Thus, despite an urgent necessity to augment its capacity, the

<sup>102</sup>Annual production of rice alone in West Bengal stood at 153 lakh tonnes (as of 2013-14) and as estimated by the Planning Commission, on an average 65 per cent of foodgrains produced are stored at the farm level. In comparison, available storing capacity of food grains in the State stood at 15.3 lakh tonnes as of October 2013 including that of FCI.

Corporation did not take any initiative in this direction. Though there were proposals (March 2011 and March 2013) to construct/ acquire godowns at Purba Sinthi, Jadavpur and Sankrail, no further action was taken (July 2015).

As a result, the scale of operation of WBSWC remained lower compared to similar SWCs in other States as of 2012-13 as shown in **Table 2.4.1**.

**Table 2.4.1: Comparison of scale of operation and turnover**

State warehousing corporations	No. of warehousing centres	Total capacity in lakh MT	Percentage of capacity utilisation	Turnover (₹ in crore)
WBSWC	29	2.16	63	10.75
Andhra Pradesh (undivided)	159	26.35	101	192.41
Maharashtra	170	13.28	79	193.97

Source: Annual Accounts of respective SWCs/ records of WBSWC

The Corporation, in its reply, attributed (October 2015) the failure to augment its capacity to financial losses during 2002-08 and lack of technical hands and skilled personnel in key positions. It added that after the Corporation was brought under the administrative control of F&S Department in February 2014, it has taken over 43 RIDF<sup>103</sup> godowns for storage of food grains. It further stated that no suitable godowns space have been found at Purba Sinthi and Jadavpur areas while in Sankrail, though it had approached the National Jute Manufacturing Corporation for allotment of godown space, no response had been received.

However, the Warehousing Corporation Act 1962 had empowered the Corporation to recruit staff as per its needs. Moreover, in spite of growing demand for warehouses, the Corporation had neither prepared any business development plan nor took the advantage of Central Schemes like Grameen Bhandaran Yojana (GBY) or Private Entrepreneur Guarantee Scheme (PEG) for augmenting its capacity. Its lack of initiative is further elaborated in the subsequent paragraphs.

After highlighting this fact of reduction of storage capacity, the Department during Exit Conference (January 2016) informed that subsequent to audit, 48 godowns with 2.40 lakh MT capacity constructed under RIDF by the State Government had been handed over to SWC and more such additions were in pipeline.

#### **2.4.7.2 Business optimisation plan not implemented**

To ensure the viability of the Corporation, GoWB decided (September 2007) to restructure the Corporation and appointed a Consultant<sup>104</sup> for developing a restructuring plan. The Consultant submitted (December 2008) a Restructuring and Business Optimisation Plan (BOP) for the Corporation to be implemented in three years' time. However, even after six years, the Corporation did not take concrete steps to implement its recommendations. Out of 21 recommendations to be implemented in three years, which included significant ones like shifting from bonded warehousing to general warehousing, taking up major repair and renovation works, tariff restructuring, manpower augmentation, etc., only one recommendation, viz. tariff restructuring was

<sup>103</sup> Rural Infrastructure Development Fund

<sup>104</sup> M/s Deloitte & Touche Consulting India Private Ltd.

implemented (December 2009). The Corporation failed to enhance its scale of operation and increase profitability in keeping with the changing needs.

Agreeing with the audit observations, the Corporation stated (November 2015) that since the essence of proposed restructuring was in the line of a purely commercial private business house, WBSWC sought views of Government several times in this regard up to December 2013. Government's decision was still waited.

The reply of the management is not tenable as the Government had appointed the consultant only to make the Corporation commercially viable on sustainable basis. But the Corporation neither acted upon the recommendations of the consultant, nor did it take any initiative to simulate the success models of SWCs of other States like Andhra Pradesh.

#### ***2.4.7.3 Benefit under Government schemes not availed***

To meet the storage needs for foodgrains, the GoI had initiated various programmes for augmentation of storage capacity under programmes/ schemes like Grameen Bhandaran Yojana (GBY), Private Entrepreneur Guarantee (PEG) Scheme, etc. The Corporation did not adequately leverage these schemes to enhance its capacity as detailed below:

***2.4.7.3.1 Grameen Bhandaran Yojana (GBY):*** GBY was introduced in 2001-02 with the main objectives of creation of scientific storage capacity with allied facilities in rural areas to meet the requirements of small and marginal farmers for storing farm produce and to prevent distress sale by providing the facility of pledge financing and marketing credit. Under the scheme, the promoters (individuals, SWCs, Co-operative Societies, etc.) were eligible for capital subsidy of 25 per cent of cost of the project. 50 per cent was to be provided by Financial Institutions as loan and 25 per cent to be contributed by the promoter. The Corporation did not take any initiative to expand its village level warehousing facilities by availing itself of the benefit of the scheme. As a result, all 2480 godowns with capacity of 13.95 lakh MT sanctioned by NABARD in West Bengal as of March 2015 belonged mainly to private individuals, while not a single godown was sanctioned to the Corporation. Despite the existence of huge gaps between demand and supply of agricultural storage space in the State, the major part of storage space created is thus reserved for captive use by private promoters only<sup>105</sup>, which in no way benefits the small and marginal farmers who are in no position to get access to storage facilities and consequent bank credit.

***2.4.7.3.2 Private Entrepreneurs Guarantee Scheme:*** Private Entrepreneurs Guarantee (PEG) Scheme aims to augment the covered storage capacity through private entrepreneurs, CWC and SWCs. SWCs can either construct the godown themselves or get the godowns constructed by private parties. FCI guarantees to hire godowns constructed under this scheme for a period of 9-10 years<sup>106</sup> thereby ensuring a fair return on investment.

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<sup>105</sup> *Impact evaluation of the Rural Godowns Scheme conducted (November 2011) by the Ministry showed 70 per cent of the storage space was reserved for captive uses while only 30 per cent of the warehouse capacity was available for rent.*

<sup>106</sup> *Nine years in case of CWC/ SWC and 10 years in case of private agencies*

Though the scheme was in operation since 2008, the Corporation did not take any initiative to participate in the scheme and construct godowns, even though it had vacant land at 10 locations for creation of additional 3.85 lakh MT. It was only in 2014 that the Corporation decided (March 2014) to construct 20000 MT capacity godown at Haldia under PEG Scheme. As of March 2015, works in respect of 10000 MT were underway while the works in respect of remaining 10000 MT were yet to be taken up. The status of capacity augmentation in West Bengal is shown in Table 2.4.2:

**Table 2.4.2: Status of construction of godowns under PEG Scheme as of April 2015** (Figures in tonnes)

Particulars	Agencies responsible			Total
	CWC	Corporation	Private Investors	
Capacity allotted/ sanctioned	90180	20000	60000	170180
Work completed	51500	0	30000	81500
Capacity taken over	37000	0	30000	67000
Work under construction	38280	10000	30000	78280
Yet to start	400	10000	0	10400

Source: Answer to Unstarred Parliament question number 1363 answered on 03-03-2015 in the 16<sup>th</sup> Lok Sabha and FCI website

It would be evident that the Corporation lagged far behind CWC or private investors in terms of participation in the scheme, in spite of the direction (May 2010) of GoI to take up augmentation plan with extreme priority. The Corporation could not add any capacity as of March 2015, while CWC and other private investors had already completed 57 per cent and 50 per cent of their sanctioned capacity respectively.

**2.4.7.4 Good practices noticed in other States:** It was noticed that several SWCs<sup>107</sup> derived substantial benefits under the GBY and PEG scheme. Andhra Pradesh (APSWC) had assisted private investors in construction of rural godowns (investors' godowns) under GBY scheme and arranged for guaranteed occupancy by FCI for seven to nine years under PEG scheme. While the private parties funded the construction cost of these godowns, APSWC provided support in terms of design, norms and administrative support for obtaining financial support under the scheme. APSWC, in turn, received a monthly charge of ₹ 2 per tonne of stored quantity as Marketing Facilitation Fees from these rural godowns. These strategies ensured capacity augmentation at village level as well as substantial revenues for APSWC. The WBSWC did not adopt any such model.

The Corporation stated (November 2015) that it could not avail the benefits of different schemes due to acute manpower shortage, but pointed out that it had taken various capacity augmentation initiatives such as construction of 20000 MT capacity godown under PEG scheme, taking over of 43 godowns under RIDF, construction of new godowns at eight existing warehouses under RKVY to increase its capacity by 20 per cent by March 2016.

Though the management attributed this to manpower constraint, the same is incorrect as it had the mandate of appointing required staff as per its need. Moreover, efforts taken by the Corporation in augmenting its capacity were

<sup>107</sup> Andhra Pradesh State Warehousing Corporation, Maharashtra State Warehousing Corporation and Madhya Pradesh State Warehousing Corporation

not significant compared to the CWC/ private investors/ comparable organisation of other States, both in terms of adequacy and timeliness.

During Exit Conference (January 2016) Secretary stated that the Department failed to avail the benefit under Grameen Bhandaran Yojana due to lack of information. He, however, stated that taking a cue from Andhra Pradesh SWC, possibilities of linking Grameen Bhandaran Yojana and Private Entrepreneurs Guarantee Scheme would be explored.

#### **2.4.8 Operation/ utilisation of existing godowns**

##### **2.4.8.1 Deficient business planning**

The Corporation did not fix any break-even point in terms of capacity utilisation. Though it fixed (December 2012) occupancy level of 70 *per cent* as a mark of good performance, its space occupancy percentage ranged between 56 and 64 *per cent*. In comparison, the CWC had set the benchmark at 85 *per cent*, against which it had achieved occupancy rate of 87 to 90 *per cent* during 2010-13.

The Corporation stated (November 2015) that there was no specific guideline regarding fixing of any break-even point of any warehouse in terms of capacity utilisation. This reflected lack of commercial prudence and deficient business planning of the Corporation.

##### **2.4.8.2 Capacity utilisation**

Optimum capacity utilisation and minimising the cost of storage are two main aspects of efficient storage management. During 2010-15, the Corporation operated 29 godowns with covered space of 12.96 lakh sq. ft. having a storage capacity of 2.16 lakh tonnes. Of these, 17 warehouses were owned by the Corporation which accounted for 64 *per cent* of its storage capacity; while the remaining space was provided by 12 hired godowns. This apart, the Corporation had around 3.84 lakh sq. ft. of open space in Haldia. The capacity utilisation during 2010-15 is indicated in *Appendix 2.4.2* which shows that overall utilisation of capacity ranged between 56 *per cent* and 64 *per cent* during 2010-14. The capacity utilisation of hired spaces showed a declining trend during 2010-14 with utilisation coming down from 81 *per cent* to 61 *per cent* during this period. Factors behind such low capacity utilisation have been discussed under *para 2.4.8.3* of this Report.

During joint physical inspection of godowns, it was observed that 16 godowns<sup>108</sup> in five Centres with a total capacity of 0.22 lakh MT had remained vacant mainly due to poor condition of godowns. Thus, 10 *per cent* of the total capacity remained idle for periods ranging from six months<sup>109</sup> to 17 years<sup>110</sup>.

**2.4.8.2.1 Commodity-wise analysis:** As the Corporation's objective was to stock farmers' produce and facilitate issue of negotiable warehousing receipts, the farmers should have been given priority to keep their produce in

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<sup>108</sup> Siliguri : 8 godowns ( 8336 MT), Bankura :1 godown (1250 MT), Raiganj: 4 godowns( 5950 MT), Kaliaganj: 2 Godowns( 3300 MT) and Naskarpara:1 Godown (3433 MT)

<sup>109</sup> October 2014 at Raiganj

<sup>110</sup> Since 1998 at Siliguri

the Corporation's godowns. Commodity-wise analysis of space utilisation (*vide Appendix 2.4.3*), however, showed that space occupied by agriculture produce had declined from 20 per cent of total occupied space in 2010-11 to a mere seven per cent in 2014-15 (average occupancy being 11 per cent). During 2010-15, 50 per cent of the occupied space was used on an average for storing fertilisers, while custom bonded goods accounted for 13 per cent and others 26 per cent.

Evidently, the Corporation was unable to make any significant impact in providing storage facilities to the farmers and attract them to use the storage provided in their godowns. In contrast, during 2010-13, CWC utilised 48 to 52 per cent and Maharashtra SWC utilised 24 to 32 per cent of the available space for storage of food grains.

**2.4.8.2.2 Depositor-wise analysis:** Analysis of depositor-wise occupancy of space in respect of 12 test-checked centres showed the following:

**Table 2.4.3: Depositor wise occupancy of the Corporation**

Year	Depositor wise occupancy					
	Co-operatives		Government		Others	
	Space (in MT)	Percentage	Space (in MT)	Percentage	Space (in MT)	Percentage
2010-11	358.09	9.95	1507.88	41.91	1732.18	48.14
2011-12	433.24	9.12	1569.27	33.02	2749.52	57.86
2012-13	507.58	9.61	1966.81	37.24	2807.72	53.16
2013-14	534.29	10.20	1657.25	31.63	3048.10	58.17
2014-15	330.90	6.83	1672.01	34.52	2840.38	58.65
<b>2010-15</b>	<b>2164.09</b>	<b>9.13</b>	<b>8373.22</b>	<b>35.31</b>	<b>13177.89</b>	<b>55.57</b>

Source: Compiled from the records of the Corporation

It can be seen that farmers' co-operative societies (IFFCO<sup>111</sup> and SKUS<sup>112</sup>) utilised only 7 to 10 per cent of the facility. No data was maintained on utilisation of storage space by small and marginal farmers.

The Corporation in its reply stated (October 2015) that due to lack of proper infrastructure, food grain storage business was not possible for the Corporation during last few years; hence, the Corporation had no other option but to accommodate other products.

The Corporation further stated (November 2015) that the small and marginal farmers and primary producers either sell their produce to the procurement agencies or to the traders to meet up their production cost, loan, etc. leaving no surplus stock which can be stored in the godowns. The Corporation added that many Co-operatives in village level used to keep their stock in the godowns of SWC and pledged the receipts with the banks and availed loans at a lower interest rate. Further, it was found that many SKUS had their own godowns to preserve the commodities of their member farmers.

However, there was an unmet requirement of storage capacity at the farm level as discussed in *para 2.4.7.1* earlier in this report. But the Corporation had failed to translate the demand into higher occupancy of its storage space, which was attributable to factors analysed in *para 2.4.8.3*. Further, Grameen

<sup>111</sup> Indian Farmers' Fertiliser Co-operative

<sup>112</sup> Sambay Krishi Unnayan Samiti, primary level agricultural cooperative credit society



Bhandaran Yojana was effectively utilised by private investors in creating storage capacity, while the Corporation, through its inaction, failed to avail the benefit of the scheme.

#### **2.4.8.3 Factors affecting occupancy**

Low occupancy in the Corporation's storage facilities was attributable to locational disadvantage to farmers, lack of proper repair and maintenance of godowns, inadequate facilities for storage of food grains, non-negotiability of warehousing receipts, etc., as highlighted in the subsequent paragraphs.

**(i) Locational disadvantage:** Of its 29 warehousing centres, 10 were clustered in and around Kolkata and out of the remaining 19 warehousing centres in districts, nine centres were situated in district headquarters<sup>113</sup>, while 10 centres were at sub-divisional towns/ municipalities<sup>114</sup> away from agricultural land. This had limited their effectiveness in providing services to the farmers. Evidently, the locations of godowns had been selected without considering the farmers' needs. It was seen that there was no system to collect market feedback on requirement of storage space, potential clients, competitors' unutilised capacities and rates offered by them, etc. to decide on the location of godowns, tariff structure, capacity addition and business policy.

In its reply, the Corporation stated (November 2015) that since inception (1958) the Corporation either hired godowns or constructed own godowns in different districts of West Bengal to extend warehousing service to farmers. Further, the Corporation constructed the godowns considering the locational advantage *i.e.* proximity to Railway siding, National and State highways.

However, given the fact that the primary mandate of the Corporation was to provide storage facilities and allied services to farmers to save them from distress sale of their produce, utilisation of only 11 per cent<sup>115</sup> of the storage capacity for storing agricultural produce (as mentioned in *paragraph 2.4.8.2.1*) can be construed as a deviation from its mandate. Further, the urban bias in creating the Warehousing Centres discourages the farmers to use these centres for considerations of the additional burden of carrying cost and consequent decrease in profitability. This locational disadvantage thus factored adversely behind utilisation of available godown space by the farmers, as discussed later.

**(ii) Absence of valuation facilities:** The Corporation had neither any system nor infrastructure for weighing, grading or valuation of goods stored, which are pre-requisites in the warehousing business. It simply accepted the weight, quality and value of the goods as declared by the depositor. None of the warehousing centres test-checked had any weighing machines installed. The Food & Supplies Department, Government of West Bengal, decided (June 2014) to install weighbridges at 12 godowns at a cost of ₹ 6.80 crore by May 2015. However, work orders in respect of 10 were issued only in July 2015 with no further progress recorded till October 2015, while physical

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<sup>113</sup> Alipurduar, Balurghat, Bankura, Jalpaiguri, Krishnanagar, Maldah, Memari II (at Bardhaman town), Raigunj and Siliguri

<sup>114</sup> Cassimbazar, Dinhata, Garbeta, Kaliaganj, Naskarpara (in Howrah Municipal Corporation), New Jalpaiguri, Ranaghat, Shibpur, Memari I and Tarakeshwar

<sup>115</sup> Remaining 89 per cent capacity is utilised by Fertilisers (50 per cent), Customs Bonded Goods (13 per cent) and other misc. goods (26 per cent)

achievement in respect of the remaining two stood at 25 and 59 per cent respectively as of October 2015.

The Corporation stated (November 2015) that it had undertaken various programmes like installation of weighbridges, purchase of quality control (QC) treatment instruments and materials and appointing QC trained staff in its godowns with the objective to increase its capacity utilisation. The reply, however, was very general without indicating the extent to which these measures had been taken.

**(iii) Farmers' extension Service:** The farmer's extension service included assistance to the farmer in obtaining bank loan against the security of warehousing receipts and education to farmers through demonstration of advantages of scientific storage. Further, working group of Planning Commission recommended (October 2011) publicity programmes and stipendiary programme for farmers, rebate on storage charges, incentive for aggregators (middlemen)<sup>116</sup> at village level to collect agricultural produce from small and marginal farmers to attract them to store their produce in registered warehouses.

It was observed that the Corporation did not take any step to educate farmers on advantages of scientific storage of their produce in warehouses of the Corporation. Evaluation Report of Grameen Bhandaran Yojana, conducted for Ministry of Agriculture, GoI indicated (February to June 2012) that none of the 625 farmers interviewed in West Bengal was aware of Negotiable Warehouse Receipt System.

Referring to a market study of the depositors in warehousing business, the Corporation in its reply (November 2015) stated that the small and marginal farmers/ primary producers except in case of potato have hardly any scope to keep their stock in the warehouses against warehouse receipt. The reply was irrelevant in the context of audit observation on non-provision of extension services to farmers to educate them about the advantages of scientific storage.

**(iv) Lack of scientific storage facilities and non-registration of godowns under WDRA:** Warehousing Development & Regulation Authority (WDRA) constituted (2010) under WDR Act has prescribed certain benchmarks on godown construction, scientific storage facilities, grading of food grains, testing, electronic weighment, quality control, manpower, etc. which were mandatory to be complied with in the warehouses for their accreditation/ registration with WDRA to enable them to issue Negotiable Warehouse Receipts (NWRs) against stored goods to facilitate pledge finance to the depositors.

Audit noted that the godowns of the Corporation did not meet the prescribed standards and had no scientific storage facilities. Joint physical inspection of 94 godowns of 12 test-checked warehousing centres revealed shortcomings as shown in **Table 2.4.4**.

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<sup>116</sup> Aggregators are middleman who collects agricultural produce from small and marginal farmers to attract them to store their produce in registered warehouses

**Table 2.4.4: Types of shortcomings and number of godowns with such shortcomings noticed during joint physical inspection of 94 godowns of 12 centres**

Parameters	Condition found	Number of godowns/ centres having such deficiencies
Roof	Poor with broken shed, leakage of rain water	82 godowns
Wall	Damp and moist walls due to lack of preventive maintenance and prolonged storage of fertilisers.	76 godowns
Floor	Damp, cracks and crevices, rat holes, etc. due to lack of preventive maintenance and prolonged storage of fertilisers.	54 godowns
Internal drainage	Non-existent internal drainage system resulting in flooding of godowns mainly in rainy season.	90 godowns
Internal illumination	Poor illumination due to non-maintenance.	64 godowns
Godown surroundings	Huge vegetative growth.	9 godowns
Ancillary structures	No washing place, urinals, canteens, drinking place	12 centres
Boundary walls	Height was very low, broken at different places	12 centres
Goods testing facilities	No laboratories found	12 centres
Codes of scientific storage of goods	No fumigation, pest and rodent control measures are in practice	12 centres



*Water logging inside the godown at Taratala I centre*



*Godowns at Alipurduar in poor condition with bushes all around*

No action was taken by the Corporation to address these shortcomings and get them registered with WDRA for issue of NWRs to the farmers. In contrast, SWCs of Maharashtra, Andhra Pradesh, Madhya Pradesh, Tamil Nadu and Rajasthan had got their warehouses accredited with WDRA and facilitated bank financing against their warehouse receipts to the farmers. Rajasthan SWC succeeded in getting its warehouses modernised through PPP model by 2010-11 and increased profitability.

The Corporation stated (November 2015) that it could not undertake the routine repairs (mainly up to 2012-13) as there was no technical hand in the Corporation. It intended to apply to WDRA for necessary registration after completion of repair and maintenance works and installation of weigh bridges within 2015-16.

#### **2.4.8.4 Repair and maintenance**

Maintenance of godowns including keeping stocks in good condition without damages and losses and insuring against all damages was the responsibility of the Corporation. For this, godowns were to be constructed as per BIS/ CWC/ FCI standard and periodic preventive maintenance of godowns were to be carried out.

However, scrutiny of records and physical verification of godowns revealed that no preventive maintenance was taken up by the Corporation. The repairs undertaken were insufficient to keep the godowns store-worthy. There was no schedule for repair and maintenance of godowns. Despite recommendation in BOP for immediate repair of godowns, no plan for their repair and maintenance was drawn. The Corporation also identified (December 2012) the dilapidated condition of the godowns as the factor behind low occupancy and appointed engineering staff for undertaking emergency repairs to increase capacity utilisation. However, as compared to CWC which spent two *per cent* of its turnover on repair and maintenance of godown, the Corporation spent only one *per cent* on this. Lack of preventive maintenance of godowns led to poor facilities at the warehousing centres.

Seven warehouses were repaired in 2015-16 at a cost of ₹ 61.76 lakh out of which two were physically inspected by Audit (Raiganj and Kaliaganj). In Kaliaganj, in two godowns, it was observed that the floor condition was very poor, and at places marks of water leakages were found even after repairs.

At Raiganj, in three godowns, it was observed that the floor was completely damaged, there was no provision for illumination and the roof was damaged even after repairs. One godown was lying vacant.

Further, there was no system of periodic inspection to check physical conditions of godowns for detecting any deterioration of walls, floors, windows, openings, doors or presence of birds, rodents, etc. At all the test-checked own godowns, quarters of the superintendent and guards were found in shabby condition and deserted.

The Management replied (October 2015) that due to lack of technical hands in the Corporation, the regular routine maintenance of the godowns could not be undertaken for the period 2009-13. It added that the Food & Supplies Department had made a budget provision of ₹ 1.50 crore for 2015-16 for repair and maintenance works in the godowns of WBSWC.

During Exit Conference (January 2016), the Department agreed to the audit finding that unsatisfactory condition of godowns (resulting from inadequate repair and maintenance) was the prime reason for low level of occupancy of the godowns. The Secretary further informed that a dedicated engineering cell was being proposed to be created to take care of construction and maintenance of godowns. He added that the matter of faulty repair jobs at two loss making godowns (Raiganj and Kaliaganj) would be looked into. Moreover, Standard Operating Procedure (SoP) was being contemplated to take care of fumigation, pest control, regular inspection of godowns, etc.

## **2.4.9 Analysis of profitability of warehouse centres**

### **2.4.9.1 Loss making centres**

Out of the 30 centres (including the open godown in Halida), total quantum of loss rose from ₹ 2.42 crore in 2010-11 to ₹ 4.24 crore in 2012-13 (figures for 2013-14 was not available). It was seen that six godowns were making losses almost consistently during 2010-13 as indicated in the **Table 2.4.5**.

**Table 2.4.5: Consistently loss making centres**

Name of Centre	Surplus/ Deficit (in ₹)				
	2010-11	2011-12	2012-13	2013-14	Total
Dinhata	-418649	-330970	-125996	305872	<b>-569743</b>
Jalpaiguri	65711	-267998	-627640	206744	<b>-623183</b>
Kaliaganj	-502636	-575020	-692768	-851116	<b>-2621540</b>
Raiganj	-401061	-344302	-482220	-6401	<b>-1233984</b>
Naskarpara	572852	-547210	-271460	-933470	<b>-1179288</b>
Taratala-II	-1771199	-1736349	-1771567	-1205248	<b>-6484363</b>
	<b>-2454982</b>	<b>-3801849</b>	<b>-3971651</b>	<b>-2483619</b>	<b>-12712101</b>

Source: Accounts of WBSWC

Audit visited (June 2015) two centres (Raiganj and Kaliaganj) to ascertain the capacity utilisation of the centres and found the following:

**Table 2.4.6: Position of capacity utilisation of Raiganj and Kaliaganj centres**

Year	Total Capacity	Occupancy	Unutilised space (per cent)	Reasons for non-occupancy	
				Space needing repair	Commercial reason
<b>Kaliaganj centre</b>					
2010-11	8250	1634	6616 (80)	0	6616
2011-12	8250	1704	6546 (79)	0	6546
2012-13	8250	461	7789 (94)	3300	4489
2013-14	8250	1245	7005 (85)	3300	3705
2014-15	8250	716	7534 (91)	6975	559
<b>Raiganj centre</b>					
2010-11	8250	1684	6566 (80)	2050	4516
2011-12	8250	2419	5831 (71)	3766	2065
2012-13	8250	2861	5389 (65)	3333	2056
2013-14	8250	3851	4399 (53)	3167	1232
2014-15	8250	2009	6241 (76)	2489	3752

Source: Records of respective Warehousing Centres

Thus, 79 to 94 per cent of available capacity in Kaliaganj centre remained unoccupied, while for Raiganj it was 53 to 80 per cent. Reasons for such low occupancy was mainly attributable to poor condition of the godowns and lack of business development activities, as already highlighted in this report (para 2.4.8.3.iv).

The Corporation stated (November 2015) that it suffered business loss in different godowns due to their dilapidated conditions, change in Government policy regarding fertiliser business, non-disposal of old goods in bonded godowns, etc. It further mentioned that a few of its chronic loss-making centres had been de-hired.

The reply is not tenable since the Corporation did not take adequate steps to keep the godowns storage-worthy.

#### 2.4.9.2 Blockage of space

Terms and conditions of the agreement of joint locking self-operation<sup>117</sup> (SO) godown specified that storage charges, electricity bill and water charges must be paid by 7<sup>th</sup> day of every month. If dues remain unpaid for three months, the

<sup>117</sup> Under SO system, transaction of goods are done by depositors at their own risk. Godowns are opened and closed by using minimum two keys. One key is kept at the Corporation and other in the hand of the depositor. Goods therein are insured by the depositors.

Corporation was to serve notice to the depositors to vacate the space after recovery of outstanding dues. On further refusal to pay, the Corporation was to de-allot the space and remove the stock by removing the padlock of allottee and dispose of the said stock for realisation of its dues.

In Jessore Road-I warehouse centre (which is a rented property), out of 24 SO godowns, storage charges of ₹ 22.94 lakh was outstanding from the depositors for 5 to 20 months in respect of nine godowns. Consequently, the Corporation locked these godowns between April 2010 and January 2014. However, 13 to 28 months after locking the godowns, the Corporation, on requests of two<sup>118</sup> depositors, allowed (April 2012 and April 2013) them to store materials without realising any part of the outstanding dues. However, for periods ranging between 13 and 60 months, no claims were raised with the depositors nor were notices served for vacating the space. Neither did the Corporation dispose of the stock to realise its dues. As of May 2015, the remaining seven godowns remained locked. Inaction in vacating the storage space resulted in blockage of storage space of the Corporation sustaining revenue loss of ₹ 1.10 crore (*Appendix 2.4.4*).

The Corporation replied (November 2015) that there were disputes with almost all the depositors of Jessore Road-I warehouse after the implementation of revised tariff rate as most of the godowns were in dilapidated condition. It also added that under joint locking system the Corporation could not auction the goods stored in the godowns.

Reply of the management is not tenable as the terms and conditions of agreement for joint locking system clearly stipulated that the Corporation was at liberty to remove the stock of the allottee by removing the padlock and to dispose of it in any manner to realise storage charges and other dues.

However, during Exit Conference, Secretary informed that after the audit observation, action had been taken against the officials involved in the matter.

#### **2.4.9.3 Loss of revenue**

Audit observed the following instances where storage charges were not claimed or undue benefits were extended to the depositors by claiming less storage charges.

**(i) Release of goods without realising storage charges:** As per agreement, storage charges were to be realised on or before 7<sup>th</sup> day of each month. The Corporation is required to de-allot the godown from defaulters beyond three months after serving notices and dispose of the stocks to realise its dues. It was observed that in four<sup>119</sup> self-operated godowns, the Corporation allowed depositors to take away their goods without realising their outstanding dues of ₹ 58.57 lakh for 10 to 11 months (*Appendix 2.4.5*). The management neither investigated nor fixed any responsibility for causing such revenue losses to the Corporation.

Audit observed that such losses of revenue was attributable to lack of controls as there was no system to verify the actual entry/ exit of the goods stored, their quantities and values, etc. Further, the Corporation did not insist upon

<sup>118</sup> S.K. Enterprise & Jai Matadi Chemical

<sup>119</sup> Two at Hyde Road and two at Jessore Road-I

submission of priced monthly closing stock statements by the depositors (though provided for in the agreement) leaving no scope to verify the realisable value of goods held in stock to adjust the outstanding dues, if necessary.

Admitting the audit observations, the Corporation attributed (November 2015) this to acute crisis of manpower and its consequent inability to monitor the daily ingress and egress of stocks in the godowns. The reply is incorrect to the extent that the Corporation in fact had excess manpower as discussed later in *para 2.4.11.2*.

**(ii) Irregular allowance of discount on storage charges:** Against the schedule rate of ₹ 16 per sq. ft., 17 private depositors were allowed to store their goods in Jessore Road-I Warehouse centre at a discount of ₹ 1 to ₹ 4 per sq. ft. for a period of one year after approval by the Managing Director (MD). However, the Corporation continued to charge reduced rates for further periods of four months to five years beyond the agreed period without obtaining fresh approval of MD. Accordingly, it extended undue benefits of ₹ 13.04 lakh to 17 private depositors.

Admitting the audit observation, the Corporation stated (November 2015) that it was going to introduce a new storage agreement prepared and vetted by a solicitor firm to avoid recurrence of such incidents.

#### **2.4.10 Tariff policy**

The main source of revenue of the Corporation is storage charges. To take care of input costs like rent, rates, taxes, employees cost, repair and renovation, insurance charge, etc. and to sustain growth in business, it was imperative to revise its tariff structure at regular intervals to ensure that rates are at par with the going market rates at various warehouse locations based on the current demand and supply situations.

In Business Optimisation Plan, it was recommended that the tariff structure be rationalised based on market survey and a tariff policy be formulated empowering Regional Officers and Warehouse-In-Charges to negotiate rates with prospective customers based on the season and existing occupancy levels. The Corporation, however, did not formulate any policy for revision of tariff. The tariff was last revised in December 2009. In comparison, it was seen that FCI revised the rent payable to godowns built under PEG scheme on an annual basis. Further, there was no system for concessional tariff for farmers in line with the Planning Commission recommendations. Audit noted that peer organisations like CWC, Maharashtra SWC, Andhra Pradesh SWC, etc. were giving concessional rates to farmers. Audit also found that there was no commodity-wise tariff as had been adopted by CWC.

The Corporation stated (November 2015) that there was no system of yearly revision of storage charges at WBSWC due to lack of infrastructure and manpower. The reply is not acceptable as rent being the main source of income of the Corporation, it should have framed an appropriate tariff policy.

### 2.4.11 Efficiency in management of warehouses

#### 2.4.11.1 Quality control

To minimise spoilage and storage loss of the stock, the Corporation was to provide scientific storage facility. As per Warehouse Manual for operationalisation of WDRA, foodgrains were to be preserved without infestation through periodical use of pesticides and fumigants. This apart, measures were to be taken to protect the stocks from insects, rodents, birds, etc. Further, control measures like proper grading of stocks, correct stacking, fortnightly inspection, delivery of stocks following FIFO (First In First Out) method, regular cleaning of godown, etc. are to be ensured. However, none of these measures were applied in any of the 12 test-checked Warehousing Centres.

During joint physical inspection of godowns at 12 test-checked Warehousing Centres, it was revealed that godowns were unworthy of storing food grains with leaking roofs, dilapidated walls, etc. as mentioned in *paragraph 2.4.8.3(iv)*.

In godowns of four<sup>120</sup> centres, it was seen that fertilisers were being stored without proper stack plan and alley ways. The stocks were covered with polythene sheets during the rainy season to prevent damage, but accumulated water caused damage to the stock. Old damaged stock were lying alongside fresh stock. Primary records such as daily stock register, depositor's ledger, warehouse receipt revealed that instead of FIFO method, LIFO (Last In First Out) method was followed. In two centres (Tarakeswar and Krishnanagar) fertiliser stocks of 644.90 tonnes<sup>121</sup> were lying un-lifted for more than three years, while fresher stocks were released early. There was no system of regular inspection and reporting of damaged stock to the depositor for removal.

Further, warehousing centres did not have facilities of laboratories to check the quality of foodgrains stored, as stipulated by WDRA. They were not equipped with adequate firefighting arrangements as there were shortages of jet tank, sand buckets and fire extinguishers. In 12 test-checked centres, there was requirement of 96 fire extinguishers and 480 sand buckets. Against this, these centres had only 54 fire extinguishers (56 *per cent*) and two (0.4 *per cent*) sand buckets indicating deficient preparedness for fire-fighting. Out of these 54 fire extinguishers, only 45 were functional. Emergency numbers were not displayed in any of the test-checked 12 warehousing centres. The staff were not trained in operation of fire-fighting equipment and no mock drill was carried out during the period covered under audit.

Thus, the godowns of the Corporation were running without requisite quality control and safety measures and they may be prone to disasters with serious consequences.

In reply, the Corporation stated (November 2015) that it had acute crisis of manpower and quality control personnel and that it was expecting to be able to follow the storage norms as per FCI/ WDRA norms by the end of 2016-17.

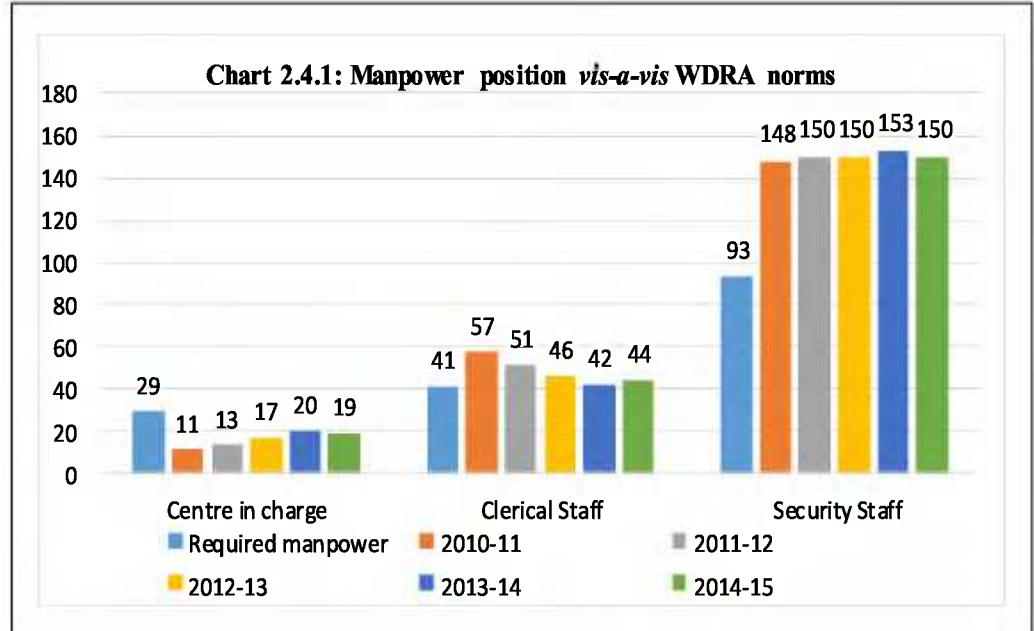
<sup>120</sup> Krishnanagar, Alipurduar, Hide Road and Taratala-I

<sup>121</sup> Krishnanagar-608.05 MT and Tarakeswar -36.85 MT for more than three years



**2.4.11.2 Manpower**

In terms of WDRA norms, 163 staff were necessary, against which the Corporation had 213 to 216 employees during 2010-15 indicating excess of manpower. This has led to an excess expenditure of ₹ 1.70 crore. The Category-wise men-in-position against required manpower as per WDRA norms is indicated below:



Source: Records of the Corporation

Thus, numbers of Centre-in-Charge, the only supervisory personnel in a Centre, were short of requirements by 31 to 62 per cent during the period 2010-15, having an adverse bearing on the operations of the Corporation. However, there was excess manpower in all other cadres<sup>122</sup> which increased its cost of operation.

Comparison of quantum of stocks handled by each employee of the Corporation during 2010-13 with that of CWC and Maharashtra SWC indicated that the employee productivity in terms of quantity of stocks handled in the Corporation was very low (565 to 638 MT) vis-à-vis 1602 to 1808 MT handled per employee of CWC and 895 to 1181 MT handled per employee of Maharashtra SWC. This is to be viewed against the fact that 42 per cent of the occupancy of the Corporation was handled on self-operation mode which required clerical staff only for billing purposes whereas the manpower prescribed by WDRA was for operation on Actual Occupancy basis which necessitated additional manpower for grading and quality control. Given the low capacity utilisation, this indicates that there is a need for reassessment of the required manpower, besides training and upgradation of their skills for operational purposes.

(i) **Deployment of staff not rational:** Audit further analysed the centre-wise manpower of the Corporation vis-à-vis WDRA norms (**Appendix 2.4.6**)

<sup>122</sup> Percentage of excess manpower was: Clerical Staff-2 to 39 per cent; Security personnel-59 to 65 per cent

and found that the staff was excess in some centres while some others were operating with shortages as shown in Table 2.4.7 below.

**Table 2.4.7: Shortage/ excess of manpower in comparison with WDR A guidelines**

Year	Category	Over staffing		Under-staffing		WDR A compliant centre
		No. of centres	Excess staff	No. of centres	Shortage of staff	
2010-11	Clerical staff	15	19	3	5	11
	Centre-in-charge	0	0	18	18	11
	Security personnel	24	56	1	1	4
2011-12	Clerical staff	14	18	6	8	9
	Centre-in-charge	0	0	16	16	13
	Security personnel	24	57	0	0	5
2012-13	Clerical staff	9	13	6	8	14
	Centre-in-charge	2	2	14	14	13
	Security personnel	24	57	0	0	5
2013-14	Clerical staff	10	10	6	9	13
	Centre-in-charge	0	0	9	9	20
	Security personnel	24	55	1	1	4
2014-15	Clerical staff	11	13	7	10	11
	Centre-in-charge	0	0	10	10	19
	Security personnel	24	54	3	3	2

Source: Compiled by Audit from data furnished by the Corporation and WDR A norms

In 2014-15, out of 29 centres (excluding Haldia), only 11, 19 and 2 centres respectively had clerical staff, centre-in-charge and security personnel as per WDR A norms. The remaining centres either had less staff or excess staff. Thus, there was scope for rationalisation of manpower deployment among centres.

The Corporation replied (October 2015) that ideal manpower of 163 was recommended by the consultant of M/s Deloitte & Touche Consulting (India) Ltd. considering the business scenario of WBSWC from 2002-03 to 2006-07 under the business restructuring/ optimisation programme. Hence, recommendations of said consultant did not hold good in the current scenario when WBSWC had expanded its business and activities by taking over of 43 RIDF godowns of 5000 MT capacity each. The Corporation further contended that manpower requirements suggested by WDR A were applicable only to food grains business and it did not address the manpower needs of other business activities of the Corporation. It added that WBSWC was using the available manpower “by deploying them considering the quantum and nature of business in a warehouse.”

The reply is not acceptable in view of the following facts:

- The ideal requirement of manpower of 163 was arrived at by Audit on the basis of Warehouse Manual for operationalisation of WDR Act 2007 published by Warehousing Development and Regulatory Authority and keeping in consideration the Corporation’s operational capacity as of March 2015. The assessment incidentally matches the requirement suggested by M/s Deloitte & Touche. The Corporation took over 43 godowns only in October 2015. Thus, throughout the period 2010-15, the manpower deployment lacked justification.
- Further, the contention that WDR A’s suggestion was for foodgrains business is also not correct as the WDR A Act 2007 aimed at the

development and regulation of warehouses and promoting professionalism in warehousing business irrespective of commodities stored in the godowns.

During Exit Conference (January 2016), however, Secretary informed that 45 sub-inspectors recruited by the State government had been placed under the SWC for management of the newly handed over RIDF godowns. In addition 21 re-employed Inspectors-in-charge had been posted at different godowns.

#### **2.4.12 Monitoring and internal controls**

The Corporation has no Internal Audit Manual of its own. However, it brought out orders outlining working procedures of warehouses and distribution of duties among various levels of officers at the headquarters and field/warehouses.

Warehouse Manual for operationalising of WDR Act, 2007 indicates management processes that enable efficient management of warehouse. These processes *inter alia* include internal audit/ inspection system. Audit found weaknesses in these processes as indicated below:

**Inspections:** As per the Warehouse Manual, the warehouseman shall assess the health of the entire stock during storage at least once in 15 days or earlier by drawing the representative sample from each stack and analysing the physical quality parameters including degree of infestation, category, grade, moisture content, etc. These parameters should be recorded in the stack card as well as in the inspection report. In case, prophylactic or curative treatments are required for the control of stored grain insect pest, these should be immediately carried out by the technical staff of the warehouse. Periodic inspection shall also check physical conditions of the godowns in terms of any deterioration of walls, floors, windows, openings, doors, or presence of any birds, rodents, etc. The warehouseman shall take immediate remedial action for fixing the same to bring it back to normal state.

No such system of periodic inspection was followed in the Corporation. In the absence of inspections, the Corporation could not ensure and promote proper working of warehouses. The above indicated that the Corporation's oversight mechanism was far from optimal.

The Corporation in its reply attributed (November 2015) the absence of inspections to inadequate manpower in key positions. It further added that with the recruitment of personnel in managerial position in future, it would be able to overcome the situation.

**Other control deficiencies:** Audit found that in all the 12 test-checked centres, as detailed below, the system stipulated in the Manual for receipt of goods in godowns was not being followed

- There was no gate pass system for entry and exit of goods.
- Hundred *per cent* stocks were not being weighed in case of stocks in non-standard bag.
- Insurance coverage by the depositor was not ensured in cases of allotment of godown on Self Operation basis.
- Goods of depositors on SO basis were not physically checked for quantity, value, etc. before receipt into and delivery from godowns.

#### 2.4.12.1 Functioning of Board

The Act did not specify any minimum number of meetings to be held by the Board in a year. However, in case of CWC, the Board had to meet quarterly. Taking this as a benchmark, the Board met nine times against requirement of 16 during 2011-15.

There was no independent Director with expertise from warehousing/ logistic sector or representative from FCI/ West Bengal Essential Commodities Supply Corporation (WBECSC) to facilitate co-ordination for business optimisation in food grain storage.

The management in its reply stated (November 2015) that it would take appropriate decision and steps in this regard.

#### 2.4.13 Conclusions

- The Corporation did not have any system of long or short-term planning for constructing new godowns though there were high demand. It did not avail of the benefits of several Central schemes meant for assisting the Warehousing Corporations to construct more godowns. Though there was a business optimisation plan to augment the Corporation's business, it was not implemented. The Corporation's godowns were located mainly in urban areas, limiting their scope in storing farmers' produce from rural areas.
- The Corporation's capacity utilisation remained below its own benchmark. The Corporation had a higher share of hired godowns and a higher expenditure on them compared to other public sector warehousing corporations.
- Deficient maintenance of godowns had made many of the Corporation's godowns unusable. They were lacking in scientific storage facilities including grading facilities, weighing machines, valuers, etc. As the godowns did not meet the standards of Warehousing Development & Regulatory Authority, they could not be registered and as a result, warehouse receipts could not be used by farmers for availing pledge finance.
- Further, the Corporation did not give adequate priority to storing of agricultural produce of farmers, as space utilised for storing foodgrains was meagre. Neither did the Corporation have any concessional tariff for farmers though recommended by the Planning Commission.
- The manpower of the Corporation was not in consonance with the norms of WDRA calling for rationalisation of deployment. Especially, shortage at the level of centre-in-charge was a matter of concern, as it can potentially affect performance of the centres.
- The Corporation's initiative and pursuance in realising outstanding storage charges were also lackadaisical.

#### **2.4.14 Recommendations**

- 1. Action may be taken to make the godowns WDRA-compliant for accreditation ensuring negotiability of its warehouse receipts to farmers for pledge financing;*
- 2. Schedules may be drawn up for regular maintenance and upkeep of godowns and*
- 3. The Corporation should rationalise the tariff schedule giving some flexibility to negotiate rates by warehousing in-charge to maximise revenue. It may consider adopting commodity-wise tariff as adopted by CWC.*