

CHAPTER-III

PERFORMANCE REVIEWS

The chapter contains four Performance reviews on 3.1) implementation of National AIDS Control Programme, 3.2) Implementation of Drugs and Cosmetics Act, 1940, 3.3) Welfare of handicapped, 3.4) Accelerated Irrigation Benefit Programme, and two long paras on 3.5) Prevention and control of fire and 3.6) Payment of stipend and scholarship to students in the State. The Performance reviews have been conducted with a view to assessing effectiveness of the aforesaid programmes / schemes / activities in the State.

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.1 National AIDS Control Programme (NACP)

Highlights

National AIDS Control Programme aimed at reducing the spread of HIV infection and strengthening the country's capacity to respond to HIV/AIDS on a long term basis. Implementation of the programme in the State suffered mainly due to absence of proper monitoring mechanism. Physical progress in the components of targeted intervention for high risk groups and prevention of HIV/AIDS among low risk groups was either nil or marginal except in the case of condom promotion. Blood banks lacked basic infrastructure facilities. No community centre was set-up for low cost AIDS care. Institutional strengthening was weak. Inter-sectoral collaboration was absent. Thus, the intended objective of reducing spread of HIV infection and strengthening country's capacity to respond to HIV / AIDS on a long term basis was not achieved to a large extent.

During 1998-2002 due to poor spending only 46 per cent (Rs 11.14 crore) of funds allocated (Rs 24.27 crore) by GOI were released.

Excess expenditure of Rs 0.49 crore during 1999-2003 on awareness campaign was incurred by diverting funds from different components.

Against an allocation of Rs 15.00 lakh relating to civil works, AIDS Control Society advanced Rs 1.17 crore to District Magistrates in March 2003 for construction of rooms for blood banks without approval of NACO.

(Paragraph 3.1.4)

Physical progress in the components of targeted intervention for high risk groups and prevention of HIV/AIDS among low risk groups was dismal during 1998-2003.

Lack of mandatory equipments like air conditioners and elisa readers in blood banks rendered the blood banks ineffective. 107 equipments supplied by NACO to 15 blood banks for their modernisation were non-functional as the blood banks had no operational license from appropriate

authority. Even in seven licensed blood banks 168 equipment supplied by NACO were lying idle.

(Paragraph 3.1.7 and 3.1.8)

Low cost AIDS care was not initiated in the State as no community care centre was set-up.

(Paragraph 3.1.9)

Intersectoral collaboration was non-existent. Level of awareness development was low and no society was formed at district level for effective implementation of the programme.

(Paragraph 3.1.11)

The number of AIDS cases which was 10 in 1998-99 increased to 63 in 2001-02.

(Paragraph 3.1.13)

There was absence of effective monitoring mechanism of the programme. The reports on the impact analysis of the programme done by ORG Centre (May 2000) and World Bank Mission (May 2002) were not available with the state Government.

(Paragraph 3.1.16)

3.1.1 Introduction

NACP aimed at reducing spread of HIV positive/AIDS cases.

National AIDS Control Programme was launched by the Government of India in 1987. National AIDS Control Programme 1 (NACP-I) was introduced in September 1992 for a period of five years followed by National AIDS Control Programme (NACP-II) in 1999. In Bihar, the Programme was introduced in 1992. NACP-I aimed to slow the spread of human immune deficiency virus (HIV), decrease morbidity and mortality associated with HIV infection and minimize socio-economic impact resulting from HIV infection. NACP-II had two key objectives namely (i) to reduce the spread of HIV infection in the country and (ii) to strengthen country's capacity to respond to HIV/AIDS on a long term basis.

Implementation of NACP and activities under various components of the programme was to be carried out as per Annual Action Plan duly approved by National AIDS Control Organisation (NACO), Ministry of Health and Family Welfare, Government of India, New Delhi.

3.1.2 Organisational set up

Health, Medical Education and Family Welfare Department- the nodal department

The programme was implemented in the State by the Commissioner-cum-Secretary, Health and Family Welfare Department. He was assisted by Additional Director, Bihar State AIDS Control Cell (upto June 1998) and Project Director, Bihar State AIDS Control Society (BSACS). The programme was implemented in the Districts by the Civil Surgeons-cum-Chief Medical Officers, Principals of Medical Colleges, Superintendents of Medical College Hospitals and District Hospitals.

Records for the period 1998-2003 test-checked

3.1.3 Audit Coverage

Implementation of NACP during 1998-2003 was reviewed (January 2003 to June 2003) through test-check of records of 10 Civil Surgeons-cum-Chief Medical Officers¹, four Principals of Medical Colleges², five Superintendents of Medical College Hospitals³ and eight Superintendents of District Hospitals⁴ in 10 Districts and one Private Hospital⁵ with a view to assessing effectiveness of the programme.

3.1.4 Financial management

Financial management of the NACO Project disclosed poor utilisation of funds, excess expenditure on the awareness component, expenditure on civil works without approval of NACO, non settlement of advances and non availability of vouchers against certain items of expenditure as discussed below.

Allocation of funds by Government of India (GOI), funds released to the State and expenditure incurred during 1998-2003 were as under:

| (Rs in crore) | | | | | | | |
|---------------|---------------------|-----------------|-----------------------|-----------------------|--------------|--------------|-----------------------|
| Period | Allocation of funds | Opening Balance | Funds released by GOI | Total funds available | Expenditure | Savings | Percentage of savings |
| 1. | 2. | 3 | 4. | 5. | 6. | 7. | 8. |
| 1998-99 | 3.74 | 2.13 | 1.10 | 3.23 | 1.00 | 2.23 | 69 |
| 1999-00 | 2.89 | 2.23 | 0.57 | 2.80 | 0.93 | 1.87 | 67 |
| 2000-01 | 2.81 | 1.87 | 1.96 | 3.83 | 1.04 | 2.79 | 73 |
| 2001-02 | 7.41 | 2.79 | 4.30 | 7.09 | 3.86 | 3.23 | 46 |
| 2002-03 | 7.42 | 3.23 | 3.21 | 6.44 | 6.11 | 0.33 | 05 |
| Total | 24.27 | | 11.14 | 23.39 | 12.94 | 10.45 | - |

Component wise allocation of funds by GOI and expenditure during 1998-2003 were as under :

| Component No. | Components | Allocation by GOI | Expenditure |
|---------------|---|-------------------|--------------|
| | | (Rs in crore) | |
| I | Intervention of groups at high risk | 4.28 | 2.13 |
| II | Prevention of HIV/AIDS among low risk group | 13.20 | 6.89 |
| III | Low cost AIDS care | 0.38 | 0.06 |
| IV | Institutional strengthening | 6.12 | 3.83 |
| V | Inter sectoral collaboration | 0.29 | 0.03 |
| | Total | 24.27 | 12.94 |

¹ Bhagalpur, Biharsharif, Chapra, Darbhanga, Gaya, Katihar, Kishanganj, Motihari, Muzaffarpur, Purnea.

² JLN Medical College, Bhagalpur; Darbhanga Medical College, Darbhanga; ANM College, Gaya; S.K.Medical College, Muzaffarpur

³ JLN Medical College Hospital, Bhagalpur, Darbhanga Medical College Hospital, Darbhanga; A.N.Medical College Hospital, Gaya; S.K.Medical College Hospital, Muzaffarpur; Patna Medical College Hospital, Patna

⁴ Biharsharif, Chapra, Gaya, Katihar, Kishanganj, Motihari, Muzaffarpur, Purnea

⁵ Duncan Hospital, Raxaul

It was observed that

Poor spending by the State caused short release of funds by GOI

❖ During 1998-2002, barely 27 to 54 per cent of the available funds were utilised by the State. Due to the poor spending, only 46 per cent (Rs 11.14 crore) of the funds allocated (Rs 24.27 crore) by the GOI were released. No reason for poor spending was on record.

❖ Incidentally, during 1999-2003, Rs 0.49 crore were spent in excess of the funds provided (Rs 7.15 crore) by GOI for awareness campaign. The expenditure was met by diverting funds which were meant for various components of the programme.

Huge funds of Rs 1.17 crore advanced to District Magistrates without approval of NACO

❖ Although only Rs 15.00 lakh were allocated by GOI for minor civil works during 2002-03, an amount of Rs 1.17 crore was advanced to District Magistrates during March 2003 for the construction of additional three-four rooms for blood banks in 25 district hospitals and 21 Sexually Transmitted Diseases (STD) clinics in 20 district hospitals and one Medical College Hospital. The construction of additional rooms at the eight times of the sanctioned estimates was done without the approval of NACO.

The Additional Secretary to Government, Health Department stated that the Project Director was authorised to make intersectoral reallocation of funds in public interest. The reply was not acceptable because while providing funds NACO specified that civil works required for the blood safety programme, STD clinics and Voluntary Counselling and Testing Centres (VCTC) should not be undertaken without prior approval of NACO. Moreover, building infrastructure in these cases was to be provided by the State Government.

Particulars of expenditure of Rs 17 lakh booked in Accounts not available

❖ Assistant Director (Health and Family Welfare Department) drew Rs 17 lakh from Patna Secretariat treasury (August 1995) and kept it in a bank account in the name of Director-in-Chief, Health and Family Welfare Department. While depositing the money in the bank, the Assistant Director indicated the amount in the cash book as spent. However, the detailed vouchers of expenditure and utilisation certificates against this amount were not made available. The Additional Secretary stated (September 2003) that the cash book and other records were seized by the Vigilance Department where the matter was under investigation in some other case.

Funds advanced not adjusted/recovered

❖ Advances of Rs 23.71 lakh paid by Additional Director, Bihar State AIDS Control Cell to five officials including four retired ones, eight Superintendents of Sadar Hospitals⁶, seven Superintendents of Medical College Hospitals⁷, five Civil Surgeons⁸, and Director, ATI, Ranchi for

⁶ *Supdts., Sadar Hospital, - Ara, Aurangabad, Bihar Sharif, Deoghar, Hajipur, Hazaribagh, Munger, Rohtas*

⁷ *Supdts., Medical College Hospital : Bhagalpur, Darbhanga, Dhanbad, Muzaffarpur, NMCH, Patna, PMCH, Patna, Ranchi*

⁸ *Civil Surgeons-cum-Chief Medical Officers : Bihar Sharif, Deoghar, Hajipur, Jamshedpur, Sasaram*

travel expenses and programme implementation during 1993-96 were not adjusted/recovered (September 2003). The Additional Secretary stated that detailed inquiry in the matter would be done after the cash books and other records were received back from the Vigilance Department. By that time, it would be extremely difficult to recover the advances from retired officials.

Particulars of expenditure not available

- ❖ Rupees 26.91 lakh spent during April 1996 to June 1998 by the AIDS Control Cell could not be subjected to test check as relevant records such as cash books, copies of vouchers and other records were not made available. The Additional Secretary stated (September 2003) that the matter was under investigation by the Vigilance Department.

3.1.5 Provision of funds and expenditure in the districts test-checked

Funds received by 28 implementing agencies of 10 districts test-checked and expenditure there against during 1998-2003 were as under:

| Year | Fund received by implementing agencies | Expenditure incurred | Amount refunded to BSACS | Amount kept in Current Accounts in Banks by. | |
|------------------|--|----------------------|--------------------------|--|----------------------|
| | | | | Implementing agencies | District Magistrates |
| (Rupees in lakh) | | | | | |
| 1998-99 | 34.04 | 23.57 | 10.47 | - | - |
| 1999-00 | 28.04 | 24.70 | 3.34 | - | - |
| 2000-01 | 28.49 | 16.08 | 12.41 | - | - |
| 2001-02 | 224.47 | 180.87 | 42.28 | 1.32 | - |
| 2002-03 | 205.38 | 149.39 | 8.48 | 45.51 | 2.00 |
| Total | 520.42 | 394.61 | 76.98 | 46.83 | 2.00 |

(Source: As furnished by district agencies)

24 per cent of funds remained unutilised in the districts test-checked

Of Rs 5.20 crore received by 28 implementing agencies during the period 1998-2003 Rs 76.98 lakh were refunded to BSACS, while Rs 48.83 lakh remained unutilised as of September 2003.

3.1.6 Implementation of the programme

There are six components of the AIDS control programme viz targeted intervention of high risk groups, prevention of AIDS among low risk groups, low cost AIDS care, institutional strengthening, inter-sectoral collaboration and family health awareness programme. The overall achievement of physical targets during the period 1998-2003 under different components of the programme was low (*Appendix-XXIX*). The individual components are discussed below :

3.1.7 Targeted intervention of groups at high risk

Physical progress either nil or low, except in case of condom promotion

High risk groups of AIDS cases were to be identified, mapped and provided peer counselling, condom promotion and treatment of sexually transmitted diseases (STD)/ sexually transmitted infections (STI) through non-government

organisation (NGO) and community based organisations (CBOs). However, identification and mapping of high risk groups of AIDS cases were not done as of July 2003. No NGO/ CBO was engaged for this purpose upto March 2001. Only nine NGOs were engaged during 2001-2003 against the target of 55 fixed by the Government.

Further against a target of 42 clinics only 25 were set up during 1998-2003 and only one to 14 STD clinics reported treatment of patients suffering from sexually transmitted diseases during the same period. The number of patients treated in these clinics which was nine per day during 1999-2000 declined to five patients per day in 2002-03. The performance reports were received by the State AIDS Control Society from only 14 STD clinics out of 25. The balance 11 clinics were non-functional due to shortage of staff and equipment as of May 2003. The physical progress of this component of the programme was either nil or low against targets except in case of condom promotion.

3.1.8 Prevention of HIV/AIDS among low risk groups

32 out of 42 blood banks were non-functional

There are 42 blood banks in the state. Out of this, six blood banks are located in medical colleges and the remaining blood banks are in the district hospitals. Of these, only 10 blood banks have the licenses from the drug controller to operate the blood banks. The remaining blood banks did not fulfil the required conditions for recognition as they lacked mandatory equipments like Air conditioners and Elisa readers and were therefore non-functional.

Heavy shortfalls against targets

Blood banks play a key role in prevention of HIV/AIDS cases. However, opening of blood banks in district hospitals, licensing of blood banks, modernisation of blood banks, provision of blood components separation facility in Medical College Hospitals, voluntary donation of blood in blood banks etc fell short of targets by 47 to 90 per cent during the period 1998 to 2003. Further, no blood bank in the State was declared by NACO as a major blood bank. The Additional Secretary stated that shortfall in voluntary donation was mainly due to general malnutrition of the people. The statement was not acceptable because the voluntary donation of blood in 10 government blood banks during 1998-2003 was 4776 units only while the 18 private blood banks collected 53317 units of blood from the voluntary donors during the same period.

Even in licensed Blood Banks 168 equipment remained idle

It was also noticed that even in the licensed blood banks of four Medical College Hospitals⁹, two district hospitals¹⁰ and one Research Institute¹¹ test-checked, 168 equipment (value not available) supplied by NACO during 1998-2003 were lying idle, ever since the dates of their receipt.

⁹ Medical College Hospitals - DMCH, Darbhanga, ANMCH, Gaya, SKMCH, Muzaffarpur, PMCH, Patna.

¹⁰ District Hospitals - Chapra, Motihari

¹¹ R.M.R.I, Patna

| | |
|---|---|
| A large number of equipments remained idle in non-functional Blood Banks | One hundred and seven equipment supplied by NACO (1993-2001) to 15 blood banks of district hospitals ¹² for their modernisation were lying idle in stores of the hospitals/ blood banks because the blood banks were non-functional due to the absence of licence from the Controller of Drugs of the State. |
| Poor performance of VCTC | Scrutiny of performance of Voluntary Counselling and Testing Centres (VCTC) revealed that on an average five beneficiaries visited a VCTC per day in 2000-01 in one centre. But during 2002-03 on an average only two beneficiaries attended a VCTC per day in 16 centres set up. |
| Activities of VCTCs not monitored | Further, performance reports from 16 out of 34 VCTCs only were received by the State AIDS Control Society during 2002-03 mainly due to shortage of counsellors and laboratory technicians. |
| 3.1.9 Low cost AIDS care | |
| No community care centre set-up | This included activities to provide funding for house based and community based care. Such activities would involve establishing best practice guidelines and providing appropriate drugs for treating opportunistic infections at district hospitals. They would also include training at selected State level hospitals for the provision of referral services with the object of improving the quality and cost effectiveness of interventions offered by existing procedures and establishing new support services like community based hospitals/ centres, drop-in-centres and house based care centre in partnership with NGOs/CBOs. However, no such community care centre for persons living with HIV/AIDS was set up in the State as of July 2003. |
| 3.1.10 Institutional strengthening | |
| Training activity below targets | The programme envisaged that training of trainers at various levels as well as induction training was to be completed during 1999-2000. The remaining period of the project was to be devoted to refresher training. It was noticed that only 96 trainers out of 600 targeted were trained during 1999-2000 and no training of trainers took place thereafter. During 1999-2003 training was imparted to 2366 medical (29 per cent) and 8941 para medical (54 per cent) staff against the target of 8240 medical and 16640 para medical staff respectively. |
| Activities relating to sentinel surveillance conducted in the urban areas only | Sentinel surveillance to collect HIV/AIDS syndrome based information was carried out only in the urban areas in State by conducting survey of 45 sites (out of 47 planned) during 1998-2003 and HIV testing of 14713 (out of 16450 planned) persons. Thus data on prevalence of STD in rural and urban areas of the State were not generated as required under the programme. Surveillance through specific survey, behaviour surveillance surveys and AIDS cases surveillance, as required under the programme were not conducted. |

¹² Arrah, Aurangabad, Begusarai, Chapra, Gaya, Gopalganj, Jahanabad, Kishanganj, Madhepura, Madhubani, Motihari, Nalanda, Nawadah, Purnea, Sitamarhi,

3.1.11 Intersectoral collaboration

Intersectoral collaboration non-existent

The AIDS Control Society did not chalk out any action plan for intersectoral collaboration to ensure learning from the innovative HIV/AIDS programmes that existed in other sectors.

3.1.12 Family Health Awareness Campaign

Against targeted coverage of 3.48 crore population under this component of the programme during 2000-03, population of 0.95 crore (27 per cent) only attended camps during 1999-2003. This indicated that level of awareness development was low.

No society formed at district levels

No society was formed for the effective implementation of the programme at the district level. NGOs and CBOs were also not involved in the implementation of the programme till the year 2000-01.

Out of four video films prepared on AIDS control and dubbing of a Hindi film in three regional languages (Bhojpuri, Maithili, Nagpuri) between February 1998 and February 1999 at a cost of Rs 12.65 lakh, only one film was telecast on Doordarshan once in December 1998.

3.1.13 Prevalence rate of HIV/AIDS

Incidence of HIV positive and AIDS cases increased

The HIV positive cases which were 0.12 per cent (34) out of 28290 cases screened during 1998-99 increased to about one per cent (401) out of 47232 cases screened during 2002-03. Details were as under:

HIV cases

| Blood Screening | Persons screened during | | | | |
|----------------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| | (In number) | | | | |
| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
| 1. Blood banks | 26445 (27) | 56034 (75) | 59011 (68) | 85273 (67) | 39557 (52) |
| 2. Sentinel surveillance | 1845 (7) | 1988 (13) | 2221 (17) | 3933 (35) | 4726 (63) |
| 3. Voluntary counselling centres | - | - | 1380 (228) | 7803 (883) | 2949 (286) |
| Total | 28290 (34) | 58022 (88) | 62612 (313) | 97009 (985) | 47232 (401) |

(Figures in brackets indicate number of HIV cases detected)

In all, 2.93 lakh people were screened for HIV test during 1998-2003. Thus not even one per cent of the total population (eight crore) was screened during last five years indicating poor implementation of the programme.

The first AIDS case was detected in Bihar in 1995-96 and the number of deaths due to AIDS cumulatively increased to 30 upto March 2000. The number of AIDS cases has increased from 10 in 1998-99 to 63 in 2001-02. It however declined to 28 in 2002-03.

AIDS cases detected and deaths due to AIDS

| Year | AIDS cases | Death cases |
|--------------|------------|------------------------------------|
| | | (In number) |
| 1998-99 | 10 | - |
| 1999-2000 | 14 | 30 (cumulative upto March 2000) |
| 2000-01 | 32 | 7 |
| 2001-02 | 63 | 1 |
| 2002-03 | 28 | 2 |
| Total | 147 | 40 |

3.1.14 Manpower management**Inadequate manpower**

Sanctioned strength of various categories of posts under the programme as on 31.03.2003 and men-in-position were as under :

| Sanctioned Strength | | | | Men in position | | | |
|---------------------|--------------|--------|-------|-----------------|--------------|--------|-------|
| Medical | Para Medical | Others | Total | Medical | Para Medical | Others | Total |
| 13 | 53 | 99 | 165 | 3 | 35 | 51 | 89 |

Thus 46 per cent of posts including 75 per cent medical posts under NACP were vacant as on 31 March 2003.

3.1.15 Accounts and cash management**No action for non-accountal of cash**

As per directions of NACO, Cash Book and bank accounts of NACP funds were to be maintained separately, but no separate accounts of NACP funds were maintained in the districts test-checked. The cash balance of Rs 4.71 lakh of NACP funds in the office of Civil Surgeon, Motihari as on 14 May 2001 was not transferred as of June 2003 to the new Cash Book, which was opened on 14 May 2001. For non-accountal of Rs 4.71 lakh no action was taken as of June 2003. The Additional Secretary later stated (September 2003) that enquiry into this was being made.

3.1.16 Monitoring and evaluation**Lax monitoring**

The Additional Director, Bihar State AIDS Control Cell/Project Director, Bihar State AIDS Control Society under the overall supervision of Commissioner-cum-Secretary, Health and Family Welfare Department was responsible for monitoring the NACP. He failed to effectively monitor the implementation of the Programme. The Governing Council of the State AIDS Control Society headed by Commissioner-cum-Secretary required to meet quarterly (nineteen times) during 1998-2003 to ensure effective implementation of the NACP, met only twelve times during the period. It was noticed that only 60 per cent reports and returns due during 1998-2003 from the field formations of STD clinics, VCTCs and blood banks were received by the Project Director. As a result, necessary reports and returns relating to the defaulting field formations were not forwarded by the Project Director to NACO, New Delhi. The details were as under:

| Sl. No. | Name of scheme | Year | Reporting units | Report and Returns due | Units reported to the Project Director | Reports and Returns received from field formations | Shortfall | |
|-------------|----------------|---------|-----------------|------------------------|--|--|-----------|---------------------|
| | | | | | | | Units | Reports and Returns |
| (In number) | | | | | | | | |
| 1. | STD clinics | 1998-03 | 8 to 25 | 804 | 1 to 14 | 432 | 7 to 11 | 372 |
| 2. | VCTC | 1998-03 | 1 to 24 | 408 | 1 to 14 | 276 | 10 | 132 |
| 3. | Blood Banks | 1998-03 | 36 to 46 | 2088 | 15 to 42 | 1200 | 4 to 21 | 888 |
| | Total | | | 3300 | | 1908 | | 1392 |

Even though the monitoring and evaluation officer was appointed in August 2001, no improvement in submission of reports and returns by the field formations was noticed. The officer did not also periodically evaluate mid term and final evaluation programme in the State.

Impact analysis report of ORG centre/World Bank Mission not available

NACO selected (May 2000) ORG Centre for Social Research, New Delhi to conduct evaluation of NACP within three months but the impact analysis of the ORG Centre on the working of State AIDS Control Society was not available as of June 2003.

World Bank Mission reviewed NACP (phase-II) during May 2002, but the report on review was not available as of June 2003.

3.1.17 Conclusions

The National AIDS Control Programme in Bihar suffered because of low level of spending despite funds being available. The overall achievement of physical targets during the period 1998-2003 under different components of the programme was low. The shortfall was particularly pronounced in the two major components of the programme, in targeted intervention of groups at high risk, shortfall was over 69 per cent in three out of five items of work and in prevention of AIDS among low risk group, in six out of seven items of work the shortfall exceeded 58 per cent.

3.1.18 Recommendations

- ❖ Mapping of high risk groups should be taken up on priority as this has remained neglected;
- ❖ The process of selection of NGO's for counselling of high risk groups needs to be stepped up;
- ❖ Opening of blood banks in district hospitals, modernisation of existing blood banks and licensing by the Drug Controller are important items of work of this programme which should be attended to on a urgent basis;
- ❖ Formation of District AIDS Control Society in districts should be speeded up as required under the scheme to ensure better co-ordination at the field level.

The points were referred to Government (August 2003); their reply received (September 2003) stood incorporated in this review at the appropriate places where necessary.

3.2 Implementation of Drugs and Cosmetics Act, 1940

Highlights

The Drugs and Cosmetics Act 1940 (Act) is a Central Act to be implemented by all the States. The Act along with the other associated Acts and the rules made thereunder regulate the import, manufacture, distribution, sale and clinical research of drugs and cosmetics.

The Act was not implemented effectively in the State. The Drug Controller's office did not have master control registers indicating the numbers of manufacturing/selling units, the validity period of licenses, the dates of inspections, dates of collection of samples, the reports of testing laboratory etc. Licenses to manufacturing and selling units were not renewed periodically. There was huge shortfall in the survey and inspection of sick and manufacturing units. Inordinate delay was observed in the testing of drugs and consequential action against the manufacturers/sellers of sub-standard drugs. There was lack of adequate infrastructure facilities for quality testing of samples collected. Price control mechanism was not in vogue. The possibility of manufacture and sale of sub-standard drugs and cosmetics could not be ruled out and the intended objective of making available essential life saving drugs at fair prices to masses was not realised.

The Controller of Drugs did not have a master control register which would indicate the actual status of manufacturing/selling units of the State and licenses to manufacturing/selling units were not periodically renewed, though required.

(Paragraph 3.2.5)

Targets for inspection of selling/manufacturing units in the State fell short by 59 to 68 per cent during 1998-2003. In 25 districts, inspections carried out by 34 Drug Inspectors fell short by 79 to 86 per cent.

(Paragraph 3.2.6)

Samples collected fell short of targets by 96 to 97 per cent. Only 75 per cent of samples of drugs collected during 1998-2003 by the State Drug Control Laboratory, Patna were tested. Government Analyst attributed the shortfall to inadequate infrastructure such as chemical, power supply, testing equipment and manpower.

(Paragraph 3.2.7)

The Controller of Drugs did not initiate punitive and deterrent action in respect of 122 cases of sub-standard drugs reported by five Regional Licensing Authorities during 1998-2003.

(Paragraph 3.2.8)

Interface of State Drug Regulatory Authority with pharmaceutical industry/trade, consumers and medical professionals was non-existent. This adversely affected dissemination of information and feed back on the functioning of enforcement authorities.

(Paragraph 3.2.9)

No intelligence branch was set up for keeping a watch on illegal manufacture of drugs and its trade activities. No training was imparted to Drug Inspectors to tone up enforcement of the Act.

(Paragraph 3.2.10)

Controller of Drugs stated that there was no price control mechanism in vogue in the State.

(Paragraph 3.2.11)

There was lack of monitoring and evaluation mechanism to ensure effective implementation of the provisions of the Drugs and Cosmetics Act, 1940.

(Paragraph 3.2.13)

3.2.1 Introduction

At the beginning of the twentieth century, pharmaceuticals were being imported from abroad. After the First World War manufacturing concerns, both Indian and Foreign, sprang up to produce pharmaceuticals at cheaper rates to compete with imported products. Some of these products were of inferior quality and harmful. Government, therefore, decided to introduce legislation to control the manufacture, distribution and sale of drugs and medicines. A Select Committee appointed by the Central Legislative Assembly in 1937 recommended various measures, providing for the uniform control of manufacture and distribution of drugs as well as of import and finally the Drugs Act¹ was enacted on 10 April 1940.

At present, the Acts and Rules, apart from the Drugs and Cosmetics Act, 1940, which govern the manufacture, sale, import, export and clinical research of drugs and cosmetics in India are : The Pharmacy Act, 1948; The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954; The Narcotics Drugs and Psychotropic Substances Act, 1985; The Medicinal and Toilet Preparations (Excise Duties) Act, 1956; The Drugs (Prices Control) Order 1995 (Under the Essential Commodities Act). The Drugs (Prices) Control Order 1995 introduced by Government of India under the Essential Commodities Act, 1955 aimed at making available essential life saving drugs at fair and affordable prices to the masses. There was no separate legislation of the State in this regard. However, 'The Drugs and Cosmetics Act, 1940' continues to be the main Act.

Main features of the Act

- ❖ To ensure standards of Drugs and Cosmetics, Diagnostics and Devices.
- ❖ To monitor the quality of drugs and medicines imported, manufactured, distributed and sold.

¹ *Drugs Act, 1940 was amended in December 1961 to provide for regulation of the manufacture of cosmetics and prohibition of import and sale of sub-standard and misbranded cosmetics.*

- ❖ To take punitive measures for violations of provisions of the Act.
- ❖ To regulate clinical research and publication of Indian Pharmacopoeia.

Statutory Functions: This is a Central Act and is applicable to all the States. Central Government lays down the regulatory measures and the standards of drugs, cosmetics and diagnostics, and makes amendments to Acts and Rules. It regulates market authorisation of new drugs and standards of imported drugs. It is the Central Licence Approving Authority for Blood Banks, Large Volume Parenterals and Vaccines and Sera. Drugs Technical Advisory Board (DTAB), Drugs Consultative Committee (DCC) and Central Drugs Laboratories are under the control of the Central Government.

The main functions of the State Government are (a) licensing of drug manufacturing and selling units, (b) licensing of drug testing laboratories, (c) approval of drug formulations for manufacture, (d) monitoring of quality of Drugs and Cosmetics manufactured, through periodical inspection of manufacturing and selling units and collection of samples for independent testing (e) investigation and prosecution in respect of contravention of legal provisions, (f) regulation of the standards of imported drugs and (g) recall of sub-standard drugs.

The Drugs and Cosmetics Act, 1940 formulated by Government of India supplemented the Dangerous Drugs Act, 1930 followed by Drugs and Cosmetics Rules, 1945. The Act aimed at preventing manufacture and supply of sub-standard drugs and cosmetics.

3.2.2 **Implementing Agencies : Implementation arrangement**

Commissioner-cum-Secretary to Government, Health, Medical Education and Family Welfare Department has the overall responsibility of regulating manufacture, sale and distribution of drugs in Bihar. He is assisted by the Controller of Drugs (DC) and his subordinate officers viz. a Deputy Drug Controller and an Assistant Drug Controller. The Controller of Drugs is the Chief Licensing Authority for grant and renewal of licenses for manufacture of drugs for sale. Drug Inspectors (DI) have been appointed (since July 1994) as Regional Licensing Authority at divisional level to grant licenses for sale, stock and distribution. At the district level, Drug Inspectors are responsible for inspecting manufacturing and selling units, collecting samples for test and reporting to the regional and State headquarters.

Implementation of the Drugs and Cosmetics Act, 1940 and rules framed there under in the State during 1998-2003 was reviewed in audit between January and May 2003 through a test-check of the records of the Controller of Drugs (Chief Licensing Authority), Patna, eight Regional Licensing Authorities² and Drug Control Laboratory, Patna.

² Bhagalpur, Chapra, Darbhanga, Gaya, Muzaffarpur, Patna, Purnea and Saharsa

3.2.3 Provision of funds

Of Rs 16.47 crore provided during 1998-2003 for administration of Drug and Cosmetic Act and Rules, Rs 6.63 crore (40 per cent) remained unutilised as shown in the table below :

40 per cent of funds remained unutilised

| Year | Budget Provision | Expenditure | Excess (+)/ Savings(-) |
|-------------------------|------------------|---------------|------------------------|
| <i>(Rupees in lakh)</i> | | | |
| 1998-99 | 310.91 | 228.44 | (-) 82.47 |
| 1999-00 | 659.69 | 299.92 | (-) 359.77 |
| 2000-01 | 251.54 | 194.11 | (-) 57.43 |
| 2001-02 | 234.28 | 152.46 | (-) 81.82 |
| 2002-03 | 190.21 | 108.31 | (-) 81.90 |
| Total | 1646.63 | 983.30 | (-) 663.39 |

It was noticed that savings occurred against both the plan and non-plan items under the head 2210- Public Health Drug Control. No reason for huge savings year after year was on record. The DC did not obtain information of receipt and expenditure from any regional field offices and the Government Analyst (GA).

3.2.4 Inadequacies in the Act

Inadequate provision for renewal

Under the Rules a licence or a renewal certificate issued shall be valid for a period of 5 years from the date of issue. But once a renewal application is submitted either before the expiry of the original licence or within six months from the date of its expiry, the original licence shall continue to be in force until orders are passed on the application by the licensing authority. As such, in cases where the inspection of the premises is delayed for some reason and subsequently the licence is found unfit for renewal, the concerned unit can function with immunity during the interval. This is a lacuna to be corrected through appropriate amendments to Rules by making a provision for filing of renewal application three months or six months before the date of expiry of original licence and issue of renewal certificate on or before the date of expiry of original licence.

No time frame for testing of the samples

The Act does not provide any time frame for testing of the samples of the drugs/cosmetics collected during inspections of the manufacturing/selling units. As a result, substandard/ spurious drugs continue to be sold in the market. Rule 46 envisages that after analysis, the test-report is to be sent 'forthwith'. But there is no specific mention about the time limit for testing/sending test reports resulting in consumption of untested drugs before availability of the report leading even to death.

Non-differentiation of minor and major offences

There is no differentiation of minor and major offences in the Act/Rules. As such, decision on departmental action or prosecution is left to the discretion of the DC or DIs. No time frame has also been prescribed in the Act to file the

complaint by the department in the court of law with the result that action against the offenders get delayed.

Lack of provision for free surrender of samples

According to existing provisions, drug samples are required to be collected by the DI only on payment of cost thereof. In view of financial stringency, the funds allotted for this purpose are generally inadequate. As such the provision in the Rules acts as a hindrance in the collection of adequate number of samples for quality analysis.

Absence of provision for sale licence for ayurvedic drugs

Unlike in the case of allopathic drugs, no sale licence is required for ayurvedic drugs under the Act/Rules. The authorities find it difficult to keep track of the sale of spurious, adulterated or time expired ayurvedic drugs.

3.2.5 Licenses

**Master control
register non- existent**

The DC did not have a master control register, indicating the number of operational and functioning manufacturing and selling units of the State, the number of units which have been inspected by the Drug Inspectors and number of units, where inspections are due etc. It would therefore appear that the internal control system in the department was deficient.

In the absence of data at the State level, audit collected information of manufacturing and selling units from the Regional and District Offices. The licenses were valid for two calendar years and they were to be renewed every two years. From August 2001, the tenure of licenses was fixed for five years from the date of issue.

The number of manufacturing units of drugs, their licenses due for renewal and licenses renewed during 1999-2003 was as under :

(In number)

| Year | Issuance of licenses | | | Renewal of licenses | | |
|-----------|----------------------|---------------------------------|------------------------------------|-------------------------|------------------|-----------|
| | OB units | Licenses issued during the year | Total units at the end of the year | License due for renewal | Licenses renewed | Shortfall |
| 1999-2000 | 604 | 96 | 700 | 308 | 300 | 8 |
| 2000-2001 | 700 | 83 | 783 | 331 | 300 | 31 |
| 2001-2002 | 783 | 39 | 822 | 396 | 239 | 157 |
| 2002-2003 | 822 | 29 | 851 | 282 | 261 | 21 |

Of the total 851 manufacturing units as of March 2003, licenses of 21 manufacturing units were not renewed. As there was no report on closure of 21 units whose licenses were not renewed during 1999-2003, operation of these units without license and possibility of manufacture of spurious/fake/adulterated drugs by those units could not be ruled out.

DIs in the regions were functioning as licensing authority for selling units

Prior to July 1994 the authority for issuing licenses for sale, stock and distribution of drugs was vested in the Civil Surgeons-cum-Chief Medical Officers of the districts concerned. From July 1994 this power was vested in the Regional Licensing Authorities. However, there was no post of Regional Licensing Authority as of March 2003. As a result the DIs in the regions and the districts had to function as licensing authority of selling units.

Inadequate renewal of licenses of selling units

The number of selling units of drugs, their licenses due for renewal and licenses renewed during 1998-2003 was as under :

(In number)

| Year | Issuance of license | | | Renewal of license | | |
|-----------|---------------------|--------------------------------|------------------------------------|--------------------------|------------------|-----------|
| | OB units | License issued during the year | Total units at the end of the year | Licenses due for renewal | Licenses renewed | Shortfall |
| 1998-1999 | 21972 | 2429 | 24401 | 11655 | 10079 | 1576 |
| 1999-2000 | 24401 | 2768 | 27169 | 11893 | 9534 | 2359 |
| 2000-2001 | 27169 | 1283 | 28452 | 12508 | 10737 | 1771 |
| 2001-2002 | 28452 | 2572 | 31024 | 12302 | 9144 | 3158 |
| 2002-2003 | 31024 | 388 | 31412 | 10916 | 4839 | 6077 |

Of 31412 selling units as of March 2003, licenses of 6077 selling units were not renewed. The continuance of these units without renewal of licenses could not be ruled out as no verification is done in respect of those units, which do not submit application for renewal.

3.2.6 Survey and inspections

The target of inspections fell short by 59 to 68 per cent of the norm prescribed in the State

The Drugs and Cosmetics Rules, 1945 provide that inspection of each selling/manufacturing unit should be conducted at least once a year. Scrutiny revealed that the Government fixed a target of 20 inspections per month for each DI though they were fully aware that with this target, the provision of the Act in respect annual inspection of each manufacturing / selling units would not be fulfilled. Accordingly 43 DIs in the State had a target of 10,320 inspections in a year against the requirement of 25000 to 32000 inspections annually during 1998-2003. Thus, the target fixed during 1998-2003 fell short by 59 to 68 per cent of the manufacturing and selling units in the State as indicated below:

| Year | Selling units due for inspection | Manufacturing units due for inspection | Total units due for inspection | Target of inspection fixed by the State | Shortfall | Per cent |
|-----------|----------------------------------|--|--------------------------------|---|-----------|----------|
| 1998-1999 | 24401 | 604 | 25005 | 10320 | 14685 | 59 |
| 1999-2000 | 27169 | 700 | 27869 | 10320 | 17549 | 63 |
| 2000-2001 | 28452 | 783 | 29235 | 10320 | 18915 | 65 |
| 2001-2002 | 31024 | 822 | 31846 | 10320 | 21526 | 68 |
| 2002-2003 | 31412 | 851 | 32263 | 10320 | 21943 | 68 |

During 2000-2003 performance of 34 DIs in 25 districts test-checked was as under:

| Year | Total units due for inspection in 25 districts | Number of inspections conducted | Shortfall | Per cent |
|------|--|---------------------------------|--------------|-----------|
| 2000 | 22036 | 3028 | 19008 | 86 |
| 2001 | 23116 | 4805 | 18311 | 79 |
| 2002 | 25180 | 5402 | 19778 | 79 |
| | 70332 | 13235 | 57097 | 81 |

81 per cent shortfall in conducting inspections in 25 districts test-checked

Thus, against 70332 units due for inspections in 2000-02, number of inspections conducted by 34 DIs was 13235 only. As a result, there was a shortfall of 81 per cent in inspection of the manufacturing/selling units in 25 districts. As such, nearly four-fifth (80 per cent) manufacturing/selling units were allowed to carry on operations without any inspections. No reason for shortfall in conducting inspections was available.

Records of inspections prescribed not maintained

As per rules, the inspection books in prescribed form obtained from the licensing authority were to be kept by the manufacturer and sellers of the drugs. The observations of the DIs were to be recorded in the prescribed format in triplicate. The original copy was to be retained in the inspection book. The duplicate copy was to be sent to licensing authority, while the triplicate copy was to be taken as record by the DI. However, the DIs did not record inspection notes in the prescribed format. Though the inspection notes otherwise recorded were available with the DIs, copies thereof were neither available with the manufacturers/sellers nor with the licensing authorities i.e. the Controller of Drugs in all the cases of records of 34 DIs test-checked. As a result reliability of inspections carried out was doubtful.

3.2.7 *Collection of samples and testing of drugs*

Collection of samples and their analysis by 34 DIs in 25 districts test-checked were as under :

| Year | Total units due for sample collection * | Number of samples collected | Shortfall | Analysis |
|------|---|-----------------------------|------------------|------------------|
| 2000 | 22036 | 589 | 21447(97) | 389 (66) |
| 2001 | 23116 | 845 | 22271(96) | 599 (71) |
| 2002 | 25180 | 1125 | 24055(96) | 318 (28) |
| | 70332 | 2559 | 67793(96) | 1306 (51) |

* @ one sample per inspection of each unit

(Figures in brackets indicate per cent)

Collection of samples fell short of targets and samples collected only partially analysed

Samples collected fell short by 96 per cent and only 51 per cent of the samples collected were analysed. It would therefore appear that even one sample of nearly 95 per cent manufacturing and selling units were not tested by the DIs in the districts. Hence there was virtually no enforcement of the Act in the state. Poor collection of sample was attributed by the DIs concerned to lack of funds for payment of cost of samples to the selling units. The reasons advanced were not tenable as huge funds remained unutilised every year during 1998-03. Poor analysis of samples collected was attributed by the Government analyst to lack of chemicals and erratic power supply.

Samples not collected from hospitals and blood banks

The Act provided that samples of drugs were to be collected by the DIs from government hospitals, institutions, blood banks etc. for quality testing. However, no sample was collected by them during 1998-2003. Thus, in a state with a large population of eight crore, not a single blood sample was tested in five years. As a result, the quality of the blood being supplied by the blood banks in the state could not be verified.

Quality of drugs/cosmetics manufactured not assured

As required under Rule 150 B of the Drugs and Cosmetics Rule, 1945 every manufacturing unit was to test quality, purity and strength of drugs or cosmetics or the raw materials used in their manufacture by its own agency or any outside agency with the approval of the Drug Controller. However, none of the manufacturing units in the State sought approval of the DC during 1998-2003 for quality testing of drugs and cosmetics manufactured. Thus, quality of drugs and cosmetics manufactured by the units could not be assured.

Information of samples tested by Laboratories at Kolkata and Ghaziabad not available

Samples of drugs and cosmetics collected and received were to be analysed/tested at State Drug Control Laboratory, Patna, Central Drug Control Laboratory, Kolkata and Central Institute of Pharmacopial Laboratory, Ghaziabad. Samples for testing and reporting from Kolkata and Ghaziabad were paid for by the DC. The information regarding number of samples tested by the laboratories of Kolkata and Gaziabad and fee paid to them was not furnished.

Only 75 percent of samples of drugs collected were tested by State Drug Control Laboratory, Patna

Scrutiny revealed that only 75 per cent (3247) of samples collected (4352) during 1998-2003 were tested by the State Drug Control Laboratory, Patna, while eleven per cent of the samples of drugs tested were declared sub-standard.

| Year | Total Manufacturing/Selling units | Previous balance of samples | Samples received for analysis | Samples analysed | Samples not analysed | Drugs declared sub standard |
|--------------|-----------------------------------|-----------------------------|-------------------------------|------------------|----------------------|-----------------------------|
| 1997-98 | NA* | Nil | 408 | 269 | 139 | 50 |
| 1998-99 | 25005 | 139 | 581 | 476 | 244 | 79 |
| 1999-00 | 27869 | 244 | 402 | 417 | 229 | 66 |
| 2000-01 | 29235 | 229 | 822 | 559 | 492 | 78 |
| 2001-02 | 31846 | 492 | 732 | 632 | 592 | 37 |
| 2002-03 | 32263 | 592 | 1407 | 894 | 1105 | 42 |
| Total | 146218 | | 4352 | 3247 | | 352 |

*NA- not available

It would therefore be evident that only 2978 samples were tested and analysed during 1998-2003 against the requirement of testing of 146218 samples @ one sample per unit per year. Thus, there was hardly any enforcement of the provisions of the Act in the state.

Further, details of sub-standard drugs being adulterated, spurious and fake was not on record. Shortfall in testing and reporting of samples was attributed by the GA to inadequate infrastructure such as chemicals, power supply, testing equipment and manpower. As regards Ayurvedic and Homeopathic system of medicine, drug testing facility was not available in the State. Besides, there was no time limit for analysing the samples.

3.2.8 Prosecution

No punitive/deterrent action on reporting of sub-standard drugs

As a token of supervisory control, the DC was required to initiate action against the drug offenders on the reports of the DIs. However, the DC did not initiate punitive and deterrent action on 122 cases of sub-standard drugs reported by five Regional Licensing Authorities during 1998-2003.

Status of prosecution cases under four Regional Offices was as under :

(In number)

| Year | Prosecution cases (opening balance) | Prosecution cases launched during the year | Total prosecution cases | Conviction | Cases pending at the end of the year |
|---------|-------------------------------------|--|-------------------------|------------|--------------------------------------|
| 1998-99 | 10 | - | 10 | - | 10 |
| 1999-00 | 10 | 2 | 12 | - | 12 |
| 2000-01 | 12 | 19 | 31 | - | 31 |
| 2001-02 | 31 | 17 | 48 | 12 | 36 |
| 2002-03 | 36 | 17 | 53 | - | 53 |

NB : Four other Regional Offices test-checked did not give information.

Pending prosecution cases

During 1998-99 to 2002-03, 65 prosecution cases were initiated by the DIs of four Regional Licensing Authorities (Patna, Muzaffarpur, Darbhanga and Bhagalpur). Against this, 12 sellers of drugs of Muzaffarpur region who violated the provisions of the Drug and Cosmetics Act were convicted by the courts of law. However, decisions of the courts of law on remaining 53 prosecution cases were awaited (May 2003).

Surprise raids on manufacturing and selling units not conducted

Although the post of flying squad DI was created and filled in at the State level to conduct surprise raids on manufacturing and selling units, the incumbent did not conduct surprise raids but functioned as Regional Licensing Authority at Patna. However, it was noticed that in 9 districts³ altogether 35 seizures of drugs and equipment were made by 12 Drug Inspectors for breach of the Act and the rules thereunder.

3.2.9 Interface with regulatory authority

No interface with the Pharmaceutical industry, the consumers and medical professionals

Interface of the State drug regulatory authority, with the pharmaceutical industry/trade, consumers and medical professionals was not on record. This adversely affected dissemination of information and feedback on the functioning of the enforcement authorities.

3.2.10 Intelligence and training

No intelligence branch and no training facility for officials

No intelligence branch was set up by the Drug Control Administration for keeping a watch on the illegal manufacturer of drug and trade activities. No training had been imparted to the DIs and other officials of the Drug Control Administration in matters concerning development of intelligence, detection,

³ Betia, Chapra, Motihari, Madhubani, Muzaffarpur, Patna, Samastipur, Siwan and Sitamarhi

investigation, preparation and filing of complaints and court procedure etc. which could have been useful for achieving efficient control measures.

3.2.11 Price control mechanism

Price control mechanism not in vogue

DC stated (April 2003) that there was no price control mechanism in vogue in the State. He also stated that DIs of the districts concerned were delegated to enforce the Drugs (Price Control) Order'1995 as prescribed by the Government of India. However, only one DI detected (March-April 2003) seven cases of overpricing of medicines. Those cases were reported by the DI, Patna to the DC (April 2003), but no action was taken as of June 2003.

3.2.12 Manpower management

The number of staff sanctioned and men-in-position for administration of Drug Control in Bihar was as detailed below:

Shortage of required numbers of officials

| Name of post | Sanctioned strength | Men-in-position |
|------------------------|---------------------|-----------------|
| Drugs Inspector | 221 | 43 |
| Asstt. Drug Controller | One | One |
| Dy. Drug Controller | One | One |
| State Drug Controller | One | One |

There was no post of DI for Homeopathy and Unani system of medicines.

Posts created without consulting Finance Department

The Department created 184 posts of DIs in 1991-92 without the approval of the Finance Department though required as per the Recruitment Rules for the DIs.

3.2.13 Monitoring and evaluation

Schedule of inspections for field visits by Supervisory officials was not drawn

As a token of administrative control, schedule of inspections prescribing minimum number of field visits for each supervisory level functionary was to be drawn up by the DC for effective implementation of the provisions of Drugs and Cosmetics Act. No such schedule of inspections was prescribed by the authority concerned. The implementation of the Act and Rules was not evaluated by the Government or any other outside agency. Thus there was lack of monitoring and evaluation mechanism to ensure effective implementation of the Drugs and Cosmetics Act, 1940 and Rules framed there under.

3.2.14 Conclusions

The Drugs and Cosmetics Act was implemented in lackadaisical manner. The manpower available with the DC was quite inadequate to carry out the inspection of selling and manufacturing units in a large State. The inspections conducted by the DIs were negligible in comparison to the requirements under the Act. Further, the samples were also not collected during inspections in large number of cases. Even follow up on the drug samples collected was poor. Prosecution cases launched and those convicted under the Act was insignificant to have any impact. Thus, in nutshell, there was hardly any enforcement of the provisions of the Act in the state of Bihar.

3.2.15 Recommendations

- ❖ The Act needs to be amended to prescribe the time schedule for disposal of renewal applications by DC also.
- ❖ The Act needs to be amended to bring the selling units of Ayurvedic medicines and cosmetics also under the purview of the Drugs and Cosmetics Act, 1940 to ensure quality.
- ❖ There should be a provision for compounding of offences to minimize the number of litigants.
- ❖ Deterrent penalty should be provided in the Act for manufacture or sale of adulterated/ spurious or misbranded drugs irrespective of their intensity.
- ❖ The Drug samples collected need to be tested and analysed within a tight time frame, giving full details of the case so that prosecution cases under the Act can be launched effectively.
- ❖ Prosecution cases need to be followed up effectively by the department.
- ❖ The price control mechanism is non-existent in the State. This needs to be strengthened to protect the interests of the consumers.

The points were referred to Government (August 2003); their reply had not been received (March 2004).

WELFARE DEPARTMENT**3.3 Welfare of handicapped*****Highlights***

Welfare of Handicapped is a complex social issue involving coordination of curative, promotional and rehabilitational activities directed at different forms of handicap and a multitude of measures. Further, the definition of handicapped for the purpose of coverage is so widely dispersed over such a large area of disabilities that no single focus emerges automatically from the disparate efforts undertaken by different agencies entrusted with the delivery of programme objectives. Welfare activities for the handicapped are governed by the provisions of Persons with Disabilities (Equal opportunities, Protection of rights and Full participation) Act, 1995 and Mental Retardation and Multiple Disabilities Act, 1999. These Acts aimed to bring people suffering from different kinds of disabilities into the main stream of social life.

The review revealed that various provisions of the Acts remained unimplemented during 1998-03 and the schemes taken up suffered from mismanagement emanating from lack of co-ordination and supervision. As a result, a major chunk of GOI funds remained unutilised and the performance of the schemes was either nil or negligible. Thus the welfare of the handicapped remained neglected.

The provisions of the Disability Act, 1995 relating to survey, investigation, research on causes of disabilities, promotion of methods of preventing disabilities, awareness campaign, public education, research and designing new assisting devices etc. remained largely unimplemented.

(Paragraph 3.3.4)

Eighty six per cent (Rs 125.97 crore) of GOI funds received (Rs 145.85 crore) by the State during 1998-03 remained unutilised and parked in current accounts in banks, while the implementation of the schemes suffered badly.

(Paragraph 3.3.5)

There was no expenditure in the schemes of Composite Regional Resource Centre for rehabilitation of disabled persons and school building for deaf and dumb.

No measures were taken to correct deformity caused by leprosy.

Free glasses were provided only to twenty eight per cent and eight per cent of children detected with refractory errors during 2001-02 and 2002-03 respectively.

Formal training courses in the stream of technical and vocational education of persons with disabilities were not started in any of the polytechnics as of March 2003.

(Paragraph 3.3.7)

Fifty four per cent (Rs 5.02 crore) of available funds were not spent on the 11 schemes being taken up under the State Plan.

In three out of 11 schemes under the State plan (workshop for deaf and dumb, special equipment for deaf and dumb, school of spastic children) expenditure was nil while in three other schemes (blind school, blind teachers training, commissioner disability) the expenditure was negligible varying from 10 to 13 per cent of the available funds.

Artificial Limb Centre, Patna produced aids and appliances worth Rs 2.32 lakh only while establishment expenditure of the Institute was Rs 77.86 lakh during 1998-2003.

Only 16 per cent of the handicapped registered were sponsored by the Special Employment Exchange, Patna and only two per cent of the handicapped registered were placed in jobs.

Absence of Block Government Guarantee led to non-payment of loans to 1405 handicapped applicants.

(Paragraph 3.3.8)

Against the target of 4263, only 3224 handicapped persons were benefited by grants-in-aid to NGOs.

(Paragraph 3.3.10)

Implementation of the Disability Act and the Schemes thereunder suffered due to absence of a proper monitoring mechanism.

(Paragraph 3.3.11)

3.3.1 Introduction

The “Persons with Disability (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995” (Act), which came into effect in October 1998, is the principal legislative instrument through which the State is seeking to provide the necessary services to the persons with disability and to fulfill specific obligations arising out of the Act. As the title of the Act itself makes it clear, provisions of equal opportunities, protection of rights and full participation are major concerns in the welfare of the handicapped. In order to address these areas of concern, the major activities carried out by the State include :

- ❖ Identification of persons with disability;
- ❖ Providing the institutional framework for management and rehabilitation of specific disabilities;
- ❖ Implementation of “National Programme for Rehabilitation of Persons with Disabilities” (NPRPD);
- ❖ Creating awareness in the public through mass media in order to change the attitude of the public at large towards disabilities and providing for preventive measures wherever require

3.3.2 Organisational set-up

The Commissioner–cum-Secretary to Government, Welfare Department is overall responsible for implementation of the Act and welfare schemes through State Executive Committee consisting of Secretaries to Government, Health, Education, Rural Development, Labour and Employment and Public Works Departments with the assistance of their field officers at the district level.

3.3.3 Scope of audit

Implementation of the schemes for the welfare of handicapped during 1998-2003 was reviewed between December 2002 and June 2003 by test-check of the records of Director, Social Welfare, Welfare, Education, Science and Technology, Health, Rural Development, Housing, Building Construction, Personnel, Revenue, Labour and Employment department, 11 District Welfare

Officers¹ (DWOs), 11 District Rural Development Agencies² (DRDA), 11 Districts Hospitals³ and 13 Non Government Organisations⁴ (NGOs) in order to assess its efficiency and effectiveness.

3.3.4 Implementation of the PWD 1995 Act

Provisions of the Act
remained
unimplemented

The PWD 1995 Act provides that apart from coordinating activities of the government departments, governmental and non-governmental organizations, Government was required to formulate a State policy for programmes and legislation with respect to disability. Government was also required to take such steps to ensure barrier free environment in public places, work places, schools and other institutions apart from monitoring and evaluating the impact of policies and programmes designed for achieving equality and full participation of persons with disabilities. No such policy was, however, formulated by the State even after a lapse of eight years of promulgation of the Act.

The provisions of the Act relating to survey, investigation and research on causes of disabilities, promotion of methods of preventing disabilities, awareness campaign, public education, research and designing new assisting devices, identification of posts for disabled etc. remained unimplemented. Commissioner-cum-Secretary, Welfare Department stated (November 2003) that a committee constituted for formulating State policy was under approval of the Cabinet sub committee and the collectors had been asked to form teams to identify the reasons for disability.

As regards National Trust for the Welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities Act 1999, there was no activity in the State except formation of a State level committee in October 2001 and local level committees in 28 (out of 38) districts in March 2003.

3.3.5 Financial outlay and expenditure

The Central and State Governments provided funds to different departments of State for the welfare of handicapped persons. Department-wise provision of funds and expenditure during 1998-2003 was as under:

¹ Bhagalpur, Bhojpur, Darbhanga, Gaya, Jamui, Munger, Muzaffarpur, Patna, Saharsa, Vaishali and West-Champaran.

² Bhagalpur, Darbhanga, Gaya, Madhubani, Munger, Muzaffarpur, Nalanda, Patna, Samastipur, Vaishali and West-Champaran

³ Bhojpur, Darbhanga, Gaya, Jamui, Katihar, Munger, Muzaffarpur, Patna, Purnia, Vaishali and West-Champaran.

⁴ Bhagalpur: Girija Shankar Dristi Bihin Balika Vidyalaya; Gaya: Nehru Yuvak Kendra Sangathan; Munger: Baba Baidyanath Balika Muk Badhir Vidyalaya; Muzaffarpur: Red Cross Society; Nalanda: Prakritik Arogya Ashram; Patna: Ashadeep; Bhartiya Biklang Sangh; Bihar Institute of Speech and Hearing Research Centre; Bihar Rehabilitation and Welfare Institute; JM Institute of Speech and Hearing; Physical medicine Rehabilitation Institute; Tripolia Social Service Hospital; Saharsa: Kosi Kshetriya Biklang, Bidhwa, Bridha Kalyan Samiti.

Eighty six per cent of GOI funds received by the State remained unutilised and parked in current accounts in banks

| Sl. No. | Name of department | Year | Funds released | | | Funds utilised | | | Balance | | |
|-------------------|----------------------|---------|----------------|-------------|---------------|----------------|-------------|--------------|---------------|-------------|---------------|
| | | | GOI | State | Total | GOI | State | Total | GOI | State | Total |
| (Rupees in crore) | | | | | | | | | | | |
| 1 | Social Welfare | 1998-03 | 6.37 | 4.56 | 10.93 | 0.02 | 1.75 | 1.77 | 6.35 | 2.81 | 9.16 |
| 2 | Rural Development | 1998-03 | 123.29 | N.A | 123.29 | 8.15 | - | 8.15 | 115.14 | - | 115.14* |
| 3 | Education | 1998-03 | 0.37 | - | 0.37 | 0.22 | - | 0.22 | 0.15 | - | 0.15 |
| 4 | Labour & Employment | 1998-03 | - | 0.35 | 0.35 | - | 0.27 | 0.27 | - | 0.08 | 0.08 |
| 5 | Science & Technology | 2001-02 | 0.42 | - | 0.42 | 0.26 | - | 0.26 | 0.16 | - | 0.16 |
| 6 | Health | 1998-03 | 15.40 | 3.85 | 19.25 | 11.23 | 1.72 | 12.95 | 4.17 | 2.13 | 6.30 |
| 7 | Welfare | 1998-03 | - | 0.47 | 0.47 | - | 0.47 | 0.47 | - | - | - |
| Total | | | 145.85 | 9.23 | 155.08 | 19.88 | 4.21 | 24.09 | 125.97 | 5.02 | 130.99 |

* Being three per cent of the funds for JGSY, SGSY, IAY and PMGY as per the scheme for welfare of handicapped.

It may be seen that 84 per cent (Rs 131 crore) of the total available funds (Rs 155.08 crore) was not utilised during 1998-2003. The department retained the amount in current account in banks, while the implementation of the programmes meant for the benefit of the handicapped suffered badly. On the other hand interest of Rs 74.18 lakh was lost on parked funds in current accounts in banks as of March 2003.

Utilisation certificates not furnished to GOI

Further, the Welfare Department being the nodal department did not obtain utilisation certificates (UCs) of the funds from the implementing agencies, nor did it render to GOI any UC as of July 2003 for the funds received by the State.

Commissioner-cum-Secretary, Welfare Department stated (November 2003) that full utilisation of funds and issue of furnishing UC to Central Government would be worked out in the meeting of State level Co-ordination Committee.

3.3.6 Implementation of schemes

The Centrally sponsored schemes covered a wide range of activities from setting up a composite regional resource centre, education programmes, rehabilitation, leprosy and blindness control, funds for rural areas and upgradation of polytechnic for disabled. The State plan schemes focussed attention on education, health, workshop on deaf and dumb and equipment to meet their special needs. The schemes suffered mainly due to inaction of the state authorities, poor utilisation of funds and lack of effective monitoring.

3.3.7 Centrally sponsored schemes

Major chunk of available funds for implementation of centrally sponsored schemes remained unutilised. No measure was taken to correct deformity caused by leprosy. Formal training of technical/vocational courses for persons suffering from disabilities was not started.

The progress of Centrally aided schemes for the benefit of handicapped people in the State during 1998-2003 was as under :

| Sl No | Name of Scheme | Year | Funds received from GOI | Funds released to implementing agencies | Funds utilised | Unspent balance (4-6) |
|------------------|--|--------------|-------------------------|---|----------------|-----------------------|
| (Rupees in lakh) | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | Composite Regional Resource Centre | 1998-03 | 50.00 | 5.00 | Nil | 50.00 |
| 2 | National programme for Rehabilitation of PWD | 1998-03 | 549.00 | 309.70 | 1.43 | 547.57 |
| 3 | Awareness programmes | 1998-03 | 4.50 | 4.50 | 0.50 | 4.00 |
| 4 | Integrated Handicapped Education Project | 1998-03 | 19.08 | Nil | 4.01 | 15.07 |
| 5 | Bihar Education Project | 1998-03 | 17.76 | Nil | 17.76 | Nil |
| 6 | Leprosy control | 1998-03 | 1438.22 | 1438.22 | 1021.81 | 416.41 |
| 7 | Blindness control | 1998-03 | 102.00 | 102.00 | 101.66 | 0.34 |
| 8 | School Building for Deaf & Dumb | 1998-03 | 33.40 | 33.40 | Nil | 33.40 |
| 9 | Up-gradation of Existing Polytechnic for PWD | 1998-03 | 42.00 | 42.00 | 26.29 | 15.71 |
| 10 | Rural development | 1998-03 | 12329.00 | 12329.00 | 815.00 | 11514.00 |
| | | Total | 14584.96 | 14263.82 | 1988.46 | 12596.50 |

Funds remained unutilised with implementing agencies

- ❖ The State Government released only Rs 142.64 crore to the implementing agencies out of Rs 145.85 crores received from Government of India. As such Rs 125.97 crore remained unutilised with the implementing agencies. The unutilised funds were kept in current accounts in the banks.

No expenditure on two schemes

- ❖ There was no expenditure on two schemes (Composite Regional Resource Centre for rehabilitation of disabled persons and school building for deaf and dumb), though funds of Rs 83.40 lakh were available for these schemes. The entire expenditure of Rs 1.93 lakh as indicated on two schemes (National Programme for Rehabilitation of disabled persons and the awareness activities) was met by diverting funds from other activities. The expenditure of Rs 4.11 lakh out of available funds of Rs 19.08 lakh was also not the real expenditure on the scheme of Integrated Handicapped Education Project as the amount was paid to an NGO, whose expenditure on the project was not monitored by the department.

No measure to correct deformity

- ❖ The Leprosy Control Programme envisaged to provide after care or welfare measure for persons with deformity caused by leprosy. Though Rs 10.22 crore were spent on the programme, no measures to correct deformity or other welfare measures were taken by the Government for correction of deformity in cases reported between 1998-99 and 2002-03 as under :

| Year | 1998-99 | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 |
|-----------------|-------------|-----------|-----------|-----------|-----------|
| | (In number) | | | | |
| Deformity cases | 12885 | 5542 | 3018 | 2642 | 1400 |

(Source: information supplied by department)

Funds for control of blindness remained unutilised

- ❖ Expenditure of Rs 1.02 crore on blindness control measures included Rs 55.00 lakh transferred by the 'District Blindness Centre, Patna' to 'Indira Gandhi Institute of Medical Science', Patna (Rs 50 lakh) and Patna Medical College Hospital, Patna (Rs 5 lakh) during 2000-2001 for strengthening Regional Institute of Ophthalmology. Against this only Rs 24.88 lakh were utilised by the Indira Gandhi Institute of Medical Sciences and no amount was spent by the Patna Medical

College Hospital. Thus Rs 30.12 lakh remained unutilised with these agencies as of September 2003.

- ❖ Further National Programme for Control of Blindness envisaged 'School Eye Screening', but no target for screening of children was fixed by the Government.

Free glasses provided only to small number of children having refractory errors

Number of school children screened, refractory errors detected during 1998-2003 was as under :

| Year | School children screened | School children detected with refractory error | Free glasses provided |
|-------------|--------------------------|--|-----------------------|
| (In number) | | | |
| 1998-01 | Nil | Nil | Nil |
| 2001-02 | 99634 | 3562 | 985 |
| 2002-03 | 13654 | 280 | 23 |

(Source: information supplied by department)

Free glasses were provided to only 28 per cent and eight per cent of Children who were detected with refractory errors during 2001-02 and 2002-03 respectively, though all the children who were detected with refractory errors were to be provided with spectacles free of cost.

Formal training of technical/vocational courses not started

- ❖ Under the schemes of integrating persons with disabilities in the main stream of technical and vocational education, 18814 persons with disabilities were identified within the geographical periphery of the polytechnics of 3 districts (Gopalganj : 5970; Patna : 7308; Saharsa: 5536). However formal training course was not started in any of the polytechnics as of March 2003 despite permission (December 2002) of All India Council for Technical Education. Besides non-formal training of three months duration was to be provided to 100 inmates during a year in each polytechnic. Against this, in Patna, Saharsa and Gopalganj polytechnics only 107 out of 300 handicapped people were imparted training during 2002-03.

3.3.8 State Plan Schemes

The State Plan Schemes also suffered due to poor spending, lack of State policy for prevention and early detection of disability, inadequate production of aids and appliances for the handicapped and lack of vocational training for rehabilitation etc.

The budget provision and expenditure for welfare activities of the Welfare Department under the State Plan scheme during 1998-2003 were as under:

| Sl. No. | Scheme | Year | Budget provision | Expenditure | Savings(Per cent in bracket) |
|------------------|-----------------------------------|---------|------------------|-------------|------------------------------|
| (Rupees in lakh) | | | | | |
| 1 | Blind school | 1998-03 | 73.12 | 8.36 | 64.76 (89) |
| 2 | Blind teachers training | 1998-03 | 8.00 | 1.00 | 7.00 (87) |
| 3 | Stipend and scholarship | 1998-03 | 205.52 | 142.66 | 62.86 (31) |
| 4 | Workshop for deaf and dumb | 1998-02 | 43.00 | Nil | 43.00 (100) |
| 5 | Special equipment for deaf & dumb | 1998-03 | 13.00 | Nil | 13.00 (100) |
| 6 | Survey | 1998-03 | 29.20 | 22.20 | 7.00 (24) |
| 7 | Commissioner disability | 1998-02 | 9.80 | 1.00 | 8.80 (90) |
| 8 | School of spastic children | 1998-03 | 75.00 | Nil | 75.00 (100) |
| 9 | Ayurvedic & Leprosy Cure Centre | 1998-03 | 46.74 | 46.74 | - |

| Sl. No. | Scheme | Year | Budget provision | Expenditure | Savings(Per cent in bracket) |
|---------|-----------------------|--------------|------------------|---------------|------------------------------|
| | | | (Rupees in lakh) | | |
| 10 | Labour and Employment | 1998-03 | 34.85 | 27.34 | 7.51 (22) |
| 11. | Health department | 1998-03 | 384.67 | 171.69 | 212.98 (55) |
| | | Total | 922.90 | 420.99 | 501.91 (54) |

(Source : information supplied by the department)

54 per cent fund for State Schemes remained unutilised

- ❖ Fifty four per cent (Rs 5.02 crore) of available funds (Rs 9.23 crore) were not spent on the 11 schemes being taken up under the State plan. Further, in three schemes under State plan (workshop for Deaf and Dumb, Special Equipment for Deaf and Dumb, School of Spastic Children) there was nil expenditure while in three other schemes (blind school, blind teachers training, commissioner disability) the expenditure was negligible varying from 10 to 13 per cent of the available funds.

In three out of 11 schemes expenditure was nil, while in three others, expenditure was marginal

Funds for stipend and scholarship surrendered/ lapsed or deposited in treasury

- ❖ In the 10 districts test-checked only 66 per cent (Rs 37.81 lakh) of available funds (Rs 57.00 lakh) was spent on payment of stipend and scholarships to handicapped children during 1998-2003. Against targeted payment to 2112 students, stipend and scholarships were paid to 1400 students only during the same period. Unutilised funds of Rs 19.19 lakh were either surrendered/lapsed, or deposited in treasury as receipts of the Government or kept in Civil Deposits.

No State Policy for prevention and early detection of disability

- ❖ State Government spent Rs 1.72 crore during 1998-2003 on health care of handicapped people in Artificial Limb Centre, Patna and Bihar college of Physiotherapy and occupational therapy, but did not formulate any State policy for prevention and early detection of disability.

Inadequate production of aids and appliances for the handicapped

- ❖ Artificial Limbs Centre, Patna was to produce aids and appliances to the handicapped persons. Scrutiny revealed that the centre produced aids appliances worth Rs 2.32 lakh only while establishment expenditure of the institution was Rs 77.86 lakh during 1998-2003. Head of the Department of the centre attributed shortfall in production of aids and appliances to inadequate provision of funds by Government for raw material, lack of skilled workmen and updated equipment for production of aids and appliances.

Negligible number of handicapped children resided in schools

- ❖ According to the records of Bihar Education Project the number of disabled children in the age group of 6 to 14 years in 78 blocks was 55368. However, eight residential schools for blind and deaf and dumb children in the State had the combined capacity of 376 inmates. Compared to this, less than one per cent (0.64 per cent) of the disabled children resided in all the residential schools of the State. It was also noticed that these schools had 24 teaching and 38 non-teaching staff against sanctioned post of 54 and 49 staff respectively.

Middle School of blind not upgraded

- ❖ The Government decided (2001) to upgrade the existing Middle School of Blind at Bhagalpur to Secondary level with additional nine teaching and two non-teaching staff. The amount of Rs 25 lakh provided in the budget of 2001-2002 for the same was not spent and

the up-gradation of the school did not take place. The Commissioner-cum-Secretary, Welfare Department stated that due to delay in sanction of School, funds remained unutilised.

School building did not come up

Residential Deaf and Dumb School, Anisabad, Patna was running in a hired building. Government provided Rs 21.21 lakh in 1996-97 budget for construction of the school building. No amount out of this was spent and the school building did not come up as of March 2003.

No expenditure on new trades

❖ The vocational training to the handicapped persons was being imparted in “Kamla Nehru Samaj Seva Sansthan” in five trades (iron, wood, leather, tailoring and welding) having a capacity of 50 inmates. It was observed that no training in leather trade was imparted after death of an instructor in September 2000. Further, the Government provided Rs 1.89 lakh in 1998-1999 budget for introducing two new trades (electrical equipment and electronics) in the institution. However, no amount was spent and the new trades were not introduced as of March 2003.

Besides, allocation of Rs 8.11 lakh made during 1998-2002 for repair and renovation of tools and machinery of the institution was also not utilised for want of sanction from the department as of March 2003. The Commissioner-cum-Secretary stated that the institute was being toned up for imparting training.

Stipend to trainees not disbursed

A sum of Rs three lakh released (1999-2000) to Vocational Rehabilitation Centre, Bihar for disbursement of stipend to the trainees also remained unutilised with the Director, Social Welfare department as of March 2003 .

❖ Section 33 of the PWD Act 1995 envisaged that three per cent of employment in government jobs should be reserved for handicapped people. After a lapse of six years State Government resolved in October 2001 to reserve posts for handicapped people but issued notification to this effect in November 2002.

Special Cell to ensure delivery of intended benefit not created

The Government did not create any Special Cell to watch and ensure delivery of intended benefit to the handicapped people. Special Employment Exchange already existing at Patna sponsored names of handicapped people for jobs. Details of handicapped persons registered and their placement during 1998-2003 (upto December 2002) were as under:

Only 16 per cent of the handicapped registered were sponsored by employment exchange and only two per cent of the handicapped registered placed on jobs

| Year | Department reporting vacancy | Persons registered | Persons sponsored by Employment Exchange | Persons placed on jobs | Persons registered for more than two years | Persons being paid unemployment allowance |
|--------------|------------------------------|--------------------------|--|------------------------|--|---|
| (in number) | | | | | | |
| 1998 | 5 | 866 ⁵ | 86 | 11 | NA | NIL |
| 1999 | 1 | 1178 ⁶ | 31 | 1 | NA | NIL |
| 2000 | 5 | 2527 ⁷ | 177 | NIL | NA | NIL |
| 2001 | 12 | 1044 ⁸ | 483 | 5 | NA | NIL |
| 2002 | 2 | 1122 ⁹ | 281 | 9 | 4571 | NIL |
| Total | 25 | 6737¹⁰ | 1058 | 26 | 4571 | |

(Source: information supplied by the department) (NA denotes not available)

Thus only two per cent (26) of the people sponsored (1058) got jobs. It was also observed that 68 per cent (4571) of the handicapped persons were registered for over two years.

- ❖ GOI established 'National Handicapped Finance and Development Corporation' (NHFDC) during 1997 to provide 100 per cent loans upto Rs 50,000/- and 85 to 95 per cent of loans above Rs 50,000/- (upto Rs 5.00 lakh) to establish self employment.

Absence of Block Government Guarantee by the State led to non-payment of loan to handicapped

Government of Bihar nominated (February 1997) 'Bihar State Backward Class Development Corporation' as channelising agency who received 1405 loan applications from handicapped persons, but the Corporation did not provide loan to any of the handicapped persons because the 'Block Government Guarantee' which was precondition for release of loan from NHFDC, was not given by the State Government as of March 2003

3.3.9 Research and Manpower Development

No institution for research and manpower development

There was no institution for research and manpower development in the State, nor was any financial incentive given to any of the universities or institutions to promote and sponsor research in this area as of March 2003.

3.3.10 Grants-in-aid to NGOs

Against target of 4263 only 3224 handicapped persons benefited by grants-in-aid to NGOs

Grants-in-aid recommended by the State Government and sanctioned and released by the Government of India and utilised by the NGOs in the State as a whole was not available.

However, it was noticed in test-check that grants-in-aid of Rs 5.96 crore was sanctioned to 13 NGOs by Government of India during 1998-2003. Against this, Rs 5.20 crore only were released to the NGOs who utilised Rs 4.23 crore as of March 2003. Balance Rs 0.97 crore remained unutilised with the NGOs.

⁵ Blind:58; Deaf:52; Othopaedically handicapped (OH):756

⁶ Blind:76; Deaf:69; OH:1033

⁷ Blind:90; Deaf:116; OH:2321

⁸ Blind:77; Deaf:72; OH:895

⁹ Blind:76; Deaf:63; OH:983

¹⁰ Blind:377; Deaf:372; OH:5988

On the other hand against the target of 4263, only 3224 handicapped persons were benefited (*Appendix – XXX*).

Possible misappropriation of grants-in-aid to NGO

- ❖ Against sanction of Rs 39.90 lakh accorded by Government of India Rs 27.20 lakh were released to “Prakritik Arogya Ashram”, Rajgir, Nalanda but the NGO stated (May 2003) that the funds released were not received. Possible misappropriation of Rs. 27.20 lakh could not be ruled out. The Commissioner-cum-Secretary, Welfare Department stated (November 2003) that matter would be taken up with the District Magistrate for investigation.

Release of grants-in-aid to NGOs delayed

- ❖ As indicated in the table below the grants-in-aid was not released to five NGOs in the year in which the grants-in-aid was sanctioned by the GOI. The grants-in-aid was released in subsequent years after delay of six to 36 months.

| Sl. No. | NGO | Year | Amount sanctioned by GOI | Released by State Govt. |
|---------|--|-----------|--------------------------|-------------------------|
| | | | (Rs in lakh) | |
| 1 | Girija Shankar Dreesti Vihin Balika Vidyalaya, Bhagalpur | 1998-99 | 1.84 | 1999-2000 |
| 2 | Baba Baidynath Balika Muk-Badhir Vidyalaya, Munger | 1998-99 | 2.12 | 1999-2000 |
| 3 | Physical Rehabilitation Institute, Patna | 1998-99 | 3.44 | 1999-2000 |
| | | 1999-2000 | 8.99 | 2000-01 |
| 4 | JM Institute of Speech and Hearing, Patna | 1998-99 | 2.40 | 2001-02 |
| | | 1999-2000 | 14.12 | 2001-02 |
| | | 2000-01 | 14.22 | 2001-02 |
| 5 | Bihar Institute of Speech and Hearing, Patna | 1998-99 | 3.52 | 1999-2000 |
| | | 1999-2000 | 1.86 | 2000-01 |
| | Total | | 52.51 | |

Inadmissible payment of stipend and food charges

- ❖ GOI sanctioned/paid Rs 47.58 lakh during 1998-2002 for payment of stipend (Rs 22.38 lakh) and food charges (Rs 25.20 lakh) to day scholars and boarders of Bihar Rehabilitation and Welfare Institute Patna. It was noticed that the payment of stipend and food charges was made for 12 months in a year, though the scheme provided that these payments should be made for 10 months in a year. Thus against admissible amount of Rs 39.65 lakh (stipend: Rs 18.65 lakh and food charges: Rs 21.00 lakh), Rs 47.58 lakh were paid resulting in inadmissible payment of Rs 7.93 lakh.

3.3.11 Monitoring and Evaluation

The State Level Co-ordination Committee met once and the State Executive Committee only thrice in 7 years

In Bihar the State Level Co-ordination Committee (SCC) constituted under Chairmanship of Minister of Welfare in August 1996 met once in May 1998, though it was required to hold six monthly meetings. The State Executive Committee headed by the Secretary to Government Welfare Department constituted in August 1996 held only three meetings between October 1998 and June 2002, though it was required to hold 28 meetings in a period of seven years up to March 2003. Though the office of the “State Commissioner for persons with disabilities” was notified by Government in August 1997 to provide assistance to the persons with disability, no officer was posted. The

Director, Social Welfare has held additional charge of the post ever since its inception. The Commissioner-cum-Secretary, Welfare Department stated (November 2003) that regular meeting of the SCC was since being done and due to financial constraints it would not be possible to appoint a Commissioner for persons with disabilities.

Impact of the Disability Acts and the schemes thereunder was not evaluated either by the State Government or by any other independent agency as of June 2003.

3.3.12 Conclusions

Key provisions of the Disability Act 1995 relating to survey, investigation, research on causes of disabilities, promotion of methods of preventing disabilities, awareness campaign, public opinion, research and designing new assisting devices etc. were not implemented. Eighty six per cent of Government of India funds and fifty four per cent of State Government funds remained unutilised. Money remained parked in banks or with implementing agencies. On six out of 11 schemes taken up under State plan, expenditure was marginal. The educational and vocational education plans for the young disabled failed to make any impact. Special cell was not created to watch the interests of the handicapped. Very few people with disabilities managed to get a job. No effective policy was formulated for rehabilitation of older persons with disability.

3.3.13 Recommendations

- ❖ State policy for disability should be formulated and appropriate legislation with respect to disability should also be made as required under PWD Act, 1995.
- ❖ Appointment of Commissioner for Disabilities should be made without any further delay.
- ❖ There is an imperative need to establish institutional mechanism for co-ordination among implementing departments and the non-governmental organisations.
- ❖ Working of the State level co-ordination committee and the State Executive Committee meant to implement PWD Act should be geared up and made effective.

The points were referred to Government (August 2003); their reply had not been received (March 2004). However, the response of the Commissioner-cum-Secretary, Welfare Department in the discussions (November 2003) on the points raised in this review has been incorporated in the relevant sub-paras where deemed necessary.

WATER RESOURCES DEPARTMENT

3.4 Accelerated Irrigation Benefit Programme

Highlights

Accelerated Irrigation Benefit Programme (AIBP) launched (1996-97) by Government of India aimed at accelerating completion of ongoing irrigation multipurpose projects that languished due to financial constraints of the State. Implementation of the programme during 1996-2003 was reviewed to assess its effectiveness.

The implementation of the programme in the State suffered due to selection of ineligible and unviable projects, short release of State's share, partial utilisation of Central loan assistance, misutilisation of funds, excessive establishment expenditure and unplanned execution of projects in different stretches. There was manifold increase in cost of projects under AIBP though utilisation of potential created was meagre.

Release of State's share fell short by Rs 10.96 crore in respect of three projects, while in five other projects State share was released in excess of the norm by Rs 61.07 crore. Rupees 29.88 crore were misutilised on other office expenses.

Executive Engineer, Western Kosi Canal Division, Khajauli sold cement valuing Rs 65.55 lakh to different divisions and deposited the sale proceeds to the Madhubani Treasury as receipt of the Government, though the cement was purchased from AIBP funds.

(Paragraph 3.4.4)

All the seven projects out of eight were burdened with excessive establishment expenditure which ranged between 45 and 238 per cent of the works expenditure of the projects.

(Paragraph 3.4.5)

Though only "High cost Projects" in advanced stage of completion and languishing for a long period were to be selected under AIBP. Government however selected new projects like Durgawati Reservoir Project and other ineligible projects viz. Sone Canal Modernisation Scheme and Batane Reservoir Project under the programme.

(Paragraph 3.4.6)

In AIBP, all seven projects were to be completed in four crop seasons. Against this, six projects were not completed even after a lapse of six to 14 crop seasons.

(Paragraph 3.4.7)

Only 62 per cent (7.45 lakh hectare) of the combined targeted irrigation potential(IP) was created by the seven projects as of March 2003, while only 28 per cent of the IP created under AIBP was utilised.

(Paragraph 3.4.8)

Compared to the cost per hectare projected, the cost of creation of IP substantially increased in the revised estimated cost of the projects. Despite expenditure of Rs 221.62 crore on Durgawati Reservoir Project no IP was created as of March 2003.

(Paragraph 3.4.9)

Two Western Kosi Canal Divisions paid Rs 75.75 lakh to Mechanical Division, Darbhanga during October 2000 to March 2001 for manufacture and fitting of canal gates at different points of canal structures. However, no gate was manufactured and the money remained unutilised without any reason on record.

(Paragraph 3.4.10)

Without completing the process of acquisition of land for two projects, Rs 30.86 crore were irregularly paid to three Special Land Acquisition Officers during 1997-2003. Out of this Rs 5.88 crore only were paid to farmers and Rs 24.98 crore remained parked in current accounts in banks or Civil Deposits, though the money received under central loan assistance carried interest rate of 11.5 to 13 per cent per annum.

(Paragraph 3.4.14)

The implementation of the programme lacked monitoring mechanism although required as per the guidelines prescribed by the Government of India.

(Paragraph 3.4.17)

3.4.1 Introduction

To accelerate the completion of on-going projects over the next four working seasons (i.e. in two years time), Central Loan Assistance (CLA) was provided to the State Government by the Government of India (GOI), Ministry of Water Resources (MOWR) from October 1996 under Accelerated Irrigation Benefit Programme (AIBP). Initially, the multipurpose projects, major and medium irrigation projects costing more than Rs 1000 crore, which were in an advanced stage of completion were included. From March 1997, projects costing Rs 500 crore or approved projects which were in advanced stage of completion and could be completed in the next four agriculture seasons (i.e. in a period of two years) irrespective of the total estimated cost were also included.

The CLA was to be given in the form of loan on matching basis and was to be released quarterly. From March 1997, the CLA was to be released in two equal instalments and second instalment was to be released only after the State Government had released the matching contribution against the first instalment. From March 1999, the funds were to be provided in ratio of 2:1 (Centre : State). The eight projects¹ (including one inter-state project) which

¹ *Western Kosi Canal, Durgawati Reservoir, Upper Kiul Reservoir, Bilasi Reservoir, Orhni Reservoir, Sone Canal Modernisation, Batane Reservoir and Ban Sagar Reservoir(Inter-State)*

were taken up under the programme in the State were to be completed in four crop seasons (i.e. within two years).

3.4.2 Organisational set-up

The Commissioner-cum-Secretary, Water Resources Department is responsible for implementation of the programme in the State. He is assisted by two Engineers-in-Chief and one Chief Engineer at Secretariat level, five Chief Engineers at Zonal level, 16 Superintending Engineers at Circle level and 67 Executive Engineers at division level in the field.

3.4.3 Scope of audit

Implementation of the programme during 1996-2003 was reviewed between December 2002 and May 2003 through test-check of records of nine (out of 44) Divisions² of three major irrigation projects³ covering 25 per cent (Rs 218.35 crore) of total expenditure (Rs 891.57 crore) on all the eight projects taken up under the programme with a view to judge the effectiveness of the programme and accomplishment of the objectives.

3.4.4 Financial Management

The financial management of the scheme showed that while for some projects State share was released in excess, in other cases there was short release of funds. Non-utilisation of CLA, diversion of funds, inadmissible payment of establishment charges and excessive establishment expenditure were also noticed.

CLA and the State share released and expenditure during 1996-2003 as furnished by the Water Resources Department were as under:

(Rupees in crore)

| Name of the Project | Period | CLA received from Centre | State Share required | State Share released | Total funds available | Total CLA utilised | | Total Expenditure |
|-----------------------------|---------|--------------------------|----------------------|----------------------|-----------------------|--------------------|---------------|-------------------|
| | | | | | | State share | Central Share | |
| Western Kosi Canal Project | 1996-03 | 114.21 | 69.43 | 61.99 | 176.20 | 61.99 | 114.21 | 176.20 |
| Durgawati Reservoir Project | 1996-03 | 45.63 | 23.89 | 27.04 | 72.67 | 27.04 | 44.49 | 71.53 |
| Sone Canal Modernisation | 1998-03 | 73.66 | 40.33 | 82.69 | 156.35 | 82.69 | 76.58 | 159.27 |
| Upper Kiul Reservoir | 1996-03 | 19.09 | 13.35 | 11.15 | 30.24 | 11.15 | 18.70 | 29.85 |
| Orhni Reservoir | 1997-03 | 11.40 | 9.47 | 10.20 | 21.60 | 10.20 | 11.21 | 21.41 |

² Durgawati Dam Division, No.II; Durgawati Right Canal Division, Chenari; Irrigation Division, Daudnagar; Barrage Division Indrapuri; Western Kosi Canal Division, Benipatti; Western Kosi Canal Division No.I, Jainagar; Western Kosi Canal Division, Jhanjharpur; Western Kosi Canal Division, Darbhanga; Western Kosi Canal Division No.I, Sakari

³ Western Kosi Canal Project, Durgawati Reservoir Project and Sone Canal modernisation scheme

(Rupees in crore)

| Name of the Project | Period | CLA received from Centre | State Share required | State Share released | Total funds available | Total CLA utilised | | Total Expenditure |
|---------------------|---------|--------------------------|----------------------|----------------------|-----------------------|--------------------|---------------|-------------------|
| | | | | | | State share | Central Share | |
| Bilasi Reservoir | 1997-01 | 3.39 | 2.91 | 3.36 | 6.75 | 3.36 | 3.22 | 6.58 |
| Batane Reservoir | 2000-03 | 3.34 | 1.67 | 0.35 | 3.69 | 0.35 | 0.70 | 1.05 |
| Ban Sagar Reservoir | 1997-03 | 83.50 | 43.50 | 57.88 | 141.38 | 57.88 | 83.50 | 141.38 |
| Total | | 354.22 | 204.55 | 254.66 | 608.88 | 254.66 | 352.61 | 607.27 |

Scrutiny revealed the following:

State share short released

- ❖ For three projects (Western Kosi Canal, Upper Kiul Reservoir, Batane Reservoir) release of State share fell short by Rs 10.96 crore while for five other projects release of State share was in excess of the norm by Rs 61.07 crore. Government stated (December 2003) that major funds under Batane Reservoir Project remained unutilised due to Inter-State issues between Bihar and Jharkhand Governments not being resolved.

Payment in excess of admissible amount

- ❖ Bansagar Reservoir Project is an inter-State Project involving three States viz. Bihar, Madhya Pradesh and Uttar Pradesh. The Project is being implemented by Madhya Pradesh Government. Expenditure of Rs 141.38 crore on the project represented payment made to the Madhya Pradesh Government against admissible amount of Rs 127 crore during 1997-2003.

CLA not released

- ❖ Against the norm of two instalments of CLA to be released for implementation of the projects, no instalments of CLA was released in different years due to non-utilisation of CLA by the State released in earlier years as indicated in the table below.

| Sl. No. | Projects | No instalment released during |
|---------|--------------------------|--------------------------------|
| 1. | Western Kosi Canal | 1997-98, 2001-02 and 2002-03 |
| 2. | Durgawati Reservoir | 1997-98 and 2001-02 |
| 3. | Upper Kiul Reservoir | 1997-98 and 2001-02 |
| 4. | Orhni Reservoir | 1999-2000 |
| 5. | Sone Canal Modernisation | 1999-2000, 2001-02 and 2002-03 |
| 6. | Batane Reservoir | 2001-02 and 2002-03 |
| 7. | Ban Sagar (Inter-State) | 2000-01, 2001-02 and 2002-03 |

Misutilisation of funds

- ❖ As indicated in table below 23 divisions of five projects misutilised Rs 29.88 crore on purchase of photocopier, wireless sets and vehicles, repair and maintenance of colony roads and building, payment of telephone bills and electricity charges and payment to home guards and on court cases.

(Rupees in lakh)

| Project | Photo-copier | Tele-phone | Wire-less sets | Repair and maintenance of colony roads and buildings | Electricity bills | Vehicle | Payment to home guards | Payment on money suit and court cases | Total |
|----------------------|--------------|-------------|----------------|--|-------------------|--------------|------------------------|---------------------------------------|----------------|
| Western Kosi Canal | 3.30 | 0.24 | - | 7.92 | - | - | 12.40 | 60.48 | 84.34 |
| Durgawati | 0.95 | 0.11 | 0.20 | 81.75 | 9.90 | - | 3.81 | - | 96.72 |
| Sone Modernisation | 1.15 | 0.17 | - | 7.92 | 2720.46 | 13.84 | - | - | 2743.54 |
| Upper kiul Reservoir | 0.90 | 0.11 | 5.53 | 13.32 | 1.07 | - | - | - | 20.93 |
| Orhni Reservoir | 3.62 | - | - | 35.00 | 2.56 | - | - | 1.57 | 42.75 |
| Total | 9.92 | 0.63 | 5.73 | 145.91 | 2733.99 | 13.84 | 16.21 | 62.05 | 2988.28 |

Inadmissible payment of establishment charges

- ❖ Inadmissible payment of Rs 12.34 crore on account of establishment expenditure was incurred by six projects (Western Kosi Canal: Rs 6.56 crore; Durgawati Reservoir: Rs 0.20 crore; Sone Modernisation: Rs 1.34 crore; Upper Kiul Reservoir: Rs 1.47 crore; Orhni Reservoir: Rs 2.56 crore; Bilasi Reservoir: Rs 0.21 crore) up to 31 January 2002.

Stores sold and money credited to State receipts

- ❖ Executive Engineer, Western Kosi Canal Division, Khajauli purchased cement valuing Rs 7.75 crore during 1997-98 to 2002-03 from AIBP fund from six agencies⁴ for construction of Kamla siphon at RD 139.10 of Western Kosi main canal. It was noticed that the EE sold cement valuing Rs 65.55 lakh to different divisions on cash basis and deposited the money to the Madhubani treasury as receipt of the Government. Thus AIBP funds were misutilised to augment the receipts of the State.
- ❖ As per the instruction (10 March 2003) of Government of Bihar, EE, Western Kosi Canal Division, Darbhanga arranged three bank drafts amounting to Rs six lakh from the AIBP fund for payment to Delhi Development Authority (Housing Department) as registration fee for purchase of three flats in Delhi outside the scope of the AIBP. Subsequently after getting the bank drafts, he cancelled them and money was deposited (31 March 2003) in the Darbhanga treasury as receipt of the State Government.

3.4.5 Expenditure on works and establishment

Projects burdened with excessive expenditure on establishment

The project reports envisaged that expenditure on establishment should be restricted to 10 to 12 per cent of the works expenditure. Against this, the establishment expenditure in seven projects, as indicated in table below ranged between 45 and 238 per cent of the works expenditure.

⁴ Grasim Cement Ltd, Raipur; Raymond Cement Ltd, Bilaspur; Kalyanpur Cement Ltd, Birla Cement Corporation Ltd, Nirman Cement Ltd, Prism Cement Ltd, Satna

| Sl. No. | Period | Project | Expenditure | | |
|---------------|--------------|--------------------------|---------------|---------------|---------------|
| | | | Works | Establishment | Total |
| (Rs in crore) | | | | | |
| 1. | 1996-2003 | Western Kosi Canal | 176.21 | 113.13 (64) | 289.34 |
| 2 | 1996-2003 | Durgawati Reservoir | 71.53 | 53.51 (75) | 125.04 |
| 3 | 1998-2003 | Sone Canal Modernisation | 159.27 | 73.72 (46) | 232.99 |
| 4 | 1996-2003 | Upper Kiul Reservoir | 29.85 | 33.70 (113) | 63.55 |
| 5 | 1997-2003 | Orhni Reservoir | 21.41 | 9.62 (45) | 31.03 |
| 6 | 1997-2001 | Bilasi Reservoir | 6.58 | 7.56 (115) | 14.14 |
| 7 | 2000-03 | Batane Reservoir | 1.05 | 2.50 (238) | 3.55 |
| | Total | | 465.89 | 293.74 | 759.63 |

(Figures in brackets indicate per cent)

N.B. There was no expenditure on establishment under Bansagar Dam Project

Thus the projects were excessively burdened with establishment expenditure. The Government stated (December 2003) that excessive expenditure on establishment was due to the fact that the most of the employees in the projects were permanent.

3.4.6 Selection of Projects

Prior to reorganisation of Bihar (November 2000) there were 49 incomplete major and medium irrigation projects in the State. Of these, 15 major and medium projects were selected (1996-2001) under AIBP. After the reorganisation eight projects remained in Bihar. Of this, one project (Bansagar Dam Project) is an inter-state project. The balance seven projects were taken up for completion during 1999-2002 (since spilled to 2004-2006). These AIBP projects envisaged to ensure additional irrigation of 585.05 thousand hectares of land as indicated in the table below:

AIBP envisaged additional irrigation in a large area

| Project | Date of start of Project/ Date of taking over under AIBP | Estimated Cost | | Expenditure made before inclusion in AIBP | value of work to be covered under AIBP | Ultimate irrigation potential | Potential created before AIBP | Potential to be created under AIBP |
|--------------------------|--|----------------|--|---|--|-------------------------------|-------------------------------|------------------------------------|
| | | Original | Revised at the time taking over under AIBP | | | | | |
| | | (Rs in crore) | | | (Area in Hectare) | | | |
| Western Kosi Canal | 1971/1996 | 13.49 | 904.01* | 257.40 | 646.61 | 2,34,800 | 22750 | 212050 |
| Sone Canal Modernisation | 1995/1998 | 235.93 | 493.17 | 79.67 | 413.50 | 909410 | 585420 | 323990 |
| Upper Kiul Reservoir. | 1978/1996 | 8.07 | 159.16* | 108.33 | 50.83 | 19500 | 7320 | 12180 |
| Durgawati Reservoir | 1976/1996 | 25.30 | 234.41 | 154.36 | 80.05 | 20297 | nil | 20297 |
| Batane Reservoir. | 1976/2000 | 4.01 | 57* | 39.70 | 17.30 | 9870 | 6380 | 3490 |
| Bilasi Reservoir. | 1982/1997 | 1.46 | 23.83* | 17.46 | 6.37 | 4050 | nil | 4010 |
| Orhani Reservoir | 1978/1997 | 2.96 | 58.76* | 38.74 | 20.02 | 9717 | 160 | 9557 |
| TOTAL | | 291.22 | 1930.34 | 695.66 | 1234.68 | 1207644 | 622030 | 585614 |

* Figures reported to Central Water Commission/ Government of India, but administratively approved for Rs 884.56 crore, Rs 106.53 crore, Rs 33.11 crore, Rs 15.31 crore and Rs 37.86 crore respectively.

Injudicious selection of ineligible projects

Only Projects involving heavy investments, in advanced stage of completion and likely to be completed in four crop seasons were to be selected under the programme. None of the projects selected was certain to be completed in four crop seasons. The State Water Resources Department did not include the North Koel Irrigation Project (NKIP) under the AIBP, although it had been taken up (1972) in the Third Five Year Plan and had IP of 1.23 lakh hectare of land and on which 91 per cent (Rs 400.44 crore) of the revised estimated cost (Rs 439.03 crore) had already been spent upto March 1996.

On the contrary the Government selected Durgawati Reservoir Scheme with a total IP creation capacity of only 20297 hectares of land and a projected benefit cost ratio of 0.79 (further reduced to 0.28 as per the revised estimate of January 2000). The benefit cost ratio of the project was to be reduced further on completion of the project. As per the norm of Central Water Commission, only projects having benefit cost ratio of more than 1.5 were viable. The Government also selected two other ineligible irrigation projects viz. the Sone Canal Modernisation Scheme and the Batane Reservoir project.

3.4.7 Performance of the programme

Physical progress of different components of the projects was as under:

| Project | Work done as on | Dam / Head works | Main and branch canal | Distributories | Water courses | Structures |
|-----------------------------|-----------------|------------------|-----------------------|----------------|---------------|--------------------|
| 1. Western Kosi Canal | 31 March 1996 | 100 | 48 | 25 | 25 | 11(174) |
| | 31 March 2003 | 100 | 95 | 37 | 26 | 29 (453) |
| 2. Durgawati Reservoir | 31 March 1996 | 34 | 13 | NIL | NIL | NIL |
| | 31 March 2003 | 90 | 62 | 5 | NIL | 6 (32) |
| 3. Upper Kiul Reservoir | 31 March 1996 | 80 | 50 | NIL | NIL | 8 (54) |
| | 31 March 2003 | 98 | 93 | 80 | NIL | 72 (504) |
| 4. Orhani Reservoir | 31 March 1997 | 40 | 22 | NIL | NIL | NIL |
| | 31 March 2003 | 99.8 | 99.05 | 90 | 40 | 83 (284) |
| 5. Bilasi Reservoir | 31 March 1997 | 70 | 27 | 5 | NIL | NIL |
| | 31 March 2001 | 100 | 100 | 100 | 100 | 100 (88) |
| 6. Sone Canal Modernisation | 31 March 1998 | 100 | 1 | NIL | NIL | less than one (16) |
| | 31 March 2003 | 100 | 68 | 56 | NIL | 62 (4192) |
| 7. Batane Reservoir | 31 March 2000 | 98 | 70 | 50 | NIL | 57 (370) |
| | 31 March 2003 | 98 | 72 | 52 | NIL | 62 (404) |

Numbers are in terms of Percentage (Figures in bracket indicate number)

No project completed as per schedule

None of the projects was completed in four crop seasons though required under the programme. Though Bilasi Reservoir Project was completed in March 2001, no completion certificate had been furnished to CWC as of August 2003, while other six projects were not completed even after lapse of six to 14 crop seasons.

A large number of structures in main and branch canals, distributories and water courses varying from 17 to 94 per cent (total numbering 4689 out of 10558) remained incomplete. As a result, the water did not reach the fields and

whatever potential was created out of the works done in the projects was not gainfully utilised.

The Commissioner and Secretary stated (December 2003) that all efforts were being made to complete the projects as per targets.

3.4.8 Irrigation potential

Ultimate IP targeted to be created in the seven projects, the potential created and utilisation thereof as of March 2003 were as under:

| Project | Irrigation potential (in hectares) | | | | | |
|--------------------------|------------------------------------|----------------|--------------------|--------------------|--------------------|-------------------|
| | Targeted | | Created | | Utilised | |
| | Ultimate | Under AIBP | Ultimate | Under AIBP | Ultimate | Under AIBP |
| Western Kosi Canal | 2,34,800 | 2,12,050 | 29,480 (13) | 6,730 (3) | 8,014 (27) | 1,821 (27) |
| Durgawati Reservoir | 20,297 | 20,297 | NIL | NIL | NIL | NIL |
| Upper Kiul Reservoir | 19,500 | 12,180 | 16,500 (85) | 9,180 (75) | 9,869 (60) | 2,549 (28) |
| Orhani Reservoir | 9,717 | 9,557 | 5,994 (62) | 5,834 (61) | 2388 (40) | 2,228 (38) |
| Bilasi Reservoir | 4,050 | 4,050 | 4,050 (100) | 4,050 (100) | 3,223 (80) | 3,223 (80) |
| Sone Canal Modernisation | 9,09,410 | 3,23,990 | 6,81,420 (75) | 96,000 (30) | 3,84,510 (56) | 24,471 (25) |
| Batane Reservoir | 9,870 | 3,490 | 7380 (75) | 1000 (29) | 2137 (29) | NA |
| Total | 1,20,7644 | 5,85614 | 744824 (62) | 122794 (21) | 410141 (55) | 34292 (28) |

(Figures in bracket indicate per cent)

Only 21 per cent of targeted irrigation potential created under AIBP

Twenty one per cent of the targeted IP was created under AIBP. Compared to the ultimate IP created, increase in creation of IP under AIBP was only 16 per cent. Further, only 28 per cent of the IP created under AIBP was utilised but compared to the overall utilisation of IP there was accretion of only 8 per cent under AIBP. Even in case of Bilasi Reservoir Project which was completed in March 2001 utilisation of potential created was only 80 per cent. No reasons for the shortfalls were available.

Data of creation and utilisation of irrigation potential unreliable

Scrutiny also revealed that the data of IP created and utilised were not reliable because in all the six incomplete projects, a major portion of the works covering structures viz. (SLR Bridge) over the main and branch canals, distributories and water courses remained incomplete and hence water was not available at the tail ends for irrigation purposes.

The Secretary stated that it was not possible to synchronise the creation of potential with the expenditure in irrigation projects. While there can not be two opinion about the statement of the Secretary, the creation of IP in these projects was far behind the targets and utilisation of potential created was also meagre. Further, one of the primary objective of the AIBP was to enhance the creation of IP of the projects in such manner so as to achieve maximum benefit with the minimum expenditure. In fact as per the CWC norm even the irrigation projects had to be cost effective based on the benefit cost ratio. Thus, the Government failed to accelerate the creation of IP as envisaged in the programme.

Further, as per the annual reports of the Government of Bihar to the Central Water Commission (CWC), IP of 101.83 thousand hectares of land was created during 1999-03 under Sone Canal Modernisation Scheme and Orhani Reservoir Project. However as per the annual progress reports published by the State Government total creation of IP by the two projects was only 65.60 thousand hectares.

3.4.9 Incidence of cost of creation of irrigation potential

Compared to the original estimates cost per hectare of irrigation potential⁵ in the revised estimates of projects was as under:

| Project | Original projected cost | Revised Cost | Potential to be created | Cost per hectare | | Increase in cost per hectare | Expenditure upto March 2003) | Potential created upto March 2003 |
|--------------------------|-------------------------|----------------|-------------------------|-------------------------|------------------------|------------------------------|------------------------------|-----------------------------------|
| | | | | As per original project | As per revised project | | | |
| (Rs in crore) | | (In hectare) | (In rupees) | | | (Rs in crore) | (In hectares) | |
| Western Kosi canal | 13.49 | 904.01 | 234800 | 575 | 38501 | 37926 | 530.05 | 29480 |
| Durgawati Reservoir | 25.30 | 234.41 | 20297 | 12465 | 115490 | 103025 | 221.62 | NIL |
| Upper Kiul Reservoir | 8.07 | 159.16 | 19500 | 4138 | 81621 | 77483 | 130.89 | 16500 |
| Sone Canal Modernisation | 235.93 | 493.17 | 323990 | 7282 | 15222 | 7940 | 312.84 | 96000 |
| Bilasi Reservoir | 1.46 | 23.83 | 4050 | 3605 | 58840 | 55235 | 26.83 | 4050 |
| Batane Reservoir | 4.01 | 57.00 | 9870 | 4063 | 57751 | 53688 | 41.19 | 7380 |
| Orhani Reservoir | 2.96 | 58.76 | 9717 | 3046 | 60471 | 57425 | 58.83 | 5994 |
| Total | 291.22 | 1930.34 | 622224 | | | | 1322.25 | 1,59,404 |

Manifold increase in incidence of cost

Thus compared to the cost per hectare initially projected, the cost of creation of IP substantially increased in the revised estimated cost of the projects. The cost of irrigation per hectare IP to be created was likely to increase further on completion of the projects. Despite expenditure of Rs 221.62 crore (including Rs 71.53 crore on works out of CLA) on the Durgawati Reservoir Project as of March 2003, no IP was created.

⁵ Irrigation potential shown against Sone Canal Modernisation is the potential to be created in modernisation of the Sone Canal apart from the old created potential 5,88,420 hectare.

Deficiencies noticed in the execution of projects

Performance appraisal of the two projects (Western Kosi and Durgawati) taken up under AIBP revealed that the projects suffered mainly due to unplanned and deficient execution of works as discussed below :

3.4.10 Western Kosi Canal Project

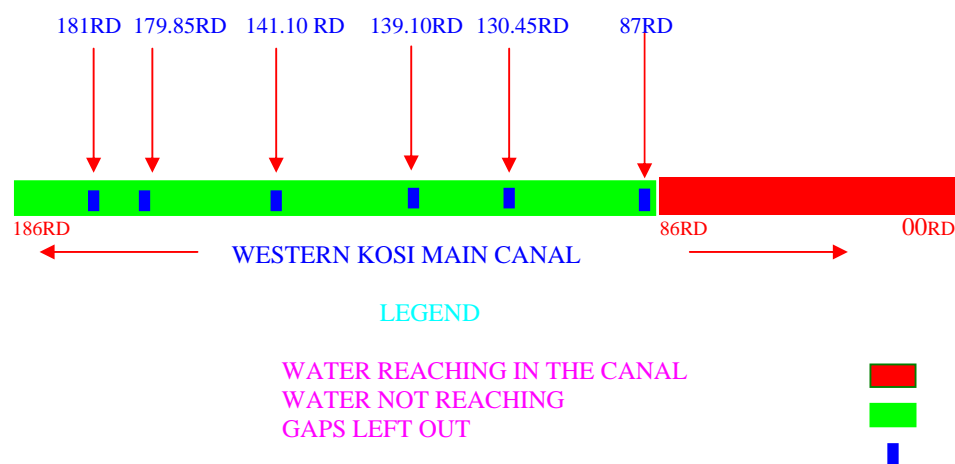
Of the seven projects taken up under AIBP, Western Kosi Canal Project was a pre-Fifth Five Year Plan international project sanctioned in 1961.

Deficiencies noticed were as under:

Unplanned execution of work in different stretches led to non-utilisation of potential created

- ❖ As per guidelines of AIBP, the project was to be completed in phased manner rationally to achieve maximum benefit at minimum expenditure. Instead of completion of work of branch canals, minors and distributories as well as water courses originating from 0 RD to 86 RD of main canal (where water was available at its out let) work on construction of four branch canals and three minors after 141 RD of the main canal was taken up though water was not available beyond 86 RD of the canal.

Incidentally Jhanjharpur branch canal from 69 RD of main canal was complete in full stretch, yet work on construction of distributory and minors were not taken up. As such potential created was not utilised, though expenditure of Rs 530.05 crore was made on the project including Rs 176.20 crore on works under AIBP. The Government stated (December 2003) that the land acquisition had been the main bottleneck towards achievement of IP.



- ❖ Work for excavation of Jhanjharpur branch canal from RD 41 to RD 100 was allotted to nine agencies at an agreed cost of Rs 62.85 lakh for completion by 1999-2001. It was noticed that the agencies completed the earth work from RD 43 to RD 100 at a cost of Rs 58.80 lakh and the work from RD 41 to RD 43 remained

incomplete. As a result water did not reach beyond RD 40 rendering the expenditure of Rs 58.80 lakh unproductive. The Commissioner and Secretary stated that the work between RD 41 and RD 43 had since been completed and water was available upto RD 100. On verification, the Chief Engineer however could not endorse this view in entirety (March 2004).

No penal clause of contract invoked for abandoning work by an agency

- ❖ Work for construction of siphon on Kamla River at RD 139.10 of Western Kosi main canal was allotted (15 October 1997) to a firm of Calcutta at a cost of Rs 55.46 crore (29.85 per cent above the estimated cost) for completion by 15 June 2000. However the agency completed the work (80 per cent) valued at Rs 44.11 crore upto 15 June 2001 and there was no progress since then, as the agency abandoned the work of the project. Penal clause of contract for default in completion of the work was not invoked by the project management to recover penalty (Rs 1.11 crore) being two per cent of contracted value of works and get the residual work done by another agency at the risk and cost of the original agency, as of March 2003. No reason for this was on record.

Department prepared (January 2003) revised estimate of Rs 16.44 crore for completion of residual work resulting in increase in estimated cost by Rs 5.09 crore.

The Commissioner and Secretary stated (December 2003) that the work had since been retendered and the matter regarding non-completion of work by original contractor was under arbitration but it was noticed that the contractor, not the department had gone to the arbitration.

Abandoned work not resumed

- ❖ The work of construction of siphon over river Dhauri at a cost of Rs 13.13 crore was allotted (March 1998) to the same agency of Calcutta (44.09 per cent above the estimated cost) for completion by 24 June 2001 (extended up to 30 June 2002). The agency abandoned the work without assigning any reason in October 2001 after receiving payment of Rs 9.16 crore. The residual work was not resumed as of March 2003. The Commissioner and Secretary stated that the work had been retendered and the matter regarding non-completion of work by the original contractor was under arbitration.

Funds pending with Railway for years

- ❖ EE, Western Kosi Canal Division, Jhanjharpur paid Rs 1.23 crore (March 1991, March 2000 and March 2001) to Eastern Railway for construction of three bridges at RD 63.80 and RD 100.785 of Jhanjharpur branch canal and at RD 3.10 of Dumariahi sub-distributory. Against this one bridge at RD 63.80 of Jhanjharpur branch canal, valuing Rs 37.65 lakh, was completed. Work on other two bridges was not taken up as of March 2003 due to lack of proper pursuance by the department. Of Rs 85.30 lakh remaining with the Railway, Rs 63.45 lakh pertained to AIBP funds. The Commissioner and Secretary stated that the department had been pursuing the matter with the Railway.

Funds remained unutilised since March 2001

- ❖ Two Western Kosi Canal Divisions (Darbhanga: Rs 62.75 lakh; Jhanjharpur: Rs 13 lakh) paid Rs 75.75 lakh to Mechanical Division Darbhanga during October 2000 to March 2001 for manufacture and fitting of canal gates at different points of canal structures. However, no gate was manufactured and fitted in structures as of April 2003. The entire money remained unutilised with the mechanical division. No reason for this was available. The Commissioner and Secretary stated that the department was taking all the necessary steps to avoid such slippages.
- ❖ Director, Purchase and Transport, Water Resources Department issued purchase order to Kalyanpur Cement Limited for supply of 10650 tonne of cement at the rate of Rs 2960 per tonne to EE, Western Kosi Canal Division No.2 Khajauli by 31 March 2000.

Extra cost on purchase of cement not recovered from a cement company

It was noticed that the cement company failed to supply the cement. No reason for this was made available. As a result the Director, Purchase and Transport purchased 8460 tonne of cement at the rate of Rs 3175 per tonne from another agency (Satna Cement, at extra expenditure of Rs 18.19 lakh. Though the department decided (June 2000) to initiate legal action against the defaulting cement company and subsequently worked out the recoverable dues of Rs 41.20 lakh, no legal action was initiated against the company as of August 2003 except forfeiting security deposits of Rs 3.16 lakh of the company. The Commissioner and Secretary stated that the department had initiated legal action against the defaulting firm despite instructions of the Minister in May 2000, but on verification it was noticed that no such action was taken as of January 2004.

Material not supplied against advance payment

- ❖ In pursuance of three purchase orders of December 1999 issued by the Director, Purchase and Transport Rs 3.62 crore were paid by the consignee EEs, Western Kosi Irrigation Division No.I and Division No.2 Jainagar (March 2000) to three agencies (Rastriya Ispat Nigam Ltd, Calcutta: Rs 93.88 lakh; Steel Authority of India, Bokaro: Rs 73.25 lakh and Tata Iron and Steel Company, Jamshedpur : Rs 195.17 lakh) for immediate supply of 1525 tonne of Iron rod of different specifications. Against this, 229.78 tonne of iron rod costing Rs 33.83 lakh were not supplied by the agencies (RINL : Rs 9.15 lakh; SAIL : Rs 4.83 lakh; TISCO: Rs 19.85 lakh) as of May 2003 without assigning any reason, but no action was taken for default in supply. The damages sustained by the department due to default in supply of iron rods were not also worked out by them. The Commissioner and Secretary stated that the matter was being looked into.

3.4.11 Durgawati Reservoir Project

Work for construction of spillway of Durgawati Reservoir Project was awarded (January 1999) to Hindustan Steelworks Construction Ltd., Calcutta on a single offer basis at agreement cost of Rs 45.09 crore for completion within 24 months (i.e. by January 2001).

Loss due to lower rate of interest charged on mobilisation advance

As per the contract, mobilisation advance of Rs two crore at 10 per cent of the agreement cost excluding cost of materials was paid (March 1999) to the agency at lending interest rate. Recovery of the advance and the interest was to be effected before 80 per cent of the construction work was complete. It was noticed that the Durgawati Dam Division No.II Bhtaribandh charged interest at eight per cent per annum though the borrowing interest rates on the Central loan assistance during 1998-99 was 12.50 per cent and the then prevailing lending rate of the State Bank of India was 15.81 per cent. Thus instead of charging at least the then prevailing borrowing rate of CLA (12.50 per cent p.a.), only eight per cent per annum was charged on the mobilisation advance resulting in loss of Rs 9.19 lakh by way of short recovery of interest on the mobilisation advance of Rs two crore.

The Commissioner and Secretary to Government stated (December 2003) that the tender for construction of Durgawati spillway was decided with concurrence of the Finance Department who agreed to realise interest on mobilization advance at the RBI lending rate. The reply was not tenable because the RBI had no lending rate. It had the bank rate at which it advanced money to other banks, while the lending rates are generally of commercial banks at which they give loans to other agencies.

3.4.12 Bansagar Reservoir Project

Non-execution of works due to lack of clearance of CWC

As per the tripartite agreement among States of Bihar, Madhya Pradesh and Uttar Pradesh, 25 per cent cost of construction of Bansagar dam under the Bansagar Reservoir Project being constructed on River Sone was to be borne by the Government of Bihar. Out of 40 lakh acre feet of water to be stored in the reservoir, 10 lakh acre feet was to be allocated for Bihar. The dam was proposed to be completed by June 2004. Water received from Bansagar dam was to be utilised for irrigation through Jamania Pump Canal and Indrapuri reservoir (Previously known as Kadwan Reservoir) but these constructions were not taken up under AIBP for want of clearance of CWC. During 2002-03, 2.51 lakh acre feet of water was less received by the Bihar State against earmarked allotment of 10 lakh acre feet. The Commissioner and Secretary stated that only partial storage of water was being made because the project was in execution stage.

3.4.13 Other points of interest

Community Participation

As per the National Water Policy, management of canal systems is to be handed over to committees of users formed at water distribution level or at village levels. These committees were responsible for operation and maintenance, assessment of water rent as well as its realisation. Thirty per cent of water rent received by the committee was payable to Government and the rest to be expended on operation and maintenance of the system.

Community participation introduced in one project

It was noticed that Participatory Irrigation Management (PIM) scheme was introduced in 1996-97 in Bihar on experimental basis in Patna main canal of Sone canal system only. This was not introduced in other projects. Water

Resources Department had planned to cover 10 per cent of total Cultivable Command Area under PIM scheme during Ninth Five Year Plan and 50 per cent by Tenth Five Year Plan.

Out of total 1.97 lakh hectare of land projected to be covered under this scheme during Ninth Five Year Plan (in Gandak Project, Eastern Kosi Project and Sone Canal System), only 22532 hectare of land (through 10 Farmer's Society) could be covered during first year of Tenth Five Year Plan through Sone Canal System. No area in other projects could be covered under PIM and operation and maintenance of the canals of the projects was not transferred to the committees mainly due to lack of awareness among the farmers and absence of effective steps by the Government to spread the message among them. The Commissioner and Secretary stated that PIM had gained momentum and the programme was in the process of completion during 2003- 04.

3.4.14 Irregular Payment for acquisition of land

Compensation money paid to SLAOs without completion of land acquisition process

For acquisition of land, compensation to the farmers was payable by the EEs of the divisions concerned through the Special Land Acquisition Officers(SLAOs) only after estimated cost of the land requisitioned was duly sanctioned by the competent authority. It was noticed that Rs 28.42 crore were paid to two SLAOs (Sakri and Darbhanga) during 1997-2003 by 13 Divisions⁶ for acquisition of land required for excavation of canals in Western Kosi Canal Project, though the estimated cost of the land under acquisition was not sanctioned and the process of acquisition of land was not complete as of March 2003. Similarly Rs 2.44 crore were also paid to SLAO, Sasaram during 2000-02 by two divisions⁷ for acquisition of land for Durgawati Reservoir project without sanction of estimated cost of the land and completion of acquisition process of land as of March 2003.

Funds kept in banks/ Civil Deposits

Of Rs 30.86 crore paid to the SLAOs during 1997-2003, Rs 5.88 crore only was paid to the farmers and balance amount of Rs 24.98 crore was initially kept in the current accounts in banks and subsequently transferred to Civil Deposits carrying effective rate of return of 6-8 percent though the CLA carried interest rates of 11.5 to 13 per cent per annum.

The Commissioner and Secretary stated that the matter regarding depositing money in Darbhanga treasury was being looked into.

3.4.15 Non-rendition of audited statement of expenditure

Though the State Government was required to submit to the CWC audited statements of expenditure on the projects within nine months of completion of the financial year, no such statement in respect of any of the projects was

⁶ Andhrathari, Rajnagar, Jhanjharpur, Sakari at Madhubani, Sakri II, Sakri I, Rajnagar II, Darbhanga, Benipur, Madhubani II, Baheri, Keoti, Khutouna

⁷ Durgawati Left Canal Division, Bhitari bandh; Durgawati Right Canal Division, Chenari;.

furnished to the CWC during 1998-03. The Commissioner and Secretary stated that the audited statement of expenditure was being called for from the concerned CEs.

3.4.16 Non-maintenance of asset register

Asset register was not maintained by the project authorities. The projects did not also keep records of operational assets, which released assured water supply to farmers. The Commissioner and Secretary stated that the matter was being looked into by the department.

3.4.17 Monitoring

Lack of monitoring mechanism

As per the guidelines of the AIBP two tier monitoring system, one at State level and another at project level was to be introduced. Monitoring committee at the State level was to meet quarterly while committee at project level was to meet every month. Reports of meetings held at project level were to be submitted to the State Committee as well as to National Technical Committee. Reports of meeting held at State level were to be submitted to Technical Committee at the national level. The committee members were also required to visit sites of projects at least twice to monitor progress of the projects physically. However no such committee was formed as of May 2003 at State or project level. Superintending Engineer (monitoring) stated (July 2003) that the monitoring of the projects was done at State and project levels.

Impact analysis not done

Impact of the projects was not evaluated by the State Government or by any outside agency except in case of Orhni Reservoir Project, impact assessment of which was entrusted (May 2001) by the CWC at the instance of Planning Commission to Water and Power Consultancy Services Ltd. (GOI undertaking), but their findings, if any, were not made available.

The Commissioner and Secretary stated that guidelines regarding monitoring and evaluation of AIBP were not available with the department. The reply was not tenable because it was the responsibility of the Government to obtain guidelines from the GOI for implementing the projects. Moreover, it was the responsibility of the projects implementing agency to monitor, oversee and evaluate implementation of the projects to ensure that the projects were implemented in a cost effective way and targeted goals were achieved in given time schedules.

3.4.18 Conclusions

Despite heavy investment under AIBP, the IP created against the target was only 21 per cent and the utilisation was only 28 per cent of the potential created. This was mainly due to the fact that the distribution network of even main and branch canals was incomplete in three projects and the progress in construction of distributaries and water courses was grossly inadequate in majority of the projects. No project could be completed in four crop seasons as stipulated in the scheme.

3.4.19 Recommendations

- ❖ Keeping in view the magnitude of expenditure under AIBP, efforts need to be made to increase creation of IP in the project areas in a time bound manner.
- ❖ Utilisation of IP also urgently needs to be stepped up by developing a network of distributaries and water courses in a given time frame.
- ❖ There should be a time bound programme to complete land acquisition. All structures viz. dam and head works, main canal and branch canals and the distribution network reaching water to the fields should be completed in a such a manner that maximum potential is utilized with the minimum expenditure in a given period.
- ❖ Selection of projects should be based on their viability, area coverage and their likely completion in four crop seasons.

The Points were referred to Government (September 2003); their reply received (December 2003) stand incorporated in the review.

HOME (POLICE) DEPARTMENT

3.5 Prevention and control of fire

Bihar Fire Service Act 1948 was introduced for better regulation of the fire fighting organisation and for carrying out fire fighting measures. Altogether 32 fire stations were set up in 28 districts (out of 37) in the State to cater to the needs of fire services in the urban areas, there was no formation of fire fighting services in the rural areas.

Fire services being rendered in the State did not conform to the norms of central Standing Fire Advisory Council (SFAC) whose working norms were to be applied in all the states in the country. However, Bihar Government did not adopt the norms of the SFAC nor did frame any rule in this regard as of April 2004.

Records of the State Fire Officer Bihar, Patna, nine Fire Stations¹ and Central Store, Patna City pertaining to the period 1997-2003 as well as fire protection and control facility in a Hotel (Maurya) and 12 Cinema halls² were test-checked during December 2002 to May 2003. Points noticed were as under:

¹ Patna, Patna City, Siwan, Muzaffarpur, Bhagalpur, Gaya, Ara, Katihar and Darbhanga

² Patna : Uma; Siwan: Darbar and Shekhar; Muzaffarpur: Deepak, Jawahar; Laheria Sarai: Light House; Darbhanga: Poonam; Katihar: Herdayal, Prakash; Bhagalpur: Ajanta, Deep Prabha; Gaya: Anand

3.5.1 Allocation of funds and expenditure

Budget allocation of funds and expenditure during 1997-2003 were as under :

| Year | Funds Available | | | | Expenditure | | | | Saving | | | |
|--------------|-----------------|---------------|---------------|----------------|----------------|---------------|--------------|----------------|----------------|---------------|---------------|----------------|
| | State govt. | 10th F.C. | 11th F.C. | Total | State govt. | 10th F.C. | 11th F.C. | Total | State govt. | 10th F.C. | 11th F.C. | Total |
| (Rs in lakh) | | | | | | | | | | | | |
| 1997-98 | 323.80 | 172.75 | - | 496.55 | 297.95 | 154.15 | - | 452.10 | 25.85 | 18.60 | - | 44.45 |
| 1998-99 | 921.22 | Nil | - | 921.22 | 705.48 | Nil | - | 705.48 | 215.74 | Nil | - | 215.74 |
| 1999-00 | 898.45 | 488.16 | - | 1386.61 | 790.60 | 400.07 | - | 1190.67 | 107.85 | 88.09 | - | 195.94 |
| 2000-01 | 768.09 | - | Nil | 768.09 | 626.58 | - | Nil | 626.58 | 141.51 | - | Nil | 141.51 |
| 2001-02 | 844.18 | - | Nil | 844.18 | 460.29 | - | Nil | 460.29 | 383.89 | - | Nil | 383.89 |
| 2002-03 | 801.36 | - | 298.65 | 1100.01 | 649.12 | - | Nil | 649.12 | 152.24 | - | 298.65 | 450.89 |
| Total | 4557.10 | 660.91 | 298.65 | 5516.66 | 3530.02 | 554.22 | Nil | 4084.24 | 1027.08 | 106.69 | 298.65 | 1432.42 |

Scrutiny revealed as under :

- 26 per cent of funds remained unspent** ❖ During 1997-2003, 26 per cent of available funds was not utilised mainly due to non payment of arrear of salary and non-sanction of purchase of fire fighting equipment by Government.
- Substantial funds of X and XI Finance Commission either remained unutilized or blocked in idle equipment during 1998-99 and 2001-02** ❖ Out of the budget provision of Rs 6.61 crore under recommendations of Tenth Finance Commission, Rs 5.54 crore were spent. Against this, equipment procured at a cost of Rs 2.86 crore remained unutilised and Rs 1.87 crore remained deposited (since May 2000) as of July 2003 in the State Bank of India on a Letter of Credit in the name of a firm of Italy for supply of equipment. No amount out of budget provision of Rs 2.99 crore under Eleventh Finance Commission was spent during 2002-03.
- Payment of interest on old loans** ❖ The expenditure included inadmissible payment of interest of Rs 17.69 lakh during 1999-2000 and 2000-01 to General Insurance Corporation of India against loans of Rs 2.64 crore for fire services obtained by the State Government in August 1984 and January 1988.
- Huge cash balance entailed risks** ❖ At the end of every year during 1997-2003, huge cash balances³ varying from Rs 63.09 lakh to Rs 5.40 crore out of the funds drawn was retained by the State Fire Officer, entailing risk of misappropriation of Government money. This also indicated that the funds were drawn by the State Fire Officer to avoid lapse of budget grant which was not permissible under rules.

3.5.2 Rendition of fire services

Deficiencies noticed in rendition of fire services in the State were as under :

³ March 1998: Rs 67.95 lakh; March 1999: Rs 126.85 lakh; March 2000 : Rs 539.65 lakh; March 2001 : Rs 63.09 lakh; March 2002 : Rs 76.59 lakh.

Response time not considered for setting up fire stations

- ❖ As per the norm of Standing Fire Advisory Committee (December 1976) number of fire stations should be based on the response time which should be maximum of three minutes in high hazard and closely built up areas while in other areas, it should not exceed five minutes during peak hours of traffic.

Equipment for installing 16 new fire stations remained idle

The location of fire stations was not decided in the State in accordance with risk analysis (high/medium/low risk areas) nor was it based on the norm of one fire fighting unit for every 50,000 population. In all, 32 fire stations in the State were located in different districts on geographical considerations instead of 56 fire stations based on the norm of population. Further nine districts⁴ in the state had no fire stations and their distance from nearest fire stations in other districts varied from 20 to 60 Km.

State Fire Officer, Patna purchased (March 1998) 23 water tenders, six jeep tenders, one foam tender, eight portable pumps and one hydraulic platform (15 metre) costing Rs 2.86 crore for establishing 16 new fire stations⁵ out of grants of Tenth Finance Commission. The equipment remained unutilised as of May 2003 in open air at central store, Patna City and no new fire station was set up as envisaged due to non-sanction of manpower by the Government.

Portable Pump

Jeep Tenders

⁴ Araria(40 Km), Banka(50 Km), Buxar(40 Km), Jamui(50 Km), Lakhisarai(60 Km), Madhepura(20 Km), Shekhapura(40 Km), Sheohar(25 Km),and Supoul(30 Km).

⁵ 10 new district head quarters: Buxar, Supaul, Lakhisarai, Jamui, Banka, Shekhapura, Sheohar, Madhepura, Araria, Arwal ; 4 additional station: Gaya, Muzaffarpur, Bhagalpur, Madhubani; 2 new fire stations at Kankarbag, Phulwarishariff.

Hydraulic Platform (15 metre)

Water Tender

Unutilised equipments lying in open air at Central Store, Patna City

Fire tenders fell short of requirement

- ❖ Five fire stations⁶ had sanctioned strength of 15 water tenders. Against this, only nine water tenders were available. Besides, fire station at Chapra had shortage of one portable pump.

⁶ Patna, Dehri, Kishanganj, Katihar and Bhabhua

| | |
|---|--|
| Lack of trained manpower and equipment to handle fire in high rise buildings | ❖ Manpower in Bihar Fire service had no training to handle equipment for prevention and control of fire in respect of high rise buildings, explosive manufacturing factories, workshop, major oil/petroleum installations, airports, power plants including captive power plants etc. |
| Most of the fire stations housed in private buildings. | ❖ Only three (Gaya, Patna, Muzaffarpur) out of 32 fire stations in the State were housed in their own buildings. The office buildings of three fire stations (Ara, Katihar, Darbhanga) were in a dilapidated condition. |
| Rent free accommodations to Fire officials usually not provided | ❖ As per the norms of SFAC, rent free accommodation to all the officials of the fire services in the premises of fire station was to be provided so that they could quickly respond to the fire calls without loss of time. However, rent free accommodation for only two Fire Station officers (Patna and Gaya) and 16 houses (Muzaffarpur: 6 and Gaya : 10) for firemen were available in the State. |
| Non-functional communication system | ❖ For upgradation of communication system in Bihar Fire Service under Tenth Finance Commission's plan, 40 VHF mobile wireless sets of 25 watts fitted in fire engines to facilitate wireless communication between the fire engines and the fire stations and 98 hand held VHF wireless sets for communication between the front line and the rear line at the scene of fire were purchased during 1997-98 at a total cost of Rs 15.75 lakh. Again in the year 1999-2000 two 100 feet wireless towers were installed at Patna and Patna City at a cost of Rs 3.29 lakh to facilitate wireless communication in Patna. The above system did not work because network of communication linkage between the wireless towers and the wireless sets was not established resulting in unfruitful expenditure of Rs 19.04 lakh. |
| Fire caused heavy loss of lives and properties | ❖ There were 9785 fire incidents during 1997-98 to 2001-02 in Bihar involving loss of 197 human lives, 1354 animal lives and property worth Rs 59.57 crore. |
| Lack of prompt response to fire calls | <p>In nine fire stations test-checked date and time of arrival of firemen at place of occurrence of fire and time of initiating action on combating fire was not on record. Hence response time taken by the fire services was not ascertainable. It was noticed that during 1998 to 2002, nine fire stations of Bihar Fire Service attended 4212 fire calls. Out of which, in 1469 calls fire was already extinguished before arrival of the fire unit (water tender) at the place of occurrence. The loss of property valued at Rs 2.58 crore could not be prevented by the fire units.</p> |
| Lack of water sources in fire stations | Except Patna Fire Station, no other fire station had fire hydrant and static water tank facility. These fire stations had to get water from ponds or rivers or make other arrangement as available. It was noticed that 28 water tenders of the nine fire stations travelled a distance ranging from three to 55 kms during 1998 to 2003 for fetching water from distant places. |
| User's perception not ascertained | ❖ However, none of the nine fire stations test-checked obtained response of the users, though required. |

- ❖ There was no ambulance van in any fire station in Bihar though every fire station was required as per recommendation of SFAC, to have an ambulance.

Vehicles misutilised for other services

Though prohibited under Rule 1272 of Bihar Police Manual, local district administrations misutilised their fire service units and their hoses in nine Fire Stations for sprinkling water on roads, stadium, helipads, washing temples, to deposit telephone bills, to supply water at the residence of high officials etc. during 1998 to 2002 and the fire service units, (the water tenders) travelled for 23472 kms on 558 days involving expenditure of Rs 1.20 lakh on consumption of fuel.

No action of false set up of out break of fire

- ❖ In nine fire stations test-checked 126 false fire reports occurred during 1998-2002 for which fire units had to run for 1611 km. The Fire Station Officers did not initiate action against the reporter of fire under section 16 of Bihar Fire Service Act, 1948.

No bureau for training and awareness activities

- ❖ As per the norm prescribed by SFAC, Training Bureau should be established in each State Fire Service, but no such Bureau had been set up in Bihar to enable the officials to be conversant with updated device and method of preventing and controlling fire.

No workshop for repair of vehicles

- ❖ Department had neither a central workshop nor a mobile workshop for repair and maintenance of equipment in time. Rupees 83.83 lakh were spent on such repair and maintenance of vehicles and equipment through private agencies during 1997-2002.

Fire reports inordinately delayed

- ❖ As per norm of SFAC all high rise buildings (over 15 metre high) should be surveyed and the owners should be required to provide reasonable fire safety measures within a specified time. However, no such survey was conducted by Bihar Fire Service as of May 2003.
- ❖ As per norm of SFAC all fire and special services reports should be submitted by Fire Station Officer within 48 hours of the occurrence excepting Sundays and holidays. In nine fire stations of Bihar during 1998 to 2002 fire reports were submitted to State Fire Officer, Patna after a lapse of 2 to 82 days.

3.5.3 Manpower management

Sanctioned strength of personnel of Bihar Fire Service and men-in-position as on 31 March 2003 were as under:

Men-in-position not as per sanctioned strength

| (In number) | | | | |
|-------------|--------------------------------|------------------|-----------------|------------|
| Sl.No. | Posts | Posts sanctioned | Men-in-position | Shortfall |
| 1 | State Fire Officer | 1 | NIL | 1 |
| 2 | Divisional Fire Officer | 1 | NIL | 1 |
| 3 | Asstt. Divisional Fire Officer | 4 | 3 | 1 |
| 4 | Fire Station Officer | 33 | 10 | 23 |
| 5 | Station Sub Officer | 32 | 14 | 18 |
| 6 | Leading Fire-men | 102 | 83 | 19 |
| 7 | Firemen | 375 | 299 | 76 |
| 8 | Others | 95 | 87 | 8 |
| | Total | 643 | 496 | 147 |

As indicated in the table key posts of State Fire Officer and Divisional Fire Officers as well as a large number of posts of Fire Station Officers, Station Sub Officers, Leading Fire-men/Firemen were vacant.

3.5.4 Other points

Higher rate allowed to a fabricating agency

- ❖ The Central Purchase Committee of Home (Police) Department decided (11 March 2000) to award fabrication of 10 Jeep tenders and 38 water tender to an agency at the rate of Rs one lakh and Rs 3.58 lakh each respectively though two other firms had quoted lower rates of Rs 87542 and Rs 3.11 lakh each respectively against the tenders invited.

The Committee allowed higher rates to a firm on the ground that the enhanced rates (15 per cent) were admissible to the registered small scale industrial units of the State, though such enhanced rates were admissible only in cases of purchase of materials to promote sale of manufactured goods and not in case of fabrication works. Thus injudicious allowance of higher rates to a firm for fabrication works resulted in extra expenditure of Rs 18.96 lakh.

Rupees 1.87 crore blocked in LOC in the name of a foreign firm for over 3 years

- ❖ State Fire Officer drew central funds of Rs 1.87 crore from the treasury (March 2000) and deposited the same (15 May 2000) in State Bank of India Patna by opening a Letter of Credit in the name of a firm of Italy for purchasing a hydraulic platform cum turn table ladder of 40 metres height. However, supply of the equipment was not effected as of December 2003 due to lack of proper pursuance by the Government and the money remained blocked for over three years resulting in loss of interest of Rs 78.90 lakh up to December 2003 at the rate of 11.5 per cent per annum.

No report on physical verification of stores

- ❖ No report on physical verification of central stores at Patna serving as stores for all fire stations in the State was made available to audit.

No maintenance of accounts as per rules

- ❖ Cash book of State Fire Officer, Bihar, Patna for the period from 1 April 1997 to 31 March 2002 was not maintained as per Rule 86 of Bihar Treasury code Vol.-I. No entry in the cash book was attested by the State Fire Officer except on 12 days in a month of March 2001. Second initials against the outstanding payments were not also done by him as per Rule 940 of Bihar Police manual. The cash books were also not machine numbered. Thus possibility of fake entry in the cash book could not be ruled out. It was also noticed that an amount of Rs 2.22 lakh received by five fire stations (Katihar, Darbhanga, Muzaffarpur, Siwan and Bhagalpur) through advice slips during March 1998 to March 2002 was not entered in cash account of the concerned fire stations.

3.5.5 *Monitoring and evaluation*

Lacked effective monitoring

Fire service being rendered was not effectively monitored and evaluated periodically. As a result substantial provision of funds remained unutilised; upgradation and setting up of fire service units with Tenth and Eleventh Finance Commission grant was not carried out; fire units were not properly equipped; communication system was not improved; fire stations lacked water sources.

3.5.6 *Conclusions*

Fire service in the State is inadequate. Nine out of 37 districts in the State had no fire service. Even the 32 fire stations available in the State did not render effective service due to lack of trained manpower and equipment to handle fire in high rise buildings, lack of water sources in the fire stations etc. Large number of Fire tenders and other equipments procured during 1998 remained idle and unutilized. There was ineffective internal control system.

3.5.7 *Recommendations*

- ❖ The State Government should adopt the norms of SFAC and frame rules accordingly for rendering fire services;
- ❖ Fire prevention wing should be set up to prevent occurrence of fire;
- ❖ Vacant posts should be filled up on priority basis.
- ❖ Manpower skill should be developed through regular training and periodical refresher courses to combat fire in all types of buildings/premises;
- ❖ All equipment procured should be handed over to needy fire stations without any further delay.

The points were referred to Government (August 2003); their reply had not been received (March 2004).

WELFARE AND EDUCATION DEPARTMENT

3.6 Payment of stipend and scholarship to students

As per the instructions issued by Government of India and the State Government from time to time, financial assistance was payable by the Welfare and Education departments of the State Government to the meritorious students and to the students belonging to economically and socially backward sections of the society, such as the Scheduled Castes/Scheduled Tribes (SC/ST), the Other Backward Classes (OBC) etc. Payment of stipend and scholarships to the students during 1998-03 was reviewed between April and July 2003 by test-check of records of Welfare and

Education departments and their field offices in nine¹ out of the 37 districts of the State.

3.6.1 Provision of funds made by the Welfare Department during 1998-2003 for payment of stipend and scholarships to students (SC/ST and OBC) in the State and expenditure there against as furnished by the department were as under :

A large chunk of budgeted funds not spent

| Year | Budget Provision | Expenditure | Savings | Percentage of savings |
|---------------|------------------|-------------|---------|-----------------------|
| (Rs in crore) | | | | |
| 1998-99 | 79.87 | 42.71 | 37.16 | 47 |
| 1999-2000 | 83.80 | 43.67 | 40.13 | 48 |
| 2000-2001 | 87.48 | 12.96 | 74.52 | 85 |
| 2001-2002 | 45.51 | 22.56 | 22.95 | 50 |
| 2002-2003 | 48.65 | 31.26 | 17.39 | 36 |
| Total | 345.31 | 153.16 | 192.15 | 56 |

No reason for huge savings of Rs 192.15 crore during 1998-2003 was available. The savings included funds earmarked for the students belonging to the SC (Rs 86.93 crore), the ST (Rs 50.40 crore) and the OBC (Rs 54.82 crore).

Earmarked funds credited to receipts

3.6.2 In nine districts test-checked, 33 per cent (Rs 18.76 crore) of the available funds (Rs 56.43 crore) were not spent during 1998-03. The amount of savings would be still more because 10 Block Development Officers (BDOs) and six District Welfare Officers (DWOs) test-checked credited Rs 10.99 crore to State receipts (Rs 10.47 crore) and Civil Deposits (Rs 51.66 lakh) after drawal of funds from the treasuries. The funds drawn from treasuries were treated as expenditure.

The DWOs stated (May-June 2003) that the disbursement of stipend and scholarships was not made to children due to non-receipt of application forms from the students for sanction of scholarships. The reply was strange as non-receipt of applications from the students in a state with the large population of weaker sections having lowest per capita income was indicative of the fact that the concerned heads of offices did not take effective steps to popularise the scheme and seek applications from the students. The applications for scholarships were obtainable by the heads of schools from the students by April each year. As per the procedure prescribed by Government the scholarship committee at Block (for primary/middle schools) sub-divisions (for high schools) and district levels (for post matric) were to be formed to scrutinise and approve scholarships to students within a month for immediate disbursement.

Funds kept in Civil Deposits

Further in six² out of nine districts test-checked Rs 51.66 lakh drawn by the DWOs from the treasury during 1998-03 for disbursement of stipend and scholarships were kept in Civil Deposits and the money remained unutilised as of June 2003. The Commissioner and Secretary to Government, Welfare

¹ Bhagalpur, Darbhanga, Gaya, Katihar, Motihari, Munger, Patna, Purnea and Vaishali

² Bhagalpur : Rs 11.22 lakh; Gaya : Rs 4.39 lakh; Motihari : Rs 7.92 lakh; Munger : Rs 21.16 lakh; Purnea : Rs 1.65 lakh, Katihar : Rs 5.32 lak

Department stated (November 2003) that the funds drawn at the fag end of the financial year were kept in 'Civil Deposits'. The statement was not acceptable because drawal of funds for keeping in Civil Deposit was not permissible under rules.

Utilisation certificates not furnished

3.6.3 Five DWOs³ released Rs 21.56 crore to 99 BDOs during 1998-03 for disbursement of stipend and scholarship to the students studying in the High/Middle/Primary Schools within the financial years concerned but the utilisation certificates were not furnished by the BDOs even after one to five years as of June 2003 while the money advanced was booked as expenditure in the accounts of the DWOs in the respective years. The Commissioner and Secretary stated (November 2003) that he had taken up the matter with the District Magistrates concerned and utilisation certificates would be sent to GOI shortly.

Doubtful disbursement of scholarships in cash

3.6.4 Though the Post Matric and High School Scholarships were to be paid to the beneficiaries only through banks or Post Office saving accounts and the District/Sub-Divisional Welfare Officers were required to ensure opening of the saving accounts in Bank/Post offices by each eligible student, *two Principals of the Colleges⁴ and six BDOs⁵ disbursed Rs 66.57 lakh in cash. These disbursements seemed prima facie doubtful as signature of the recipients on acquittance rolls appeared to be done in the same hand. The matter needed investigation by the Government.* The BDOs stated (April and June 2003) that such irregularities would not be repeated in future. The Commissioner and Secretary stated (November 2003) that the matter was taken up with the District Magistrates.

Short payment of scholarships

3.6.5 Pre-Matric scholarships for OBC students were to be paid for 10 months in a year at the rate varying from Rs 25 to Rs 250 (day scholars: Rs 25 to Rs 50; boarders: Rs 200 and Rs 250). In addition adhoc grant of Rs 500 per year was payable to each beneficiary. However five BDOs⁶ disbursed stipend and scholarships of Rs 6.69 lakh during 1998-03 to 1838 students against the admissible amount of Rs 15.29 lakh resulting in short payment of Rs 8.60 lakh.

Funds released at the end of the year not utilised

3.6.6 DWO, Gaya did not disburse stipend and scholarship to the students of Colleges/University during 2001-02 as the funds of Rs 71.99 lakh released at the fag end of financial year could not be drawn till 31 March 2002 and ultimately lapsed.

Disbursement not certified by the Block Welfare Officers

3.6.7 The stipend/scholarships were to be disbursed to the students of Primary and Middle schools in the presence of Block Welfare Officer (BWO) who was required to certify that the stipend/scholarships were disbursed in his presence in order to ensure disbursement to the genuine students. Five BDOs⁷ of three districts disbursed Rs 1.83 crore to the students during 1998-03

³ Gaya, Motihari, Munger, Patna and Vaishali

⁴ Munger Rs 1.55 lakh and Purnea Rs 14.20 lakh

⁵ Gaya : Rs 21.52 lakh, Manpur: Rs 13.07 lakh, Hajipur : Rs 6.67 lakh, Bidupur : Rs 5.90 lakh, Banjaria : Rs 0.12 lakh and Turkolia: Rs 3.54 lakhs

⁶ Turkolia, Banjaria, Bidupur, Gaya and Manpur

⁷ Manpur: Rs 32.50 lakh; Gaya : Rs 57.40 lakh; Bidupur: Rs 31.41 lakh; Hajipur: Rs 46.01 lakh and Turkolia : Rs 15.45 lakh

without certificates of disbursements recorded on the vouchers by the BWOs. Thus genuineness of disbursement of Rs 1.83 crore to the students could not be verified. The Commissioner and Secretary stated (November 2003) that the matter would be taken up with the District Magistrates concerned.

Earmarked funds misutilised

3.6.8 DWO, Purnea misutilised funds of Rs 25.32 lakh meant for disbursement of stipend/scholarships to students for repair and maintenance of the vehicle (Rs 9.80 lakh) and maintenance of residential school (Rs 15.52 lakh) during 1995-2001.

District Welfare Officer did not ensure opening of saving accounts in banks/post office by the beneficiaries

3.6.9 District Level Committee, Motihari selected 4251 college students belonging to OBC for disbursement of scholarships during 1998-03. Against this, scholarships of Rs 18.42 lakh were disbursed to 2250 students (OBC), while Rs 15.64 lakh payable to remaining 2001 students were not disbursed as of June 2003. The DWO, Motihari stated (July 2003) that disbursement of scholarships was not made to them because saving bank accounts in banks/post offices were not opened by the students. This statement was not acceptable because the DWO himself was responsible as per the scheme to ensure opening of such accounts by the beneficiary students in banks/post offices. The Commissioner and Secretary stated (November 2003) that necessary directions for disbursement of stipends to students during the year were being issued to the District Magistrates concerned.

3.6.10 Physical progress against targets in disbursement of scholarships to the beneficiaries during 1998-2003 was as under :

| Sl No. | Name of Scholarship | 1998-99 | | 1999-2000 | | 2000-01 | | 2001-02 | | 2002-03 | |
|------------------|-------------------------------------|--------------|-----------------|--------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|
| | | Target | Achievement | Target | Achievement | Target | Achievement | Target | Achievement | Target | Achievement |
| (Number in lakh) | | | | | | | | | | | |
| I | Scheduled Castes | | | | | | | | | | |
| | 1. Post Matric | 0.84 | 0.49 | 0.63 | 0.41 | 0.29 | 0.18 | 0.72 | 0.19 | 0.36 | 0.24 |
| | 2. High School | 3.31 | 2.62 | 3.37 | 1.99 | 0.38 | 0.38 | 1.36 | 0.94 | 1.36 | 0.93 |
| | 3. Primary & Middle School | 5.42 | 5.17 | 6.15 | 4.15 | 1.32 | 1.31 | 3.56 | 2.06 | 4.04 | 3.15 |
| | 4. Technical | 0.06 | 0.03 | 0.06 | 0.03 | - | - | 0.02 | 0.02 | 0.02 | 0.01 |
| | 5. Stipend to identified Children * | 0.15 | 0.09 | 0.16 | 0.08 | 0.03 | 0.02 | 0.27 | 0.05 | 0.15 | 0.05 |
| | 6. Musahar | 0.45 | 0.34 | 0.25 | 0.13 | - | - | 0.28 | 0.17 | 0.28 | 0.11 |
| | Total | 10.23 | 8.74(85) | 10.62 | 6.79(64) | 2.02 | 1.89(94) | 6.21 | 3.43(55) | 6.21 | 4.49(72) |
| II | Scheduled Tribes | | | | | | | | | | |
| | 1. Post Matric | 1.06 | 0.38 | 0.60 | 0.23 | 0.08 | 0.01 | - | - | 0.02 | 0.01 |
| | 2. High School | 1.55 | 1.29 | 1.50 | 0.61 | 0.01 | 0.01 | 0.10 | 0.04 | 0.10 | 0.04 |

| Sl No. | Name of Scholarship | 1998-99 | | 1999-2000 | | 2000-01 | | 2001-02 | | 2002-03 | |
|------------|-------------------------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|
| | | Target | Achievement | Target | Achievement | Target | Achievement | Target | Achievement | Target | Achievement |
| | 3. Primary & Middle School | 2.54 | 2.20 | 2.44 | 2.42 | 0.04 | 0.03 | 0.24 | 0.11 | 0.24 | 0.18 |
| | 4. Technical | 0.06 | 0.02 | 0.06 | 0.01 | - | - | - | - | - | - |
| | Total | 5.21 | 3.89(75) | 4.60 | 3.27(71) | 0.13 | 0.05(38) | 0.34 | 0.15(44) | 0.36 | 0.23(64) |
| III | Other Backward Classes | | | | | | | | | | |
| | 1. Post Matric | 0.62 | 0.29 | 0.77 | 0.30 | 0.12 | 0.12 | 0.39 | 0.21 | 0.77 | 0.36 |
| | 2. High School | 0.46 | 0.40 | 0.46 | 0.32 | 0.15 | 0.15 | 0.47 | 0.29 | 0.52 | 0.37 |
| | 3. Primary & Middle School | 0.51 | 0.51 | 0.51 | 0.35 | 0.75 | 0.74 | 1.44 | 0.53 | 1.59 | 1.28 |
| | 4. Technical | - | - | - | - | - | - | - | - | - | - |
| | 5. Pre-Matric | - | - | - | - | 0.30 | 0.20 | - | - | - | - |
| | Total | 1.59 | 1.20(75) | 1.74 | 0.97(56) | 1.32 | 1.21(92) | 2.30 | 1.03(45) | 2.88 | 2.01(70) |

* whose parents are engaged in unclean occupation

(Figures in brackets indicate per cent)

No reason for shortfall in physical progress available

Physical progress against targets in disbursement of scholarships to students belonging to SC, ST and OBC ranged between 55 and 94, 38 and 75 and 45 and 92 per cent respectively. No reason for the shortfall was available.

No disbursement of scholarships to meritorious students

3.6.11 Government of Bihar made budget provision of Rs 5.15 crore during 1998-2003 for disbursement of scholarships to meritorious students by the Secondary Education Department. No amount out of this was spent as no fund was released by the Department to the District Education officers and the entire amount lapsed.

3.6.12 Conclusions

A large number of target groups of students belonging to SC, ST and OBC were deprived of the payment of stipend and scholarship due to non-utilisation/misutilisation of funds. Earmarked funds were credited to State receipts/Civil Deposits by the Welfare Department. The Secondary Education Department did not disburse any amount out of the total budget provision of Rs 5.15 crore meant for the meritorious students during 1998-2003.

3.6.13 Recommendations

- ❖ A time schedule for seeking application, approving scholarships and immediate disbursement to students should be prescribed and meticulously followed.

- ❖ Effective steps should be undertaken for creation of awareness among students by heads of schools and government officials at block, sub-division and district levels;
- ❖ Effective monitoring at school, block, sub-division and district levels at regular intervals (monthly, quarterly, six-monthly) should be introduced to avoid partial utilisation/non-utilisation of earmarked funds.

The points were referred to Government (August/September 2003); their reply had not been received (March 2004). However, the points were discussed (November 2003) with the Commissioner and Secretary to Government, Welfare Department whose responses to the points had been incorporated in the sub-paras where deemed necessary.