

## **CHAPTER III PERFORMANCE REVIEWS**

This chapter contains performance reviews on Implementation of Drugs and Cosmetics Act 1940 (3.1), Working of Public Works Department (3.2), Prevention and Control of Fire (3.3) and Integrated Watershed Development Programme (3.4).

### **Medical Education and Drugs Department**

#### **3.1            *Implementation of Drugs and Cosmetics Act, 1940***

##### ***Highlights***

**The Drugs and Cosmetics Act, 1940 is an important social legislation and is a very effective tool for safeguarding the consumers' interest. Provisions of Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules 1945 regulate the import, manufacture, distribution and sale of drugs and cosmetics in the country. Adulteration of drugs and production of spurious and substandard drugs causing serious threat to the health of the community are also sought to be prevented by application of the provisions of the Act. However, in Maharashtra, the Act has not been implemented effectively. The provisions of the Act regarding licensing and inspection of units, drawing/testing/reporting of samples, timely and effective actions against those manufacturing and selling substandard/spurious drugs were not implemented meticulously.**

**Licences in respect of 138 out of 1145 manufacturing units and 773 out of 4575 selling units that had expired on 31 December 2002 were not renewed up to March 2003 though renewal applications had been received.**

*(Paragraph 3.1.14)*

**Licences of 44 blood banks in Amravati, Mumbai and Nashik renewed by the respective Licensing Authorities, did not have the approval of the Drugs Controller General of India as the inspection of these units was pending.**

*(Paragraph 3.1.17)*

**Shortfall in samples drawn ranged from 19 to 39 *per cent* of the target during 2000-2003. Thus sampling, vital to ensure availability of quality drugs, was badly affected.**

*(Paragraph 3.1.19)*

**Norms for selecting units for inspections had not been fixed. The shortfall in these inspections ranged from 51 to 76 *per cent*. Moreover, a system of inspection of the records of Registered Medical Practitioners had not been introduced in the State.**

*(Paragraphs 3.1.20 and 3.1.21)*

**During the years 2001 and 2002 only 27 to 77 per cent samples were tested within the prescribed 90 days.**

*(Paragraph 3.1.25)*

**There was acute shortage of technical persons at all levels; 60 posts out of 223 remained vacant.**

*(Paragraph 3.1.34)*

### **3.1.1 Introduction**

The Food and Drugs Administration is responsible for implementation of the Drugs and Cosmetics Act, 1940 (Act) and the Drugs and Cosmetics Rules 1945, (Rules) in relation to allopathic, homeopathic, ayurvedic, *sidha* and *unani* drugs and also cosmetics. The provisions of the Act/Rules are enforced mainly through:

- Licencing and inspection of manufacturing and sales premises/units,
- Drawal of samples for testing, and
- Initiating prosecution against offenders.

To study and ascertain the effectiveness of the implementation of the Drugs and Cosmetics Act, 1940, the records of the Regulatory Authority viz Food and Drugs Administration, Maharashtra in the selected districts and those maintained by their eight divisions\* along with eight♦ districts out of 29 districts, for the years 1998-2003 were test checked from January to June 2003. Results of test check are shown in succeeding paragraphs.

### **3.1.2 Implementing Agencies**

The Food and Drugs Administration (FDA) is under administrative control of Medical Education and Drugs Department of the State. The FDA is headed by the Commissioner who is assisted by 11 Joint Commissioners (Drugs), 53 Assistant Commissioners (Drugs) and 159 Drugs Inspectors. The Joint Commissioner of each division is the Licensing Authority for the manufacturing units and the Assistant Commissioner at the district place is the Licensing Authority for the selling units. The Joint Commissioner (Headquarters) in Mumbai also acts as Drugs Control Authority of the State. The Drug Control Laboratory (DCL) in Mumbai and a newly opened DCL at Aurangabad carry out the work of testing of drug samples. DCL, Aurangabad, however, analysed only the samples of ayurvedic drugs cosmetics for want of instruments and staff.

### **3.1.3 Standing of the Law**

The Drugs and Cosmetics Act, 1940 is an important social legislation and is very effective tool for safeguarding the consumers interest. The objectives of the Act can be achieved only through proper implementation by the regulatory

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\* Amravati, Aurangabad, Mumbai (Hqrs), Mumbai Selling Units, Nagpur, Nashik, Pune and Thane.

♦ Amravati, Beed, Mumbai, Nashik, Nagpur, Raigad, Satara and Wardha.

agencies and compliance of the provisions in totality by all persons engaged in manufacture, sale and distribution of the drugs and cosmetics.

#### **3.1.4 Provisions contested--- Court rulings**

The Authorities under the Act resort to administrative as well as legal action for violations of the Act. During the proceedings for administrative action based on the Government Analyst's report declaring a drug to be substandard, normally findings of the Government Analyst are contested. Under Section 25 (3) of the Act the Government Analyst's report can be contested by producing evidence in contraversion of the Government Analyst's report.

During legal proceedings, the procedure followed by the Drugs Inspector (DI) for carrying out search and seizure, procedure followed for drawing of sample and sending it to the Government Analyst and procedure followed by Government are also contested.

#### **3.1.5 Inadequate provision for renewal**

Under Rule 72 of the Rules a licence or a renewal certificate issued shall be valid for a period of five 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 Rule 72 by making a provision for filing of renewal application three 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.

#### **3.1.6 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.

#### **3.1.7 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.

#### **3.1.8 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.

**Prosecution cases**

**All offences under the Act are not treated as cognizable offences**

**3.1.9** In the State, all offences under the Act are not treated as cognisable. This is unlike provisions contained in Drugs and Magic Remedies Act 1954, which is also being implemented by the Administration. In terms of Section 27 of the Act, offences like manufacture and sale of adulterated or spurious drugs which when consumed would result in death or grievous hurt attract imprisonment of not less than five years extendable to life term and with fine. However offences of similar nature but of less intensity attract imprisonment for lesser period (ie ranging from one to three years). States like Uttar Pradesh and West Bengal have amended the Act, imposing life imprisonment for manufacture or sale of adulterated/spurious or misbranded drugs irrespective of their intensity. No such amendments have been proposed in the State so far (October 2003).

Government stated (October 2003) that offences where imprisonment of more than three years is prescribed like offences under Section 27(a), 27(b), 27(c), 27(Ai) etc are treated as cognisable offences. Government had made suggestions to the Dr Mashelkar Committee for making offences under the Act as cognisable and non-bailable.

**3.1.10 Legal cell in Food and Drugs Administration**

The FDA has a legal cell, headed by the Joint Commissioner (Law). Table below indicates the cases where prosecution was launched.

(In numbers)

| Year         | Opening Balance | Prosecution launched | Total | Cases decided | Convicted | Acquitted* | Discharged** |
|--------------|-----------------|----------------------|-------|---------------|-----------|------------|--------------|
| 1998-99      | 1124            | 50                   | 1174  | 48            | 7         | 18         | 23           |
| 1999-2000    | 1126            | 56                   | 1182  | 25            | 11        | 06         | 08           |
| 2000-01      | 1157            | 123                  | 1280  | 58            | 41        | 09         | 08           |
| 2001-02      | 1222            | 133                  | 1355  | 61            | 26        | 14         | 21           |
| 2002-03      | 1294            | 122                  | 1416  | 21            | 02        | 10         | 09           |
| <b>Total</b> |                 |                      |       | <b>213</b>    | <b>87</b> | <b>57</b>  | <b>69</b>    |

In this regard, following deserve mention:

➤ Control register maintained at the Headquarters level was incomplete in many respects *viz* dates of filing of cases in court, present status of the cases etc were not noted.

**3.1.11** There were 1395 pending cases as of 31 March 2003. The age wise details of pending prosecution cases were not, however, available with the FDA. The number of prosecution cases pending in the State increased from 1124 in 1998-99 to 1395 at the end of March 2003. It was stated to be due to pendency of cases in the court(s). Of the 213 cases decided during the period, only 87 cases led to conviction.

\* Acquitted: Charges are framed against the accused, however, due to lack of evidence/documents the case is acquitted.

\*\* Discharged: Charges could not be framed against the accused.

**Lack of adequate evidence led to acquittal/discharge of the prosecuted cases**

Analysis of 23 prosecution cases where acquittal/discharge was decided between April 1997 and March 2003 and made available to audit revealed that ten cases could not be established for want of adequate evidence, two cases were dismissed due to absence of the Drugs Inspectors, two cases were dismissed due to failure of the Administration to send the samples within the stipulated period of 28 days to the Central Drugs Laboratory, Kolkatta and remaining nine prosecution cases could also not be established due to other reasons like lack of complete address of accused, drugs in question found to be of standard quality subsequently by the Central Drugs Laboratory etc.

**3.1.12** Analysis of 41 out of 87 cases of conviction revealed that in five cases the imprisonment given was more than one year but less than three years, in nine cases imprisonment awarded was for a period of less than one year, in 17 cases (40 per cent) it was for less than one month and 10 cases (25 per cent) were decided by imposing only fines.

**Implementation of the Act - Survey and licensing procedure**

**3.1.13** According to Rules both manufacturing and selling units except those selling ayurvedic medicines and cosmetics have to obtain a licence. Prior to 24 August 2001 an original or a renewed licence was valid up to 31 December of the year following the year in which it was issued. With effect from 24 August 2001, however, the same is now issued for five years from the date of issue or its renewal except ayurvedic manufacturing licence for which the existing provision still continues.

According to Rule 79 of Drugs and Cosmetics Rules 1945, inspection of site is mandatory before grant or renewal of licence. The table below indicates the number of manufacturing and selling units, licence granted and renewed.

(In numbers)

| Year                       | Units | Application pending at the beginning of the year |         | Application received during the year |         | Application disposed off during the year |         | Application pending at the end of the year |         |
|----------------------------|-------|--|---------|--------------------------------------|---------|--|---------|--|---------|
|                            |       | Fresh  | Renewal | Fresh                                | Renewal | Fresh                                    | Renewal | Fresh                                      | Renewal |
| <b>Manufacturing Units</b> |       |  |         |                                      |         |  |         |  |         |
| 1999-2000                  | 2832  | 175  | 1171    | 1349                                 | 1908    | 1376                                     | 2127    | 148  | 952     |
| 2000-01                    | 2858  | 269  | 1010    | 1272                                 | 1496    | 1313                                     | 1599    | 228  | 907     |
| 2001-02                    | 2976  | 204  | 1181    | 1474                                 | 2261    | 1604                                     | 2408    | 74   | 1034    |
| 2002-03*                   | 3842  | 74   | 1034    | 1153                                 | 1921    | 1167                                     | 24      | 60   | 2931    |
| <b>Selling Units</b>       |       |  |         |                                      |         |  |         |  |         |
| 1999-2000                  | 45522 | 642  | 4498    | 7396                                 | 17955   | 7371                                     | 16889   | 667  | 5564    |
| 2000-01                    | 47021 | 830  | 4242    | 7665                                 | 16426   | 7513                                     | 15727   | 982  | 4941    |
| 2001-02                    | 50278 | 519  | 4886    | 7458                                 | 18445   | 7518                                     | 14602   | 459  | 8729    |
| 2002-03*                   | 52558 | 459  | 8729    | 6759                                 | 19107   | 6864                                     | 22940   | 354  | 4896    |

\* Provisional Figures

It would be observed that there were several instances, where closing balance of outstanding applications in a year does not match with the opening balance in the succeeding year. Joint Commissioner (Headquarters) stated (November 2003) that the figures have been published in the Performance Budget of the

respective years and care will be taken in future to ensure that the closing balances of a year are correctly carried forward during the subsequent years.

It was observed that:

**No master licence register was maintained**

➤ No master licence register recording the name of the licensees, the licence number, date of issue/renewals due, etc was maintained in any of the test-checked divisions. Thus, the number of licences due for renewal at the end of a year could not be ascertained.

Government stated (October 2003) that all divisional offices had been instructed to maintain Master Licence Register. Further GOI has also provided a software for this purpose for which the work of data entry is going on.

**138 manufacturing and 773 selling units whose licences had expired were not renewed upto March 2003**

**3.1.14** Of the 1145 manufacturing units and 4575 selling units in three divisions (Mumbai-Hqrs, Amravati and Nashik) whose licences had expired as on 31 December 2002, licence of 138 manufacturing and 773 selling units were not renewed up to March 2003 despite receipt of application for renewal. Information from other divisions was awaited (June 2003). Government stated (October 2003) that delays were due to receipt of large number of applications and time taken to carry out inspections etc.

**No uniformity in the maintenance of records at division level**

**3.1.15** There was no uniformity in the maintenance of records among the divisions. Except Mumbai - Headquarters, no other division maintained index cards with information like date of grant of licence, date of inspection etc in respect of each manufacturing unit along with a file. Government stated (October 2003) that program for Master Licence register has been prepared and is being taken up on computer network.

**No provision in the Act for issue of licences to selling units of ayurvedic medicines and cosmetics**

**3.1.16** There is no provision to issue licences to selling units of ayurvedic medicines and cosmetics whereas such provision in the Act exists in respect of allopathic drugs. The provisions thus differentiate between selling units of allopathic drugs and ayurvedic medicines and cosmetics. Government stated (October 2003) that introduction of licence for the selling of ayurvedic medicines and cosmetics could be done only after amendment to the Act.

**Renewal of licences in 44 blood banks of three divisions not approved by the Drugs Controller General of India**

**3.1.17** As per the provisions of the Act, the licensee holding a licence for operation of blood bank, manufacturing of blood products etc. shall apply for grant of licence before the expiry of the licence. The orders for grant or renewal passed by the State licensing authority alongwith licence and renewal certificate, is to be forwarded to the Central Approving Authority *viz*, Drugs Controller General of India (DCGI) for approval and he shall continue to operate the same till the orders on his application are communicated to him. In respect of renewal of 44 blood banks in Amravati, Mumbai and Nashik for the period 2000-2007, the necessary approval of DCGI was not accorded due to pending inspection of these units. These licensees could function until the decision of the approving authority was communicated. This meant that disapproval, if any, when communicated to them later, would mean operation without a valid licence during the intervening period. Procedure in this regard currently being followed needs to be reviewed by the Government of India.

Renewal of licenses without obtaining the compliances of inspection notes

**3.1.18** In Nagpur division a manufacturing unit was inspected in April 1997 and another in October 1999 and January 2000. The licensing authority issued inspection notes to these units for giving compliance to the seven omissions detected by the DI. During audit it was observed that the licences of both units were renewed in routine fashion during next year even without obtaining the necessary compliance of those remarks.

### **Adequacy of Sampling and Inspections**

Shortfall of 19 to 39 per cent in drawal of drug samples

#### **3.1.19 Drawal of samples**

Sampling is a post marketing surveillance activity of the regulatory authority. This is done to ensure circulation of quality drugs in the market. The DI collects samples of the drugs *ibid* for testing in the laboratory. According to norms each DI has to draw six samples in a month. Table below indicates the number of samples drawn by the DIs.

| Year    | Inspectors in position | Samples to be drawn | Samples drawn | Shortfall | Percentage of shortfall |
|---------|------------------------|---------------------|---------------|-----------|-------------------------|
|         |                        |                     |               |           |                         |
| 2000-01 | 131                    | 9432                | 5728          | 3704      | 39.27                   |
| 2001-02 | 123                    | 8856                | 7131          | 1725      | 19.47                   |
| 2002-03 | 127                    | 9144                | 5759          | 3385      | 37.01                   |

The shortfall in samples drawn by the DIs ranged from 19.47 to 39.27 per cent during 2000-2003. Government attributed (October 2003) the reasons to shortage of DIs and also due to the Commissioner's instructions (February 2001) to draw fewer samples to clear the pendency in the laboratory. Audit felt that issue of Commissioner's instructions to draw fewer samples to clear the pendency is not the solution as non-drawal of samples may lead to non-detection of substandard drugs. Further, contention of the Government regarding shortage of DIs is not tenable as shortfall in samples was determined with reference to DIs working in the department. If shortfall is determined with reference to the number of manufacturing and selling units in the State on the premise that each unit should be covered atleast once in a year, it would increase to 75-90 per cent.

### **Inspection**

**3.1.20** All establishments licenced for the manufacture and sale of drugs are required to be inspected at least twice a year up to August 2001 and once a year thereafter to ensure that the conditions of the licence have not been violated. Besides, testing of samples, investigation of complaints, inspection of plant/process of manufacturing, methodology adopted for standardising and testing the drugs etc are also checked to maintain the standards of drugs. The table following indicates the shortfall in the inspections.

| Year      | Units | Inspection to be carried out | Inspection actually done | Shortfall | Percentage of shortfall |
|-----------|-------|------------------------------|--------------------------|-----------|-------------------------|
|           |       |                              |                          |           |                         |
| 1998-99   | 43751 | 87502                        | 24797                    | 62705     | 72                      |
| 1999-2000 | 48354 | 96708                        | 23018                    | 73690     | 76                      |
| 2000-01   | 49879 | 99758                        | 28733                    | 71025     | 71                      |
| 2001-02   | 53254 | 53254                        | 26336                    | 26918     | 51                      |
| 2002-03   | 56400 | 56400                        | 26853                    | 29547     | 52                      |

It was noticed during the course of audit that:

**331 selling units out of 745 units remained to be inspected for more than two years**

➤ No norms have been fixed for selecting the units. As a result some units were inspected repeatedly while others remained uninspected for years together. In nine\* districts, 331 selling units out of 745 units checked, remained uninspected for more than two years. Government stated (October 2003) that instructions were being issued to the licensing authorities to adopt a planned inspection programme of the units.

➤ The shortfall in inspections ranged from 51 to 76 per cent for both manufacturing and selling units due to shortage of DIs.

**Drugs stored and supplied by the Registered Medical Practitioners and private hospitals not subject to inspection**

**3.1.21** Drugs supplied by Registered Medical Practitioners (RMPs) to patients are not covered under licensing rules. However, they have to purchase the drugs from licenced dealers/manufacturers only and maintain detailed records of such purchases, which are open to inspection by an Inspector appointed under the Act. But a system of inspection of RMP's records has not been introduced in Maharashtra (June 2003).

Government stated (October 2003) that though inspection of private hospitals and RMPs are not carried out periodically, but during special drive inspection of such dispensaries, nursing homes and hospitals are undertaken by FDA. Further, inspection of the RMPs on a regular basis would be undertaken according to Dr Mashelkar Committee report.

### ***Working of Drugs Control Laboratories***

#### **3.1.22 Drugs Control Laboratory, Mumbai**

**Testing equipment costing Rs 1.2 crore not purchased due to paucity of fund.**

The capacity of laboratory at Mumbai is to test 6000 samples in a year. To improve the testing facilities of the DCL, Mumbai, Government sanctioned (February 2000) Rs 1.2 crore for purchase of testing equipment. The DCL, Mumbai, invited (March 2000) tender for purchase of 31 equipments/instruments of different types. The purchase of equipments however could not be made due to paucity of fund.

\* Amravati, Aurangabad, Beed, Nashik, Pune, Raigad, Satara, Thane and Wardha



**3.1.23 Drugs Control Laboratory, Aurangabad**

**Non-functioning of Drugs Control Laboratory, Aurangabad to its optimum capacity since October 2000 for want of staff and equipment**

The newly opened DCL at Aurangabad was located in the premises hired in February 1997 on a monthly rent of Rs 22898. It however, started functioning from October 2000 but not utilised to the optimum capacity as only eight posts were filled in against the 48 posts sanctioned (June 2003). Thus, the expenditure of Rs 9.85 lakh paid as rent was unfruitful. An Ultra Violet Spectro photometer valuing Rs 5.41 lakh purchased in March 2001 for testing allopathic drugs remained unutilised, as other related equipment for testing samples were not procured. Government stated (October 2003) that the laboratory could not start functioning due to ban on recruitment of staff, non-availability of funds to purchase the required instruments etc. Functioning of the laboratory would be streamlined in due course.

***Testing of sample medicines and drugs- Time taken for reporting and the adverse impact on reporting delays***

**There were delays in testing and reporting results of tests of samples by the Drugs Control Laboratory**

**3.1.24** According to departmental instructions the samples were to be tested within 90 days. As per Section 23 of the Act, the person whose sample is to be drawn should get at least 28 days time for contradicting the report of the Government Analyst else the prosecution case against him would not stand. Table below indicates the samples tested and its results thereof.

**(In numbers)**

| Period                        | Samples received | Samples reported | Samples found standard | Samples found substandard | No opinion | Samples reported in 90 days | Reported beyond 90 days. |
|-------------------------------|------------------|------------------|------------------------|---------------------------|------------|-----------------------------|--------------------------|
| January 2001 to December 2001 | 5612             | 3903             | 2988                   | 563                       | 352        | 1041                        | 2862                     |
| January 2002 to December 2002 | 5826             | 4696             | 4075                   | 433                       | 188        | 3605                        | 1091                     |

Information for the earlier period was not available with the DCL.

**3.1.25** There were inordinate delays in testing of samples by the DCL. During 2001 (Calendar year), only 27 per cent samples were tested within prescribed period of 90 days. Test-check of records of samples tested revealed that of the 164 samples found substandard, six samples took more than one year, 14 samples took more than six months and 82 samples took more than three months for testing. Thus by the time sample of substandard drugs were tested and action taken, bulk of such drugs would have been consumed.

**3.1.26** Report of the 'substandard' drugs tested during February 1999 and January 2001 revealed that 34 samples were tested within 45 days of its expiry date, 36 substandard samples were tested within 28 days of its expiry date and three such samples were tested after expiry date. Thus testing of samples not well before the expiry date in these cases would not be of any help to launch necessary prosecution.

The delay in testing the sample was stated (October 2003) to be due to shortage of chemical analysts, testing instruments and non-availability of testing formula/methods in respect of proprietary drugs. Audit felt that

deficiencies in the DCL's testing facilities might result in circulation of substandard drugs in market, causing irreparable damage to the society. DCL thus failed to discharge their regulatory function.

**3.1.27            *Followup action on samples found substandard or spurious -  
Lack of co-ordination among States***

**Of the 570 reports of drugs declared as substandard relating to other States, action taken report in respect of 401 cases was not received**

After sample of a drug is found to be "substandard", necessary action is taken against the licensee. If, however, the offender happens to be from another State and launching of prosecution under Section 27 of the Act is not warranted, necessary intimation is sent to the licensing authority of that State for taking necessary action against him.

Scrutiny of records revealed that of 570 reports sent to the Drugs Control Authorities (DCA) of other States during 2000-2002, action taken reports were received only in 169 cases. It was stated (June 2003) that States other than Gujarat and Karnataka did not give the details of action taken reports against the erring units in most of the cases even though reminders were issued to them. The matter needs to be brought to the notice of the Central Drugs Control Authorities for securing better coordination among the States.

Government stated (October 2003) that the job of sending of chemical analyst's report and the resultant follow up action to be taken in the case had been entrusted to the respective Divisional Officer since June 2003.

**3.1.28            *Incomplete action against licensees***

On receipt of report of Government Analyst regarding sample of the drug tested as "substandard", the licensing authority, pending penal action informs the manufacturer immediately to withdraw the drug in question from the market and to keep the unconsumed quantity thereof for destroying.

Scrutiny of records revealed that of 57 licensees whose samples were tested substandard, 55 did not furnish any detail of the drugs consumed and remaining to be consumed. The licensing authority took no further action on such licensees. Government stated (October 2003) that the licensees had been asked to follow the departmental instructions in future.

**3.1.29**            Unutilised stock (3466 vials) of a "substandard" drug manufactured in September 1999 by a unit in Hyderabad was not lifted and remained in a Mumbai hospital without being destroyed for three years (June 2003).

***Inadequate Administrative Action***

**Inadequate action against the licensees though the samples from different batches failed repeatedly in a short time span**

**3.1.30**            According to recommendation of the Drugs Consultative Committee, FDA has categorised the offences in different categories viz A1, AII and B depending on the gravity of substandard drugs manufactured for the purpose of launching prosecution, while cases falling under category A1 lead to prosecutions, category AII and B lead to administrative action under Rule 85 like suspension/cancellation of licence and issue of warnings.

However, FDA in respect of selling units has prescribed no such categories of contravention of licensing conditions. Thus the penal action taken by the licensing authorities under Rule 66 differed substantially for similar type of contravention on the ground that each case was decided on its merit and the power granted to the licensing authorities was discretionary *eg* for an offence of selling smuggled drugs the licence of a selling unit had been cancelled in Pune whereas for the similar offence licence of a selling unit in Mumbai was suspended for a day only.

Government stated (October 2003) that the issue would be examined with a view to formulate broader guidelines and that proper training would be imparted to the licensing authorities for proper use of quasi-judicial powers vested in them.

**3.1.31** Audit observed that in 48 out of about 50 cases appropriate penal action was taken and in two cases detailed below, the licensing authorities merely issued warnings instead of taking stringent penal action under Rule 85.

A manufacturer in Thane division manufactured eight batches of medicines between October and December 1999 valuing Rs 82.06 lakh. Medicine of Rs 68.60 lakh were sold and consumed. Samples of different batches drawn of the licensee failed more than twice in a short span. However, instead of cancelling or suspending the license for a specified period, the licensee was issued only warnings. In reply the Government stated (October 2003) that the Assistant Commissioner, Raigad had been instructed to carry out inspection of the licensee and also to draw samples of drug to find out whether there was any crystallisation or otherwise in it.

**3.1.32** Samples drawn from three batches of a drug Antagit Gel manufactured by a manufacturing unit in Amravati division failed as the concentration of Simethecene was found to be in the range of 48.03 to 71.32 *per cent*. The licensing authority instead of taking stringent penal action issued only warnings to the unit in each case on the ground that reasons and extent of substandardness involved in each case was different.

Government stated (October 2003) that the licensing authority took into consideration the written reply furnished by the licensee that they had adduced evidence in contraversion of the Government Analyst's Report and therefore, having been satisfied only asked the licensee to follow Good Manufacturing Practice. The report of the Central Drugs Laboratory under which the evidence was adduced in contraversion of the earlier report of the Government Analyst was not made available to Audit. Further reply from the Government was awaited (November 2003).

**3.1.33** *Monitoring*

The database, which is currently being used, was developed in respect of manufacturing and selling units and also Management Information Systems

and Monitoring Modules for drug control functions and the laboratory functions only for the Mumbai office and not for the State as a whole.

The meetings of the Licensing Authorities took place periodically to take stock of the various problems faced by the Administration. However no minutes were kept. Follow up action was taken by way of issue of circular only.

### ***Manpower and Training***

#### ***3.1.34 Manpower***

**Discharge of regulatory functions by the Food and Drugs Administration ineffective due to shortage of technical staff**

The effective implementation of the Act is to be ensured mainly through the processes of inspections of the units and drawal of samples of the drugs by the DIs and also in taking action against the erring licensees by the Licensing and Drug Controlling Authorities. Scrutiny of records revealed that there was acute shortage of technical persons at all levels to carry out the above tasks as detailed below:

| <b>Category</b>        | <b>Sanctioned</b> | <b>Men in position</b> | <b>Shortfall</b>        |
|------------------------|-------------------|------------------------|-------------------------|
| Joint Commissioner     | 11                | 5                      | 6                       |
| Assistant Commissioner | 53                | 42                     | 11                      |
| Drug Inspectors        | 159               | 116                    | 43                      |
| <b>Total</b>           | <b>223</b>        | <b>163</b>             | <b>60 (27 per cent)</b> |

Further analysis revealed that DIs were holding additional charges of 11 Assistant Commissioners (licensing authority for the selling units) thereby affecting their vital functions of inspection and sampling. In three districts (Beed, Bhandara and Osmanabad) only a DI functioned both as Assistant Commissioner and DI for more than a year. The number of licensees in each district was in the range of 300 to 800.

Task force appointed by the Government of India in 1981 recommended appointment of one DI for every 25 manufacturing units and one DI for every 100 selling units. The post of DIs has not been sanctioned according to these norms.

Government stated (October 2003) that selection process for filling up the post of Joint Commissioner was completed recently. The proposal for filling up the vacant posts of DI and Assistant Commissioner was pending with the Government.

#### ***3.1.35 Training***

The DI is appointed according to the provision of the Act under which he must be a Pharmacy Graduate. Records in respect of number of personnel imparted requisite training have not been maintained. Joint Commissioner (Headquarters) however, stated (November 2003) that the technical officers of the administration are being imparted training in technical matters very often in programmes conducted by various institutions such as Yashada\*, Indian

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\* Yashwantrao Chavan Academy of Development and Administration

Homeopathies, Pharmacopea Laboratory and Central Drugs Standard Control Organisation.

### **3.1.36            *Interface with the Pharmaceuticals Industry/Trade***

**Database not utilised for detecting the pharmacists employed on more than one selling units**

The FDA (Administration) has to remain in constant touch with pharmaceutical industry, trade, medical profession and Pharmacy Council of the State to collect information, data and exchange of views for strengthening the system. It was stated that Administration did have interface with the industry and other related institutions for exchange of views. To tackle the problem relating to manufacture and sale of spurious drugs, the Administration as a result of recommendation of a Committee nominated four nodal officers to interface with the Industry and Trade.

Scrutiny of records on penal action taken against the selling units revealed that in most of the cases sale of drugs was without a pharmacist, which contravened the conditions of the license. There has been a tendency of the sellers to apply for a new license or renewal thereof, in the name of a pharmacist who has been employed elsewhere. This menace required to be tackled by interface with the State Pharmacy Council. Joint Commissioner (Headquarters) stated (June 2003) that the database in this regard so kept by the Pharmacy Council was so far not utilised in the State.

### **3.1.37            *Conclusion***

Implementation of the Act is to be ensured through a system of licensing, inspection, sampling and testing of samples in the laboratory. It was noticed that there was shortfall in each of these regulatory functions of the Administration. Besides, delays in testing of samples, increasing number of court cases and also launching of prosecution cases with insufficient evidence did not serve the intended purpose of preventing manufacture and sale of substandard drugs and their consumption by the consumers.

### **3.1.38            *Recommendations***

- The Act needs to be amended to prescribe the time schedule for disposal of renewal applications by FDA.
- 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 minimise the number of litigants.
- Only offences attracting imprisonment of more than three years are treated as cognisable offences. There is need to amend the Act to make all the offences under it cognisable.
- Deterrent penalty should be imposed for manufacture or sale of adulterated/spurious or misbranded drugs irrespective of their intensity.

**Public Works Department**

**3.2 Working of Public Works Department**

*Highlights*

Public Works Department is responsible for planning, construction and maintenance of roads, bridges, buildings (residential and non residential) etc. At the end of March 2002 a network of road length of 2.23 lakh kilometres, and residential/non residential buildings and monuments with a built up area of 15639078 square metre were under its control. Review of the working of the Department revealed deficient budgeting, ineffective Letter of Credit system, excess expenditure on maintenance and repairs as compared to the prescribed norms, avoidable payment of escalation due to non adherence to the provisions of tender and continuance of converted regular temporary staff without justified volume of work load.

Budgetary control was deficient during 1998-2002. Despite surrender of funds of Rs 1858 crore, there was excess under the revenue and capital heads.

*(Paragraph 3.2.4)*

Letter of Credit system was ineffective. In five divisions excess Letter of Credit of Rs 12.38 crore was granted by Superintending Engineer over the final modified grant. In seven divisions, excess expenditure over budget allotment was met through non Letter of Credit cheques of Rs 13.94 crore from deposit heads during 1999-2003.

*(Paragraph 3.2.5)*

A total of 1122 works under plan and 1883 under non-plan, costing Rs 39.03 crore and Rs 29.83 crore respectively, were executed by 19 divisions during 1999-2003 without ensuring availability of funds.

*(Paragraph 3.2.6)*

Presidency Division, Mumbai incurred excess expenditure of Rs 20.30 crore during 1999-2002 on maintenance and repairs in excess of prescribed norms.

*(Paragraph 3.2.12)*

Payment of Rs 12.14 crore was made to contractors in Mumbai, Nashik and Aurangabad regions on account of escalation in violation of tender conditions.

*(Paragraph 3.2.13)*

Government of India withheld/disallowed reimbursement of Rs 99.31 crore incurred by the State Government on National Highway works pertaining to period 1998-2003 due to non-compliance of objections raised by Pay and Accounts Office, National Highway, Mumbai.

*(Paragraph 3.2.16)*

**Revenue of Rs 3.13 crore was outstanding on account of rent recovery from different political parties (Rs 2.05 crore), rent of staff quarters (Rs 61 lakh) and sales tax from contractors (Rs 47 lakh).**

(Paragraphs 3.2.19, 3.2.20 and 3.2.21)

**Continuance of 22 subdivisions (17 in Mumbai and five in Aurangabad) without adequate workload resulted in nugatory expenditure of Rs 6.38 crore per annum on establishment.**

(Paragraph 3.2.24)

### 3.2.1 Introduction

The Public Works Department (PWD) is responsible for planning, construction and maintenance of roads, bridges and buildings (residential and non-residential) for various Government departments, and execution of civil engineering works of other departments, institutions etc on agency basis or as deposit works. PWD also undertakes construction, maintenance and repairs of National Highways (NH) in the State on behalf of Government of India (GOI).

### 3.2.2 Organisational set up

Secretary (Works) and Secretary (Roads) are the highest level functionaries in Public Works Department. Chief Engineer and Joint Secretary assist them on technical side and Internal Financial Adviser and Deputy Secretary on financial side. There are eight regional offices, each headed by a Chief Engineer (CE). Under these regional offices, there are 42 circles, each headed by a Superintending Engineer (SE) and 215 Divisions, each headed by an Executive Engineer (EE).

### 3.2.3 Audit coverage

Functioning of the Department was reviewed during December 2002 to June 2003 covering the period 1999-2003 by a test-check of the records of Secretariat, three CEs, eight circle offices and 22 divisions. Information in respect of other regions was collected separately.

### 3.2.4 Budgetary performance and expenditure control

Details of budget grants *vis-a-vis* expenditure during the last four years ending March 2002 were as under:

(Rupees in crore)

| Year                       | Budget grant | Surrender of funds | Net grant | Actual expenditure | Excess (+)/ Saving (-) over net grant | Percentage of excess/saving over net grant |
|----------------------------|--------------|--------------------|-----------|--------------------|---------------------------------------|--|
| (1)                        | (2)          | (3)                | (4)       | (5)                | (6)                                   | (7)  |
| <b>Revenue Expenditure</b> |              |                    |           |                    |                                       |  |
| 1998-99                    | 1763.15      | 98.85              | 1664.30   | 1592.93            | (-) 71.37                             | 4.28                                       |
| 1999-00                    | 1984.22      | 183.77             | 1800.45   | 1751.97            | (-)48.48                              | 2.63                                       |
| 2000-01                    | 2054.60      | 183.77             | 1870.83   | 1957.55            | (+)86.72                              | 4.63                                       |
| 2001-02                    | 2116.06      | 525.63             | 1590.43   | 1738.67            | (+)148.24                             | 9.32                                       |

Inadequate  
budgetary control

| (1)                        | (2)     | (3)    | (4)    | (5)    | (6)      | (7)   |
|----------------------------|---------|--------|--------|--------|----------|-------|
| <b>Capital Expenditure</b> |         |        |        |        |          |       |
| 1998-99                    | 845.54  | 33.60  | 811.94 | 893.06 | (+)81.12 | 9.99  |
| 1999-00                    | 979.81  | 104.80 | 875.01 | 948.97 | (+)73.96 | 8.45  |
| 2000-01                    | 1047.65 | 381.39 | 666.26 | 739.22 | (+)72.96 | 10.95 |
| 2001-02                    | 860.27  | 346.07 | 514.20 | 601.59 | (+)87.39 | 16.99 |

(Information in respect of year 2002-03 is awaited)

The table indicates that in spite of surrender of Rs 1858 crore during the year from out of the budget grant, there was excess ranging from 5 to 9 *per cent* under the revenue head during 2000-2002 and ranging from 8 to 17 *per cent* under the capital head during 1998-2002. No reasons for excess as well as propriety for surrender were furnished to audit.

In 36 divisions, even though the divisions restricted the expenditure according to Letter of Credit (LOC), expenditure was incurred in excess of allotment by Rs 290.50 crore through adjustment under suspense heads by way of Transfer Entry Orders (TEO). This resulted in over booking of expenditure in accounts without actually exceeding the LOC limits.

### **3.2.5 Ineffective Letter of Credit system**

**There were irregularities in Letter of Credit system**

Government introduced (August 1987), LOC system to regulate drawal of funds and restrict expenditure there against. The SEs were responsible for monitoring expenditure of the divisions working under them. It was observed that:

- In Thane and Aurangabad circles, registers (LOC-I and II)<sup>1</sup> were not maintained for exercising control over LOC.
- Non-maintenance of LOC control registers in PW Construction Division, Thane and PW (West) Division, Aurangabad resulted in drawal of cheques of Rs 3.75 crore in excess of LOC limit.
- In five<sup>2</sup> divisions, excess LOC of Rs 12.38 crore was granted over final modified grant (FMG) of Rs 66.13 crore. Moreover, divisions incurred expenditure of Rs 23.52 crore over FMG during 1999-2003, which was irregular.
- In seven divisions, excess expenditure over budget allotment was met through non Letter of Credit cheques of Rs 13.94 crore from deposit heads during 1999-2003.
- In Public Works Division, (West) Aurangabad and Construction Division Thane, excess expenditure of Rs 1.56 crore was incurred through LOC cheques but in order to suppress excess the same was reduced by transfer to the deposit head.

<sup>1</sup> LOC(I)- Gives abstract of quarterwise expenditure incurred against LOC limit

LOC(II)- Shows monthly expenditure incurred against quarterly LOC limit

<sup>2</sup> PW Dn., Alibag, Jalna I, II, Jawhar and SP Dn., Thane



**Works worth Rs 68.86 crore were executed without ensuring provision of funds**

### **3.2.6 *Creating liability without adequate funds***

According to provision of Maharashtra Public Works (MPW) Manual, no liability should be incurred in connection with work until adequate provision of funds is available for the work.

In 19 divisions, 1122 works under plan head costing Rs 39.03 crore and 1883 works costing Rs 29.83 crore under non-plan were executed during 1999-2003 without availability of grants. Bills were prepared and kept pending for want of allotment as of March 2003.

### **3.2.7 *Execution of works - Incomplete bridge works due to non acquisition of land for approaches***

According to provisions of MPW Manual, no work should be commenced on land which has not been duly made over by the responsible civil officer.

In Public Works Division No. II, Nagpur, Osmanabad and Pandharkawada district Yavatmal, the work of bridge structures was taken up and Rs 6.43 crore incurred on them without ensuring the availability of land required as provided in manual. As a result the work of approaches could not be executed due to non-acquisition of land, resulting in blocking of Government money for more than two to four years besides denial of targeted benefits to the public.

### ***Costlier treatment***

### **3.2.8 *Extra expenditure due to provision of excess quantity of bitumen in Bituminous Bound Macadam***

**Excess quantity of bitumen was used on works than specified**

The item of providing and laying Bituminous Bound Macadam (BBM) surface in 75 mm thickness consisted of all materials, spreading 40 mm and 20 mm trap metal layers, heating and spraying bitumen at the rate of 250 kilogram (kg) per 100 sq mt and spreading 12 mm size key aggregates and compaction with power roller including applying tack coat at 50 kg per 100 sq mt etc. The specifications of the above items were revised on the lines of specifications of roads and bridges of GOI, Ministry of Surface Transport (MOST) and adopted in the SEs' conference held in September 1994. The quantities of bitumen required for the compacted BBM was specified at 200 kg per 100 sq mt. The proposal was forwarded to Government in November 1994 by CE, Mumbai and copies circulated to all CEs in the State. Government issued a circular to this effect only in January 2001.

Scrutiny of records in six divisions revealed that due to non issue of circular by Government for such a prolonged period, provisions of excess quantity of bitumen was made in the estimates of 27 works during 1997-2002 on which expenditure of Rs 53.34 lakh was incurred whereas in 22 works Rs 35.54 lakh were spent in providing excess quantity of bitumen even after issue of said circular.

On being pointed out in audit, Government did not comment on the inordinate delay in issue of circular. In respect of 22 works executed after issue of said order it was stated that the works were carried out under estimates prepared according to specifications of schedule of rate and sanction given by the

competent authority. It did not however clarify as to why the limits prescribed under the circular were exceeded.

### **3.2.9 Avoidable expenditure due to providing additional layer of Bituminous Macadam**

Government issued (October 1993), detailed guidelines for black topping (BT) of roads according to traffic intensity and rainfall in the area as follows:

| <b>Traffic intensity</b>        | <b>Rain fall (Medium) 500-2500 mm</b>  | <b>Rainfall more than 2500 mm (Heavy)</b>   |
|---------------------------------|--|---|
| Between 3000-10000 Metric Tonne | STBT <sup>3</sup> :- 50 mm LBM (if required according to Benkleman Beam Test) plus 20 mm MSS                   | 50 mm LBM (If required according to Benkleman Beam Test) plus 25 mm SDC             |
| More than 10000 Metric Tonne    | STBT:- LBM plus 50 mm BM plus 25 mm semi-dense carpet (SDC) (extra thickness according to Benkleman Beam Test) | LBM plus 50 mm BM plus 40 mm SDC (extra thickness according to Benkleman Beam Test) |

**Provision of additional layer of black topping resulted in avoidable expenditure of Rs 2.18 crore**

Scrutiny of records of PW Divisions Buldhana and Ambejogai in respect of three works of improvement to roads by black topping executed during 1998-2001 revealed that one additional layer of bitumen macadam (BM) was provided against the norms resulting in avoidable expenditure of Rs 2.18 crore.

On being pointed out in audit, the division replied that the Bituminous Macadam (BM) was provided according to crust thickness design based on California Berm Ratio (CBR) test. Reply was not tenable as it is contrary to said Government directives and approval of the competent authority was not taken for relaxing the norms as a special case.

### **3.2.10 Extra expenditure due to providing costlier treatment**

**Execution of work in tribal area by a costly method resulted in extra expenditure of Rs 50 lakh**

Government instructed (October 1998) that works financed by National Bank of Agriculture and Rural Development (NABARD) was to be provided 75 mm BBM on Water Bound Macadam as a final layer of crust and 20 mm open graded premix carpet with seal coat as wearing course. Government further instructed (September 2000) that the same norms should be observed for roads falling in tribal area.

In NABARD works of Jawahar Division, falling under tribal area, layer of 75 mm Lean Bituminous Macadam (LBM) was executed in place of BBM which was not only costlier but also against the norms prescribed for NABARD works, resulting in avoidable extra expenditure of Rs 49.82 lakh.

On this being pointed out in audit, the Division replied that their jurisdiction falls under hilly and tribal area having heavy rainfall between 2500 and 3000 mm *per annum*. Hence, the said costlier treatment was provided. Reply is not tenable, as necessary approval from the competent authority for execution of works with higher specifications in relaxation of the prescribed instructions was not taken.

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<sup>3</sup> STBT- Strengthening and black topping

### 3.2.11 Bituminous Macadam (BM 4 per cent)

According to MOST specifications 1995 as amended in November 2000, the bitumen content in the item of BM shall be between 3 and 3.5 per cent by weight of total mix. The extra binder content of 0.5 per cent was allowed in cooler areas. In PW Region, Aurangabad estimates of three works of national highway (NH) standards contained the item of BM with 4 per cent binder, based on which tenders were floated (1997-98) and works were executed during 1997-2000. As the said road length did not fall in the cooler area prescribing binder content of the bitumen in the item of BM at 4 per cent was avoidable and resulted in costlier treatment of Rs 54 lakh.

On this being pointed out, it was stated that the extra dose of bitumen 0.5 per cent was given taking into account rainfall and road conditions. The reply was not tenable, as MOST specification did not provide for any exception on these grounds.

### 3.2.12 Maintenance and Repairs of Buildings

Government of Maharashtra in PWD had prescribed the norms (1991-92) for maintenance and repairs of buildings.

During scrutiny of Presidency Division, Mumbai, it was seen that expenditure incurred on maintenance and repairs was far in excess of norms during 1999-2002 resulting in excess expenditure of Rs 20.30 crore as shown below:

(Rupees in crore)

| Year         | Requirement as per norms | Actual expenditure | Excess expenditure | Percentage of excess expenditure |
|--------------|--------------------------|--------------------|--------------------|----------------------------------|
| 1999-2000    | 17.72                    | 29.63              | 11.91              | 67.20                            |
| 2000-2001    | 18.68                    | 23.50              | 4.82               | 25.79                            |
| 2001-2002    | 19.64                    | 23.21              | 3.57               | 18.22                            |
| <b>Total</b> |                          |                    | <b>20.30</b>       |                                  |

On this being pointed out in audit, the division replied that the norms were based on the district schedule of rates (DSR) 1991-92. Reply is not acceptable as even after updating the DSR 1991-92 according to price indices prevailing during April 1999 to March 2003 there was excess expenditure ranging between 18 and 67 per cent which needs to be investigated.

### **Avoidable expenditure on price escalation**

3.2.13 Government decided (February 1981) to include an escalation clause in all the agreements of 'Appropriate Work', ie where estimated cost of work put to tender was more than Rs 5 lakh and operative period of agreement was more than 12 months, subject to the condition that price variation was not admissible during first 12 months of operative period of agreement.

In January 1992 price variation clause was revised and escalation payment was allowed from the first day of agreement. However, it was noticed in audit that escalation clause was incorporated in 855 agreements (Mumbai, Nashik and Aurangabad regions) though operative period was less than 12 months leading to unauthorised expenditure of Rs 12.14 crore on escalation. Non-

Presidency Division, Mumbai incurred Rs 20.30 crore excess expenditure over norms

Non-adherence to condition of work resulted in excess payment of Rs 12.14 crore on escalation

adherence to the condition of appropriate work while incorporating escalation clause has thus resulted in avoidable payment of Rs 12.14 crore on escalation.

**3.2.14** According to price escalation clause introduced in January 1992, price escalation was admissible only on 85 *per cent* of the cost of material utilised on the work. However, in five\* divisions of Mumbai region, it was noticed that price variation was paid on 100 *per cent* of the value of material utilised. This was on account of introduction of a clause incorporating star rate<sup>§</sup> in the contract. This resulted in avoidable payment of price escalation of Rs 48 lakh.

On this being pointed out in audit, the department stated that provision of star rates was a substitute for Schedule 'A'<sup>⊗</sup> rates and hence, extra cost was to be borne by the Government. The contention of the Department is not acceptable as provision of such clause in the contract was in violation of the escalation clause prescribed by the Government. Thus the payment of price escalation on 100 *per cent* of the material utilised was not prudent.

**3.2.15** *Execution without tendering*

**Three works costing Rs 87 lakh were executed without tendering**

According to para 200 of MPW Manual, the tenders should invariably be invited publicly for all works to be given out on contract.

Three works pertaining to three<sup>4</sup> divisions were executed during 1998-2002 without tendering resulting in irregular execution to the tune of Rs 87 lakh.

**3.2.16** *Non-reimbursement of expenditure*

**State Government had to bear Rs 99.31 crore on National Highway works due to non-reimbursement/ amount withheld by GOI**

The expenditure on NH works is initially borne by the State Government and classified under Pay and Accounts Office (PAO) suspense accounts. Based on monthly accounts of NH divisions the Accountant General (A&E) prefers claims to the PAO, NH, Mumbai who in turn reimburses the expenditure by issuing cheques to Accountant General (A&E). On receipt of cheques the PAO suspense account is cleared. As of June 2003, an amount of Rs 50.87 crore was withheld in the absence of the explanation for excess expenditure over estimates. Another amount of Rs 48.44 crore was not reimbursed due to excess expenditure over allotment of funds.

**3.2.17** *Failure to claim cost of National Highway from Government of India*

While the work of Solapur-Osmanabad-Aurangabad-Dhule Major State Highway-1 was in progress in two Public Works Divisions in Osmanabad district, it was decided to convert it into NH-211 in January 1999. The Government of India asked no objection from the State Government for

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\* P W Division Alibag, Kankavali, Mahad, Chiplun and Special Project Division, Thane

§ Star rates are the rate of materials prevailing at the time of invitation of tender adopted in the bid document, though the material is required to be procured by the Agency.

⊗ Rates of materials supplied by the Department to the contractor for works are schedule 'A' rates.

<sup>4</sup> Akola, Alibagh and Gondia

transfer of assets relating thereto. At that time the Government had the liabilities of incurring expenditure for the balance work. The State Government did not intimate the liabilities to the GOI and incurred expenditure of Rs 37 crore from State fund which remained to be claimed from GOI (March 2003).

### **3.2.18 Belated submission of revised estimates resulted in loss to Government**

It was observed that National Highway Division No. XI, Dhule revised estimates in respect of three works of NH of Rs 1.02 crore were finally rejected by GOI, due to delay in submission of revised estimates, which ranged from two to 11 years after the date of completion of works.

Division in reply stated that the Ministry would be pursued for reconsideration of their decisions regarding disallowance.

## **Revenue Collection (Tax and Non-Tax)**

### **3.2.19 Outstanding rent recovery**

An amount of Rs 2.11 crore pertaining to the period 1978-2003 was due towards rent for occupying Government buildings/premises from different political parties. Out of which only Rs 6 lakh was recovered from four political parties, leaving a balance of Rs 2.05 crore (March 2003). In addition to this Rs 76.88 lakh was outstanding as room rent of Member of Legislative Assembly Hostel for the period 1978-2002 from sitting/Ex. Member of Parliament, Member of Legislative Assembly, Member of Legislative Council etc. Of which, Rs 0.89 lakh were recovered (September 2002) and Rs 5 lakh became irrecoverable due to not taking timely action for recovery from 51 deceased MP/MLAs.

**3.2.20** Further it is also noticed that Rs 60.59 lakh was outstanding towards rent recovery as of March 2003 in respect of staff quarters in Aurangabad region.

### **3.2.21 Non-recovery of sales tax from contractors**

Government had imposed (May 1999) two *per cent* sales tax on payment exceeding Rs 50000 to the contractors from April 1999 onwards. The Commissioner of Sales Tax vide his trade circular (April 2000), has communicated amendment to the Maharashtra Sales Tax Act introducing a new section 4 A from 1 April 2000. According to which the works contracts awarded by the State Government were not liable to sales tax. However the Government contracts awarded prior to April 2000 either completed, or partly executed, were not covered under section 4-A, irrespective of the facts whether or not payment was received on or after 1 April 2000.

It was however found during audit of Public Works Construction Division, Osmanabad that in respect of three major works, sales tax was not levied and recovered after April 2000 onwards, though the contract of the said work was executed prior to April 2000. This has resulted in non-recovery of sales tax of

**Sales Tax amounting to Rs 47 lakh was not recovered from a contractor**

Rs 47 lakh. On this being pointed out in audit, the division agreed to affect the recovery.

**Material Management**

**3.2.22 Blocking of Government money due to incorrect policy of procurement of bitumen on advance payment**

The new system introduced by Government (November 1996) contemplated procurement of bitumen by making advance payment to oil companies. The circular however did not include a provision for levy of interest on advance payment by Government in case of delayed supply of bitumen.

As on March 2003 an advance payment of Rs 5.47 crore made during 1999-2003 to the oil companies was outstanding. This has resulted in loss of interest of Rs 2.04 crore. No action could be taken due to non-existence of appropriate provision for levy of interest in the purchase order.

**3.2.23 Blocking of Government money due to non utilisation of steel**

Material should be procured strictly in accordance with requirement of the work and care should be taken not to purchase stores in excess of requirement. Scrutiny in audit revealed that nine divisions of Nagpur region and one division each of Amravati and Nashik region procured 1056.603 metric tonne steel valuing Rs 1.67 crore during 1996-97 but the same could not be utilised on work and remained undisposed as of December 2002. The injudicious purchase resulted in blockage of funds and decrease in disposable value of stores.

**3.2.24 Manpower Management**

PWD had a manpower of 54131 including 26926 (Class III 5548 plus Class IV 21378) on converted regular temporary (CRT) establishment as of March 2003. Government incurred Rs 429.67 crore during 1999-2002 on establishment expenditure of CRT by allowing continuation of these posts without ensuring justified volume of work load for them, of which, Rs 170.36 crore were shown as recouped from works grant and balance Rs 259.31 crore remained unadjusted.

Further scrutiny of records at field level revealed the following irregularities.

| Name of offices test-checked | Remarks   |
|------------------------------|---|
| 16 Division offices          | <p>Expenditure of Rs 32.83 crore was incurred during 1999-2003 on execution of current repair (CR) works of roads and buildings through contractors. According to recommendations of committee for prescribing expenditure norms for M and R works, CR works were required to be got done by departmental staff so as to boost their confidence and ensure utilisation of departmental machinery to the maximum possible extent. Establishment expenditure so recouped from work grant should represent value of work done by CRT staff on such works. However no substantive record of value of work done by them was maintained to ascertain implementation of these norms.</p> <p>On being pointed out department stated that henceforth, continuation to the post of CRT would be given only after justifying their need.</p> |

**Rs 1.67 crore of steel procured by 11 divisions in 1996-97 were not utilised**

**Expenditure on converted regular temporary establishment was partly met from works grant and Rs 259.31 crore remained unadjusted**

**There was inadequate volume of work for the huge staff with Public Works Division**

| Name of offices test-checked  | Remarks   |
|---|---|
| Eight Chief Engineer offices<br><br>Fifteen Superintending Engineer Offices | Norms of minimum workload for continuation of office of CE, PW region, and SE, Public Works Circle, were not prescribed by Government of Maharashtra. The average workload of CE, PW region during the year 1999 –2002 was Rs 288.68 crore. As against this, work load of Special Project region Mumbai and NH region Mumbai was only Rs 60.32 crore and Rs 64.68 crore <i>per annum</i> respectively. Thus, their continuation was not justified. Out of 26 PW Circles, 15 circles had workload of below state average of Rs 88.82 crore per circle, of which, eight circles had workload of below Rs 50 crore <i>per annum</i> . Thus, continuation of such eight circles with inadequate workload was not justified. |
| 22 Sub-division offices   | 17 sub-divisions in Mumbai region and five sub divisions in Aurangabad region did not have adequate workload according to norms to justify their continuance. Therefore, four CEs submitted proposal since February 2002 to Government for closure of divisions/sub-divisions and re-organisation of workload but no action was taken and these offices were kept open with inadequate workload resulting in nugatory expenditure of Rs 6.38 crore <i>per annum</i> on their establishment (June 2003).   |

### ***Other topics of interest***

#### **3.2.25 *Irregular expenditure on use of bitumen additives without ascertaining its utility***

**Bitumen additives/ anti stripping agents costing Rs 1.39 crore were used without ascertaining its utility**

According to directives issued (November 1993, March 1996 and July 1998) by Government, use of thermoplastic bitumen additives (Starflex) and antistripping agent (YUVABE-100) was to be used in road works on experimental basis and reports of its utility in strengthening and increasing durability of roads was to be reported to Government. According to Government directives (December 1997) the use of starflex was to be done on restricted road length on National Highways and YUVABE-100 was to be used on selected road length.

Test-check of records of seven Public Works divisions and two circles revealed that 31.80 MT of these products were procured at a cost of Rs 1.39 crore. Their utility in the execution of items of work was however, not got tested from Government laboratories and no reports about their utility were submitted to Government for their acceptance. Continued use of such additives on experimental basis since November 1993 without ascertaining its utility and approval of Government was irregular.

#### **3.2.26 *Conclusion***

The review indicated absence of internal control systems in the functioning of the department, leading to costlier treatment, payment of avoidable expenditure and ineffective letter of credit system. The norms for maintenance and repairs of buildings etc were not followed leading to extra expenditure. The man power distribution was defective as work load norms prescribed by the department were not followed strictly.

**3.2.27            Recommendations**

In view of the audit findings Government is requested to consider the following recommendations:

- Department should exercise budgetary control so as to reduce excess expenditure by strictly adhering to LOC system and taking action against responsible officers. Deposit/suspense head may also be covered under LOC system.
- Policy of price escalation in the tender documents needs to be strictly followed.
- Looking to the financial constraints, costlier treatment in construction and maintenance of roads should be avoided and if unavoidable, prior approval of the competent authority should be made mandatory.
- Procurement of stock by Government needs to be done based on assessment of actual requirement of the divisions.
- Policy of manpower management needs to be reviewed seriously by justified distribution of work load and optimum utilisation of CRT staff should be ensured.
- Practice of continuance of sub divisions, divisions, circle and regional offices without adequate workload need immediate attention of Government to avoid recurring nugatory expenditure.

The matter was referred to the Secretary to the Government in September 2003. No reply has been received (November 2003).



## Urban Development Department

### 3.3 Prevention and Control of Fire

#### *Highlights*

Fire prevention and related safety measures are integral part of town planning and building construction. The subject fire services has been included as a municipal function in the XII schedule of the Constitution of India. To combat any odd situation arising out of fire related calamities, fire services are organised as first respondent to save life and property by the municipalities under Local Self Government of the States. It is for the State Government to ensure that Municipalities fulfil their functions effectively.

Standing Fire Advisory Council circulated a draft Fire Force Bill in 1958 to all State Governments for enactment. The State Government has neither enacted the said bill nor enacted any Provision/Act/Rules to regulate the activities of fire services.

*(Paragraph 3.3.1)*

In Mumbai, in 40 *per cent* out of 3250 high rise buildings, constructed after 1975, the fire-fighting system was not in working condition or was non-existent. The fire department was rendered ineffective due to the absence of any legal authority to penalise the defaulters.

Out of 2151 proposals received in Pune Municipal Corporation during 1997-2003, only 1512 buildings obtained No Objection Certificate from the Fire Department.

*(Paragraph 3.3.10 and 3.3.11)*

Fire engines took 10-90 minutes as against five minutes response time to reach the site.

*(Paragraph 3.3.22)*

Fire stations were located in crowded places like market areas or adjacent to schools, colleges or in narrow by-lanes in violation of the norms.

*(Paragraph 3.3.35 to 38)*

As against the requirement of 220 fire stations in eight Municipal Corporations, there were only 54. As against 506 fire engines required by all the Municipal Corporations and Municipal Councils, there were only 386.

*(Paragraph 3.3.29 and 3.3.39)*

In nine test-checked Municipal Corporations, the shortfall of fire services personnel was 1456, which works out to 35 *per cent* of the requirement.

*(Paragraph 3.3.44)*

**Vehicles and equipment worth Rs 3.11 crore purchased by Brihanmumbai Municipal Corporation remained idle.**

*(Paragraph 3.3.50)*

**On 9323 occasions during 1997-2003 fire engines were used for supply of water, sprinkling water and cleaning gutters etc.**

*(Paragraph 3.3.51)*

### **3.3.1 Introduction**

Government of India (GOI) constituted the Standing Fire Advisory Council (SFAC) which felt that fire services should be under the control of the State Government and so a draft "Fire Force Bill" was circulated (1958) to all the State Governments. The State Government constituted the State Fire Advisory Committee only in November 1976, which was again reconstituted in April 2003. The State Government neither enacted "Fire Force Bill" nor enacted any Provision/Act/Rules to regulate the activities of fire services.

### **3.3.2 Organisational set up**

Fire Advisor to the State Government is in overall charge of the fire services and is under the administrative control of the Urban Development Department. Fire services are under the control of the Municipal Corporations (Corporations) and Municipal Councils (Councils). In Corporations, the Commissioner is in charge of fire services and is assisted by Chief Fire Officer/Fire Officer. In the Councils the fire services are under Chief Officer.

### **3.3.3 Audit Coverage**

The records of the Fire Advisor's Office, Office of Director of Municipal Administration, 12 out of 19 Corporations<sup>5</sup> and 17 Councils<sup>6</sup> out of 225 were test-checked.

## **Financial Profile**

### **3.3.4 Budget Allocation and Expenditure**

The allocation of funds and expenditure for fire services by the Corporations and Councils test-checked for the period 1997-2003, was as follows:

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<sup>5</sup> Akola, Amravati, Aurangabad, Bhiwandi, Brihanmumbai Municipal Corporation, Mumbai, Malegaon, Nagpur, Nanded, Nashik, Pimpri-Chinchwad, Pune and Thane

<sup>6</sup> Ambernath, Kulgaon-Badlapur, Chiplun, Igatpuri, Khed, Khopoli, Manikpur-Navghar, Pathardi, Panvel, Rajapur, Ratnagiri, Rahuri, Sangamner, Srirampur, Sinnar, Vasai and Virar

(Rupees in crore)

| Corporation/<br>Council | Budget<br>allotment | Allocation<br>for fire<br>services | Percentage<br>outlay for<br>fire services | Expenditure<br>incurred on<br>fire services | Percentage of<br>expenditure on<br>fire services |
|-------------------------|---------------------|------------------------------------|---|---|--|
| 1                       | 2                   | 3                                  | 4   | 5   | 6  |
| Nashik                  | 2395.24             | 13.45                              | 0.56                                      | 8.52  | 63.40  |
| Malegaon                | 186.29              | 1.92                               | 1.03                                      | 1.25  | 65.10  |
| Pune*                   | 3564.25             | 33.29                              | 0.93                                      | 21.52                                       | 64.64  |
| PCMC                    | 1745.07             | 7.57                               | 0.43                                      | 6.81  | 89.96  |
| Bhiwandi                | 751.47              | 3.92                               | 0.52                                      | 3.35  | 85.46  |
| Thane                   | 2025.18             | 20.24                              | 1.00                                      | 17.22                                       | 85.08  |
| BMC                     | 24087.80            | 64.58                              | 0.27                                      | 34.25                                       | 53.03  |
| Nagpur                  | 1701.96             | 15.26                              | 0.90                                      | 17.08                                       | 111.92   |
| Akola                   | 309.91              | 1.65                               | 0.53                                      | 1.30  | 78.78  |
| Amravati                | 298.88              | 0.09                               | 0.03                                      | 2.08  | 2311.11  |
| Aurangabad              | 546.68              | 5.92                               | 1.08                                      | 4.13  | 69.76  |
| Nanded                  | 224.36              | 1.09                               | 0.49                                      | 0.95  | 87.15  |
| <b>Councils</b>         | <b>1123.65</b>      | <b>9.63</b>                        | <b>0.85</b>                               | <b>6.59</b>                                 | <b>68.43</b>                                     |
| <b>Total</b>            | <b>38960.74</b>     | <b>178.61</b>                      | <b>0.45</b>                               | <b>125.05</b>                               | <b>70.01</b>                                     |

\* Figures for 2002-03 are provisional

In the ninth and tenth Five Year Plan, an outlay of Rs 50 lakh and Rs 75 lakh was made for construction of Fire Training Centre building and Hostel building respectively. However no expenditure was incurred as no provision was made in the budget. Non-provision in the budget shows that Government has not given due importance to fire services.

### 3.3.5 *Non-recovery of loan*

Director of Municipal Administration (DMA) took (between 1985 and 2000) an interest bearing loan of Rs 13.98 crore, repayable in 15 annual instalments, from General Insurance Corporation (GIC). The loan amount was released to 140 Corporations/Councils. Total outstanding loan as on 31 March 2003 was Rs 4 crore.

### 3.3.6 *Non-utilisation of Government/General Insurance Corporation Loan*

**Loan amounting to Rs 84.53 lakh remained unutilised for three to five years**

Nagpur Municipal Corporation (NMC) received Rs 42.58 lakh as a loan (March 1998) from the State Government for construction of new fire stations at Jaripataka, Kalamana and Babul Kheda. However, entire amount of loan remained unutilised (July 2003). Further, GIC loan of Rs 1.28 crore was given to NMC (March 2000) for procurement of fire fighting equipment. The amount was to be utilised within six months. However, Rs 41.95 lakh could not be utilised (July 2003). Thus a total amount of Rs 84.53 lakh remained unutilised for three to five years.

### 3.3.7 *Unspent balance of Government subsidy*

**Non-utilisation of Government subsidy of Rs 66.11 lakh**

Government sanctioned (April 1997) special grant of Rs 3 crore to NMC for development of basic needs (Purchase of fire tender, jeeps, tyres and tubes, wireless set repairs etc) of Nagpur city with equal contribution of Rs 3 crore to be made by the Corporation. The NMC allotted Rs 1.78 crore in 1998-99 for

purchase of fire fighting equipments. Of this, NMC utilised Rs 1.11 crore between June 1998 and March 2000 for purchase of fire fighting equipment and Rs 66.11 lakh could not be utilised (March 2003). Further, Rs 4.99 lakh allotted for purchase of new vehicles/equipment was also spent on the repairs of old vehicles, which is not prescribed in the Government's sanction.

### **3.3.8 Misutilisation of Government subsidy**

**There was misutilisation of Rs 24.86 lakh of Government subsidy**

Government (March 1998) paid grant of Rs 43 lakh to Amravati Municipal Corporation (AMC) for purchase of fire tenders on the basis of the recommendations of Vidharbha Vaidhanic Vikas Mandal.

Records of the AMC revealed that out of grant of Rs 43 lakh, Rs 24.86 lakh was spent on repairs of old engines of jeep, changing of old fire tenders, installation of wireless system and its renewal and purchase of aqua machines which was not permissible. The AMC stated (April 2003) that grant was utilised on repairs and maintenance of vehicles due to inadequate budget provision.

The reply is not tenable as the said grant was provided for purchase of new vehicles only.

### **Prevention against fire - No objection certificate for high rise buildings**

**Non-adherence to safety measures**

**3.3.9** In its 28th meeting, Standing Fire Advisory Council recommended that no objection certificate (NOC) should be issued to high-rise buildings after ensuring conformity with fire safety measures with concurrence of fire authorities.

Scrutiny of records test-checked in four Corporations<sup>7</sup> and Virar Municipal Council revealed the following:

➤ Brihanmumbai Municipal Corporation (BMC) created a separate cell (April 1998) for regular inspection of highrise buildings in Mumbai. According to report of this cell, all the 63 high rise buildings constructed in defence area in Mumbai (Navy Nagar) did not either have fire fighting equipment or wherever it was available it was not fully functioning.

**3.3.10** A survey (January 2003) by Mumbai Fire Brigade of 3250 high rise buildings constructed after 1975 revealed that 40 *per cent* of the buildings either did not have fire fighting systems or wherever they were present, not in working condition. The Department's effectiveness is hampered due to lack of legal authority to penalise.

**3.3.11** Out of 2151 building proposals received in Pune Municipal Corporation during 1997-2003, only 1512 buildings obtained NOC from the Fire Department. Remaining 639 builders/promoters/owners did not even obtain NOC for commencement of construction after submission of their application.

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<sup>7</sup> BMC, PMC, Nashik MC and BNMC

**3.3.12** The Fire Officer, Nashik Municipal Corporation issued NOC for 66 highrise buildings during 1997-2003 for commencement of construction. However, NOC on completion of construction was issued only to eight high rise buildings. Rest of the buildings were stated to be under construction.

**3.3.13** Conditional NOCs were issued by the Fire Department, Bhiwandi Nizampur Municipal Corporation for 20 to 25 highrise buildings. However, the Corporation ignoring Fire Officer's insistence on prior fulfillment of conditions, issued occupancy certificates to these buildings.

**3.3.14** *No Objection Certificate for places of public entertainment*

Non-assessment of risk factors and existence of the fire protection measures were not ensured

In addition to fire protection, the fire department has to assess the risk or the hazard involved in buildings like cinema houses, hospitals, schools etc. Further, Standing Fire Advisory Council in its 16th meeting recommended that Fire Officer should be consulted at the time of grant/renewal of licences. Scrutiny of the records of the Corporations and Councils test-checked revealed that the licences for all cinema houses in city area were renewed by Commissioner of Police and in rural area by District Collector on the basis of NOC issued by the Public Works Department. It was noticed that in eight Corporations<sup>8</sup>, fire protection measures were not ensured.

**Fire Management**

**3.3.15** *Fire occurrences*

Fire incident reported/attended and property/life lost in respect of 12 Corporations and 17 Councils test-checked for the year 1997 to 2003 is detailed as under:

| Corporation/<br>Councils | Fire incidents<br>reported | Fire incidents<br>attended | Property lost<br>(Rupees in crore) | Life lost<br>(In numbers) |
|--------------------------|----------------------------|----------------------------|------------------------------------|---------------------------|
| Nashik                   | 3592                       | 3592                       | 4.44                               | 87                        |
| Malegaon                 | 1342                       | 1342                       | 4.43                               | NA                        |
| Pune                     | 12495                      | 12495                      | 17.07                              | 11                        |
| PCMC                     | 1705                       | 1705                       | 13.62                              | 181                       |
| Bhiwandi Nizampur        | 1551                       | 1551                       | Nil                                | NA                        |
| Thane                    | 2401                       | 2401                       | 11.69                              | 65                        |
| BMC                      | 49340                      | 49340                      | 58.92                              | 2413                      |
| Nagpur                   | 4045                       | 4045                       | 1911.25                            | 287                       |
| Amravati                 | 1186                       | 1186                       | 639.00                             | 159                       |
| Akola                    | 1171                       | 1171                       | 119.64                             | 3                         |
| Auragabad                | 1353                       | 1353                       | 5167.05                            | 186                       |
| Nanded                   | 618                        | 618                        | 101.46                             | 28                        |
| 17 Councils              | 3064                       | 3064                       | 3.75                               | 118                       |
| <b>Total</b>             | <b>83863</b>               | <b>83863</b>               | <b>8052.32</b>                     | <b>3538</b>               |

<sup>8</sup> Akola, Amravati, Malegaon, Nashik, Pune, Pimpri-Chinchwad, Thane and Bhiwandi Nizampur

Audit scrutiny revealed the following:

**Valuation of property lost was unrealistic**

Valuation of the property lost has been decided by the firemen/leading firemen/subofficer who attended the fire incidents based on the information provided by the party affected. Hence these valuations may not be reliable as they have not been valued by valuation experts.

**3.3.16** In Pune Municipal Corporation property saved was shown 10 times of the property lost in all the reports submitted to the Fire Advisor, which cast doubt over the correctness of assessment.

**3.3.17** Instances of incorrect reporting of loss of property were noticed in three Corporations<sup>9</sup>. Actual loss assessed by the firemen/leading firemen during 1997-2002 was between Rs 9.80 lakh and Rs 50.56 crore, but the figures reported to the Fire Advisor ranged between Rs 31.80 lakh and Rs 8.82 crore. In other test-checked Corporations, records were not complete in respect of property saved/lost. Hence, the correctness of reporting could not be verified in those Corporations/Councils.

**3.3.18** Six-monthly report on fire incidents was not regularly submitted to the Fire Advisor during 1997-2003 by the 17 Councils test-checked.

**3.3.19** *Response time*

**There was delay in reaching the fire site by the first fire engine**

According to norms fixed by Standing Fire Advisory Council, normally the first fire engine should reach the incident site within five minutes from the receipt of fire call.

Audit scrutiny revealed that:

All the Corporations test-checked maintained records of the call turn out time and return time of the fire engines. Of these, three Corporations<sup>10</sup> had not recorded the time of reaching the spot and the distance.

**3.3.20** Councils test-checked did not maintain records indicating time of fire call, time of reaching the fire site etc. The only record available in the fire station was log book of the vehicle where the distance and destination was recorded. Most of the log books were not authenticated by the Chief Officer.

**3.3.21** Pune Municipal Corporation recorded the details of arrival of fire engine at the fire site only in respect of major fire incidents as and when the officer at site sought for additional manpower/vehicle.

**3.3.22** In 110 cases noticed in three Corporations fire engine took time ranging from 10 - 90 minutes as against five minutes norm of response time to reach the site, detailed as follows:

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<sup>9</sup> Nashik, PCMC and Pune.

<sup>10</sup> Pune, Bhiwandi-Nizampur and Thane

| Corporation  | Cases noticed<br>(in numbers) | Time taken to reach<br>fire site (in minutes) | Distance between<br>fire station and site<br>(in kms) |
|--------------|-------------------------------|---|---|
| Malegaon     | 42                            | 10-90   | N.A   |
| Nashik       | 45                            | 10-58   | 6-53  |
| PCMC         | 23                            | 10-54   | 5-35  |
| <b>Total</b> | <b>110</b>                    |   |   |

### 3.3.23 *Major fire incidents and survey of fire risks*

**Absence of adequate source of water and faulty firefighting equipment resulted in major fire incidents**

Following major fire incidents were reported in the Corporations test-checked during the period 1997-2003.

A major fire broke out in a plastic factory in Malegaon on 16 March 2003 for which no reason was available on record. The fire engine reached the site after 30 minutes and took five and a half hours to extinguish the fire. Around 500 such factories exist in which no fire prevention equipments were available. There was no provision/regulation to inspect these factories to ensure that proper fire fighting equipments exist.

**3.3.24** A major fire incident occurred on 25 January 1998 in a paper packing factory, Jakhari (Nashik). Turn out time of the vehicles ranged between one and 50 minutes. It took 14 minutes - 45 minutes to reach the fire site, which was at a distance of 10 kilo metres - 27 kilo metres from the respective subfire station. The department attributed the delay to the various procedures which fire personnel had to follow whenever the fire vehicle had to go out of jurisdiction of the Corporation/Council. The property of Rs 66 lakh was lost according to the insurance claim of the company.

**3.3.25** A major fire broke at *Chamde Gulli* in Nanapeth (Pune) on 27 March 1999. Injured persons numbering 102 and property worth Rs 78.37 lakh was lost. Fire could not be controlled immediately as the area was very congested. A proposal to widen the narrow roads was pending with the Corporation for final action (May 2003).

**3.3.26** A major fire broke out in the main building of BMC on 13 January 2000. Cause of the fire was reported to be defective electric circuit. The enquiry result showed that the fixed/portable fire fighting installations were defunct. Corporation being the provider of fire services was found lacking in preventive methods despite regular inspection.

**3.3.27** A major fire broke out in the basement of Vidhan Bhavan in Mumbai on 10 August 2001. A joint inspection revealed that the fire fighting equipments were defunct.

All these cases highlight the importance of the periodical inspection by the fire services of the potential fire prone places.

### 3.3.28 *Water sources for fire fighting*

Adequate supply of water is a must for fire fighting. Standing Fire Advisory Council has laid down water reserve norm of 1 gallon per head of population

for fire fighting. Fire hydrants should be erected and spaced not more than 100 metres apart.

Test-check of 12 Corporations and 17 Councils revealed that:

- Hydrants were not installed/functioning in five Corporations and any of the Councils.
- Source of water in most of the Corporations test-checked was sump well constructed in the fire stations and overhead water filling points installed in fire stations.
- In the Councils, main source of water was nearby pond/river. In Malegaon fire broke out (March 2003) in a plastic factory and the fire engine had to make 37 trips as there was no source of water nearby.

### ***Infrastructure - Setting up of fire stations***

**Lack of adequate fire stations revealed gross neglect of essential services**

**3.3.29** Standing Fire Advisory Council has fixed norms of one fire station for every 10.24 square kilometres (sq kms) area.

Test-check of 12 Corporations revealed that as against the requirement of 220 fire stations in eight<sup>11</sup>, Corporations there were only 54 fire stations. Out of 225 Municipal Councils 100 Councils did not have fire services.

**3.3.30** Pune Municipal Corporation provided Rs 15 lakh in the budget of 2000-2002 for construction of two fire stations. However, this was utilised for construction of Samaj Mandir despite the fire officer's objection.

**3.3.31** Standing Fire Advisory Council in its fifth meeting felt that the norm of one fire station per 10.24 sq kms be made flexible to locate fire stations at a closer/greater distance depending upon the locality. Standing Fire Advisory Council therefore recommended classification of cities and towns into high/moderate/low vulnerable areas with the ratio of 7:3:2 fire stations respectively. It was observed that norms were not adhered to in the following cases:

**3.3.32** Two Corporations (Bhiwandi-Nizampur and Malegaon) having high density of population and powerloom/plastic factories functioning in the vicinity, were to be classified as high vulnerable areas. These were not classified as such and had only three and one fire station as against the requirement of 21 and seven fire stations respectively.

**3.3.33** In Bhiwandi-Nizampur and Pimpri-Chinchwad Municipal Corporations, though a provision of Rs 25.05 lakh was made in the budget between 1998-99 and 2002-03 for construction of fire stations they were not set up.

### ***3.3.34 Blocking of Funds due to non-completion of fire stations***

Construction of six fire stations in Mumbai was taken up (August/November 2001) for completion by April/November 2002 and Rs 1.94 crore spent on

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<sup>11</sup> Akola, BMC, Nashik, Nagpur, Nanded, Pimpri-Chinchwad, Pune and Thane



construction of these fire stations. Civil work of two fire stations was still incomplete while three fire stations taken over by the fire department were not functional due to non recruitment of manpower. Details of one fire station was not available with the Chief Fire Officer.

### ***Setting up of Fire Stations at unsuitable place***

**Haphazard setting up of fire stations indicated an unplanned approach to this key service**

**3.3.35** Before setting up a fire station, risk hazard analysis is to be made and location decided in accordance with high/medium risk areas identified in towns/cities. In the Corporations test-checked it was noticed that:

A fire substation at Dhamankar Naka in Bhiwandi was located in the premises of a primary school and another at Kasarali was located in a market area.



**Dhamankar Naka**



**Kasarali**

**3.3.36** A fire substation in Nashik Road was located in an interior place in a narrow by-lane.

**3.3.37** A fire station in Pune (suburban) was located in a crowded place adjacent to State Transport Depot.

**3.3.38** Fire station at Rahate was functioning in Pimpri-Chinchwad Municipal Transport shed where there was no facility for storage of water.

### **3.3.39 *Fire Engines***

Standing Fire Advisory Council norms provide one fire engine for a population of 50000 each upto three lakh. According to information furnished by the Fire Advisor, against requirement of 506 fire engines only 386 engines were available for all the Corporations and Councils. Records of all the 12 Corporations and six Councils<sup>10</sup> test-checked revealed that as against the norms of 318 fire engines, there were only 172 resulting in shortage of 146 fire engines.

### **3.3.40 *Specialist vehicles***

Standing Fire Advisory Council recommended one rescue van for population of three to 10 lakh with an increase of one for every 10 lakh population in

<sup>10</sup> Ambernath, Kulgaon-Badlapur, Navghar-Manikpur, Patherdi, Panvel and Virar.

**Shortage of fire engines hamper operational readiness**

order to combat mishap or disaster. No norms for hydraulic platform and turntables were fixed by Standing Fire Advisory Council.

Fire Advisor informed that nine Corporations and three Councils having population above three lakh did not have rescue vans. In Mumbai (population of 99.26 lakh - Census 2001) there were only three rescue vans as against the requirement of 10.

### ***Accommodation for Firemen***

**3.3.41** Fire services personnel were to be provided with rentfree quarters in the premises of the fire station, to ensure their availability on call. In 10 Corporations\* test-checked it was seen that

Out of 1247 leading firemen/firemen/driver-operator, 240 personnel only were provided with quarters.

**3.3.42** Pimpri-Chinchwad Municipal Corporation did not provide accommodation to any fire personnel whereas Bhiwandi-Nizampur Municipal Corporation and Thane Municipal Corporation provided accommodation to Firemen only.

**3.3.43** In Kasarali fire station at Bhiwandi-Nizampur Municipal Corporation, eight residential quarters constructed in 2001 above the fire station at a cost of Rs 26.37 lakh were not allotted (May 2003) for want of water connection.

#### **3.3.44 *Manpower - Shortage of manpower***

Standing Fire Advisory Council norms provided six firemen for each fire engine. Drivers were to be provided in the ratio of (vehicle:driver) 1:2, 2:3, 3:4, 4:6 and so on to ensure minimum number of drivers.

The table below shows the shortage of manpower in BMC by March 2003 and in eight Corporations test-checked (June 2003).

**(In numbers)**

| Category        | Brihanmumbai Municipal Corporation |                 |           | Eight test-checked Corporations |                 |             |
|-----------------|------------------------------------|-----------------|-----------|---------------------------------|-----------------|-------------|
|                 | Requirement                        | Men in position | Shortages | Requirement                     | Men in position | Shortages   |
| Leading firemen | 225                                | 221             | 4         | 284                             | 106             | 178         |
| Firemen         | 1350                               | 1286            | 64        | 1666                            | 688             | 978         |
| Driver/Operator | 289                                | 258             | 31        | 345                             | 144             | 201         |
| <b>Total</b>    | <b>1864</b>                        | <b>1765</b>     | <b>99</b> | <b>2295</b>                     | <b>938</b>      | <b>1357</b> |

#### **3.3.45 *Shortages of firemen and drivers in Councils***

Against requirement of 410 firemen and 102 drivers in 17 Councils test-checked, only 96 firemen and 52 drivers were available resulting in shortages of 314 firemen and 50 drivers.

\* Akola, Amravati, Aurangabad, Nagpur, Nanded, Nashik, NMMC, PCMC, Pune and Thane,

***Training and Awareness - Inadequate trained personnel for fire services***

**3.3.46** Five Corporations did not provide training facilities for refresher courses of firemen and subfire station officers.

The State Fire Training Centre (SFTC), Mumbai, apart from in-service training of firemen is also conducting regular courses on 'basic firefighting' to eligible candidates and maintains a panel of such trained persons. In six Corporations test-checked, out of 662 firemen only two firemen were recruited from the panel of trained persons.

**3.3.47** Out of 662 firemen, only 95 firemen were given training in the SFTC, Mumbai during 1997-2003. These firemen were sent for training two to eight years after their recruitment.

**3.3.48** Twenty five candidates sent for training were found physically unfit and were rejected. However, they continued to work in fire services. This showed that the department/Corporation has not prescribed minimum standards for recruitment in order to maintain the standard of services.

The Commissioner, Nashik Municipal Corporation stated (June 2003) that the Corporation's recruitment rules did not mention any specific standard.

**3.3.49** In 17 Councils test-checked, out of 97 persons in fire service section, 75 persons in four Councils<sup>14</sup> did not have any formal training.

In order to create awareness among the public at large, awareness programmes like conducting fire week (14-20 April), slide show in cinema houses, distribution of hand bills, news paper publicity and special programmes for school children and industrial workers were organised by the Corporations test-checked.

**3.3.50** *Idle assets*

Mumbai fire brigade purchased vehicles and equipments worth Rs 3.11 crore in 2000-01 for use in the six newly created fire stations. However, these were not put to use due to non-completion of civil work and non recruitment of manpower (June 2003).

**3.3.51** *Usage of fire vehicles for other purposes*

Fire fighting equipments should not be used for duties like water supply, water sprinkling, and washing of places except in emergencies.

Test-check of eight out of 17 Councils and one Corporation revealed that the fire engines were used on 9323 occasions during 1997-2003 for other purposes, mainly for water supply, sprinkling of water in Maidans/roads, cleaning gutter/toilets etc, on the orders of the Council President.

<sup>14</sup> Ambernath, Kulgaon-Badlapur, Navghar-Manikpur, Vasai

### **3.3.52 Conclusion**

Fire services in Maharashtra have been entrusted to Urban Local Bodies i.e. Municipal Corporations and Councils. GOI circulated a draft "Fire Force Bill" as early as in 1958 but the State Government has not enacted the legislation (November 2003). Clearance from the fire department was not obtained prior to the commencement of construction, leading to construction of buildings which were hazardous and endangered property and human lives as well. No provision exists for inspection of places of public utility and high risk areas by the fire department to ensure fire safety. In the council areas, fire vehicles were frequently used for duties other than fire fighting.

There were no parameters for allocation of funds for fire services and also the funds allotted were not fully utilised in the units test-checked. Inadequate infrastructure, idle equipment, shortage of manpower and lack of training facilities was also noticed in all units test-checked. As a result the fire services could not cope with the standard response time.

### **3.3.53 Recommendations**

- Legal powers should be extended to local bodies to penalise builders/promoters where firefighting system does not exist or not functioning.
- It should be mandatory for public places of utility like hospitals/nursing homes/schools/colleges and public entertainment places like cinema houses to obtain 'no objection certificate' from fire department.
- Provision should be made to carry out inspection on periodical basis in highrise buildings and other public places to ensure availability and functioning of fire control systems.
- Recruitment of trained firemen should be made from the panel maintained by the SFTC, Mumbai.
- Recruitment rules should be amended to prescribe minimum physical standards as required by SFTC.
- Systems should be put in place to ensure operational readiness at all times for all fire engines, equipment and specialist vehicles.
- The Municipal Corporations should send the fire fighting tenders/equipments immediately on receipt of information regarding fire incidents. The Municipal Councils or the Village Panchayats, which do not own a fire service, should have a system of making payment of service charges to these Corporations which help them in the fire fighting task.

The matter was referred to the Principal Secretary to the Government in August 2003. No reply has been received (November 2003).

## Rural Development and Water Conservation Department

### 3.4 Integrated Watershed Development Programme

#### 3.4.1 Introduction

The Water Conservation Programme (WCP) was launched in August 1992 with a view to increase the productivity of dry land agriculture, provide more drinking water facilities at village level and to prevent soil erosion. Since more thrust was given to water conservation activities during 1992-1995, Government in January 1996 restructured the WCP as "Integrated Watershed<sup>12</sup> Development Programme" (IWDP) by integrated approach in planning and implementation with people's participation and co-ordination.

#### 3.4.2 Organisational set up

The IWDP is implemented by Agriculture Department in co-ordination with Rural Development and Water Conservation Department and Forest's Department. The Secretary, Water Conservation is responsible for monitoring the progress and co-ordination among the various agencies/departments for implementation of IWDP. Director, Soil Conservation and Watershed Area Management (SCWAM), Pune is overall incharge for implementation of the programme by Agriculture Department. He is assisted by eight<sup>13</sup> Divisional Joint Director of Agriculture, 33 District Superintending Agriculture Officers (DSAO), 90 Sub Divisional Agriculture Officers (SDAO) and 329 Taluka Agricultural Officers (TAO).

#### 3.4.3 Audit Coverage

With a view to ascertain the functioning of the programme, a review was undertaken between December 2002 and June 2003 by test-check of the records maintained by the Director, SCWAM, Pune, Divisional Joint Director of Agriculture, Nagpur, nine<sup>14</sup> DSAOs and 46 TAOs coupled with the information collected from other sources. The results are mentioned in the succeeding paragraphs.

#### *Funding pattern*

3.4.4 IWDP was funded through various State sources, viz Employment Guarantee Scheme (EGS), Vaidhanik Vikas Mahamandal, Jalsandharan Mahamandal and Budgeted Grants provided by the Rural Development and Water Conservation Department. The programme was also funded from Central grants under Jawahar Rojgar Yojna, Employment Assurance Scheme and Sampurna Gramin Rojgar Yojana (SGRY). Funds received and expenditure incurred during 1998-2003 was as follows:

<sup>12</sup> A watershed is a catchment or rain basin (area 40 to 500 hectares) which falls between a ridge line and a drainage point through which all the rain water falling in that area drains out.

<sup>13</sup> Amravati, Aurangabad, Kolhapur, Latur, Nagpur, Nashik, Pune and Thane

<sup>14</sup> Amravati, Aurangabad, Gadchiroli, Jalna, Latur, Nagpur, Nashik, Pune and Yavatmal.

(Rupees in crore)

| Year         | Funds         | Expenditure   | Excess (+) / Saving (-) |
|--------------|---------------|---------------|-------------------------|
| 1998-99      | 93.17         | 91.72         | (-) 1.45                |
| 1999-2000    | 146.49        | 168.19        | (+) 21.70               |
| 2000-01      | 88.02         | 86.94         | (-) 1.08                |
| 2001-02      | 168.17        | 167.55        | (-) 0.62                |
| 2002-03      | 290.79        | 278.93        | (-) 11.86               |
| <b>Total</b> | <b>786.64</b> | <b>793.33</b> | <b>(+) 6.69</b>         |

### 3.4.5 Short release of Funds

Three district Collectors short released Rs 112.74 crore of funds

According to guidelines (January 1996), 50 per cent of EGS fund was to be utilised for implementation of IWDP. However, three District Collectors (Amravati, Latur and Nashik) during 1998-2003 released Rs 39.09 crore (26 per cent) to DSAOs as against the admissible EGS fund of Rs 151.83 crore. The District Collectors did not assign any reason for short release of funds. In Ratnagiri and Nagpur districts, the DSAOs did not place any demand for EGS funds for want of labour resulting in non-receipt of EGS funds during 1998-2003.

3.4.6 In 21 TAOs as against total demand of Rs 142.91 crore, only Rs 77.25 crore was released (51.52 per cent) during 1998-2003. The obstacle in development of watersheds was attributed to the short release of funds.

### Lapses in Project Management

Works in watershed costing Rs 12.53 crore were executed without approval of DCMC

3.4.7 A District Co-ordination and Monitoring Committee (DCMC) consisting of Executive Engineer (EE), Minor Irrigation (MI), Zilla Parishad/Local Sector (ZP/LS), Deputy Director Social Forestry (DDSF), Senior Geologist, Groundwater Survey and Development Agency (GSDA) and Deputy Conservator of Forest (DCF) was to be formed at district level under the Chairmanship of Chief Executive Officer (CEO), ZP to issue sanction to the villages for development of watershed selected at taluka level. The project report of watershed in selected villages was to be prepared in consultation with the members of DCMC. Any alteration in the implementation of the project was to be got sanctioned from DCMC. Test-check of project reports and works undertaken revealed the following lapses.

➤ Watershed activities costing Rs 1.05 crore were executed in 16 villages without the sanction of DCMC.

3.4.8 In six<sup>15</sup> TAOs, works costing Rs 9.64 crore were executed, though the project reports of the watersheds were not approved by DCMC.

3.4.9 In 73 watersheds, works costing Rs 1.38 crore were executed, though not proposed and included in the sanctioned project report.

3.4.10 In 18 watersheds of four<sup>16</sup> TAOs works costing Rs 45.72 lakh were executed in excess of the projected number of works without the approval of DCMC.

<sup>15</sup> Bhokardan, Darwha, Digras, Jafrabad, Mantha and Yavatmal.

<sup>16</sup> Ausa, Jafrabad, Rajapur and Ratnagiri

**Watersheds remained incomplete despite availability of funds**

**3.4.11 Incomplete watersheds**

The watersheds taken up for development were to be completed within four years but most of the watersheds could not be completed. Out of 21835 watersheds targeted to be completed, only seven *per cent* (1535) could be completed though huge expenditure of Rs 793.33 crore was incurred on them.

Test-check of watershed data (one page note<sup>17</sup>) of 112 watersheds revealed the following:

As of March 1998, 31 watersheds on which 50 *per cent* expenditure was incurred were lying incomplete, while during next five years average percentage of expenditure on these watersheds was 9.83 only.

**3.4.12** During the period 1993-2003, expenditure incurred against projected cost of watersheds was as follows - expenditure less than 10 *per cent* on nine watersheds, between 10 and 25 *per cent* on 23 watersheds, between 25 and 50 *per cent* on 43 watersheds and above 50 *per cent* on 37 watersheds.

**3.4.13** No expenditure was incurred on 29 watersheds in initial five years of their selection. However, funds which should have been used for completion of other incomplete watersheds were subsequently utilised on these untouched watersheds. As a result, the object of Government to give priority for completion of 50 *per cent* incomplete watersheds in the initial phase of programme was defeated.

On this being pointed out, the Director, SCWAM, attributed (August 2003) the shortfall in achievement to non-availability of labours - skilled/unskilled for EGS works, 'single activity' programme which were subsequently converted into watersheds and watersheds selected under SGRY remained to be completed. The reply was not tenable since none of the executing authority ie TAO had cited the reason of non-availability of labour for incomplete watersheds as only Cement Nalla Bandh (CNB) activity required skilled work. SGRY was introduced only in 2002-03 whereas watersheds were incomplete since 1992 and works executed under 'single activity' programme were negligible as stated by the TAOs.

**3.4.14** Test-check of records in 24 TAOs revealed that out of 2319 watersheds taken up for execution during 1992-1999 at the projected cost of Rs 397.22 crore, 1804 watersheds were still incomplete for the period ranging between one and five years after expenditure of Rs 124.84 crore (31.43 *per cent*). The TAOs attributed the reasons for delay in completion of watersheds mainly to inadequate fund, staff and unwillingness of cultivators for execution of activities.

**3.4.15** Government (October 2001) directed to launch special drive for completion of four pilot watershed projects in each taluka by March 2002 from the funds available with TAO, so that benefits of watersheds would be

<sup>17</sup> One page note is an annual report of watershed prepared by TAO which indicates the area of watershed, projected work/cost and work actually executed with yearwise expenditure incurred.

visible to the local farmers/beneficiaries. However, none of 17 TAO's test-checked could complete even a single watershed (except one watershed in Yavatmal Taluka) till March 2003, though an expenditure of Rs 45.87 crore was incurred against the projected cost of Rs 16.07 crore. The TAOs stated that pilot projects could not be completed due to inadequate receipt of funds and non co-operation by farmers.

The replies were not tenable as though adequate funds of Rs 46.44 crore in 2001-2003 were available with the TAOs, average expenditure of 53.27 per cent only was actually incurred on selected watersheds. Thus, the importance and benefits of watershed projects could not be made visible to the beneficiary farmers due to non-adherence of the directives of Government by TAOs.

#### **3.4.16 Incomplete works of watershed**

In 26 watersheds of 10<sup>18</sup> TAOs, it was found that different component of watershed ie seven *Mati Nalla Bandh* (MNB), three *Cement Nalla Bandh* (CNB), 14 Farm Ponds (FP), two Loose Boulder Structure (LBS), four Earthen Structure (ES) remained incomplete for period ranging from two to eight years after incurring an expenditure of Rs 12.84 lakh.

The reasons for incomplete works attributed by the TAOs were mainly due to inadequate funds, unwillingness of cultivators and hard rock found during execution of earthwork. Thus expenditure of Rs 12.84 lakh on these works did not yield any result.

#### **Lack of co-ordination in implementation.**

**Implementing agencies did not execute their portion of works defeating the concept of integrated approach in watershed**

**3.4.17** In 14 TAOs of seven<sup>19</sup> districts the project reports of 238 watersheds included various works (Tree Plantation, Continuous Contour Trenches (CCT), Village Tank, Percolation Tank, Kolhapur Type weir, Hydrofracturing etc) costing Rs 54.31 crore for execution by other agencies. However, Senior Geologist, GSDA, Aurangabad, Jalna, Latur and Nashik stated that no works were carried out in watersheds under IWDP. EE, MI, ZP, Jalna stated the same version of Senior Geologist, GSDA. The DDSF, Aurangabad, Jalna and Nashik stated that no works of CCT and plantation of trees were undertaken whereas DDSF, Latur stated that only work of tree plantation on 15 hectare (ha) costing Rs 3 lakh was executed in two watersheds as against target of 455 ha. Information from other agencies was awaited. Reasons for non-execution of works were awaited (August 2003).

Thus, non-execution of works by the other agencies and lack of co-ordination in implementation defeated the purpose of integrated approach in development of watersheds which may result in not deriving the expected benefits.

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<sup>18</sup> Amravati, Ausa, Bhokardan, Chakur, Mantha, Nagbhid, Pandharkawda, Ramtek, Satana, Sillod

<sup>19</sup> Aurangabad, Gadchiroli, Jalna, Latur, Nasik, Ratnagiri and Yavatmal



**3.4.18 Improper execution of works in water sheds**

Works were executed mostly in lower reaches of the watersheds instead of an integrated approach consisting works in upper reaches also

According to instruction of the Director, SCWAM (March 1997) works on watersheds were to be executed from upper reaches to lower reaches in order to avoid the possibility of siltage in CNB, MNB or FP in lower reaches.

Audit scrutiny in 16 TAOs revealed that in 117 watersheds (projected cost Rs 38.06 crore), more thrust was given to the works of CNBs, MNBs and FPs in lower reaches neglecting the execution of works like CCT, LBS, ES, Brush Wood Dam, Live Check Dam, in upper/middle reaches of watershed.

(Rupees in crore)

|                      | Estimated cost | Expenditure incurred | Percentage |
|----------------------|----------------|----------------------|------------|
| Lower Reaches        | 30.03          | 16.02                | 53.34      |
| Upper/Middle Reaches | 8.03           | 0.51                 | 6.35       |

The TAOs stated that the MNB/CNB works in lower reaches were taken up mainly due to demand of local people, political leaders etc with the purpose to provide more employment in rural areas. The reasons were not acceptable as the principle of execution of works from upper reaches to lower reaches was to sustain water conservation and prevent soil erosion, which was defeated.

**3.4.19 Extra expenditure**

Mistake in EGS rate list resulted in extra expenditure of Rs 69.75 lakh

Item No. 31 of EGS rate list provided only labour charges for construction of LBS whereas Item No.32 provided for the completed work of LBS.

In May 1998, Government revised the EGS rate list wherein higher rate was shown against Item no.31 and lower rate against Item no.32 by mistake. The mistake was rectified by issue of corrigendum in September 2000 but by that time 11 TAOs had already incurred extra expenditure of Rs 30.88 lakh on wages on the LBS works of 183 watersheds. Eight<sup>20</sup> TAOs did not take cognisance of corrigendum issued in September 2000 and continued to adopt the higher rates for Item no.31 for LBS, which led to extra expenditure on wages amounting to Rs 38.87 lakh during October 2000 to June 2001 in 217 watersheds.

The TAOs stated in reply that the mistake in printing of EGS rates occurred at Government level and corrigendum was received late. Government, however, did not investigate the circumstances under which the mistake had occurred that resulted in extra expenditure of Rs 69.75 lakh to the exchequer and no responsibility has been fixed on any officials.

<sup>20</sup> Badnapur, Jalna, Katol, Mantha, Nashik, Peth, Rajapur and Satana.

**3.4.20 Avoidable expenditure on Watershed coming under Command Area of Irrigation Projects**

Watershed works costing Rs 22.41 lakh was carried out in the command area of Irrigation Projects

The guidelines provided that villages falling within the command area of irrigation projects/schemes should not be selected for development of watershed.

Government issued notification in March 1997 and October 1998 about the villages falling under command area of Gosikhurd and Arunavati Irrigation Project. It was however noticed that the TAO Kuhi and Digras had carried out soil conservation activities between 1997 and 2002 in five watersheds at the cost of Rs 22.41 lakh. This expenditure of Rs 22.41 lakh incurred after issue of notification was avoidable.

On this being pointed out TAO Kuhi stated (November 2002) that intimation of four watersheds falling under command area of Gosikhurd project was received in October 1998, while TAO, Digras did not specify any reason. The reply of TAO Kuhi is not acceptable because the works should not have been executed after issue of Government notification.

**3.4.21 Non handing over of CNB/MNBs to Grampanchayats**

Assets created under IWDP were to be handed over to the concerned Gram Panchayats after their completion for further maintenance.

In 17 TAOs 3316 CNB/MNB's completed upto March 2003 were not handed over to Grampanchayats. TAO, Dharni stated that Grampanchayats were reluctant to take over the possession while others did not furnish any reason. Thus assets created continue to be the liability of Government for maintenance.

**3.4.22 Breach of Nalla Bandh**

Rs 44.05 crore incurred on construction of MNB/CNB had breached making the expenditure infructuous

In four<sup>21</sup> TAOs, seven MNBs in seven watersheds were completed during 1998-2002 at a cost of Rs 15.52 lakh. All the seven MNBs breached due to heavy rainfall within two years of construction rendering expenditure of Rs 15.52 lakh unfruitful until the rectificatory work is carried out.

Further, according to information collected from the Directorate of SCWAM, Pune (June 2003) 2475 MNBs and 130 CNBs were breached upto March 2003 involving cost of Rs 42.07 crore and Rs 1.82 crore respectively on construction as worked out by audit. The cost of repair of these MNBs and CNBs was Rs 11.66 crore and Rs 51 lakh respectively and proposals for their repairs were stated to be under process. The original cost, period of construction, period of breach and loss sustained due to breach were not furnished to audit. Had these structure been repaired the desired results of water conservation would have been visible.

<sup>21</sup> Chikhaldara, Dharni, Latur and Yavatmal.

### 3.4.23 *Terracing work done without taking photographs*

Director SCWAM, Pune instructed (May 1998) to take photographs of the land indicating the identification mark to ascertain the area of land for construction of *majagi* (terracing/paddy bunds). The SDAO was to ensure that the photographs of the land were attached to the estimates of the *majagi*.

Scrutiny of records of three<sup>22</sup> TAOs revealed that 40 *majagi* works were executed in 142.59 hectare of 21 watersheds during 1998-2003 at the cost of Rs 35.94 lakh without taking photographs, which was irregular and against the instructions issued by the Directorate. On this being pointed out, the Director stated that such irregularities would be investigated. In the absence of photographs the purpose to identify and ascertain the area of land before construction of *majagi* was defeated.

### 3.4.24 *Incomplete work register*

Soil Conservation Manual prescribed the register of works as an important record to be maintained by each Circle Agriculture Officer, which was to be examined and initialled every month by the TAO.

In 28 Circles of 13 TAOs it was noticed that posting in the work register was in arrears for the period ranging between one and five years. Incomplete work register indicated the lack of control and proper watch by the TAO over the circles.

### 3.4.25 *Non-participation of village people*

Village Water Conservation Committee (VWCC) consisting 10 to 12 members ie Sarpanch, Gram Sevak, Agriculture Assistant, Forest Guard, Assistant Plantation Officer and one representative from cultivators, women, Primary/Middle school teacher including two members from backward class was to be formed to review the implementation of programme.

However, in most of the TAOs these were not formed. Thus, non-formation of VWCC highlighted the failure of the Department to generate awareness about the importance of the programme among the villages.

### 3.4.26 *Monitoring and Evaluation*

Position of various committees formed to monitor the progress of works under IWDP was as follows.

| Committee  | Whether formed or not | Target of meetings (annual) | No. of meetings held during 1998-2003 | Shortfall in meetings during 1998-2003 (percentage) |
|--|-----------------------|-----------------------------|---------------------------------------|---|
| State level (Water mission)                        | Not formed            | 4                           | Nil                                   | 100   |
| Divisional level (Nagpur, Amravati and Aurangabad) | Not formed            | No Target                   | Nil                                   | 100   |
| District level (DCMC)                              | Formed                | 12                          | 87<br>(Information of five districts) | 71  |

<sup>22</sup> Kalwan, Khed and Nagbhid

Village Water Conservation Committee was not formed in most TAOs

State level and Divisional level monitoring committee was not formed

The VWCC was to check the works executed in watershed and submit a report every year to higher authorities. However, no such report was available for scrutiny and also in majority of villages VWCC was not formed.

Guidelines also provided for evaluation to be done by the Directorate of Economics and Statistics or by a Non Government Organisation (NGO). The Director, SCWAM stated that evaluation was carried out by Marketing and Econometric Consultancy Services (METRIC), Pune (NGO), but the report was awaited. In absence of the report, fruitfulness of watersheds could not be ascertained.

#### **3.4.27 Conclusion**

The IWDP has suffered on account of many factors such as lack of planning in project management, lack of co-ordination among the implementing agencies, improper execution of works with inadequate staff, lack of participation of village people in implementation of IWDP and failure of field staff in creating awareness of the benefits of the programme and non availability of adequate funds from various sources. As such the IWDP did not produce the results as expected. The poor monitoring and evaluation system right from State level to district level too contributed for failure to have an effective control over the implementation and progress of IWDP.

#### **3.4.28 Recommendations**

In view of audit observations, Government is requested to consider the following recommendations:

- Funds made available should not be spread thinly over large number of incomplete watersheds. Completion of watersheds, which have 50 *per cent* and above completed work, should be given priority. Only when incomplete watersheds are completed, work for new watersheds should be undertaken.
- Co-ordination between different executing agencies should be closely monitored and improved so as to achieve integrated approach.
- Works in a watershed should be executed according to norms.
- People's participation should be increased to make the programme a success.
- Monitoring and Evaluation of the programme should be made effective to achieve the goal.

The matter was referred to the Secretary to the Government in September 2003. No reply has been received (November 2003).