

CHAPTER III PERFORMANCE REVIEWS

AGRICULTURE DEPARTMENT

3.1 Integrated Audit of Agriculture Department

HIGHLIGHTS

The Agriculture Department implemented different schemes with the aim of increasing agricultural products. The implementation of the schemes was deficient in utilising seed producing land, introducing latest variety of seeds/minikits among farmers, use of seeds of certified quality and imparting training to farmers and workers.

Rupees 82.44 crore were transferred during 1998-2003 against 82 sanction orders to the deposit account of the West Bengal State Seed Corporation (WBSSC). In 54 cases, sanctions involving Rs 52.28 crore (63 per cent) were issued at the fag end of the financial year to avoid lapse of budget grant. The Government incurred a liability for payment of Rs 20.12 crore to WBSSC against supply of seeds and inputs under 56 schemes implemented without administrative approval and financial sanction of the department.

(Paragraph 3.1.4)

Against release of Rs 13.29 crore, Rs 14.18 crore were shown as spent during 1998-2003 under Oil Seed Production Programme (OPP) though Rs 8.48 crore were transferred to deposit account.

(Paragraph 3.1.6)

WBSSC Limited supplied 8144 tonnes of seeds during 1998-2003 to the department and recovered Rs 7.36 crore towards interest on working capital although the margin money for working capital was provided by the Government. Further, additional expenditure of Rs 2.57 crore was incurred on procurement of agricultural inputs and power tillers during 1998-2003 from WBSSC instead of direct purchase from manufacturers/distributors, etc.

During 2002-2003, WBSSC supplied 1041 MT wheat seed minikits of 'not recommended' quality valuing Rs 1.98 crore along with Vitavex to two districts. During 1998-2002, 3.77 lakh packets of chelated zinc minikits valuing Rs 1.95 crore were distributed among farmers without ascertaining the zinc deficiencies in soil. WBSSC supplied 140 MT fertiliser minikits (valuing Rs 11.60 lakh) among the farmers of Purulia district which were declared as sub-standard by the State Fertilizer Testing Laboratory.

(Paragraph 3.1.11)

During 1998-2003, 4.28 lakh kg oilseeds of old and traditional varieties valuing Rs 1.66 crore were used for field demonstration while 63.02 lakh seed minikits of different crops of old and local variety valuing

The abbreviations used in this review have been listed in the Glossary in Appendix 42 (page)

Rs 62.51 crore were distributed among the farmers of the selected blocks in contravention of GOI guidelines.

(Paragraphs 3.1.12 and 3.1.13)

During 1998-2003, 47 seed farms of the 4 test-checked districts failed to utilise 81 per cent of cultivable land and incurred a cumulative loss of Rs 28.13 crore while 199 seed farms of the State produced only 6 to 8 per cent of State's requirement of seeds during 1998-2002.

(Paragraph 3.1.16)

Only 2618 Krishi Projukti Sahayaks and farmers were trained during 1998-2003 at a huge expenditure of Rs 8.87 crore indicating that the training centres were underutilised. In four test-checked districts, Rs 6.26 crore were spent on wages of staff deployed for execution of 5 schemes not in operation.

(Paragraph 3.1.17)

3.1.1 Introduction

Agriculture plays a vital role in the economic development of a State. Augmentation of agricultural production through expansion, training and use of improved seeds, fertilisers, agricultural kits, etc. was taken up in the State through implementation of 57 State Plan Schemes, nine Centrally Sponsored Schemes and four Central Sector Schemes during 1998-2003.

3.1.2 Organisational set up

The Agriculture Department is headed by a Principal Secretary assisted by a Special Secretary, two Joint Secretaries, three Deputy Secretaries and three Assistant Secretaries.

The Director of Agriculture and ex-officio Secretary is the State-level implementing agency while the districts are headed by Principal Agricultural Officers (PAOs) assisted by Sub-Divisional Agricultural Officers (SAOs), Agriculture Development Officers (ADOs), Agricultural Extension Officers (AEOs) and Assistant AEOs. In the blocks, the farmers are assisted by the Krishi Prajukti Sahayaks (KPSs).

West Bengal State Seed Corporation Limited (WBSSC) being a State Government undertaking was entrusted with growing and supplying quality seeds, fertiliser, chemicals, agricultural implements and equipment, etc. to the Agriculture Department.

3.1.3 Audit Coverage

Records at the level of the Department, Directorate, WBSSC and 4 (four) Agricultural districts (Cooch Behar, Medinipur, Murshidabad, Purulia) covering two out of three agro-climatic regions with Sub-Divisional and Block level offices pertaining to the period 1998-2003 were test-checked during January to May 2003.

3.1.4 Financial Management and Budgetary Control

The budget and the expenditure for the Agriculture Department during 1998-2003 were as below:

Year	Budget Allocation			Expenditure			Savings (-)/ Excess (+)	
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan
(R u p e e s i n c r o r e)								
1998-1999	66.87	124.92	191.79	45.84	156.64	202.48	(-) 21.03	31.72
1999-2000	98.72	172.17	270.89	56.14	172.37	228.51	(-) 42.58	0.20
2000-2001	103.28	181.09	284.37	62.55	195.62	258.17	(-) 40.73	14.53
2001-2002	111.05	192.80	303.85	42.11	192.96	235.07	(-) 68.94	0.16
2002-2003	71.95	208.22	280.17	43.56	188.99	232.55	(-) 28.39	(-) 19.23
	451.87	879.20	1331.07	250.20	906.58	1156.78	(-) 201.67	27.38

Source : Budget Publication.

While huge savings continuously occurred under the plan heads, excesses were noticed during 1998-2002 under non-plan heads.

Budget was not prepared on realistic basis

Budget was not realistic as estimate was prepared without obtaining actual requirements from district level offices and monthly expenditure statements from the drawing and disbursing officers (DDOs) resulting in savings of Rs 201.67 crore in plan head and excess expenditure of Rs 27.38 crore in non-plan head during 1998-2003.

For supply of quality seeds, fertiliser, chemicals, agricultural equipment and implements, Rs 82.44 crore were released by the State Government during 1998-2003 from 12 (twelve) different heads of accounts and transferred to the deposit account of the WBSSC. Against 82 sanction orders, 54 orders involving Rs 52.28 crore (63 per cent) were issued at the fag end of the financial year and amounts were drawn and kept in the deposit account to avoid lapse of budget grant.

The fund credited in the deposit account, expenditure incurred therefrom and balance remaining unspent at the end of each year were as follows:

Year	Opening balance	Credited during the year	Spent during the year	Closing balance
	(R u p e e s i n c r o r e)			
1998-1999	23.93	3.34	17.93	9.34
1999-2000	9.34	6.28	6.34	9.28
2000-2001	9.28	33.48	27.50	15.26
2001-2002	15.26	22.86	12.21	25.91
2002-2003	25.91	16.48	19.92	22.47
Total	23.93	82.44	83.90	22.47

During 1998-2003 against available fund of Rs 106.37 crore, Rs 83.90 crore (79 per cent) were spent though the entire fund was shown as utilised under the respective programme in the accounts, thus misleading the State Legislature. Records regarding progress of expenditure and fund remaining unutilised at the end of each year were not maintained at the Directorate level.

WBSSC claimed Rs 20.12 crore against supply of seeds and other inputs since 1998-1999 for 56 schemes¹ implemented at the instance of the directorate and without obtaining administrative approval and financial sanction of the department.

3.1.5 Programme management

For integrated approach to the development of agriculture in the country, 27 Centrally Sponsored Schemes were identified and brought under one Macro-Management Mode Work Plan (MM Mode) by GOI. Of these, Agriculture Department took up 15 schemes from 2000-2001.

On introduction of the MM Mode Work Plan since 2000-2001 there was an opening balance of Rs 10.78 crore as of April 2001, but the department showed an opening balance of Rs 0.54 crore resulting in discrepancy of Rs 10.24 crore which was not reconciled (May 2003).

Implementation of five major programmes namely i) Oilseed Production Programme (OPP), ii) National Pulses Development Project (NPDP), iii) Integrated Cereal Development Programme (ICDP) – Rice, iv) Accelerated Maize Development Programme (AMDP) and v) Special Jute Development Programme (SJDP) were reviewed in audit in Cooch Behar, Medinipur East, Purulia and Murshidabad districts. The target and achievement of the respective schemes under various components during the period 1998-2003 are given in Appendices 31 to 35.

Although no records showing the target and achievement in respect of production under each scheme was maintained by the Department, the overall production of different crops against target fixed for the Ninth Five Year Plan period (1997-2002) for the State as a whole were as shown below :

Name of the crop	Growth rate	1997-1998		1998-1999		1999-2000		2000-2001		2001-2002	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
(I n l a k h t o n n e s)											
Cereals ²	5.59	134.30	142.02	141.81	142.41	149.73	147.04	158.10	135.96	166.99	163.26
Pulses	14.73	2.08	1.53	2.39	1.26	2.74	1.42	3.14	2.2	3.60	1.75
Oil Seed	9.47	5.28	3.87	5.78	3.79	6.33	4.06	6.92	5.71	7.58	4.93
Jute	2.19	56.40	75.50	57.64	73.74	58.90	75.94	60.19	74.28	61.51	88.36

Target for the period from 1998-1999 to 2001-2002 was determined on the annual compound growth rate on target of 1997-1998 (Source : Report of evaluation and Tenth Five Year Plan published by Directorate of Agriculture)

It was seen that the shortfall in production of oil seeds and pulses against the target during the entire plan period ranged between 17 and 51 per cent.

¹ 1998-1999-Rs 1.46 crore (8 schemes), 1999-2000 Rs 6.58 crore (20 schemes); 2000-2001 Rs 1.39 crore (13 schemes); 2001-2002 Rs 10.69 cores (15 schemes)

² Including Paddy, Wheat, Maize, etc.

Overstatement of achievement report furnished by the State to GOI

The reports of the achievements against targets of the following schemes furnished by the State Government to the GOI were not reliable as would be evident from the figures of test-checked districts tabulated below:

(Financial : Rupees in lakh)

Name of the scheme/ component	Year		Achievement of the State as a whole as reported to GOI by the State Government			Shortfall in achievement in the test-checked districts
			Target	Achievement	Shortfall	
OPP (Launched in 14 districts, of which 4 districts were test-checked)						
Distribution of Input kits	1998-1999	Physical	0.69 lakh Qtl	Full	Nil	0.03 lakh Qtl
		Financial	2.52			1.44
Distribution of IPM kits	1998-2002	Physical	2589 Ha	2589 Ha	Nil	590 Ha
		Financial	45.07	42.55	2.52	10.35
Distribution of PP Equipment	1998-1999	Physical	700 Numbers	Full	Nil	160 Numbers
		Financial	4.97			1.14
Farmers' Training	1998-1999 and 2001-2002	Physical	117 Numbers	183 Numbers	66 (Excess)	39 Numbers
		Financial	13	13.00	Nil	4.77
Distribution of Gypsum	2000-2001	Physical	10000 Ha	9000 Ha	1000 Ha	3000 Ha
		Financial	50	45	5	15
All components	2002-2003	Rupees 1.35 crore was shown as utilized during 2002-2003 against financial sanction of Rs 99.99 lakh though fund was not released to the district authorities till April 2003				
ICDP RICE (Implemented in 125 selected blocks, of which 51 blocks were test-checked)						
DC on Production Technology	1999-2000	Physical	2000 Acre	1746 Acre	254 Acre	568 Acre
		Financial	20	17.46	2.54	3.73
Farmers' Training	1999-2000	Physical	250 Numbers	246 Numbers	4 Numbers	25 Numbers
		Financial	12.50	12.30	0.20	1.25
Distribution of Power Tiller	1999-2000 and 2001-2002	Physical	605 Numbers	590 Numbers	15 Numbers	132 Numbers
		Financial	181.50	177	4.50	38.60
Distribution of Sprinklers Sets	2000-2001	Physical	125 Sets	100 Sets	25 Sets	48 Sets
		Financial	31.25	15	16.25	12.35
DC on IPM	2001-2002	Physical	900 Ha	845 Ha	55 Ha	205 Ha
		Financial	54	50.68	3.32	11.42
Distribution of Farm Implement	2001-2002	Physical	7000 Numbers	6746 Numbers	254 Numbers	384 Numbers (Excess)
		Financial	70	60.09	0.91	2.10 (shortfall)
DC of Production Technology	2001-2002	Physical	2500 Acre	2485 Acre	15 Acre	190 Acre
		Financial	50	49.70	0.30	3.35

3.1.6 Oilseed Production Programme (OPP)

To augment the production of edible oil, OPP was launched in 1991-1992 in 14 districts of the State.

Against release of Rs 13.29 crore, Rs 14.18 crore were shown as expenditure though Rs 8.48 crore were transferred to deposit account

Against release of Rs 13.29 crore (Central share Rs 9.97 crore, State share Rs 3.32 crore), Rs 14.18 crore were shown as expenditure of which Rs 8.48 crore were transferred to deposit account of WBSSC. Of Rs 8.48 crore, actual expenditure could not be ascertained except for Rs 1.20 crore released to the district authorities. Out of Rs 4.56 crore allotted directly to the districts by the directorate, Rs 25.38 lakh remained unutilised.

Excess expenditure of Rs 2.45 crore incurred against GOI approval of Rs 3.96 crore

It was seen that though inter-component adjustment against GOI allocation for seed component and non seed component was not permissible, the achievements both physical and financial in respect of seed components were respectively 53 and 63 *per cent* less than the target fixed by GOI for 1998-2003. While no outlay was approved by GOI under the component “distribution of input kits” the State Government spent Rs 2.81 crore on this account during 1998-2000. Further, excess expenditure of Rs 2.45 crore were incurred under Farmers’ Training (Rs 0.01 crore), Block Demonstration Centre (Rs 2.26 crore), Distribution of Micro-nutrient (Rs 0.14 crore) and staff contingencies (Rs 0.04 crore) against GOI approval of Rs 3.96 crore.

For implementation of the programme, Rs 79.55 lakh were released to WBSSC during 1998-2003 for procurement and production of different classes of oil seeds but no records were made available to audit to ascertain production of seeds or utilisation of fund.

3.1.7 Integrated Cereal Development Programme (ICDP)– Rice

Integrated Cereal Development Programme was implemented in 125 selected blocks of the State.

Diversion of Rs 2.71 crore from centrally sponsored scheme NWDPR

Rupees 2.71 crore were sanctioned for ICDP-Rice by diverting the fund from Centrally Sponsored Scheme on National Watershed Development Programme for Rainfed Areas (NWDPR), while during 2000-2001, Rs 1.50 crore were diverted from the programme for distribution of 0.84 lakh seed minikits (paddy-0.63 lakh, wheat-0.21 lakh) amongst flood-affected farmers of 5 districts under Calamity Relief Fund (CRF).

Out of fund of ICDP-Rice, Rs 12.74 lakh were also diverted and placed with Jairambati Model Farm in 2001-2002 for production of vegetable seeds, not under the purview of the scheme.

During 1998-1999, 16.88 MT of paddy seeds valuing Rs 33.76 lakh were distributed as subsidy to farmers of 211 non-ICDP blocks of the districts and the expenditure was irregularly booked under ICDP-Rice.

Although the entire fund of Rs 1.56 crore allocated to the districts during 2000-2001 was shown as utilised in the achievement report of the State, Rs 6.81 lakh remained unutilised in three test-checked districts out of Rs 0.41 crore allocated.

3.1.8 National Pulses Development Programme (NPDP)

Inclusion of 9 districts in the programme without approval of GOI

To augment production of pulses in the State, the programme was introduced in 1986-1987 in three districts (Malda, Murshidabad and Nadia) while actually it was implemented from 1990-1991 under Technology Mission on Oilseeds, Pulses and Maize (TMOP&M) covering another 9 districts³ without approval of GOI.

³ Jalpaiguri, Coochbehar, Bardhaman, Bankura, Purulia, West Medinipur, Birbhum, Uttar and Dakshin Dinajpur

During 1998-2003 out of Rs 1.83 crore released for implementation of the programme, Rs 0.31 crore remained unspent.

During 1998-2002 shortfalls in achievements both physical and financial in respect of seed components were less by 33 and 37 *per cent* respectively than the target fixed by the GOI. In other components excess expenditure of Rs 78.06 lakh were incurred against GOI approval of Rs 22.90 lakh.

During 1998-2002, Rs 34.88 lakh were released to WBSSC Limited to procure and produce different classes of pulse seeds through their registered growers, but no records were made available to audit to ascertain production/procurement of seeds and utilisation of the same by WBSSC.

During 1998-1999, excess expenditure of Rs 11.45 lakh was shown as liability.

The total financial achievement during 1998-1999 was wrongly shown as Rs 19.35 lakh against actuals of Rs 17.55 lakh due to mistake in totalling.

Although no financial allocation was approved by GOI, Rs 28.16 lakh were spent under distribution of seed minikits during 1999-2001.

Out of GOI allocation of Rs 10 lakh for 'production of certified seeds', Rs 8.59 lakh were diverted and spent on distribution of seed minikits to the farmers during 1999-2000 although the achievement was shown as 'production of certified seeds'.

3.1.9 Accelerated Maize Development Programme (AMDP)

Inclusion of 6 districts without approval of GOI

The programme (AMDP) was implemented in four (four) identified districts as a Centrally Sponsored Scheme, till 1999-2000. Six more districts were included under the programme from 2000-2001 without approval of GOI.

Excess expenditure of Rs 71.60 lakh exceeding GOI approval

Against administrative approval of GOI for Rs 95.40 lakh, the State Government released Rs 46.32 lakh during 1998-2003, whereas expenditure of Rs 1.18 crore were incurred resulting in excess expenditure of Rs 71.60 lakh (Central share: Rs 54.14 lakh and State share: Rs 17.46 lakh).

Submission of UC despite retention of fund in deposit account and even without release of funds

Despite retention of Rs 18.47 lakh in the deposit account of WBSSC (from 1998-1999 to August 2001) the department sent utilisation certificates to the GOI (May 1999) showing the amount as utilised. Similarly, while all the physical and financial components of Rs 34.47 lakh for the year 2002-2003 were reported (May 2003) as executed, no fund was sanctioned till May 2003.

Thus, the achievement report for 1998-2003 submitted by the State Government did not depict a true and fair picture of the actual achievements.

3.1.10 Special Jute Development Programme (SJDP)

The programme was implemented to increase productivity and production as well as to improve the quality of jute to enhance competitiveness in export market.

There was constant excess expenditure every year against the funds sanctioned. During 2000-2001, Rs 6.04 crore were spent against allotment of Rs 5.66 crore of which Rs 80 lakh were diverted to WBSSC out of NWDPRA fund.

Failure to popularise fungal culture among farmers

Utilisation of 3.14 lakh packets of 'fungal culture' valuing Rs 32.78 lakh distributed during 1998-2003 among the farmers of Coochbehar (1.29 lakh packets costing Rs 13.48 lakh) and Murshidabad (1.85 lakh packets costing Rs 19.30 lakh) districts to improve the quality of 'Berkey Jute' remained unassessed. According to the PAOs use of 'fungal culture' could not be popularised amongst the farmers as the technology was labour intensive and expensive.

3.1.11 Purchase and distribution of seeds and other agricultural inputs

Additional expenditure of Rs 2.57 crore on procurement of agricultural inputs from WBSSC instead of direct purchase from manufacturers/dealers

WBSSC set up for production and distribution of quality seeds at a reasonable price to farmers was entrusted by the department for procurement and distribution of fertiliser, chemicals, pesticides, agricultural equipment and implements. No tender formalities to avail of the competitive market price were observed.

During 1998-2003 Government had to bear an additional expenditure of Rs 2.57 crore for procurement of (i) 19.02 lakh phytonol (micro-nutrient) - Rs 61.04 lakh, (ii) 9.26 lakh packets fungal culture - Rs 11.21 lakh, (iii) 3.77 lakh packets of chelated zinc minikits - Rs 36.66 lakh, (iv) 140 MT fertilisers - Rs 39.16 lakh and (v) distribution of 3217 power tillers to farmers - Rs 1.09 crore from WBSSC instead of procuring from the manufactures/dealers directly.

Unjustified recovery of Rs 7.36 crore as interest on working capital by WBSSC

Besides, WBSSC supplied 8144 tonnes seeds to the Government at a price including Rs 7.36 crore towards interest on working capital. Since the margin money for working capital was provided by the Government to WBSSC in the shape of central assistance of Rs 90 lakh for availing cash credit facility under National Seed Programme-III (NSP-III), the recovery of Rs 7.36 crore towards interest on working capital was unjustified.

Supply of 'not recommended' quality seeds/minikits valuing Rs 1.98 crore

Further, during 2002-2003, 1041 MT wheat seed minikits termed 'not recommended' by the State Seed Testing Laboratory along with Vitavex (micro-nutrient) valuing Rs 1.98 crore were supplied (November 2002) by WBSSC to two districts (Murshidabad-981 MT and Purulia-60 MT). Ill effects of use of such sub-standard minikits remained unassessed (May 2003).

Distribution of zinc minikits without soil test

Government had set up eight soil testing laboratories in the State to ascertain the nature and deficiencies in the soil so that the required fertiliser inputs could be distributed to farmers to remove the deficiencies for better yield. During 1998-2002, 3.77 lakh packets Chelated Zinc Minikits (500 gm. per packet) valuing Rs 1.95 crore were distributed to farmers without ascertaining the zinc deficiency, if any, of the soil. No records were maintained to ascertain the effect of application of minikit.

**Supply of un-tested
fertiliser minikits**

During 2001-2003, 4.30 lakh fertiliser minikits valuing Rs 2.75 crore were supplied by the WBSSC among the farmers of the test-checked districts. It revealed that 140 MT fertiliser minikits valuing Rs 11.60 lakh supplied (August 2001) by the WBSSC to the Purulia district, and sample of which was sent to the State Fertiliser Testing Laboratory (SFTL), Medinipur by an Agriculture Development Officer (ADO) was declared as sub-standard. There was nothing on record indicating action taken, if any, by the Agriculture Department for supply of such sub-standard fertiliser.

3.1.12 Field demonstration

**Seeds valuing
Rs 1.66 crore of old
varieties distributed
for demonstration in
violation of GOI
guidelines**

According to the GOI guidelines, Field (Block) demonstration should be organised by the State Government to popularise and create awareness of newer varieties of seeds. In contravention, in three selected districts, during 1998-2003, 4.28 lakh kg seeds (mustard 0.08 lakh kg, groundnut 4.20 lakh kg) of old and traditional varieties (Mustard-B/9, Groundnut-AK:12:24) valuing Rs 1.66 crore notified in January 1982 and February 1976 were supplied to the districts for conducting demonstrations defeating the objective of the field demonstration.

3.1.13 Distribution of minikits

**Application of old
minikits worth
Rs 62.51 crore-
impact remained
unassessed**

According to GOI guidelines, the department was required to distribute latest varieties of certified seed minikits for introduction and popularisation among farmers of the blocks selected by the gram panchayats during 1998-2003 at nominal charges ranging between Rs 2 and Rs 15 per kit.

In contravention of the guidelines 63.02 lakh seed minikits of old and local varieties worth Rs 62.51 crore were distributed during 1998-2003. Impact of distribution of such minikits was neither evaluated by the department/directorate nor were the reasons for distribution of old varieties on record.

3.1.14 Technology management

**New variety of seeds
recommended by two
research stations was
not popularised**

Of the five research stations set up for upgradation of technology, production and supply of high quality seeds, two research stations viz. Rice Research Station, Chinsurah and Pulse and Oil Seed Research Station, Murshidabad identified six varieties of seeds (Paddy-4, Oilseed-1 and Pulse-1) which were duly notified by GOI. In 4 test-checked districts, the notified varieties were not transmitted either as minikits or through field demonstrations amongst the farmers for popularisation. Reasons for non-introduction of the new variety were not furnished.

3.1.15 Development of Agricultural farms and flood restoration works

State Government sanctioned Rs 21.10 crore (1999-2000: Rs 4.50 crore and 2000-2001:Rs 16.60 crore) for development of agricultural farms, procurement of seeds and undertaking various flood restoration works to 19 Zilla Parishads.

Out of Rs 4.68 crore sanctioned to 3 ZPs for infrastructural development, etc. Rs 71.03 lakh were not spent

In three ZPs test-checked, Rs 71.03 lakh (Coochbehar Rs 3.91 lakh; Murshidabad Rs 56.64 lakh and Purulia Rs 10.48 lakh) remained unspent against Rs 4.68 crore sanctioned to them.

114 sets 5 HP submersible motor pumps were not distributed

In Murshidabad and Purulia districts 1961.65 MT minikits of different crops valuing Rs 2.33 crore and 660 MT urea minikits valuing Rs 35.64 lakh were distributed (November-December 2000) without testing the quality of seeds/fertilisers. The production of the crops also was not assessed.

In Murshidabad district 114 sets 5 HP submersible motor pumps procured by the ZP for free distribution to individual beneficiaries during February 2002 valuing Rs 13.79 lakh were not distributed as of May 2003 due to non-finalisation of priority lists of beneficiaries.

3.1.16 Farm management

Inadequate infrastructure for producing seeds

Only 6 to 8 per cent of State's requirement of seeds could be produced

To serve as model centres for crop demonstration, production and distribution of quality seeds to local farmers as well as to conduct demonstration, programmes of multiplication of certified seeds, and to generate zone specific recommendation, 199 farms of different types were set up during the second and third plan period.

The agriculture farms could produce only 6 to 8 per cent seeds of the State's requirement during 1998-2002 as shown below:

Year	Total seeds distributed in the State (Metric Tonnes)	Quantity of seeds of different crops (Metric Tonnes) produced in the farms	Percentage of production against distribution
1998-1999	35043	2174.50	6
1999-2000	35273	2942.80	8
2000-2001	36793	2345.85	6
2001-2002	41423	2895.50	7

The target of production of seeds for 1998-2002 was not available at the directorate.

Only 19 per cent cultivable land was used due to lack of infrastructural facilities

In 47 farms of four test-checked districts, of gross cultivable area of 2186.95 hectares, only 426 hectares (19 per cent) were utilised during 1998-2003. The reasons for low utilisation were (i) shortage of man power, (ii) lack of infrastructure facilities, (iii) shortage of agricultural implements like tractor, power-tiller, etc., (iv) lack of irrigation and drainage facilities and (v) loss of fertility of soil due to constant use of chemical fertilisers.

Cumulative loss of Rs 28.13 crore in 47 farms

Profit and loss account prepared by 47 agricultural farms for 1998-2002 depicted a cumulative loss of Rs 28.13 crore in operation. No effective steps were taken by the department to minimize such loss.

16 to 29 per cent seeds became non seeds – loss of Rs 26.59 lakh to the farms

Out of 2385.68 MT paddy, 121.05 MT wheat, 56.08 MT mustard and 80.94 MT pulse seeds produced during 1998-2002 in the farms, 664.35 MT (28 per cent) paddy seeds, 34.37 MT (29 per cent) wheat seeds, 9.320 MT (16 per cent) mustard seeds and 13.53 MT (17 per cent) pulse seeds became non-seeds due to (i) lack of storage facilities, (ii) poor marketing channels and (iii) lack of demand from local farmers and were ultimately sold through public auction resulting in loss of Rs 26.59 lakh to the farms.

3.1.17 Skill upgradation and human resources management

Only 2618 trainees trained during 1998-2003 at a cost of Rs 8.87 crore

In the State, seven Agricultural Training Centres (ATCs) and one non-Government training centre were set up for imparting training to both pre-service and in-service Krishi Projukti Sahayak (KPS) and also to farmers including arrangement for their study tour. Training was imparted to only 2618 trainees during 1998-2003 incurring huge expenditure of Rs 8.87 crore i.e. Rs 33880 per trainee indicating that the training centres were underutilised.

Wasteful expenditure of Rs 6.26 crore for staff attached to schemes not in operation

In the test-checked districts, 72 technical and non-technical staff appointed against five specific schemes, were deployed in the districts where these schemes were not in operation and were utilised otherwise, indicating deficient manpower management leading to unfruitful expenditure of Rs 6.26 crore on their wages during 1998-2003.

In four test-checked districts deployment of field staff was also disproportionate compared to norms (i.e. one Krishi Projukti Sahayak (KPS) for each Gram Panchayat (GP) and Krishi Shramiks (KS) to be engaged with reference to the cultivable area of the farms) which would be evident from the following table:

Name of the District	Krishi Prajukti Sahayak (KPS)				Krishi Sramik (KS)			
	Number of GP	Sanctioned strength	Men in position	GP : Men ratio	Net cultivable areas of the farms (in Ha.)	Sanctioned strength	Men in position	Men Area ratio
Cooch Behar	128	290	178	1:1.39	85.88	112	97	1:1.13
Medinipur (East)	275	288	234	1:0.85	53.02	214	212	1:4.17
Murshidabad	25	303	224	1:0.87	167.11	424	390	1:2.33
Purulia	170	171	150	1:0.88	120.18	375	361	1:3

3.1.18 Conclusion

Budget provision of the department was unrealistic as it was prepared without obtaining the actual requirement of funds from the field offices resulting in continuous savings under Plan head. Physical and financial achievements were over-reported to GOI. Procurement and distribution of seeds, fertilisers, chemicals and equipment, etc. through WBSSC over-burdened the Government exchequer.

No initiative was taken to introduce and popularise the newer varieties of seeds amongst farmers.

Distribution of untested seeds, fertilisers and chemicals frustrated the very purpose of the programmes.

Recommendations :

- Annual budget should be prepared on realistic basis by obtaining requirement of funds and monthly expenditure statements from every level.
- Financial transactions with the WBSSC should be reconciled forthwith.
- Total cultivable land under the State agricultural farms should be brought under cultivation by strengthening the infrastructure facilities.

- Sample of different seeds, fertilisers and chemicals should be tested regularly through Government testing laboratories prior to distribution.
- Agricultural inputs should be procured directly from the manufacturers/dealers instead of WBSSC to avoid extra expenditure.
- Newer variety of seeds of assured quality should be popularised among farmers to cope with the increasing demand.

These points were referred to Government in July 2003, Government stated in reply that all the issues raised by Audit are being looked into.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2 Implementation of Drugs and Cosmetics Act, 1940

HIGHLIGHTS

The Drugs and Cosmetics Act, 1940 was enacted to combat production and marketing of spurious / not of standard quality drugs and cosmetics causing serious health hazards and even death of consumers. Due to various inadequacies in implementation of the provisions of the Act in the State, the consumers were prone to serious health hazards.

Forty two cases were instituted by the Government during 1998-2003 for violation of Drugs and Cosmetics Act and Rules. Decisions of three cases went against the Government and only in one case, the accused was punished. Decisions in the remaining 38 cases were awaited. Of the sixty writ petitions filed against the Government during 1998-2002, the decisions of seven cases went against the Government while Government won only one case, details of the remaining 52 cases were not on record.

(Paragraph 3.2.3)

In Kolkata and five test-checked districts, 3488 manufacturing/selling units were operating without licence, which also led to loss of revenue of Rs 1.01 crore. No penal measures were initiated against the defaulters. Against 21837 applications received with fees during 1998-2001 for renewal of licence in Kolkata and five test-checked districts, only 347 renewal certificates were issued after conducting 3158 inspections.

(Paragraph 3.2.4)

In five test-checked districts, the percentage of shortfall in sampling of drugs ranged between 48 and 92 during 1998-2003 despite adequacy of funds for sampling. Inspection of only 4324 (5 per cent) of the 0.92 lakh licensed establishments could be conducted.

(Paragraph 3.2.5)

In violation of rules, 3094 reports were not issued in prescribed form by the State Drug Control and Research Laboratory against 6621 samples tested. Forty reports inclusive of 25 Not of Standard Quality (NSQ) reports were issued after the date of expiry of the tested medicines.

(Paragraph 3.2.6)

Several incidents of toxicity and death occurred at School of Tropical Medicine, Kolkata, Barasat District Hospital, Hooghly District Hospital and RG Kar Medical College and Hospital, Kolkata after administration of NSQ drugs. Sub-Standard drugs valuing Rs 78.85 lakh were consumed in absence of prompt and effective monitoring system.

(Paragraph 3.2.7)

Central Medical Store, Kolkata returned drugs (worth Rs 28.70 lakh) found NSQ after test to 41 suppliers during 1998-2003, but Director of Drugs Control neither seized those drugs nor initiated any penal measure against the suppliers.

(Paragraph 3.2.8)

The abbreviations used in this review have been listed in the Glossary in Appendix 42 (page)

Director, Drug Control did not take any action against 99 firms producing NSQ drugs facilitating unabated production of such drugs. Of the 378 complaints received during November 1999 to December 2002 action against 66 cases and enquiry report for 82 cases were awaited. Only 27 raids were conducted by the Director, Drug Control, during 2000-2002. No raids were conducted at all during 1998-2000.

(Paragraph 3.2.9)

The Drugs (Price Control) Order 1995 was not implemented in the State prior to 2002. There was no mechanism to check overpricing of drugs in the district offices test-checked.

(Paragraph 3.2.10)

In three test-checked districts 108 licensed shops were running without whole-time pharmacists in contravention of the Rules.

(Paragraph 3.2.12)

No action was initiated for wide publicity of the 69 categories of drugs banned by GOI to ensure non marketing/consumption of the same.

(Paragraph 3.2.13)

3.2.1 Introduction

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

At present, the Acts and Rules, apart from the Drugs and Cosmetics Act, 1940, which govern the manufacture, sale, import, export and clinical research of drugs and cosmetics in India are: The Pharmacy Act, 1948; The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954; The Narcotics Drugs and Psychotropic Substances Act, 1985; The Medicinal and Toilet Preparations (Excise Duties) Act, 1956; The Drugs (Prices Control) Order 1995 (Under the Essential Commodities Act). However, 'The Drugs and Cosmetics Act, 1940' (D & C Act) continues to be the main Act.

In West Bengal Sections 19, 27 and 32 of the D & C Act were amended to the extent that (i) the burden of proving the quality of drug would be on the person from whom the drug is seized, (ii) make the term of punishment as life imprisonment and (iii) make all offences under the Act as cognizable and non-bailable.

Main features of the Act

To ensure standards of Drugs and Cosmetics, Diagnostics and Devices.

To monitor quality of drugs and medicines imported, manufactured, distributed and sold.

To take punitive measures for dereliction of provisions of the Act.

To regulate clinical research and publication of Indian Pharmacopoeia.

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

The main functions of the State Government are (a) licensing of drug manufacturing/sales units and drug testing laboratories, (b) approval of formulations of drug for manufacture, (c) investigation and prosecution in respect of violation of provisions of the Act, (d) regulation of standards of drugs, (e) inspection and (f) recall of sub-standard drugs.

A review on the implementation of Drugs and Cosmetics Act, 1940 and other related Acts and Rules thereunder was conducted by test check of the records for the period 1998-2003 of Health and Family Welfare (H&FW) Department, Director of Drug Control (DDC), West Bengal, State Drug Control and Research Laboratory (SDCRL), two (Bankura and Murshidabad) out of four regional divisions and five (Medinipur, Bankura, Murshidabad, Birbhum and Malda) out of 16 district drug offices covering a population of 2.50 crore (31 per cent) between January and May 2003. Results of test check are brought out in succeeding paragraphs.

3.2.2 Implementing Agencies: implementation arrangement

Secretary, H&FW Department is the administrative head. Director of Drug Control (DDC) West Bengal being the Licensing Authority and Controlling Authority (LACA) is responsible for implementation of the Act at the state level. DDC issues licences to all manufacturing units in the State and to retailers/wholesalers of drugs of Kolkata, Howrah and South 24-Parganas. Issue and renewal of licences to the wholesalers/retailers of other 16 districts are controlled by four divisional offices each headed by Deputy Director of Drugs Control (DDDC) who is assisted by 16 Assistant Directors of Drugs Control (ADDC). The State Drug Control and Research Laboratory (SDCRL) is the statutory laboratory in the State for testing of drugs and cosmetic samples.

3.2.3 Statistics of Prosecutions vis-à-vis cases filed

Infirmities in the Act/Rule for prosecution:

The following infirmities in the Act/Rule for prosecution were noticed:

Under Section 27A(i) whoever manufactures for sale or for distribution or sells or stocks or exhibits or offers for sale any cosmetic deemed to be spurious under section 17C shall be punishable with imprisonment for a term

which may extend to three years and with fine. But spurious cosmetics have been defined under Section 17D and not under Section 17C which deals with misbranded cosmetics.

Rule 46

Rule 46 envisages that after analysis, the test-report is to be sent 'forthwith'. But there is no specific mention about the time limit for testing/sending test reports resulting in consumption of untested drugs before availability of the report leading even to death.

Rule 64

No clear-cut conditions were specified under drugs and cosmetics rules for storage of medicines and bulk drugs as indicated in labels (schedule P Rule 96) by the retailer/wholesaler/manufacturer.

No mention was made in D&C Act and Rules in respect of preservation of drugs stored (to be preserved in cold condition) for short spells (during transportation) resulting in violation of conditions of licence regarding preservation of properties of drugs as per Section 18C read with Rule 64.

There was no provision in the Act and Rules regarding drug licence to be obtained by the pathological laboratories for storage of blood.

Drawal of samples from consignments of imported drugs depends on the discretion of the Customs Collector (Rule 40).

Rule 72

The lacuna in the rule, that the licensee after submission of renewal application can continue to operate, on the strength of original licence, even after expiry of the licence until orders are passed on the application by the licencing authority, should be removed.

Poor progress in prosecution

It was noticed from the Case Register maintained by DDC that 60 Writ Petitions were filed in the Hon'ble High Court, Kolkata against the State Government during 1998-2002. In none of the cases, provisions of the law challenged by parties were on record. The nature of petitions for 32 cases was not on record and that for the remaining 28 cases was as follows:

Nature of petition	Number of cases filed
Inspection of selling premises	1
Selling of food supplements in chemist shop	14
Marketing of product	1
Unlicenced godown	1
Enhanced licence fee	1
Additional endorsement of products	1
Renewal of licence	1
Suspension of drug licence	1
Cancellation of drug licence	1
Grant of licence	6
	28

Of the 60 cases, the Hon'ble High Court passed orders for eight cases, of which seven orders went against the Government and in only one case the judgment was in favour of the Government. DDC did not furnish the reasons for defeat in seven out of eight cases. Details of the other 52 cases were not on record.

Scrutiny of Case Register revealed that 42 cases were instituted by the Government against firms for violation of D&C Act and Rules during 1998-2003. The details of the cases with full particulars were not on record due to non-receipt of information from the inspectors and non-maintenance of any centralised register as required to monitor the cases. Out of 42 cases, only four cases were disposed of. In three cases the accused were discharged by the Court while in one case the accused was fined and imprisoned. Decisions of 38 cases were awaited as of August 2003. The reasons for failure on the part of DDC to prosecute in three cases (75 per cent) as well as reasons for delay in finalisation of the cases were not stated though called for (August 2003).

3.2.4 Implementation of the Act : Survey and licensing procedures

Test-check of records of implementation of the Act disclosed deficiencies like non-renewal of drug licences and loss of revenue, poor coverage of sampling and inspection, adverse reaction on consumption of NSQ drugs, etc. as discussed below:

Loss of revenue due to non-renewal of licences

D&C Act envisages that all the manufacturers and dealers of drugs are required to obtain drug licences with validity period of two years (five years from the date of issue from August 2001) on payment of prescribed fees.

In test-checked units, out of 13856 eligible units only 10368 units had applied for renewal of licence up to June 2002. Thus there was a possibility of 3488 units running without renewal of licence in contravention of the statutory provisions of the Act. This not only led to loss of revenue of Rs 1.01 crore but also left scope of selling NSQ drugs, banned/expired drugs, non-observance of proper storage facility conditions and running of shops without pharmacists. The defaulting licensees were subject to penal action namely imprisonment and imposition of fines as envisaged in section 27(b) (ii).

Non-renewal of licences – loss of revenue – Rs 1.01 crore

Non-issue of Renewal Certificates (RC)

During 1998-2001, number of applications received for Renewal Certificates (RC), number of RC issued thereagainst is indicated below:

Name of the district	Number of applications received for renewal of license	Number of inspections conducted for renewal	Number of RC issued
Bankura	2206	566	9
Birbhum	2573	444	3
Malda	2032	129 ⁴	26
Medinipur	8707	1483	80
Murshidabad	4458	460	45
Headquarter			
Modern Medicine	1095	N.A.	165
Cosmetics	570	N.A.	2
Blood Banks	196	76	17
Total	21837	3158	347

Source: Application Register

⁴ only for 2001

Only 347 renewal certificates were issued against 21837 applications

During 1998-2001 against 21837 applications 3158 inspections were conducted and only 347 RC were issued, while 2811 units failed to comply with requisite conditions.

Thus, Government allowed 2811 trading/manufacturing units to run their business by depositing licence fees only without ensuring fulfilment of the essential conditions of licence. The department also failed to conduct 18679 inspections and issue renewal certificates thereon.

3.2.5 Sampling and Inspection

Dismal performance in sampling

Despite adequacy of fund shortfall in sampling ranged between 48 and 92 per cent

Sampling of drugs (Rule 52) for getting them tested is a key function of inspectors to ensure supply of standard drugs to consumers. As per instruction of the DDC each inspector was required to draw 10 samples per month each belonging to a different batch. During 1998-2003 (upto September 2003) against 38880 drug samples required to be drawn in the state by 72 inspectors, only 8236 samples were drawn indicating a shortfall of 79 per cent. During 1998-2003 shortfall in sampling ranged between 48 and 92 per cent in five test-checked districts as shown below:

Name of the district	Number of inspectors during 1998-2003	Number of samples to be drawn	Number of samples drawn from			Percentage of shortfall
			District Reserve Stores	Urban market	Rural market	
Bankura	2 to 3	1500	151	24	Nil	88
Birbhum	1 to 3	1320	81	21	Nil	92
Malda	1 to 2	360	38	35	Nil	80
Medinipur	3 to 6	2820	1104	66	Nil	59
Murshidabad ⁵	2	720	225	149	Nil	48
		6720	1599	295		72

Such poor performance in sampling left ample scope of consumption and use of sub-standard/spurious drugs and cosmetics by consumers.

Samples were not drawn for testing in respect of sera, vaccine and cosmetics. No sampling was done from interiors of districts and manufacturing premises.

Samples were also not drawn from Medical College Hospitals⁶ to ensure use of safe medicines though medicines valuing Rs 19.10 crore were procured by these hospitals during 1998-2002.

DDC stated that non-availability of vehicles and fund for stationery items, cost of sending samples, shortage of locker/malkhana were the reasons for such dismal performance.

The reply was not tenable as against Rs 29.63 lakh available during 1998-2003 only Rs 2.06 lakh were spent for sampling of which Rs 0.37 lakh was diverted for other purposes.

⁵ Records for last three years available

	Year	Value of medicines procured (Rupees in lakh)
Bardhaman Medical College and Hospital	1998-2002	673.22
Medical College and Hospital, Kolkata	1998-2002	694.69
NRS Medical College and Hospital	1998-1999	110.81
North Bengal Medical College and Hospital	1998-2002	431.73

Poor coverage in inspection of licensed units

Each Inspector was to inspect all establishments licensed for manufacture/sale of drugs within the area assigned to him not less than twice (once from September 2001) in a year.

In the test-checked districts the performance of the Inspectors during 1998-2003 was very poor as shown below:

Only 5 per cent licensed establishments of the test-checked districts were inspected

Name of the district	Number of inspectors	Number of inspections to be done	Number of inspections actually done	Percentage of shortfall
Bankura	2 to 3	9896	756	92
Birbhum	1 to 3	16507	542	97
Malda	1 to 2	5824	198	97
Medinipur	3 to 6	46364	1733	96
Murshidabad	2	13890	1095	92
		92481	4324	

ADDCs and DDC attributed the shortfall to shortage of Inspectors, non-availability of vehicles and insufficient fund for travelling allowance, etc.

In West Bengal 51 per cent of the sanctioned posts of Drug Inspectors remained vacant though Inspectors were the key functionaries to implement the D&C Act. Non-providing of such key functionaries indicated that Government was indifferent towards implementation of the Act.

The Headquarters office, Kolkata did not maintain any centralised inspection register showing the date of inspection, name of the units covered, date of issue of inspection reports, major findings, receipt of compliance reports from the manufacturing/selling units and important areas to be covered in next inspection indicating lack of State-level monitoring.

3.2.6 Working of Drug Testing Laboratories

On receipt of a sample of any drugs/cosmetics from an inspector, the Government analyst of the SDCRL was to analyse/test the sample expeditiously and furnish the report forthwith in accordance with the rules.

The performance of the SDCRL in terms of statutory samples received, samples tested, reports sent thereagainst etc. during 1998-2003 (September 2002) as per Sample Register of SDCRL was as under:

Year	Number of samples received	Number of samples tested	Number of samples not tested	Reports sent beyond 45 days but within a year	Reports sent after one year		Reports sent after date of expiry		Number of 'no opinion' reports	No. of reports not furnished in prescribed form (Form 13)		No. of NSQ samples
					SQ	NSQ	SQ	NSQ		SQ	NSQ	
					1998-1999	2045	1721	324		1448	21	
1999-2000	1852	1535	307	1000	36	3	0	6	1	298	06	77
2000-2001	1385	1153	232	474	25	3	0	6	NIL	638	16	61
2001-2002	1363	1129	244	404	1	4	NIL	-	7	859	07	83
2002-2003 (up to September 2002)	1591	1083	508	962	NIL	NIL	3	1	4	908	07	65
	8236	6621	1615	4288	83	13	15	25	14	3035	59	388

From the above it would be seen that

20 per cent samples remained untested and 3094 reports (47 per cent) not issued in prescribed form

Out of 8236 samples received/drawn (1998-2003), 1615 (20 per cent) samples remained untested (January 2003). Therefore the medicines from which these samples were drawn were marketed without ensuring the quality.

As per rules, on receipt of a sample from an Inspector for test/analysis, the Government Analyst shall forthwith supply to the Inspector a report in triplicate of the results of analysis/test, together with full protocols of the test or analysis applied. The SDCRL in gross violation of the Rule did not issue 3094 reports (47 per cent) in Form 13 against 6621 samples tested during 1998-2003 (September 2002).

Delay in sending test reports

There was delay of more than one year in sending the test report to the concerned Inspectors in respect of 13 NSQ drugs. Forty (40) reports (including 25 NSQ reports) were issued even after the date of expiry of the medicines. Fourteen reports were issued without any specific/conclusive opinion.

Out of 388 samples found NSQ, 59 reports were not in Form 13 and as a result the inspectors did not initiate any action against the concerned manufacturers.

Thus, inordinate delay in sending test reports, reports not being prepared in prescribed form, non-testing of samples, etc. defeated the objective of ensuring supply of standard medicines and the manufacturers were able to market NSQ drugs freely.

3.2.7 Testing of sample medicines and drugs – time taken for reporting and adverse impact on reporting delays

Adverse reaction of NSQ drugs

Administration of alleged drugs caused toxicity and death of patients

Director, School of Tropical Medicine, Kolkata reported (April 2000) several cases of death (April 2000) at School of Tropical Medicine, Kolkata after administration of the alleged NSQ drug Sodium Stibo Gluconate (SSG) (Batch No. SA00598) manufactured by GL Pharmaceuticals. Different batches (along with Batch No. SA00598) of the same drug caused toxic reaction on patients at Barasat District Hospital also. Seven (7) people died in Bihar by use of SSG of the same batch as intimated by DDC, WB on 3 November 2000. The firm marketed the drug on the basis of test report issued by CDL, Kolkata. SDCRL, however, declared (24 January 2000) the drug as NSQ. A case was filed (May 2000) by DDC against the firm but the Hon'ble High Court dismissed the case on the basis of CDL certificates.

Patients suffered from rigors after administration of NSQ drugs

In Hooghly District Hospital and RG Kar Medical College Hospital, Kolkata some patients suffered (March 2001) from severe rigors at the time of administration of injection of 5 per cent Dextrose (Batch Nos. 0122A0A1 and 0122A011) manufactured by Senbo. The sample of the injection was sent for testing in SDCRL where it was declared (April and August 2001) NSQ. The reasons for non initiation of penal action against the firm by DDC were not on records.

Consumption of NSQ drugs

Not of Standard Quality Drugs worth Rs 78.85 lakh were consumed

When a medicine was declared NSQ by any statutory laboratory, the DDC was to direct the manufacturers to recall the entire batch from the market to prevent its further use. Due to delay in receipt of test report as well as consequential delay in issue of specific instruction to recall the batches from the DDC, medicines worth Rs 68.21 lakh were consumed.

In the test-checked districts, the CMOHs stated that they had received the test reports only after consumption of NSQ drugs (value : Rs 10.64 lakh) by patients.

Thus, due to lack of prompt and effective monitoring, consumption of NSQ drugs could not be prevented. The matter was admitted (July 2003) by the DDC, WB.

3.2.8 Non-seizure of Drugs

Section 18 (a)(i) of the Act provides that no person shall himself or by any other person on his behalf manufacture for sale or sell or stock or exhibit for sale, or distribute any drug which is not of standard quality or is misbranded, adulterated or spurious and if such offence is committed, the Inspector could seize the stock of such drug and any substance or article by means of which the offence has been or is being committed or which may be employed for the commission of such offence [Section 22(i)(c)].

No penal measure initiated against 41 firms supplying NSQ drugs

In CMS, Kolkata, medicines worth Rs 28.70 lakh received during 1998-2003 from 41 firms were found NSQ on test and were returned to the suppliers. The DDC neither seized the NSQ drugs nor initiated any penal action as laid down in section 27 of the Act against those delinquent firms for such supply. The DDC stated (July 2003) that the fate of the NSQ drugs at the manufacturers' end was under investigation.

3.2.9 Follow-up action for samples found sub-standard or spurious - effectiveness thereof

Inadequate action against manufacturers producing Not of Standard Quality (NSQ) Drugs

Reports against manufacturers producing NSQ drugs issued by the statutory laboratories of West Bengal and other states were received by the DDC, WB for enforcing penal measures for violation of D&C Act and Rules thereunder.

The position of NSQ reports received and action taken there against during 1998-2003 was as below:

From whom reports received	Number of reports on NSQ drugs	Number of cases where show cause notices issued	Number of cases in which warnings were issued	Number of firms against which action awaited	Number of reports referred to DC of other states	Number of cases referred to the manufacturing units for inspection	Cases where product suspended	Product/ licence cancelled
State Drug Control & Research Laboratory (SDCRL)	178 *	14	7	57	10	4	32	54
Central Drug Laboratory (CDL)	35	5	NIL	15	3	NIL	8	4
Drug Controller of other States	135	16	12	27	15	20	45	NIL
	348	35	19	99	28	24	85	58

Source: Sample Register of DDC

* As per records of DDC. It differs from the SDCRL figures which recorded detection of 388 NSQ samples. The discrepancy was due to non-consolidation of all reports at State Level.

Inadequate action against firms producing Not of Standard Quality drugs

DDC had not taken any action against 99 firms (including those firms whose products were declared NSQ several times) producing NSQ drugs and took three to five months from the date of receipt of reports to initiate penal measures. There was no record to show enforcement of penalties imposed. DDC stated that enquiries were being made and final report was awaited as of July 2003.

Drugs manufactured in one State were permitted to be sold in other States. But DDC, WB did not send the Drug Controllers of other states the list of drugs declared NSQ during 1998-2003. The DDC, WB was also not aware of 320 drugs declared NSQ by the Drug Control Laboratory, Maharashtra. Due to lack of coordination among the States, the possibility of continuance of marketing of NSQ drugs originating from other States could not be ruled out. The DDC stated (July 2003) that information in this regard was not available and that network for dissemination of information from other states was yet to be developed in West Bengal.

Complaints remaining unattended

Of 378 complaint cases action against 66 cases and enquiry for 82 cases remained pending

During November 1999 to December 2002, DDC received 378 complaints for violation of D&C Act and Rules viz. selling of expired/banned/substandard medicines, sale without licence, overpricing and even adverse reaction on consumption of drugs, etc. as shown below:

Sl. No.	Nature of complaint	Total number of complaints	Action taken	Action awaited	Enquiry ordered but report of enquiry awaited	Number of show cause notices issued but reply awaited
1	Substandard Drugs	81	37	29	11	4
2	Manufacturing without licence	7	3	1	3	NIL
3	Change of constitution	7	1	1	5	NIL
4	Overpricing	22	15	3	4	NIL
5	Adverse reaction on consumption of drugs, taking of bribes, etc.	43	13	9	20	1
6	Selling of drugs without licence, selling of banned/expired/sample drugs, etc.	93	69	14	7	3
7	Raid/seize	11	8	1	2	NIL
8	Duplication of drugs	8	1	NIL	6	1
9	Others	106	71	8	24	3
		378	218	66	82	12

Source: Complaint Register

From the above it would be seen that DDC did not initiate any action in 66 cases while no enquiry report was furnished in 82 cases till date. In 12 cases show-cause notices were issued but no reply was received as of May 2003. Thus non-pursuance of complaint cases might possibly have increased unauthorised activities. The DDC stated (July 2003) that the matter was under investigation.

The ADDC, Murshidabad received 19 complaints during 1998-2003. Of these, three complaints were unattended due to non-availability of police in time. The ADDC, Birbhum had not taken any action against two complaints out of three received during 2002-2003. No record regarding receipt of complaints during 1998-2002 was available. The ADDC, Medinipur received 44 complaints during 1998-2003 but fate of those complaints was not on record. No complaint register was maintained in Malda and Bankura districts.

Seizures and searches

Inadequate raids

Only 27 raids were conducted during 1998-2002

DDC (HQ) did not conduct any raid during 1998-2000. During 2000-2002 27 raids were conducted and violation of the Act was reported in 21 cases of which records of 15 cases were made available to Audit. Scrutiny of those cases revealed following shortcomings:

- There was delay ranging between three and twenty two months in filing petition of complaint (POC) to the Court in three raids.
- In three cases the DDC had not filed petition even after lapse of two to twelve months despite receipt of case diary from the police.
- Test reports of drugs seized during five raids were awaited.
- Case diary from the police was awaited for two raids.
- Drug sample of Pyregesic (Paracetamol I.P bearing Batch No. 11002) seized (June 2002) was found NSQ on test by the SDCRL (vide their No.A.R/132 dt.28.02.2003). The above test report was not sent by the DDC to Police for completion of investigation as of June 2003.
- In Ballygunge GRPS (case No.12/2002 dated 18.6.2002) illegal manufacture of Oxytocin injection was detected on raid (June 2002) and 31900 ampules (5 mg) were seized. The Hon'ble Court ordered (July 2002) to draw samples for testing from above seized drugs but the action was awaited as of May 2003.

During 1998-2003 no raid was conducted by the Malda, Medinipur, Bankura and Birbhum district offices. In Murshidabad, out of 12 cases four test reports were not sent to police for investigation and two test reports from SDCRL were awaited.

This indicated non-existence/poor control of the DDC over the functions of inspectors in this regard.

3.2.10 *Non pursuance of Drugs (Price Control) Order (DPCO), 1995*

Government of India fixed the maximum sale price of bulk drugs as specified in the first schedule to facilitate the consumer to purchase such drugs at a fair price under Drugs (Price Control) Order (DPCO), 1995.

Scrutiny of records of DDC, WB revealed the following irregularities:

- DPCO, 1995 was not implemented in the State prior to 2002.
- Out of 540 manufacturers, as of March 2002, DDC was able to collect the price list only from 35 firms. It was seen that DDC had not taken any action against the defaulters.
- Out of 35 firms, the DDC had checked the price list of 25 firms. Fifteen overpricing cases were detected during the year 2002 and the same were forwarded to the National Pharmaceuticals Pricing Authority (NPPA) under the Ministry of Chemicals and Fertilisers. No records regarding follow-up action could be produced by DDC.

Inadequate collection of price list to check overpricing

Test-check revealed that no mechanism to check over-pricing of drugs was in place in any of the five test-checked districts due to non-availability of price list from the manufacturers.

3.2.11 *Non-return of standard medicines resulting in loss to Government*

As per Section 23 (3 & 4) of D & C Act where an Inspector takes sample of a drug (cosmetic) for the purpose of test or analysis, he shall divide it into four portions. He shall restore one portion of a sample to the persons from whom samples are taken and dispose of the remainder as follows:

Samples though declared standard were not returned for use

One portion shall be sent to the Government analyst for test or analysis.

The second portion shall be produced to the court before which proceedings, if any, are instituted in respect of the drug (or cosmetic).

The third portion shall be sent to the manufacturer of the drug or his agent for distribution, if any, whose name and address and other particulars have been disclosed under Section 18 A.

The inspectors collected samples at a cost of Rs 23.45 lakh (Rs 22.78 lakh from Government Stores and Rs 0.67 lakh from shops) for analysis during 1998-2003 from CMS, Kolkata, CMOH and markets of five test-checked districts which were declared as of standard quality. Of these, samples worth Rs 12.72 lakh (Rs 12.22 lakh from Government Stores and Rs 0.50 lakh from shops) was returnable to Government stock. But the same was not returned for use to stock resulting in loss to Government.

3.2.12 *Retail shops running without pharmacists*

As per Rule 65 of D&C Rules, 1945, drugs are to be sold on the basis of prescriptions of registered medical practitioners under the personal supervision of a registered pharmacist.

Shops were running without whole-time pharmacist

In three districts, names of 104 pharmacists (Birbhum-39, Bankura-29 and Murshidabad-36) were mentioned in the 212 licensed shops (Murshidabad-72, Birbhum-81 and Bankura-59) indicating that at least 108 shops were running without a whole-time pharmacist in defiance of the Rules.

Malda district office did not maintain any Register to indicate engagement of pharmacists in the district.

3.2.13 Production/marketing of drugs banned by GOI

Action was not initiated to ensure non-consumption of banned drugs

Whenever a drug is banned by GOI, circulars are issued to the State Drug Controllers with the direction to give wide publicity to the contents of Notification through State Association of Manufacturers, Chemists and Druggists' Journals. But no notification was issued for 69 categories of banned drugs. DDC, WB stated that circulation was not done due to paucity of fund. Sale of four categories of drugs banned by GOI was detected by the DDC as shown below:

Name of the drugs	Name of the manufacturer	Date of banning	Year of detection of sale
ENTAKON TABLETS	KONTEST Chemicals Ltd.	23.7.1983	2001
CAROFIT	AJANTA PHARMA Ltd.	23.7.1983	2002
CIZOREN Plus (1.5 mg, 5 mg, 10 mg)	STADMED	12.3.2001	2001 and 2002
H. Dol	Pharmagen India(P) Ltd.	12.3.2001	2001

3.2.14 Appointment of LACA without having requisite qualification

Appointment of LACAs without prescribed experience

Sections 49A & 50A of the D&C Act, 1940 stipulate that officers acting as Licensing Authority and Controlling Authority (LACA) should have experience for a minimum period of five years in manufacturing or testing of drugs or enforcement of the provisions of the Act. But LACAs were appointed without having requisite experience during 1998-2003.

Reasons for such irregular appointment though called for were not furnished by the Government.

3.2.15 Training

In West Bengal there was no training institute to upgrade/develop the skills of key functionaries like Inspectors for enforcing D&C Act. In reply to audit query the DDC stated that whenever any proposal was received from GOI, Inspectors were sent for such training. But in absence of records, number of such trained inspectors could not be ascertained.

3.2.16 Absence of monitoring mechanism

Non-maintenance of essential records/registers

The department did not formulate any mechanism for obtaining periodical inspection reports and returns from various levels of functionaries. Essential records/registers for inspection, sample collection, complaints and cases, etc. were not maintained centrally for effective implementation of the Act.

For disseminating information as well as for getting feedback on the functions of the DDC, meeting/interaction with the pharmaceutical industry/trade/consumers/ medical practitioners was essential. But DDC did not organise any such meeting/symposium during 1998-2003.

Implementation of the Drugs & Cosmetics Act, 1940 was never evaluated/surveyed by any agency during 1998-2003.

3.2.17 Conclusion

The department made little impact in combating the marketing of spurious/sub-standard drugs due to poor coverage of sampling, inordinate delay in sending test reports as well as failure to send the reports in proper form, poor control over licensing, lax supervision, lack of monitoring and co-ordination. Administration of NSQ drugs caused several incidents of toxicity and death in different hospitals. Production of not of standard quality and banned drugs continued unabated due to inaction/belated action of the department against the manufacturer. Consumers in the State remained exposed to serious health hazards from spurious and not of standard quality drugs.

Recommendations:

- Rules should be amended to ensure that none of the manufacturing /selling units continue to transact their business without renewal of the licences by prescribing a time limit for renewal of licences and completion of renewal formalities before date of expiry of licences.
- Time lag between drawal of drug sample by the drug inspector and issue of analysis report by the statutory laboratory should be minimized by establishment of DTL at each of the Regional Division Offices.
- Special courts/tribunals should be created for prompt and timely disposal of prosecution cases against the manufacturers / sellers of spurious/sub-standard drugs.
- Deterrent punishment should be provided against the manufacturers and sellers of spurious/sub-standard drugs so as to save the lives of innocent consumers.
- Immediate steps should be taken to fill up the vacant posts of DIs to augment the inspections and sampling.
- The Licensing Authority and Controlling Authority should be appointed having qualification as per Drugs and Cosmetics Act, 1940.
- Drug users units of the country are required to be brought under net-working with the DCGI for quick transmission of information of sub-standard/ spurious/ misbranded drugs detected.
- Adequate funds should be provided for advertisement/circulation on banned/NSQ drugs.

The matter was referred to Government in June 2003; reply had not been received (December 2003).

IRRIGATION AND WATERWAYS DEPARTMENT

3.3 Accelerated Irrigation Benefit Programme

HIGHLIGHTS

Government of West Bengal obtained Central Loan Assistance (CLA) under Accelerated Irrigation Benefit Programme (AIBP) for seven on-going irrigation projects. Five of them were to be completed within two years of availing loan and completion of the other two was to be expedited. Implementation of the projects suffered all along from weakness in planning, delayed acquisition of land, fixation of wrong alignment and selection of ineligible projects. None of the projects were completed even after a lapse of six years under the Accelerated Irrigation Benefit Programme.

Investment of Rs 9.70 crore made in two irrigation projects, wrongly selected for AIBP, was unfruitful. The first instalment of CLA of Rs one crore received for Damodar Valley Project in 1997-1998 remained unutilised during the next four years.

(Paragraph 3.3.4)

Thirty-nine per cent of the CLA could not be availed of due to failure to spend the earlier instalments together with matching State share in time. Establishment cost of Rs 4.10 crore was irregularly charged to the Programme though not permissible and Rs 1.25 crore were spent on inadmissible items.

(Paragraph 3.3.5)

None of the projects was completed. No work was executed on two projects. Irrigation potential (IP) created was only 12 per cent of the target.

(Paragraph 3.3.6)

State Government did not evolve any mechanism for monitoring the implementation of the projects and evaluation of the impact of the programme.

(Paragraph 3.3.11)

3.3.1 Introduction

Government of India (GOI) launched (1996-1997) Accelerated Irrigation Benefit Programme (AIBP) to provide interest bearing Central Loan Assistance (CLA) to help State Governments for accelerating completion of the on-going river valley, multipurpose and irrigation projects as under :

Projects each costing Rs 1000 crore (Rs 500 crore from March 1997) or more where substantial progress had been made and which were beyond the resource capabilities of the States.

The abbreviations used in this review have been listed in the Glossary in Appendix 42 (page)

Major and medium irrigation projects costing below Rs 1000 crore (Rs 500 crore from March 1997) which were in advanced stage of completion and could be completed within next two years just with a little resource.

In West Bengal seven on-going and old irrigation projects (three major, three medium, and one major inter-State) of which two projects fell under the first category⁷ and remaining five under the later category⁸, were included under AIBP during 1996-2001. Generation of 15.65 lakh hectare of irrigation potential was the ultimate target set for the projects.

3.3.2 Organisational set up

In the State, Secretary of Irrigation and Waterways Department is responsible for formulation of plans for implementation and overall management of the projects. Directorate of Irrigation and Waterways, responsible for execution, entrusted the project works under AIBP to 23 Divisions headed by Executive Engineers (EEs) under the control of eight Superintending Engineers (SEs) with three Chief Engineers (CEs) at the apex.

3.3.3 Audit coverage

Execution of project works under AIBP was reviewed in audit during February 2003 to April 2003 through test check of records of three CEs⁹, two SEs¹⁰ and five EEs¹¹ for the period 1996-2003.

3.3.4 Selection of Projects

As per AIBP, irrigation projects which had attained substantial progress and costing below Rs 500 crore, and could be completed within next two years were eligible for inclusion under the programme.

Scrutiny revealed that of the seven irrigation projects covered under the programme, one project (Subarnarekha Barrage Project (SBP)) was selected (estimated cost of Rs 595.34 crore) during 2001-2002 though it did not satisfy either of the conditions.

SBP commenced in 1992-1993 and the actual project work had not commenced at any site during nine years before inclusion of the project under the programme. Some infrastructure work only was executed at an investment of 4.69 per cent (Rs 27.93 crore) of the estimated cost. The project, therefore, had neither attained substantial progress nor could be completed within next two years. Plan for securing interest bearing loan assistance at this stage of the project was, therefore, not prudent as the interest liability was only to accrue disproportionately with physical progress. After inclusion (November 2001) of the project under the programme, there was no physical progress till December 2002 though Rs 8.12 crore was spent towards direction and administration, infrastructural development and payment of share of Chandil

Subarnarekha Barrage Project was included under AIBP in disregard to the criteria set for the programme

⁷ Teesta Barrage Project – Major, Subarnarekha Barrage Project – Major Interstate.

⁸ Damodar Valley Project – Major and Kangsabati Reservoir Project – Major. Tatko Irrigation Scheme – Medium, Patloi Irrigation Scheme – Medium and Hanumata Irrigation Scheme – Medium.

⁹ Chief Engineer-I, Chief Engineer, Teesta Barrage Project and Chief Engineer, Subarnarekha Barrage Project.

¹⁰ Superintending Engineer, Teesta Barrage Circle and Officer-on-Special Duty, Purulia.

¹¹ Mahananda Barrage Division, Mahananda Link Canal Division, Teesta Canal Division-I, Teesta Irrigation Division and Teesta Monitoring & Evaluation Division.

Dam to Jharkhand State. Thus, a total investment of Rs 36.05 crore on the project till December 2002 failed to achieve any physical progress.

Jangal Mahal Gravity Irrigation Scheme under DVP was included under the programme though land was not acquired

Jangal Mahal Gravity Irrigation Scheme taken up in 1978-1979 as a component of the Damodar Valley Project (DVP), was included under the programme during 1997-1998. The canal under the scheme was to run through the reserve forest of Jangal Mahal and required clearance from the Forest Department as well as Ministry of Forest, GOI for excavation and extension. Though such clearance was not obtained and consequently no land was acquired during 18 years since commencement, the scheme was included under AIBP. Scrutiny revealed that such clearance was not received as of March 2003. As a result, after receipt of the first instalment of the CLA (Rs one crore) during 1997-1998, there was no work on the scheme during four years till March 2003. The expenditure of Rs 1.58 crore incurred during this period on other components of the scheme was, therefore, unfruitful. Without taking possession of necessary land, inclusion of the DVP component under the programme was not, therefore, prudent. Thus, SBP and the component of DVP were injudiciously selected for the programme.

3.3.5 Financial Management

Position of State Budget grant, the CLA sanctioned and released by the GOI and expenditure incurred on the AIBP Projects during 1996-2003 as furnished by the Irrigation and Waterways Department were as follows:

Year	CLA sanctioned by GOI	State Budget Grant for AIBP	CLA released	Expenditure incurred under AIBP (inclusive of State share)
	(R u p e e s i n c r o r e)			
1996-1997	10.00	No separate	5.00	10.70
1997-1998	40.00	budget grant for AIBP	20.00	38.71
1998-1999	20.00		10.00	36.17
1999-2000	50.00	21.00	25.00	30.23
2000-2001	27.45	37.50	26.83	45.07
2001-2002	48.94	67.00	38.61	60.68
2002-2003	56.27	75.00	28.13	19.70
Total	252.66	200.50	153.57	241.26

Following points were noticed:

- State Government made consolidated provision of AIBP and Non-AIBP works in the budget of the Irrigation and Waterways Department during 1996-1999. In absence of separate provisions of the State share towards AIBP in the budget, it was not ascertainable if matching State share (in the ratio of 1:1) for the CLA received was actually provided in the budget grant of the department for the years. Veracity of the certificate regarding appropriate provisions of matching share in the budget given by the department for obtaining CLA from the GOI could not, therefore, be verified. The authenticity of the expenditure figures under AIBP for these years furnished by the department was, accordingly, questionable.
- GOI released the CLA under the AIBP annually in two equal instalments. The second instalment was admissible only after the loanee State Government spent 70 per cent of the first instalment together with its share well before close of that year and furnished expenditure figures duly concurred by the Central Water Commission (CWC) to the GOI, failing which second instalment was not admissible.

Separate budget provision for AIBP was not made for three years.

State Government failed to avail of 39 per cent of the CLA sanctioned by the GOI

CLA to the extent of 39 per cent was not availed of due to failure to spend in time the earlier instalments together with matching State share.

Diversion of Rs 1.25 crore from the AIBP fund and expenditure of Rs 4.10 crore towards establishment cost not permissible under the scope of the AIBP

- CWC prescribed items of work for which the CLA under the AIBP was not admissible. Scrutiny of records of four divisions revealed that Rs 1.25 crore was spent on inadmissible items of works e.g. direction and administration, office contingencies, work charged establishment, payment to security guards of colonies, improvement of inspection path during 2002-2003 in violation of the terms of release of the AIBP assistance. The Divisional Officers stated (March 2003) that the diversion of fund was resorted to in unavoidable circumstances and would be adjusted in future. The reply was not acceptable as the diversion of CLA was not permissible and adjustment of the diverted fund was not carried out by the Divisional Officers till May 2003.

Government of India permitted inclusion of 15 per cent of establishment cost from the State share within the scope of AIBP from February 2002 where cent per cent central funding was not available. Prior to this no establishment cost was permissible under the AIBP funding.

Scrutiny revealed that establishment cost of Rs 4.10 crore in respect of Kangsabati Reservoir Project (KRP) was charged to the AIBP during 1997-1999 though not admissible. Thus, there was irregular inclusion of establishment cost in the project cost under the AIBP.

3.3.6 Target and Achievement

In order to reach the target (6.85 hectare) set for the programme the executing authorities did not take remedial measures to remove the persisting bottlenecks such as land acquisition problems, paucity of fund, absence of organizational set up, etc. and gear up the physical progress with generation of IP. As a result, physical progress never reached the target and none of the projects was completed up to March 2003. Generation of irrigation potential was also not geared up to match the target. In four¹² projects under the scheme, the irrigation potential generated varied between 0 and 10 per cent as would be evident from the table below:

Sl. No.	Name of the Projects under AIBP	Period of commencement	Year of inclusion under AIBP	Physical progress in percentage	Irrigation potential (In thousand hectare)			Percentage of generation of irrigation potential As of March 2003	Potential utilized (In thousand hectare)
					Target AIBP for	IP created during AIBP	IP created as of March 2003		
1.	Damodar Valley Project	<u>1952</u> 2001-02	<u>1997-98</u> (5 years)	NA	30.38	Nil	485.00	Nil	461.20
2.	Kangsabati Reservoir Project	<u>March 1956</u> March 1962	<u>1997-98</u> (5 years)	98	82.66	33.00	352.00	40	323.97
3.	Teesta Barrage Project	<u>May 1976</u> 1987/2007	<u>1996-97</u> (6 years)	71	453.33	45.74	119.11	10	66.20
4.	Tatko Irrigation Scheme	<u>1976-77</u> March 1981	<u>2000-01</u> (2 years)	84	1.20	0.59	1.88	49	1.60
5.	Patloi Irrigation Scheme	<u>1976-77</u> March 1981	<u>2000-01</u> (2 years)	72	2.16	0.07	0.07	3	0.05
6.	Hanumata Irrigation Scheme	<u>1976-77</u> March 1981	<u>2000-01</u> (2 years)	90	1.25	1.11	2.62	89	1.51
7.	Subarnarekha Barrage Project	<u>1994-95</u> 2011-12	<u>2001-02</u> (1 year)	04	114.20	Nil	Nil	Nil	Nil
			Total		685.18	80.51	960.68		854.53

¹² Damodar Valley Project, Teesta Barrage Project, Patloi Irrigation Scheme and Subarnarekha Barrage Project.

Irrigation potential created from the projects taken under AIBP was only 12 per cent of the target.

Potential created from the projects under AIBP period was only 12 per cent (0.80 lakh hectare) of the target. The TBP, the largest irrigation project in the State generated only 10 per cent (0.46 lakh hectare) of the target (4.53 lakh hectare) in six years under the programme. As per report furnished by the Chief Engineer, TBP, Irrigation potential generated from the TBP till March 2003 was 1.19 lakh hectare only against ultimate target of 5.267 lakh hectare. The data obtained from the Administrator (Chief Engineer), Teesta Command Area Development Authority, Siliguri, indicated IP of 1427.5 hectare only created from the TBP. Further, in the report on Tenth Five-Year Plan 2002-2007 and Annual Plan 2002-2003 brought out by the department, generation of irrigation potential against TBP was shown as 91310 hectare.

Thus, the actual status of potential generation from TBP was not ascertainable. Similarly, authenticity of the figure of utilization of 66200 hectare furnished by the Secretary, Irrigation and Waterways Department was questionable as the Teesta Command Area Development Authority reported the creation of total field channel of 1427.5 hectare only.

Non-achievement of target in the DVP was due to non-acquisition of land for construction of a main canal through Jangal Mahal Reserve Forest and that in the TBP were paucity of fund, non-acquisition of land for developing distributory system, abnormal delay in construction of Railway crossings while the delay in Tatko, Patloi and Hanumata Schemes was due to land acquisition and local problems created by the land owners. In the case of SBP, the work was initially impaired for want of adequate organizational set up, shortage of fund, non-acquisition of land for Barrage and Canal system and non-receipt of administrative approval.

Non-utilisation of potential created was due to wastage of water by leakage in the KRP and non-creation of adequate field channels in TBP.

3.3.7 Other major irregularities

Avoidable extra expenditure of Rs 33.73 lakh due to use of excess materials

Use of higher proportion of cement in 2.50 lakh machine made concrete tiles resulted in avoidable extra expenditure of Rs 33.73 lakh.

Executive Engineer, Teesta Canal Head Quarters Division (EE) entrusted (March 1999) the work of manufacture and supply of 2.50 lakh machine made concrete tiles at a total cost of Rs 1.94 crore (at Rs 77.90 each) for lining work in canal under Teesta Canal Circle to M/S. Valley Prefabs. The tiles each of the size of 800 mm x 600 mm x 75 mm were to be manufactured following trial mix 10-A and to conform to IS-383 in order to attain flexural strength of 50 kg.

The agency manufactured the tiles on the basis of specification furnished by EE and was paid Rs 1.94 crore in March 2002 for supply of stipulated quantity of tiles. EE's specification and the quantity of materials determined and used by the agency for each tile were as under :

Materials	EE's specification (Ratio by weight)	Quantity used by agency for each tile
Cement	50.00 kg	11.70 kg
Fine aggregate	116.50 kg	21.76 kg
Coarse aggregate	182.50 kg	46.10 kg

Executive Engineer, Teesta Quality Control Division (TQCD) responsible for ensuring quality of tiles, prescribed a standard design mix under M-10 for the tiles by volume corresponding to weight ratio as under :

	Ratio	
	By volume (litre)	By weight (kg)
Cement	35	50.00
Fine Aggregate	100	125.71
Coarse Aggregate	200	320.00

On the basis of specification of the TQCD, requirement of cement for each tile was 7.2028 kg against 11.7 kg used by the agency. Thus, 4.4972 kg of cement was used in each tile in excess of actual requirement and for 2.50 lakh tiles, the quantity of excess cement used was 1124.3 tonne valued at Rs 33.73 lakh at the accepted rate.

Scrutiny revealed that the EE did not get the sample tested by the TQCD for strength though essential before manufacture of the tiles. The former carried out quality test in his division when flexural strength of the tiles was found to be 59 kg against designed flexural strength of 50 kg. Thus, use of higher proportion of cement in the tiles resulted in extra expenditure of Rs 33.73 lakh.

Fund for land Acquisition Compensation not disbursed and possession of land not taken over

Rs 45.28 lakh paid to the LA Collector for land acquisition compensation was blocked for more than one year.

Executive Engineer (EE), Mahananda Link Canal Division placed Rs 20.28 lakh with Land Acquisition Collector, Jalpaiguri during January and February 2002 for acquisition of 18.491 acres of land for Teesta Barrage Project. Possession of land was not received till March 2003 as the LA Collector did not make payment of compensation to the affected land owners. The Divisional Officer also did not pursue with the LA Collector for early delivery of possession of the required land with disbursement of due compensation.

Scrutiny further revealed that Rs 25 lakh was also provided to the LA Collector, Jalpaiguri in January 2002 for acquisition of land. Particulars of land to be acquired and the purpose for which such land was required were not made available by the Divisional officer. Thus, Rs 45.28 lakh paid to the LA Collector on account of the LA compensation was blocked for more than one year.

3.3.8 Loan repayment

Details of repayment of both principal and interest against the Central Loan Assistances received were not available

As per conditions of release of the CLA under the AIBP by the GOI, the loan was repayable by the loanee State Government in 20 annual equal instalments together with interest accrued thereon from the following year. However, 50 per cent of the loan would enjoy five years initial grace period after which repayment was to be effected in 15 annual equal instalments. The amount repayable annually was to be recovered in 10 equal monthly instalments. In the event of default in the repayment of principal and/or interest, penal interest

at rates prescribed by the GOI was chargeable on all overdue instalments. From 1998-1999 onwards the CLA under the AIBP was to be treated as part of block loans released by the GOI for different State Plan Schemes. State Government received the CLA aggregating Rs 153.57 crore during 1996-2003 under the AIBP. Accordingly, repayment of principal of Rs 8.60 crore together with interest of Rs 41.97 crore fell due for payment till March 2003. As per records available, State Government made repayment of principal of Rs 91.67 lakh together with interest of Rs 3.66 crore. Regarding repayment of balance of Rs 7.68 crore and interest of Rs 38.31 crore information was neither available from records nor furnished by the Department.

3.3.9 User's Association and Public participation

No user's association was formed for effective management of irrigation water

No beneficiary association was formed in any project for effective management of irrigation water, proper maintenance of created potential and recovery of user charges, etc. though irrigation benefits to certain extent were being derived from five of the seven AIBP Projects. The Department did not evolve any mechanism either for the purpose. As a result, the assets created so far were susceptible to early damage. State Government did not also initiate any programme for public participation in the project activities though involvement of the public from the initial stage of implementation was crucial for success of the projects.

3.3.10 Operation and maintenance of assets created

Records of created assets as well as number of non-functional and unutilized assets were not maintained

The Department had no system of management of the assets created at different stages of implementation of the irrigation projects. It did not maintain any inventory of created assets. It could not, therefore, furnish information about the number of created assets which were operational and releasing assured irrigation water to the targeted farmers as well as number of non-functional and unutilised assets. Even the number of created assets handed over to the users for utilisation was not available.

The project authorities were carrying out the maintenance of the created assets and charging the cost of maintenance to the project cost though the same was to be borne by the beneficiary association. No separate set of figures for the cost of maintenance of such created assets was kept by the department as there was no separate budget provision for operation and maintenance of such assets.

3.3.11 Monitoring and Evaluation

There was no monitoring system at the State and project levels

Government did not form any monitoring committee at the State level to centrally monitor the implementation of the irrigation projects as was envisaged under the AIBP. The only Monitoring Division set up for the TBP did not perform any monitoring work.

The result was that the projects were languishing even after lapse of six years under the AIBP.

The remedial measures suggested by CWC were not acted upon

Central Water Commission responsible for monitoring the works of implementation of the projects at central level in its monitoring reports to the project authorities suggested (February 2000 and February 2001) remedial measures to overcome the bottlenecks. Project authorities were, however, indifferent to the suggestions and did not take any action thereon to expedite completion of the projects.

The State Government did not introduce any system of evaluation of the impact of the irrigation projects.

3.3.12 Conclusion

Generation of irrigation potential was very low. CLA sanctioned by the GOI was not availed of in full as slow progress deferred the utilization of the CLA already received together with matching State share. Bottlenecks persisting since commencement of the irrigation projects were not removed to reach the target under AIBP. As a result, CLA yielded no appreciable result except liability of growing interest. Financial mismanagement led to diversion of funds and irregular expenditure while lack of pursuance resulted in blocking of funds.

Recommendations:

- Government may expeditiously obtain clearance from the Forest Department/Ministry of Forest for construction of Main Canal through reserve forest in the Damodar Valley project
- Immediate steps may be taken to remove the land acquisition problems.
- Proper monitoring arrangements should be ensured at the project and state levels.

The matter was sent to the Secretary to the Government on September 2003. No reply was received from the Secretary (December 2003).

**WOMEN AND CHILD DEVELOPMENT AND SOCIAL
WELFARE DEPARTMENT**

3.4 Welfare of Handicapped

HIGHLIGHTS

For welfare of the handicapped three Acts were enacted by Government of India during 1992-1999. Due to lack of supervision and monitoring in implementing various programmes, handicapped people were deprived of medical aids, prosthetic aids, education and employment opportunities.

Of Rs 2.57 crore received from GOI in 1999-2002 under National Programme for Rehabilitation of Persons With Disabilities (NPRPD) Scheme, only Rs 66.81 lakh was released after seven to 19 months while balance of Rs 1.90 crore was retained in bank account.

In Medinipur district under NPRPD scheme Multipurpose Rehabilitation Workers (MRW) were not recruited as required and in Dakshin Dinajpur district though 13 out of 16 MRWs were recruited no training was imparted to them. Out of 1028 Community Based Rehabilitation Workers (CBRW) required, only 698 were recruited and 504 trained during 2001-2002. Due to non/short engagement of CBRWs and MRWs the work of providing necessary services to the handicapped remained almost unattended.

(Paragraph 3.4.7)

Performance of the District Rehabilitation Centre was below average.

(Paragraph 3.4.8)

In Murshidabad district only 2 to 10 per cent identified disabled were provided with aids and appliances against the target of 70 per cent. The nodal officer, Murshidabad attended district disability rehabilitation centre (DDRC) for 47 days only during the period of 34 months from November 2000 to August 2003. Prosthetic aids were released without considering type of disability and recommendation of the doctor.

(Paragraphs 3.4.9 & 3.4.10)

Only 10 camps for issue of identity cards were held in three districts. Information on organising camps in other districts was not available and 89 per cent of the handicapped people of the state remained without identity cards.

(Paragraph 3.4.12)

Identification of posts for reservation of disabled was not done by the State Government in disregard to the provisions of the Act. Of 0.73 lakh disabled registered unemployed, 0.16 lakh cases were forwarded and only 662 (below one per cent) were provided with jobs.

(Paragraph 3.4.13)

Action for creation of barrier-free environment for handicapped was initiated only in 2003. Programmes for preferential allotment of land at concessional rates were not taken up in right earnest.

(Paragraphs 3.4.14 & 3.4.15)

Under self-employment scheme out of 652 cases loans were disbursed to only 342 cases (52 per cent) while processing of loan applications was delayed upto 14 months.

(Paragraph 3.4.17)

3.4.1 Introduction

Disability is a global phenomenon. Persons with Disabilities (PWD) are subjected to neglect, isolation, poverty, deprivation and pity. For the welfare of the handicapped, three (3) Acts known as Rehabilitation Council of India Act 1992, Persons with Disabilities Act 1995 and the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act 1999 were enacted.

3.4.2 Organisational set up

In the State, Women and Child Development and Social Welfare Department implements these plans/programmes through Director, Commissioner (disabled), District Magistrate (DM), block level officer, and non-government organisations. PWD Act 1995 provides for setting up of a State Coordination Committee (SCC) and State Executive Committee (SEC) to monitor the implementation of the Acts.

3.4.3 Audit Coverage

Records pertaining to 1998-2003 of the Government, Directorate and four out of 19 DMs, and corresponding block officers, non-government organisations (NGOs) of four selected districts (Bardhaman, Medinipur, Dakshin Dinajpore and North 24-Parganas) were test-checked in audit during November 2002 to May 2003. Records of DDRC in Jalpaiguri and Murshidabad districts were also test-checked in September 2003.

3.4.4 Pattern of financial assistance

Implementation of the various programmes viz. providing prosthetic aids and appliances, disability pension, economic rehabilitation grants, etc. was funded by the State Government while GOI released fund for National Programme on Rehabilitation of Persons with Disabilities (NPRPD) through bank draft. GOI also granted loan to State Channelising Agency (SCA) through National Handicapped Finance Development Corporation (NHFDC) under self-employment scheme. Non-government organisations (NGOs) working on welfare of the handicapped also got assistance direct from GOI.

3.4.5 Allotment of fund and expenditure thereagainst

Out of 13 departments concerned with welfare activities of the disabled, only four departments made budget provisions and incurred expenditure thereagainst during 1998-2003 as shown below :

Name of the Department	Alotment	Expenditure	Excess	Savings
	(R u p e e s i n c r o r e)			
Education	28.97	21.10	-	7.87
Health	11.22	19.94	8.72	-
Labour	0.21	0.26	0.05	-
Social Welfare	27.52	26.60	-	0.92
Total	67.92	67.90		

3.4.6 Physically handicapped scenario in the State

National Sample Survey (NSS) of India conducted (1991) survey and brought out following scenario of handicapped in the State:

1) Literacy	Urban area (percentage)	Rural area (percentage)
Illiterate, etc.	44	64
Education upto secondary level	13	03
2) Usual activities		
Regular employment	12	03
Beggars	04	01
Domestic help	27	27
3) Locomotor disability due to		
Polio	17	20
Injuries	27	23
Leprosy	09	04
Unspecified	22	34
4) Status of living		
Living alone	07	03
Living with others	89	92

It would appear from above that general education was very discouraging, employment facility was meagre, locomotor disability was caused by polio, leprosy, injuries and other unspecified reasons and the disabled had little acceptance in family and society.

No survey to identify handicapped was taken up

Though the PWD Act, 1995 came into force in January 1996, Government did not make any effort to ascertain the number of handicapped. No survey work, research, investigation and training, etc. were conducted at any level for early detection of disabilities to minimise the growth of handicapped frustrating the very purpose of prevention and early detection of disabilities.

The Women and Child Development and Social Welfare Department stated (September 2003) that on receipt of survey report from the census authority for 2001 the handicapped scenario of the State would be analysed.

3.4.7 National Programme for Rehabilitation of Persons with Disabilities (NPRPD)

The NPRPD scheme was initiated to provide services to persons with disabilities, create awareness for prevention of disabilities and to provide services like physiotherapy, occupational therapy, audiological assessment, assistive devices, educational services and vocational training. Medinipur and

Dakshin Dinajpur districts were earmarked for implementation of NPRPD scheme in the state.

As per guidelines of the scheme the Community based Rehabilitation workers (CBRW) would undertake screening of 'at-risk' cases of children and mothers (pre/post-natal, expectant) to provide counselling and advice for prevention of disability as well as referral services to avoid occurrence of disability. Two CBRWs for each Gram Panchayat (GP) and two Multipurpose Rehabilitation workers (MRWs) for each block were to be recruited and trained.

The Directorate did not spend GOI assistance of Rs 1.90 crore for rehabilitation of handicapped and kept it in bank

Of GOI assistance of Rs 2.57 crore received during 1999-2002, State Government released only Rs 66.81 lakh through its Directorate to 12 NGOs (Rs 19.90 lakh), DM Medinipur (Rs 34.29 lakh) and DM Dakshin Dinajpore (Rs 12.62 lakh) during December 2000 to December 2002 after a delay of seven to 19 months while the Directorate retained Rs 1.90 crore (as of June 2003) in its bank account without any recorded reason. As a result, lot of activities remained unachieved as shown below:

Inadequate recruitment of rehabilitation workers

In Medinipur district no MRW was recruited and out of 1028 CBRWs required, 698 were recruited (68 per cent) and only 504 (72 per cent) of them were trained during 2001-2002; no further training was conducted as of June 2003.

In Dakshin Dinajpur district though 13 MRWs out of the requisite 16 were recruited during 2002-2003, no training was imparted to them as of June 2003.

Due to non/short engagement of CBRWs, MRWs and parking of fund, the work for rehabilitation of the handicapped remained almost unattended.

3.4.8 Working of District Rehabilitation Centre

A centrally sponsored District Rehabilitation Centre (DRC) was established (December 1983) within the premises of Kharagpur State General Hospital to provide comprehensive rehabilitation services to rural disabled at the door step through the WCD&SW department.

Performance of the DRC during 1998-2003 was as under:

Nature of work	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Number of assessment clinics held	75	73	56	48	48
Number of follow up clinics held	35	35	37	24	24
Number of cases assessed/identified	224	204	936	396	481
Number of cases followed up/assessed	1210	663	450	466	565
Number of cases provided therapy	1234	843	Nil	Nil	Nil
Number of surgical corrections done	Nil	Nil	Nil	Nil	Nil
Number of cases fitted aids/appliances	Nil	35	Nil	Nil	174
Public awareness/social rehabilitation programme	61	90	41	67	130
Education service provided	22	53	69	13	18
Vocational rehabilitation programme	25	43	149	Nil	20

It would appear from above that surgical corrections were not done (1998-2003), therapy had been discontinued from 2000-2001, aids/appliances could not be provided in three years (1998-2002) and services related to assessment clinic, follow-up clinic, education and rehabilitation declined during 1998-2003. The Ministry of Social Justice and Empowerment also

opined in December 2001 that the DRC had below average performance. The poor/shortfall in achievement was attributed (June 2003) by the DRC authority to inadequacy of space, shortage of physicians, staff and vehicles, abolition of post of physician, etc. The workshop of the DRC remained closed since 1997.

During 1998-2003, ear mould technicians (EMT), driver and cobbler employed in the DRC remained idle since (i) no fund towards purchase of 34 requisite instruments required for EMT was provided (ii) workshop remained closed as a result of which the cobbler could not work inspite of having requisite equipment (iii) the vehicle lying out of order could not be repaired for want of fund. Thus Rs 7.90 lakh incurred on their salaries during 1998-2003 was unfruitful.

3.4.9 Workings of District Disability Rehabilitation Centres (DDRC)

The DDRCs were created for ensuring provision of comprehensive rehabilitation services to the handicapped of the district. Scrutiny of records of DDRCs, Murshidabad and Jalpaiguri disclosed the following:

DDRC, Murshidabad

The DDRC, Murshidabad started functioning from December 2001. Performance of the DDRC for the period upto August 2003 was as under:

Nature of disability	Identified and Registered	Aids and Appliances		Disability certificate issued
		Prescribed	Distributed	
Orthopaedically Handicapped	7341	4205 (57)	208 (3)	1082 (15)
Visual Handicapped	2028	1275 (63)	40 (2)	333 (16)
Hearing Handicapped	2134	1229 (58)	220 (10)	303 (14)
Mentally Retarded	850	-	-	45 (5)
Multiple handicapped	530	131	-	02 (< 1)

(Figures in parenthesis show percentages of cases identified and registered)

As per guidelines 70 per cent of identified disabled were to be provided with Aids and Appliances (AAP) within two years (first year – 30 per cent and second year – 40 per cent) whereas only 2 to 10 per cent of identified disabled (OH, VH, HH) were provided with AAP and Multiple Handicapped people had not been provided with any AAP.

It also appeared that disability certificates were issued to less than one per cent of multiple handicapped people while for other type of disabled it ranged from 5 to 16 per cent under DDRC, Murshidabad against target of 90 to 100 per cent.

Further, the DDRC, Murshidabad received two demand drafts of Rs 5 lakh each in October 2001 and October 2002 from Ali Yabar Jung NIHH (AYJNIHH), Mumbai. The DDRC authority did neither produce accounts records, nor furnish details of expenditure, though called for, on the plea that these would be available at NIHH Mumbai. The reply was not tenable as the DDRC, Jalpaiguri utilised Rs 10.01 lakh received in December 2000 (Rs 5.01 lakh) and March 2002 (Rs 5 lakh) from AYJNIHH, Mumbai and produced accounts record to audit for verification.

The Nodal Officers (NO), Murshidabad and Jalpaiguri were holding the charge in addition to their normal assignment at NIHH Kolkata. During the period of November 2000 to August 2003, NO, Murshidabad attended the DDRC for a paltry 47 days.

DDRC, Jalpaiguri

The DDRC, Jalpaiguri was set up in November 2000. In Jalpaiguri district, of 12696 identified disabled, AAP was provided to 2100 disabled (17 per cent). The break up of the same was, however, not ascertainable from records produced to audit. NO, Jalpaiguri did not produce records of his visits at DDRC.

Shortfall in performance was attributed by the DDRC authorities to inadequate and irregular supply of AAP, delayed starting of workshop, non-posting of prosthetic-orthotic engineer and non-furnishing of income certificate by the disabled.

3.4.10 Scheme on Prosthetic aid

The scheme was implemented in the State through Assistant Commissioner (Disabled) (ACD) during 2001-2003 to assist needy disabled persons in procuring modern standard durable aids and appliances and Rs 1.04 crore was released to different DSWOs during 1998-2003. No records were maintained showing procurement and utilisation of aid materials purchased, though certificates were issued showing utilisation in full.

Under the scheme, of Rs 5.03 lakh released to the Indian Red Cross Society (IRCS) Bardhaman Branch during 1998-2003 for distribution of aids and appliances to the disabled, utilisation certificate of Rs 1.35 lakh (Rs 1.05 lakh and Rs 0.30 lakh disbursed in March 2002 and February 2003 respectively) was awaited as of March 2003.

Purchase and distribution of aids and appliances (Rs 3.56 lakh) during 1998-2002 in Medinipur could not be verified in audit due to non-availability of records.

In none of the offices test-checked the type of disability was enquired, certificates of physical handicap, recommendation of the doctor for prosthetic aid or photograph showing disability were obtained for releasing aid. The DSWOs did not take any comprehensive follow-up action to ascertain the extent of defects rectified or improvement in the condition of the disabled for enabling them to come to the main-stream of life.

3.4.11 Disability Pension

Government incurred an expenditure of Rs 3.85 crore on disability pension to 0.22 lakh handicapped on an average during 1998-2003.

Delay in scrutinising applications for disability pensions

In Bardhaman district, 158 applications for disability pension received during May 1997 to December 2002 were not even scrutinised as of March 2003 by DSWO Bardhaman without any recorded reason.

Government stated (September 2003) that no further pensions could be sanctioned until the quota of beneficiaries was revised.

In test-checked districts disability pensions were sent to the beneficiaries through money order. But the money order acknowledgement in support of receipt of pension was not made available to audit. Government admitted in September 2003 that in most cases the money order receipts were not received from the postal authorities. The matter should be taken up with the postal authorities immediately.

3.4.12 Issue of identity cards

Identity cards were required to be issued to each disabled person on the basis of which only the disabled person could avail of the facilities meant for the disabled.

Only 10 camps were held (2000-2001) in three districts (Medinipur, South 24 Parganas and Purulia) and 1105 identity cards were issued from these camps. No information was available from other districts on organisation of such camps.

Up to January 2003, 0.76 lakh identity cards were distributed against seven lakh disabled indicating that 89 *per cent* of the handicapped people of the state remained without identity cards.

3.4.13 Placement of disabled persons in service

As per PWD Act, 1995, 3 *per cent* of vacancy is required to be filled up by PWD, of which one *per cent* shall be reserved for persons suffering from i) blindness or low vision, ii) hearing impairment and iii) locomotor disability or cerebral palsy. No such identification of posts was however, made by the State Government as of September 2003.

The Commissioner (Disabled) stated (June 2003) that no scheme was formulated by Government or local bodies for ensuring employment of handicapped people.

Inadequate employment through employment exchanges

In the State, of 0.73 lakh registered (up to 2002-2003) unemployed, only 662 got employment against 0.16 lakh sponsored by the employment exchanges during 1998-2003.

Out of 15367 disabled persons registered in Special Employment Exchange, Kolkata and four test-checked employment exchanges up to 31 March 2003, 2691 persons were sponsored and only 140 were employed.

No special cell for dealing with employment of handicapped was opened in any employment exchange though Rs 19.74 lakh was spent for the purpose. Details of expenditure were not furnished by the Directorate though called for.

As per rules, the employer was required to furnish quarterly and six monthly returns indicating vacancies but during 1998-2003, only two establishments in Bardhaman district and five establishments in North 24-Parganas district reported vacancies.

Nature of disabilities was not mentioned in employment notification

The DEO, North 24-Parganas stated (March 2003) that the State Government establishments while notifying vacancies reserved for PWD, did not mention the particular nature of disability against which the post was reserved. As such while sponsoring candidates the nature of disability suitable for the post could not be considered.

3.4.14 Provision of barrier-free environment

Section 45 of the PWD Act, 1995 directs the appropriate department to (a) install auditory signals in public roads for visually handicapped, (b) cause curb cuts and stop for wheel chair users, (c) engrave on the surface of zebra crossings for the blind and (d) put up warning signals at appropriate places.

Section 46 of the Act directs the appropriate department to initiate barrier-free environment by arranging for (a) ramps in public places, (b) toilets for wheel chair users and (c) braille symbols and auditory signals in elevators or lifts, etc.

Belated initiation for creation of barrier-free environment

The Government Chief Architect issued order only in March 2003 to all concerned to implement provisions as per the Act. It was observed by the Commissioner (Disabled) in the Annual Report (2001-2002) that the lowest priority was accorded to create barrier-free environment despite several requests and meetings.

3.4.15 Preferential allotment of land

Under Section 43 of the PWD Act, 1995, the Government and local authorities are required to frame schemes for preferential allotment of land in favour of PWD at concessional rates for (i) houses, (ii) setting up business, (iii) setting up of special recreation centres, (iv) establishment of special schools/ research centres, and (v) establishment of factories by entrepreneurs with disabilities.

Inadequate allotment of land at concessional rate

The district authorities of three (3) test-checked districts (North 24 Parganas, Dakshin Dinajpur and Bardhaman) did not initiate any action for preferential allotment of land while in West Medinipur 0.082 acres of land were allotted to a blind madrasa school for construction of hostel, vocational training centre and institute for treatment of orthopaedically handicapped or orphan children.

The Land and Land Reforms Department of the Government did not furnish any report though called for (January 2003). The WCDSW (nodal) department stated that no application for preferential allotment of land was received by them as of June 2003.

3.4.16 Research and manpower development

Implementation of research programme not started

As per section 48 of the PWD Act, 1995 Government and local authorities were to promote and sponsor research for prevention of disability, rehabilitation, development of assistive devices, etc. and provide financial assistance to educational institutions for undertaking research in special education, rehabilitation and manpower development. Commissioner (Disabled) stated (June 2003) that no such activity was initiated so far.

3.4.17 Self employment scheme of handicapped persons in collaboration with NHFDC

The National Handicapped Finance Development Corporation (NHFDC) was set up in 1997, aiming at economic rehabilitation of the handicapped. The Women's Development Undertaking, Salt Lake City, Kolkata acted as State Channelising Agency (SCA).

Loans were distributed to 342 cases out of 652

During 1998-2000, SCA did not receive any application. During 2000-2003, 652 applications were received from the DSWOs. Of which 380 (58 per cent) were sanctioned (305 cases by NHFDC and 75 cases by SCA) involving Rs 1.67 crore and loan of Rs 1.49 crore was disbursed in 342 cases as of August 2003. Remaining 272 cases were to be forwarded to NHFDC. The reason for shortfall was not on record.

There was delay of one to five months in forwarding loan applications and that too without exercising proper check to the SCA by the DSWOs. The SCA in turn took two to 14 months in sending applications to the NHFDC after rectifying the shortcomings in the applications detected by it resulting in overall delay in disbursement of loans to beneficiaries. Thus inaction on the part of DSWO vis-a-vis SCA resulted in inordinate delay in disbursement of loans.

The DSWO North 24 Parganas did not maintain any record of applications sent to the SCA.

The performance was not encouraging and the Principal Secretary WCD&SW department in January 2002 requested all District Magistrates to exercise efforts and personal attention to reach the disadvantaged group by way of wide publicity and sympathetic attitude. Action taken if any by the DSWOs to improve the performance was not on record.

3.4.18 Irregularities in payment of scholarship to PH students

Irregular release of fund for scholarship

The scheme of scholarship for disabled persons was introduced during 1998-1999, and Rs 1.06 lakh relating to the period 1994-1998 was paid by the District Mass Education Extension Officers (DMEEOs) of North 24 Parganas, Medinipur and Dakshin Dinajpur during 1998-2002.

In five test-checked districts during 1998-2003, Rs 32.10 lakh were disbursed; utilisation certificates and acquittance roll for Rs 18.63 lakh were awaited as of June 2003.

Payment of scholarship in contravention of Rules

In North 24 Parganas district scholarship was awarded to candidates scoring less than 40 *per cent* marks in contravention of Act/Rules and without obtaining self declaration for non-receipt of any other financial assistance.

Fraudulent payment of scholarship

One candidate was awarded scholarship thrice for the same period resulting in fraudulent payment. Steps were taken for recovery by the DMEEEO North 24-Parganas at the instance of Audit.

In Bardhaman district signature of the same orthopaedic surgeon in medical certificate of a candidate did not tally with the signature in medical certificates of two other candidates. The matter may be investigated.

The following irregularities were noticed in Medinipur district:

- Rupees 13.50 lakh pertaining to 1999-2000 (Rs 5 lakh), 2000-2001 (Rs 3.50 lakh) and 2001-2002 (Rs 5 lakh) was shown as disbursed on the very date of drawal (23-02-2000, 30-03-2001 and 11-02-2002), whereas test check revealed that disbursements were actually made between May 2000 and May 2002 which resulted in incorrect exhibition of cash balance. This was indicative of the fact that regular physical verification of cash was not conducted.
- Scholarships were paid in advance on 23 February 2000 to 53 candidates for the period from May 2000 to April 2001, whereas as per rule not more than one month's scholarship can be paid to a scholar at a time except for past periods.
- Rupees 7.42 lakh was paid to 461 candidates not authorised by head of the institutions.
- During 2002-2003, Rs 3.33 lakh were drawn before selection of beneficiaries.
- Applications of the candidates for the entire period were not produced to audit. Hence, disbursement of Rs 14.19 lakh during 1998-2002 to proper payees remained unverified in Audit.

Unauthorised payment of scholarships

In Murshidabad district

- Scholarship of 31 students had to be refunded to treasury by DMEEEO Murshidabad as the concerned institutions did not collect the fund inspite of several reminders.
- Scholarship for a student relating to the period from May 2001 to April 2002 was drawn twice in February 2002, in the same bill.
- One student was awarded scholarship showing him as a student of class XII in the session 2001-2002, though he passed Higher Secondary Examination in 1998. Moreover, he obtained 36.30 *per cent* marks (below 40 *per cent*) in HS (1998) and the application form was also tampered.

Irregular sanction of scholarship

Another student passed BA Examination in 1999 and applied for scholarship as a first year BA student in September 2001. His scholarship was sanctioned by DMEEEO.

Intervention of the head of the institutions, however, resulted in refund of the amounts to the treasury. The DMEEEO admitted lapses and stated that (September 2003) proper checks would be exercised to avoid such lapses in future.

3.4.19 Release of maintenance grants to institutions

There were 110 institutions for handicapped in the State under Mass Education Extension Department. Of 110 institutions, 39 were sponsored, 37 were aided and 34 were recognized by the Government.

Utilisation certificates for Rs 9.71 crore were pending with the grantees

Directorate of Mass Education Extension disbursed Rs 10.12 crore to 78 institutions during 1998-2003 towards salary, contingency, purchase of equipment, construction of buildings, etc. with the stipulation that utilisation certificates were to be submitted to the Directorate. Utilisation certificates for Rs 0.41 crore were only available with the Directorate as of June 2003.

As per prescribed norms handicapped hostelers are entitled to get hostel allowance at the rate of Rs 400 per month. One institution, Baidyapur Bikash Bharti in Bardhaman district did not maintain any record for expenditure of Rs 6 lakh spent during 1998-2003 on purchase of rice, vegetables, spices, etc. for the hostel students. The institution stated (September 2003) that necessary records were being maintained now.

Two institutes at Murshidabad (Maharani Nilima Probha Institutes and Jhunka Pratibandhi Alok Niketan) received grant of Rs 85.49 lakh during 1998-2003. As the records were not produced by the institutes, utilisation of Rs 85.49 lakh could not be verified in Audit.

Government did not take up any specific programme for imparting non-formal education to the disabled and no arrangement for designing and developing new assistive devices, teaching aids, special training materials was made. The Mass Education Extension Department stated (July 2003) that special programmes were undertaken though records thereof were not furnished nor was there any budget provision for such programmes.

3.4.20 Review conducted by the Commissioner (Disabled) at a glance

Commissioner (Disabled) in the report published in July 2002 observed as follows:

- Establishments in public sector and autonomous bodies denied 3 per cent reservation to PH in most instances. Autonomous bodies, universities and other academic institutions clearly exhibited resistance.

Deficiencies pointed out by the Commissioner (Disabled) remained unattended

- Though disabled persons neither could be reduced in rank nor dispensed from service on acquiring disabilities, yet several establishments were doing so in violation of PWD Act, 1995.
- Specialised agencies conducting recruitment on behalf of Government and public sector did not provide (i) scribe writer to blind and low vision candidates; (ii) alternative questions in lieu of purely mathematical, pictorial and graphical questions; and (iii) extra time to candidates writing with the help of scribe.
- Several establishments laid down standards of medical fitness in such a fashion as to deny persons with disability of employment opportunities.
- In violations of the provisions laid down in section 26 of PWD Act, 1995 to promote integrated education for children with disabilities and instructions issued not to deny admission, many institutions denied admissions.
- Several State Government departments, universities and schools had not yet evolved system of earmarking 3 *per cent* seats in various disciplines for appropriate categories of persons with disabilities. Only 10 to 20 *per cent* children with disabilities had access to education.

Action taken by the Commissioner (Disabled) to remove such irregularities was, however, not stated (May 2003).

3.4.21 Monitoring and evaluation

Poor functioning of monitoring committees

As per Section 17 of PWD Act, 1995, the State Co-ordination Committee was required to meet at least once in every six months whereas only three meetings were held during 1998-2003. Also in contravention of section 21 of the Act, the State Executive Committee instead of holding at least one meeting in three months, held only four meetings in five years. Poor functioning of the committees responsible for monitoring and execution of different programmes indicated lack of seriousness in implementation of the various welfare programmes for the handicapped.

As per section 61 of the PWD Act, Commissioner (Disabled) was to monitor the utilisation of fund disbursed by Government and obtain prescribed return from the users of the fund. This was not taken up as of June 2003. Neither the WCDSW department nor the Commissioner (Disabled) furnished information/records in respect of receipt and utilisation of fund by the NGOs during the period covered by Audit. The Commissioner (Disabled) did not inspect/visit the NGOs as per guideline to assess their workings stating that it was 'not applicable'.

The Department made no evaluation on implementation of the welfare activities provided to the handicapped.

3.4.22 Conclusion

In implementing the NPRPD schemes under the Acts, Government failed to create awareness for prevention of disabilities and to provide medical, educational and training facilities to the disabled. A workshop for manufacturing various aids and appliances for the handicapped in the DRC remained non-functional for want of infrastructural facilities depriving rural disabled from comprehensive rehabilitation services. Under the scheme on Prosthetic Aid, Government failed to provide standard durable aids and appliances to disabled persons. The State Government could provide employment to only 662 handicapped people out of 0.73 lakh registered in the Employment Exchanges. Barrier-free environment facilities were also not ensured to disabled persons. WCD & SW Department had also not taken steps for wide publicity to bring the disabled persons under the self employment scheme in collaboration with NHFDC. The department neither evaluated the impact of implementation of different welfare schemes nor introduced systematic monitoring and control mechanism

Recommendations:

- Awareness of PWD Act should be created in all State Government departments, organisations, etc.
- More stringent supervision by the nodal department and Commissioner (Disabled) on implementation of welfare schemes undertaken by district/block level officers and NGOs, is necessary.
- The District Rehabilitation Centre of the State should be equipped with necessary instruments and specialist manpower.
- Village and block level rehabilitation workers should be recruited and trained for proper implementation of the schemes.
- The SCC and SEC should hold regular meetings to ensure co-ordination among all departments, monitor utilisation of funds and safeguard the rights and facilities of the disabled.

SUNDARBAN AFFAIRS DEPARTMENT

3.5 Working of Sundarban Development Board

3.5.1 Introduction

The Sundarban, considered as one of the most backward regions in West Bengal, falls within the districts of North and South 24 Parganas (13 blocks in South 24 Parganas and six blocks in North 24 Parganas) of the State. Sundarban Development Board (SDB) was constituted in 1973 under the Development and Planning Department in order to accelerate social and economic development in the region. Subsequently, in 1994 Sundarban Affairs Department was created to look into the affairs of Sundarban. The main functions of the SDB were (a) formulation of integrated programme for effective utilisation of local resources; (b) co-ordination and supervision of execution of plans and various projects for development.

Working of SDB during 1997-2003 in implementation of various schemes in the field of agriculture, fish culture, social forestry and civil works was reviewed and results thereof are given in succeeding paragraphs.

3.5.2 Financial outlay and expenditure

From allocation of funds and expenditure incurred thereagainst, it was evident that investments on agriculture, social forestry and fish culture sectors were marginal and ranged between 0.18 and 3.85 *per cent* only although about 95 *per cent* of the population in this region were dependent on these sectors indicating inadequate attention on major thrust areas.

Sectors	Budget Allotment				Expenditure			
	Non-Plan	State Plan	TFC	Total	Non-Plan	State Plan	TFC	Total
	(R u p e e s i n c r o r e)							
Agriculture	-	4.76	-	4.76 (4.25)	-	4.22	-	4.22 (3.85)
Social Forestry	-	1.84	1.00	2.84 (2.54)	-	1.43	1.00	2.43 (2.22)
Fishery	-	0.26	-	0.26 (0.23)	-	0.20	-	0.20 (0.18)
Civil works	6.72	56.93	15.60	79.25 (70.73)	5.52	55.57	¹³ 17.14	78.23 (71.41)
Civil Works (done by other departments)	-	13.78	11.15	24.93 (22.25)	-	13.78	10.69	24.47 (22.34)
Total	6.72	77.57	27.75	112.04 (100)	5.52	75.20	28.83	109.55 (100)
Salaries & Office expenses	47.80	-	-	47.80	45.20	-	-	45.20
Grand Total	54.52	77.57	27.75	159.84	50.72	75.20	28.83	154.75

(Figures in parenthesis represent percentages of funds allotted and expenditure incurred in each sector)

3.5.3 Agriculture Sector

About 89 *per cent* of the total population of this region was dependent on agriculture. SDB had been supplying improved variety of seeds and fertiliser through 27 growth centres in implementation of agricultural programmes for small and marginal farmers for both Kharif and Rabi crops. Kharif programme comprised mainly paddy cultivation while rabi programme included cultivation of wheat, mustard, potato, moong, chilli, etc.

¹³ Extra expenditure out of previous year's balance.

Physical target and achievement

Area targeted and achieved under kharif and rabi programmes during 1997-2003 were as under:

Year	Area targeted		Area covered		Shortfall (-) / Excess (+)	
	Kharif	Rabi	Kharif	Rabi	Kharif	Rabi
	(i n a c r e s)					
1997-1998	5580	9812	5560	9744	(-) 20	(-) 68
1998-1999	6925	12685	6417	11596	(-) 508	(-) 1089
1999-2000	6925	11194	6353	10780	(-) 572	(-) 414
2000-2001	6925	13210	6925	13193	Nil	(-) 17
2001-2002	8888	20692	8250	19452	(-) 638	(-) 1240
2002-2003	7100	14903	7098	14841	(-) 2	(-) 62

The figures of achievement of land utilisation under paddy cultivation during 1998-1999, 2000-2001 and 2002-2003 were not reliable as test-check of records of two out of three branch offices revealed the following:

- During 1998-1999, the reports indicated shortfall of 508 acres in kharif programme. This was not true as Canning and Kakdwip Branch Offices alone exhibited shortfall of 596.5 acres¹⁴.
- Government stated (January 2004) that there was no shortfall in kharif programme during 2000-2001. This was not tenable as test-check of Canning and Kakdwip Branch Offices with 19 growth centres under their control out of total 27 under SDB exhibited shortfall of 475.5 acres¹⁵.
- Further, the department exhibited (January 2004) shortfall of only 2 acres in kharif programme during 2002-2003. This was also not tenable as Canning Branch office exhibited target and achievement of paddy cultivation as 3011 acres and 2891 acres respectively indicating shortfall of 120 acres while Kakdwip Branch Office had just met the target.

Shortfall in production

Of the 27 growth centres, only seven centres maintained records of production of crops against target under kharif and rabi programmes during 1997-2003 as indicated below:

Name of crop	Target	Achievement	Shortfall
	(i n M T)		
Paddy	1691	1431	260
Wheat ¹⁶	742	458	284
Mustard ¹⁷	139	85	54

¹⁴ Shortfall in paddy cultivation (kharif)

Year	Branch Office	Target	Achievement	Shortfall
		(i n a c r e s)		
1998-99	Canning	2857	2261	596
	Kakdwip	1907.75	1907.25	0.50

¹⁵

Year	Branch Office	Target	Achievement	Shortfall
		(i n a c r e s)		
2000-2001	Canning	2595	2429	166
	Kakdwip	2077	1767.5	309.5

¹⁶ Production of wheat related to 3 growth centres during 1997-99 and 2002-2003 and 4 during 1999-2002

¹⁷ Production of mustard pertained to 7 growth centres during 1997-99 and 5 growth centres during 1999-2001. During 2001-2002 no wheat cultivation programme was undertaken

Shortfall in achievement of target was due to late supply, non-supply of seeds and failure to supply quality seeds by the SDB coupled with heavy rainfall, less rainfall and drought in some areas, etc.

Supply of sub-standard seeds

Supply of sub-standard seeds worth Rs 27.26 lakh to 0.38 lakh farmers

In the test-checked centres SDB distributed 835.87 MT paddy seeds (1998-2003), 87.80 MT moong seeds (2000-2002) and 1.64 MT mustard seeds (2000-2001) among 0.38 lakh farmers. Of these, 218 MT (26 per cent) paddy seeds, 19.4 MT (22 per cent) moong seeds and 0.826 MT (50 per cent) mustard seeds valuing Rs 21.83 lakh, Rs 5.23 lakh and Rs 0.20 lakh respectively were declared as of sub-standard quality by the State Seed Testing Laboratory, Kolkata.

Supply of seeds containing insects

Supply of 'not recommended' quality seeds – loss to farmers Rs 1.40 crore

For rabi season of 2001-2002, SDB procured 69.24 MT moong seeds from West Bengal State Marketing Federation Limited (BENFED) and distributed amongst farmers. The State Seed Testing Laboratory declared the sample drawn from Ghutiari Shariff growth centre under Canning branch office as sub-standard due to low germination and presence of insects. Fall in production under Canning branch by 1.41 quintals per acre was also noticed as compared with production of previous two years and consequently the farmers sustained loss of Rs 1.40 crore.

Poor quality of Parwal¹⁸ bulbs

Supply of bad quality parwal bulb resulted in zero production.

During 2001-2002, under parwal cultivation programme, SDB procured 17.42 quintals of poor quality parwal bulbs valuing Rs 0.25 lakh from West Bengal Comprehensive Area Development Corporation (WBCADC) and distributed the same amongst 697 beneficiaries covering 69.80 acres of land.

The parwal cultivation resulted in zero production due to non-flowering of parwal bulbs as reported by the growth centres depriving the beneficiaries. No action was taken against the supplier of sub-standard parwal bulb.

Supply of Phytonal without providing knowhow of its use

For augmentation of chilli and paddy production during 1999-2001, SDB procured Phytonal¹⁹, valuing Rs 11.70 lakh and distributed it amongst farmers without briefing them about appropriate time of application, dosage, etc. No evaluation was made by SDB to ascertain consequential effect of application of this chemical.

Inadequate irrigation facilities

Inadequate irrigation facilities rendered 83 per cent cultivable land mono-cropped

There was neither any Master Plan nor target for transforming mono-cropped agricultural land into double-cropped by creating/constructing irrigation facilities. Out of total 3.11 lakh hectare cultivable land, 0.52 lakh hectare

¹⁸ a kind of vegetable.

¹⁹ a type of plant growth hormone

(17 per cent) was brought under rabi cultivation. No master-sluice-cum-closure was constructed after 1990-1991. During 1992-2002 only 8.99 km derelict channel was re-excavated. As a result, 83 per cent of cultivable land remained mono-cropped.

3.5.4 Social Forestry Programme (SFP)

Objectives

The primary objectives of mangrove plantation, strip plantation and farm forestry were to stabilise embankments and roads, prevent saline water intrusion in foreshore areas, provide constant supply of fuel wood and fodder, create employment opportunities and maintain ecological balance.

Target and achievement

Against targeted afforestation of 3580 hectare area, SDB created plantation in 2861 hectare area during 1997-2002 at a cost of Rs 2.43 crore as shown below:

Plantation	Target (Area in hectare)	Achievement (Area in hectare)	Period
Mangrove	1878	1540 (82)	1997-2001
Strip	602	446 (74)	1997-2002
Farm forestry	1100	875 (80)	1997-2002
Total	3580	2861 (80)	

Figures in parenthesis represent percentages achieved.

Mangrove plantation not done during 2001-2003

Targeted mangrove plantation (282 hectare) during 2001-2003; strip plantation (79 hectare) and farm forestry (225 hectare) during 2002-2003 were not undertaken and Rs 28.07 lakh was surrendered. Shortfall in plantation was attributed by SDB to reluctance of the majdoors for plantation work.

Strip plantation

827 hectare of strip plantation area were yet to be handed over

State Government issued order in June 1991 to hand over the strip plantation areas to the concerned Panchayat Samitis (PS), SDB initiated the process of handing over only in May 1999. Against 1178 hectare of plantation areas, created during 1982-2002, SDB handed over only 351 hectare (30 per cent) to the PSs as of March 2003 leaving 827 hectare prone to illicit felling. Department stated (January 2004) that the delay in handing over strip plantation was due to refusal by Panchayat Samitis to take charge of strip plantation.

Illicit felling/damage/deforestation of plantation

Formation of committee to protect 2542 hectare of mangrove area was delayed; mangrove plantation of 116.42 hectare was destroyed by fishing

Rapid growth of population and large scale demand for fuel wood and timber caused deforestation. To ensure protection of 4406 hectare of mangrove plantation created during 1981-2001 from encroachment, grazing and theft, State Government decided (November 1991) to constitute the Village Mangrove Conservation Committee (VMCC). SDB approved the formation of VMCC only in May 1999 and as of March 2003 no VMCC was formed in respect of 2542 hectare (58 per cent) of mangrove forest. Moreover,

316.57 hectare mangrove plantation (Rs 47.39 lakh) and 138.02 hectare of strip plantation (Rs 38.95 lakh) created since 1982 were completely damaged from illegal felling, grazing, etc. The Forest Officer, SDB failed to prevent destruction of the mangrove plantation by local people for fishing by constructing earthen bundh on charland. Mangrove plantation of 116.42 hectare created at a cost of Rs 25.05 lakh was deforested during 1997-2003 creating threat of erosion on both sides of the tidal river and adverse impact on the entire eco-system of the surrounding environment.

SDB failed to protect plantation worth Rs 1.11 crore

Thus, creation of plantation without arranging for proper protection by forming VMCC/handing over the plantation areas to PSs resulted in infructuous expenditure of Rs 1.11 crore towards creation of mangrove (432.99 hectare) and strip (138.02 hectare) plantation.

3.5.5 Unfruitful expenditure on idle manpower

Failure to utilise manpower - unfruitful expenditure of Rs 4.72 crore

In pursuance of State Government's decision (March 1996), Sundarban Affairs Department (SAD) absorbed (August 1996) 172 casual daily labourers as majdoor and placed them at the disposal of Range Officers (RO). But their services could not be utilised and the proposal (June 1998) of SDB to place them at the disposal of PSs also did not materialise.

The Chairperson, SDB observed (January 2003) that the casual labourers after having been absorbed as permanent majdoors refused to perform physical labour for plantation work.

Failure on part of SDB to utilise services of 172 majdoors as well as to take appropriate action against delinquent staff (April 1997 to March 2003) led to unfruitful expenditure of Rs 4.72 crore on their pay and allowances. The Forest Officer, SDB stated (May 2003) that gainful utilisation of their services was under process.

3.5.6 Uneconomic performance of Jharkhali Fishery Project (Phase I)

Pisciculture carried on without providing proper infrastructure

The Fishery Division, SDB introduced tiger prawn culture in Phase I of Jharkhali Fishery Project. During 1997-2003, against the targeted net production of 14365 kg, actual production of tiger prawn was 4749 kg (33 per cent). SDB thus earned Rs 18.30 lakh by spending Rs 61.08 lakh which was uneconomical in terms of cost benefit ratio (3.34:1). The shortfall in production was attributed by the Fishery Officer, SDB to (i) absence of separate nursery tank, (ii) non-clearance of silt for years together, (iii) admixture of undesirable species, (iv) non-maintenance of required salinity level of water and (v) dearth of food, manure and sophisticated tools.

3.5.7 Civil Works Sector

Failure to utilise grant recommended under Tenth Finance Commission (TFC)

TFC recommended a grant of Rs 35 crore on the basis of Action Plan for construction of roads, bridges, culverts, sluices, water supply schemes, rain-water harvesting schemes and power generation schemes proposed to be

undertaken in the region during 1996-2000. Of this, Rs 3.50 crore could not be availed for implementation of three works due to non-clearance of the works by Environment Department.

Thus failure on the part of SDB to prepare Action Plan in consultation with State Environment Department for execution of the works²⁰ (estimated cost Rs 5.20 crore) deprived the people of the region of TFC/GOI grant of Rs 3.50 crore.

Avoidable expenditure

Non-procurement of GI pipes departmentally – extra expenditure of Rs 54 lakh

Despite having its own infrastructure to procure GI pipes through its engineering division at Director General of Supply and Disposal (DGS&D)'s rate, SDB allowed the executing contractors to supply 1.34 lakh metre pipe (40 mm dia-Tata medium) for sinking of 497 tubewells at a contractual rate of Rs 130 per metre which was much higher than the prevalent (1997-2003) DGS &D's rates of Rs 76 to Rs 101 per metre (including carriage). As a consequence, an extra expenditure of Rs 54 lakh was incurred by the SDB during the period.

Avoidable burden

Engagement of outside agencies – extra burden of Rs 72.44 lakh

SDB had three engineering divisions with adequate number of qualified technical staff. However, for construction of 11 bituminous roads and 12 RCC bridges SDB engaged outside agencies (June 2002) for preparation of designs, working drawings and estimates at the cost of Rs 72.44 lakh. The works were in progress and Rs 12.86 lakh was paid as of March 2003.

Thus, by injudicious engagement of outside agencies without utilising its own infrastructure for preparation of project reports, SDB shouldered avoidable burden of Rs 72.44 lakh. Department stated (January 2004) that outside agencies were engaged due to shortage of staff and one design division was created in 2003 for preparation of all the design works. The reply was not tenable as the new division was created utilising existing strength revealing existence of adequate staff.

Extra burden towards payment of arbitration awards

Absence of monitoring in execution of works – extra burden of Rs 49.09 lakh

Scrutiny of four arbitration cases arising out of dispute between the executing contractors and the Sundarban Development Project Circle (SDPC) under SDB revealed that due to several lapses on the part of the SDPC, SDB, Government had to shoulder extra burden of Rs 49.09 lakh towards payment of arbitration awards.

3.5.8 Other points

Construction of an RCC bridge with approach road over river Bidyadhari at Haroa taken up in September 1998 and scheduled for completion by March 2000 remained incomplete (March 2003) even after spending

²⁰ i) Bridge over river Sutarbag (Rs 3.00 crore), ii) Monimaster Sluice cum Closure (Rs 1.70 crore), (iii) 10 numbers Rainwater Harvesting Schemes (Rs 0.50 crore)

Rs 3.41 crore due to (i) non-release of fund (Rs 2 crore) by North 24 Parganas Zilla Parishad, (ii) non-execution of work of approach road on one side and (iii) non-invitation of tenders for approach road on other side. Thus, lack of co-ordination among Public Works (Roads) Department, North 24 Parganas Zilla Parishad and Sundarban Affairs Department was apparent and deprived the local people of the intended benefit.

Utilisation certificates for Rs 13.86 crore received during 1998-2003 for infrastructural development were not sent to GOI.

3.5.9 Conclusion

Agriculture sector got the least attention of the SDB although 89 *per cent* of population in the region were dependent on this sector. In absence of monitoring farmers were supplied with sub-standard seeds leading to low yield. The ecological balance of the region was also at stake due to deforestation and damage of plantation. There was also nothing on record to indicate any initiative on the part of SDB for development of the socio-economic condition of the inhabitants of the region.

Recommendations :

- Investment on agriculture, fishery and farm forestry, being the occupation of 95 *per cent* of population of the region should be increased from its present level of 5 *per cent*.
- Irrigation facilities should be enhanced to transform the mono-cropped cultivation to double cropped cultivation in the entire region.
- To increase productivity of the crops, timely supply of improved variety of quality seeds and fertilisers to farmers needs to be ensured.
- Steps should be taken for protection of mangrove and strip plantation to maintain ecological balance in the region.

COMMERCE AND INDUSTRIES DEPARTMENT

3.6 Calcutta Leather Complex

In accordance with the Supreme Court's (SC) directives (September 1987) calling upon industries, located in cities on the bank of river Ganga to stop discharging untreated effluents into the river, the Calcutta Leather Complex (CLC) was conceived to abate pollution by the tanneries in East Kolkata. Central Leather Research Institute (CLRI) in its feasibility report mentioned (May 1993) about huge potential for the CLC for processing, manufacturing and trading activities to find a place in the export market besides generating 30000 new employments without any environment hazards.

Based on the feasibility report, the Cottage and Small Scale Industries Department (C&SSI) invited (December 1994) tender for infrastructural development of 1099.16 acres of land at Bantala in South 24 Parganas, which was subsequently amended (February 1995) to Build Operate and Transfer (BOT)/Build and Transfer (BT) proposal. Because of publication of the tender notice in only 4 newspapers (including two local newspapers) instead of global tendering, responses were received from only four parties. Instead of re-tendering, the selection committee²¹ recommended the offers of M/s ML Dalmiya (MLD) without evaluating the technical and financial capability of the tenderers. Government stated (July 2003) that before selection of the BOT agency opinion of the concerned department and agencies of the State Government were obtained, but remained silent about the evaluation of financial and technical expertise of the BOT party.

Memorandum of Understanding (MOU) was signed by the C&SSI department with MLD (May 1995) and the Detailed Project Report (DPR) was submitted in October 1995 with an estimated project cost of Rs 285.18 crore (including cost of Common Effluent Treatment Plant (CETP): Rs 75 crore). The Commerce and Industries Department (C&I) accorded approval of the DPR in June 1997.

Scrutiny of records revealed that MLD was given undue financial favour amounting to Rs 29.65 crore in the following manner:

As per SC direction (April 1995), CETP was to be constructed with its cost shared on 50:50 basis between GOI and State Government. As per MOU (May 1995) the BOT party was to bear the share of the State Government. The BOT party, responsible for design and construction of the CETP, failed to submit proper DPR (for CETP) even after 19 months from the scheduled date (September 1995) following which the design work of CETP was entrusted (January 1999) to United Nations Industrial Development Organisation (UNIDO). Finally, GOI released Rs 11.41 crore (October 2001) (part share) after approval of UNIDO's design (June 2001).

²¹ Comprised of Chief Secretary, Pr. Secretary, C&SSI Deptt. and Secretary to the Chief Minister

Since MLD was unable to mobilize its share (Rs 15.60 crore), State Government decided (March 2002) to construct two modules of the CETP costing Rs 31.21 crore at its own cost. Government appointed Kolkata Metropolitan Development Authority (KMDA) as technical supervisor and CLRI as technical consultant for the CETP, scheduled date of completion being October 2003.

Selection of BOT party without evaluation of techno-commercial viability – burden of Rs 15.61 crore

Thus, awarding of contract to MLD without judging its techno-financial capability resulted in extra financial burden of Rs 15.61 crore (50 *per cent* of Rs 31.21 crore) on Government exchequer and also delayed the implementation of CLC project.

Favour to BOT party on land acquisition – Rs 5.43 crore

Calcutta Leather Complex comprised of 1099.16 acres of land of which 565.06 acres was vested and 534.10 acres was acquired. All the parcels of land were leased out to the BOT party for 99 years as against the BOT agreement of 30 years. Scrutiny revealed that while the cost of acquisition for 534.10 acres of land was Rs 9.50 crore, 565.06 acres of vested land in the adjacent areas was transferred to MLD for a consideration fee of Rs 4.63 crore (54 *per cent* less per acre than the acquisition/market cost in the area) resulting in undue financial favour of Rs 5.43 crore to the BOT party.

Besides, for fixing Rs 9 per acre as annual rent for long-term lease, instead of 4 *per cent* (Rs 5144 per acre) of the value of the land (as per West Bengal Land and Land Reforms Manual, 1991) Government would stand to lose Rs 56.45 lakh per year as rent. Government stated that in respect of long term lease of 99 years rent at the rate of Rs 9 per acre was realised. The reply was not tenable because as per Rule 224 (iii) of Land and Land Reforms Manual proposals for reduction of rent could only be considered if the organisation was charitable/non-profit earning.

Unfruitful expenditure of Rs 2.80 crore on desiltation

Further the Storm Water Flow (SWF) channel from Bantala to Paglahat was de-silted (from CH 236 to CH 710) by the Commerce and Industries (C&I) Department through Calcutta Drainage Outfall Division of Irrigation and Waterways Department (I&W) at a cost of Rs 2.80 crore (June 1997) to enhance the capacity of the channel to handle the additional discharge from the CLC and the earth was used for land filling in CLC area. Audit scrutiny, however, revealed that desiltation work done in this chainage of the channel did not achieve the desired result. Though Department stated (July 2003) that the I&W Department undertook the work after assessing the technical need and feasibility of the scheme, the reply was not tenable in view of I&W Department project report which read “Unless the re-excavation process of Storm Water Feeder channel is completed in totality, i.e., from Bantala to Ghusighata, no fruitful solution in respect of drainage will be achieved. Commerce and Industries Department, however, desires to implement the scheme to fulfil their need and as such the present scheme is framed...”

Rehabilitation work to be done by BOT party was done by Government at a cost of Rs 5.81 crore

As per the offer letter for the BOT as well as MOU, the rehabilitation of villagers of Bederhat in the CLC area was to be done by MLD at its own cost. Government, however, decided (June 1997) to bear the cost of the rehabilitation and constructed 264 dwelling units through KMDA at a cost of Rs 5.81 crore. Thus, the expenditure of Rs 5.81 crore was tantamount to

financial assistance to the BOT party. Though Government stated (July 2003) that it only fulfilled its obligation as per the BOT agreement, the fact was that it had to shoulder the financial burden for entering into an agreement which deviated from the offer letter and MOU.

**Irregular financing
on electricity
sub-station –
Rs 10.10 crore**

In addition, to ensure power supply for the CLC project, C&I Department incurred expenditure of Rs 10.10 crore for the construction of 132/33 KV sub-station by WBSEB. Under provisions of Electricity Act, 1910, any augmentation of its distribution system i.e. construction of sub-station to cater power primarily lies with WBSEB as it would realise its revenue from the consumers. In view of this, expenditure for construction of the sub-station by C&I department was irregular and unnecessary. Contention of the Government (July 2003) that WBSEB is not expected to realize infrastructure development cost component of its charge when it will realise revenue from the consumers does not hold good in view of the provision of 'reasonable rate of return' in Indian Electricity Act.

Conclusion

Thus, the CLC project scheduled for completion in four years was not completed even after eight years, although the off-site facilities were completed within six years by the Government with an investment of Rs 31.32 crore. None of the tanneries could start operation due to non-completion of infrastructural facilities viz. electricity sub-station, site development and effluent network, etc. though primary effluent treatment facilities were ready by October 2002 as stated by the Government. On the other hand 16331 workers attached to the tanneries were rendered unemployed since March 2002 consequent upon their total closure as per SC's judgment, while creation of projected 30000 direct and indirect job opportunities remained unachieved. Besides, during the course of implementation of the project MLD was given an undue financial favour amounting to Rs 29.65 crore.

Regarding delay Government stated (July 2003) that the last chunk of land was handed over to the BOT party in January 2003.

HOUSING DEPARTMENT
DIRECTORATE OF BRICK PRODUCTION
3.7 Mechanised Brick Factory
3.7.1 Introduction

The Mechanised Brick Factory (MBF) on the bank of the river Hooghly at Palta, commissioned in 1966 with two production lines, had an annual capacity for producing three²² crore bricks using the river silt available from the adjacent pre-settling tanks of the Palta works of the Kolkata Municipal Corporation.

3.7.2 Working results

The *proforma* accounts had not been finalised since 1991-1992 and the cumulative loss till March 1991 was Rs 10.49 crore, against the original capital outlay of Rs 1.21 crore. As per the annual budgets up to 2002-2003 (Appendix 36), the MBF incurred cash losses aggregating Rs 20.79 crore during 1998-2003.

Analysis of working results of the period 1998-2003 in audit showed that while the cost²³ of each brick worked out to Rs 7.72 to Rs 11.28 each, the sales realisation was significantly lower at Rs 1.31 to Rs 2.52 each. Even the salary and wages cost per brick was almost thrice the selling price. The loss sustained on the sale of 234.14 lakh bricks was Rs 16.44 crore during these five years.

3.7.3 Low capacity utilisation

A review of the capacity and actual production during 1998-2003 (Appendix 37) revealed the following:

The average capacity utilisation during 1998-2003 was merely 17 *per cent* and against a capacity of three crore bricks in a year, production ranged between 41.92 lakh in 1998-1999 and 65.83 lakh in 2002-2003.

Test check of eight²⁴ months' production records during this period showed that out of 2955 available hours, 871 hours (29 *per cent*) were not utilised for want of pallets²⁵ (687 hours) and silt (184 hours), leading to loss of production of 58.07 lakh bricks valuing Rs 1.25 crore.

MBF manufactured five categories of burnt bricks and two varieties of bats. Against the norm of production of 80 *per cent* first class bricks, the average actual production of first class bricks was 41 *per cent* during 1998-2003. As

**Loss of
production of
first class
bricks**

²² In 300 working days

²³ Includes material, wages and repair cost

²⁴ April – June 1998, July – September 2000 & February-March 2003

²⁵ A heavy wooden frame for moving or drying 12 green bricks

the average sale price of first class bricks compared to other classes was higher by Rs 190 to Rs 280 per 1000 bricks, decreasing output resulted in loss of revenue of Rs 1.11 crore. The Government attributed this to the poor quality of earth utilised and proposed to construct a lagoon to obtain silt. However, no lagoon was constructed so far (December 2003).

3.7.4 Excess consumption of coal

During 1998-2003, the actual consumption of coal reduced from 88 to 47 tonnes per one lakh bricks. Yet, this was almost four times the admissible maximum of 12 tonnes resulting in excess consumption of 13183 tonnes coal valuing Rs 2.35 crore. Moreover, the local management neither ensured the quantity of coal delivered by the transport contractor by actual weighment nor tested the quality of coal received. Thus the chances of using low grade coal and pilferage could not be ruled out.

3.7.5 Use of fly ash in production of bricks

Due to technical deficiencies and lack of market support, MBF did not use fly ash discharged by Bandel Thermal Power Station of West Bengal Power Development Corporation Limited for manufacturing bricks as required under Ministry of Environment and Forest, Government of India's Notification (September 1999). The reasons for non-compliance were, however, not communicated to West Bengal Pollution Control Board in terms of the Notification, *ibid*. Besides, the report of a Committee formed (June 2000) at the instance of the Chief Secretary, Government of West Bengal regarding suitability of the existing technology for use of fly ash for production of bricks was still awaited (December 2003).

3.7.6 Inordinate delay in revision of selling prices

In order to meet the increasing cost of production and to maintain parity with the prevailing market prices of Rs 2554 to Rs 2464 per thousand bricks, the Directorate of Brick Production proposed (December 1998) to the Housing Department to enhance selling prices from Rs 2038 to Rs 2392 in February 1999. Ultimately, the Finance Department approved (June 2000) the proposed revised rates effective from April 2000. Thus, delay in revising the prices resulted in loss of revenue of Rs 34.60 lakh on sale of 52.24 lakh bricks during February 1999 to March 2000. Moreover, the selling prices of these bricks continued to remain below prevailing market rates.

3.7.7 Loss due to manpower management

As per GOI norms, against the requirement of 178 employees for the existing capacity, MBF had a total staff strength of 367 as of March 2003 resulting in payment of excess wages of Rs 8.22 crore during 1998-2003. Moreover, of the total available hours (22006) in this period, the actual hours operated were only 8446 (38 *per cent*) resulting in payment of idle wages of Rs 4.46 crore. Despite directive (April 1998) of the State Government to stop payment of overtime, the Works Manager paid overtime of Rs 3.29 lakh to these staff during 1998-2000.

Excess manpower and idle wages

Further, the second production line, procured in 1966, broke down in 1994. It was only in June 1997 that the Government set up a Monitoring Committee to upgrade the production capacity. Management took another three years to repair and re-install (May 2000) the second line machine as suggested by the Committee. Consequently, between 1995-1996 and April 2000, idle wages of Rs 2.28 crore were paid to 100 workers attached to the broken down second line. Although these staff were idle, the management/Government made no attempt to utilise them elsewhere.

3.7.8 Shortage of burnt bricks

Physical verification of burnt bricks was not conducted during 1998-2003. However, review of the statement of burnt bricks counted by the Sub Assistant Engineer revealed that in some categories, 2.78 lakh burnt bricks valued at Rs 5.12 lakh were found short during 1998-2003 while in other categories, 0.84 lakh burnt bricks (value : Rs 1.74 lakh) were found in excess. Evidently, there was misclassification of bricks and the possibility of theft and pilferage could not be ruled out. On this being pointed out in July 2000, the Works Manager constituted (August 2000) a Committee to report on the shortage for last 10 years within 15 days. The Committee had not furnished its report as of December 2003, even after three years.

3.7.9 Modernisation and upgradation

At the instance of the Ministry of Urban Development and Poverty Alleviation, Government of India and the Minister-in-charge, Housing Department, Government of West Bengal, the Building Materials and Technology Promotion Council (BMTPC) undertook (July/December 2002) a study to modernise and upgrade the MBF (estimated cost : Rs 2.61 crore). The main recommendations of BMTPC were (i) transportation of raw materials from Palta works by locomotives departmentally, (ii) construction of additional storage shed, (iii) installation of clay cleaning machine, (iv) increase in finger cars and pallets and (v) reduction of staff strength. These recommendations were yet to be acted upon (December 2003).

3.7.10 Conclusion

MBF incurred cash losses of Rs 20.79 crore due to low selling price, excess consumption of coal, non-upgradation of the old plant and machinery, poor capacity utilisation, high incidence of idle wages and absence of quality control.

Recommendations :

- Government may assess the marketability for its product in view of its quality and ensure periodic revision of selling prices in tandem with prevailing market prices.
- The recommendations of BMTPC may be considered for achieving overall efficiency of the factory.