

CHAPTER IV AUDIT OF TRANSACTIONS

4.1 Fraudulent drawal/Misappropriation/Embezzlement/ Losses

HEALTH AND FAMILY WELFARE DEPARTMENT

4.1.1 *Fraudulent drawal due to fake appointment in Government hospitals*

Non-adherence to the prescribed norms of verification of transfer orders resulted in fraudulent drawal of Rs 10.47 lakh due to fake appointment of three General Duty Attendants in Government hospitals

Scrutiny of records (January 2000 to December 2000) of the Director of Health Services, West Bengal (DHS, WB) revealed the following:

As per entries in the service book, Smt. Kalyani Choudhury was appointed and posted vide Chief Medical Officer of Health (CMOH) Nadia's order (March 1984) as General Duty Attendant (GDA) in Nabadwip General Hospital, Nadia. Subsequently she was transferred (April 1985) to Rural Training Centre (RTC) Kalyani, Nadia. The Principal of the RTC sent (August 2001) the service book of Smt. Choudhury to the CMOH, Nadia for verification. The CMOH, intimated (September 2001) that the appointment was fake as there was no existence of such appointment order and she never served in the hospital.

Shri Rambir Bauri was appointed (April 1993) as GDA cum Sweeper in Dinhata Sub-Divisional Hospital in terms of Superintendent of the Hospital's order (April 1993). Shri Bauri was posted in May 1997 at Dr. B C Roy Chest Sanatorium, Dhubulia. As the first appointment was under the control of CMOH, Cooch Behar, a reference made by the Sanatorium (November 1999) revealed that no such person in the name of Shri Bauri ever joined in Dinhata Sub-Divisional Hospital.

Shri Sumit Bhattacharya was transferred to Vidyasagar Hospital, Kolkata in June 1994. Audit scrutiny revealed that his Service Book was not opened till January 2001. On being pointed out by Audit in January 2001, the Director of Health Services, West Bengal (DHSWB) stated (December 2002) that on investigation, the appointments of all three GDAs were found fake and services of Smt. Kalyani Choudhury and Shri Rambir Bauri were discontinued with effect from January 2002 while Shri Sumit Bhattacharya resigned from service and never appeared in the office with effect from November 2000.

However, during the period from April 1985 to January 2002 Rs 10.47 lakh was disbursed as salaries to the said fake GDAs.

Thus, negligence on the part of the authorities in accepting transferred GDAs on the basis of copies of transfer orders, last pay certificates and service books carried by the fake appointees without waiting for the original documents from transferee authorities facilitated fraudulent drawal of Rs 10.47 lakh and belated disclosure of fake appointments.

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

HOME (POLICE) DEPARTMENT

4.1.2 Procurement and distribution of uniforms for Police Personnel

Government incurred loss of Rs 28.33 lakh due to failure to collect stitched uniforms and extra expenditure of Rs 2.37 crore due to non acceptance of lowest rates. Besides, there was doubtful utilisation of cloth valuing Rs 51.71 lakh

Director General and Inspector General of Police (DG & IG), West Bengal and Commissioner of Police (CP) Kolkata are responsible for the procurement through open tenders and distribution of uniforms for West Bengal Police (WBP) and Kolkata Police (KP) personnel respectively. Purchases of specified clothing articles were to be made by State Government Departments/Directorates/Organisations from State Public Sector Undertakings (PSUs) only, at a price determined by the PSUs keeping normal margin on account of profit and overhead expenses not exceeding 10 *per cent* of the basic cost.

During 1998-2003, tenders were invited for purchase of clothing materials (specified and non-specified) by Police Directorate (PD) and KP for Rs 21.43 crore (Rs 12.74 crore from PSUs and Rs 8.69 crore from private parties) and Rs 15.62 crore (Rs 10.66 crore from PSUs and Rs 4.96 crore from private parties) respectively. Scrutiny of records revealed the following:

Failure to collect stitched uniform – loss of Rs 28.33 lakh

During 1998-2003, Darjeeling and Bardhaman District Clothing Stores (DCS) supplied 23096.35 metres (Darjeeling 21361.35 m, value: Rs 22.12 lakh; Bardhaman 1735 m, value: Rs 1.80 lakh) terry-cotton cloth to different fabrication centres for stitching uniforms and paid stitching charges of Rs 4.41 lakh (Darjeeling Rs 4.05 lakh, Bardhaman Rs 0.36 lakh). There was, however, no record of receipt of the stitched uniforms in the stock book of the DCS. Nevertheless, these bills were passed for payment with the certificates that the uniforms were delivered and entered in the stock book. The disbursement of Rs 4.05 lakh made by the SP Darjeeling involved payment of Rs 45 to each police personnel and Rs 7 for each set of uniform to the fabrication centre during April 1998 to March 2003. SP Darjeeling stated (May 2003) that the payment was made as per resolution adopted in the meeting with the representatives of West Bengal Police Association and Non-Gazetted Police Karmachari Samity of the district. Thus, non-stitching / non-delivery of uniform resulted in total loss of Rs 28.33 lakh to Government. No action whatsoever was taken by the department.

Issue of cloth to police personnel in defiance of GO led to doubtful utilisation – Rs 51.71 lakh

During 1998-2003, 48934 metres terry-cotton cloth worth Rs 51.71 lakh were issued to all the individual police personnel of Nadia, Murshidabad and Bardhaman districts in cut pieces of 2.5 metres each instead of supplying stitched uniforms in contravention of Government orders. There was nothing on record in the DCS of any of these districts in support of stitching uniforms. Thus, the utilisation of cloth valuing Rs 51.71 lakh was doubtful.

Purchase in rejection of lowest tender- additional expenditure of Rs 2.37 crore

Further, during 1998-2003 PD and KP, while evaluating the tenders of private suppliers ignored the lowest rates without recording any reason and purchased clothing materials at higher rates incurring additional expenditure of Rs 2.07 crore in 230 cases. In four other cases of purchase from PSUs, PD incurred extra expenditure of Rs 9.78 lakh on procurement of clothing from PSUs by ignoring lowest rates offered by other PSUs. Further, in seven cases clothing items manufactured by private parties were purchased from PSUs allowing more than 10 *per cent* margin over and above the lowest tender which resulted in extra expenditure of Rs 20.42 lakh.

Government stated (December 2003) that the lowest rates were rejected because of the poor quality of samples although the Tender Selection Committee had not recorded any reason while approving the higher rates.

Thus, the Government incurred loss of Rs 28.33 lakh due to failure to collect stitched uniforms. Besides, there was doubtful utilisation of cloth valuing Rs 51.71 lakh and extra expenditure of Rs 2.37 crore due to non acceptance of lowest rates.

Government while admitting the above facts (December 2003) stated that necessary rectificatory action had been initiated.

PUBLIC WORKS (ROADS) DEPARTMENT

4.1.3 Loss and extra payment on land acquisition

The State Cell for Second Vivekananda Bridge awarded compensation at higher rate than provided in National Highway Laws (Amendment) Act 1997 and injudiciously acquired old plant and machinery resulting in loss of Rs 1.22 crore and extra payment of Rs 2.39 crore

Ministry of Road Transport and Highways (MORTH), Government of India, acquired (November 1998) 3.75 acre of land from a private company at Mouza-Dakshineswar, for construction of Second Vivekananda Bridge along with approaches to the bridge over river Hooghly at 670 kmp of National Highway No.2 (NH-2). The State Cell for Second Vivekananda Bridge (State Cell), after award of compensation for Rs 12.32 crore (original and supplementary), issued notice in March 2001 and August 2002 for delivery of possession of land. Accordingly, Executive Engineer (EE), National Highway Division-IV paid full compensation between March 2001 and August 2002 as per apportionment recommended by the State Cell.

The compensation award of Rs 12.32 crore, *inter alia*, included Rs 1.75 crore for plant and machinery, Rs 1.32 crore as additional compensation and Rs 1.81 crore for interest for the period from June 1998 to March 2001 and Rs 0.10 crore for the period from March 2001 to March 2002.

Land was acquired by MORTH for National Highway purposes and the compensation award on different consideration was, therefore, required to be regulated under National Highway Laws (Amendment) Act, 1997 and nothing in the Land Acquisition Act, 1894 would apply.

Scrutiny revealed the following lapses in award of compensation:

- As per Section 3 (b) of NH Laws (Amendment) Act, 1997, land, *inter alia*, includes things permanently fastened to the earth. Contrary to the provision, the State Cell acquired 84 items of movable plants and machineries such as motor and control panel, air conditioners, camera, generator, etc. at Rs 1.75 crore against the book value of Rs 22.14 lakh as per company's books of accounts as of 31 March 1997. EE, NH Division-IV, however, disposed off (September 2002) those machineries subsequently at a cost of Rs 0.53 crore in a public auction. Thus, the irregular acquisition of plant and machineries resulted in loss of Rs 1.22 crore.
- Against 10 *per cent* additional compensation admissible under Section 3G (2) of the Act *ibid*, the State Cell awarded 28 *per cent* additional compensation resulting in extra payment of Rs 0.58 crore.
- According to the Act, interest of Rs 1.81 crore (at the rate of 12 *per cent*) paid on value of land and permanent structure from date of publication of notice (June 1998) under Section 3A to the date of award (March 2001 and March 2002) was not admissible since possession of land was taken after the payment of compensation. This resulted in extra payment of Rs 1.81 crore.

Thus, lapses on various accounts on the part of the State Cell while awarding the compensation resulted in loss of Rs 1.22 crore on unnecessary acquisition of plant and machinery and irregular payment of Rs 2.39 crore towards interest (Rs 1.81 crore) and additional compensation (Rs 0.58 crore).

The State Cell for Second Vivekananda Bridge stated that additional compensation (at the rate of 28 *per cent*) and interest (at the rate of 12 *per cent*) were allowed on the basis of decision taken in their meeting (August 1999) whereas plants and machineries were acquired under Section 3 (b) of NH Laws (Amendment) Act, 1997.

The replies were not acceptable as the provision of the Act could not be overruled by the State Cell. Moreover, Section 3 (b) of the NH Laws was not applicable since plants and machineries were not permanently fastened to the earth.

The Department in reply stated (August 2003) that while finalising the land acquisition compensation, some explanation, conclusion or judicious approach

provided in the West Bengal Land Acquisition Manual 1991 were considered besides application of natural law of justice to the affected party. Views of the department is not tenable since National Highway Laws (Amendment) Act 1997 have been framed considering the above aspects and as such provision in the act ibid holds good in the instant case.

SCHOOL EDUCATION DEPARTMENT

4.1.4 Inefficient inventory management by Birbhum, Hooghly and Howrah District Primary School Councils

Birbhum, Hooghly and Howrah District Primary School Councils suffered a loss of Rs 1.10 crore due to failure to reinvest Rs 1.65 crore held in Government securities, on maturity

Government provided till 1981-1982 grant of Rs 660 per annum per school to each erstwhile District School Board (presently restructured as District Primary School Council) in the State for creation of 'Building Depreciation Fund'. The fund was to be held in Government securities (postal savings bank account/ National Savings Certificates) and would be withdrawn/encashed as and when required for repair/reconstruction of schools.

Three District Primary School Councils viz. Birbhum, Hooghly and Howrah invested the depreciation fund of Rs 1.65 crore in National Savings Certificates and in Kisan Vikas Patras from time to time between October 1979 and August 1995. The certificates were to mature in 6/ 5½ years. During audit conducted between April and July 2003, it was noticed that those certificates were not encashed and reinvested even up to March 2003. For non-encashment of the certificates and subsequent non-investment thereof, those DPSCs sustained loss of Rs 1.10 crore¹ during 1995-1996 to 2002-2003.

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

TRANSPORT DEPARTMENT

HOOGHLY RIVER BRIDGE COMMISSIONERS

4.1.5 Leakage of revenue

Leakage of revenue of Rs 41.52 crore due to poor administrative control

The upkeep, maintenance and collection of toll on Vidyasagar Setu (Second Hooghly River Bridge), which was opened to traffic in October 1992, was being done by Hooghly River Bridge Commissioners (HRBC). The Setu was estimated to attain a maximum traffic volume of 85000 vehicles per day after 20 years. The toll plaza was equipped with scientific devices viz. surveillance

¹ Birbhum DPSC: Rs 34.19 lakh; Hooghly DPSC: Rs 60.55 lakh; Howrah DPSC: Rs 15.48 lakh

through computerised network, electronic barricade system, closed circuit Television, etc. The devices like computerised ticketing system and the barricade system became non-functional one after another from 1996-1997 and from September 1997 checking of vehicles was done manually.

With the opening of Kona Expressway in September 1998 it was expected that the volume of traffic and collection of revenue would increase as the vehicular traffic on this route mainly led to Vidyasagar Setu. While the traffic surveys indicated an increase in the volume of traffic each year from 1996-1997 to 2002-2003, the actual number of vehicles as per records of HRBC showed a decrease from 1997-1998 to 1999-2000 before recording marginal increase during the subsequent years.

The estimated collection of toll on Vidyasagar Setu based on traffic survey vis-à-vis actual collection and shortfall in collection for the years 1996-1997 to 2002-2003 were as detailed in the table below:

Year	Traffic movement		Revenue (Toll collection)		Shortfall in collection
	Based on traffic survey	Actual	Based on traffic survey after allowing 5 per cent for exempted vehicle	As per Collection Sheet/ Actual	
(R u p e e s i n c r o r e)					
1996-1997	7581780	6546047	10.33	9.26	1.07
1997-1998	8477946	6526584	11.55	9.16	2.39
1998-1999	9397655	6348317	12.56	8.53	4.03
1999-2000	12305286	5066532	16.49	8.46	8.03
2000-2001	13722176	6774321	18.39	9.85	8.54
2001-2002	15344137	7407942	20.57	11.60	8.97
2002-2003	17157814	8312840	23.00	14.51	8.49
					41.52

It would thus be seen from the above that the collection of toll had been decreasing from 1997-1998 onwards when the electronic barricading system and the devices of surveillance were not in operation. The increase from 2001-2002 was due to hike in toll rate effective from September 2001. Based on traffic survey, shortfall in collection during the years 1996-1997 to 2002-2003 was estimated as Rs 41.52 crore.

The decrease in collection, as per minutes of Board meetings, was due to breakdown of the computerised collection system, manual ticketing, malpractice of staff, absence of physical barrier, absence of vigilance watchdog etc. The HRBC in its board meeting of September 1998 passed a resolution for agency operated toll collection fixing the bid at Rs 21.12 crore taking into consideration gross collection of Rs 22.83 crore per year. But a final decision in this regard was yet to be taken.

Thus, failure of the HRBC to plug the loopholes resulted in estimated loss of revenue of Rs 41.52 crore.

The above matter was referred to the Commissioner, HRBC in August 2002. No response was received from him. The matter was referred to the Principal Secretary demi-officially in May 2003 for consideration of Government and was followed up with reminders in August and December 2003. No reply was received (December 2003).

4.2 Infertuous / Wasteful expenditure / Overpayment

HEALTH AND FAMILY WELFARE DEPARTMENT

4.2.1 Infertuous expenditure on purchase of unwanted medical equipment for project hospitals

Procurement and supply of medical equipment/instrument to eight hospitals under SHSDP-II without assessing their requirement led to infertuous expenditure of Rs 55.28 lakh coupled with interest burden of Rs 38 lakh

With a view to enhancing the effectiveness of clinical and support services and also improving health care system in district/sub-divisional/state general hospitals covered under the State Health System Development Project-II (SHSDP-II) the Project Directorate centrally procured huge quantities of various medical equipment/instrument etc. during 1998-2002 for supply to these hospitals without assessing the user hospitals' actual requirements. As a result, a large quantity of various kinds of medical equipment/instrument etc. having no requirement/very little future requirement remained idle and unused in those hospitals.

Test-check of records (March to May 2003) on actual use of the equipment in eight² hospitals revealed that equipment worth Rs 55.28 lakh as shown below received from the Project Authority between February 2000 and July 2002 was lying idle and dumped in packed/ dilapidated condition since receipt.

Name of the hospitals	Categories of items	Quantities of item (in numbers)	Cost of the items (Rupees in lakh)
B N Bose Hospital	09	41	9.66
Baghajatin Hospital	09	30	10.72
Baranagar Hospital	05	20	3.55
Barasat Hospital	10	79	21.66
Bidhannagar Hospital	04	15	3.78
M R Bangur Hospital	07	18	4.28
Sagar Dutta Hospital	01	01	0.56
Vidyasagar Hospital	03	13	1.07
Total		217	55.28

The hospital authorities stated (April-May 2003) that most of the equipment were unwanted because of (i) lack of proper infrastructure, (ii) absence of essential technicians, (iii) want of suitable space/operation theatre etc. They also stated that the Project Authority never sought for any indent/requisition; rather, they were directed by the Project Authority to receive the items supplied to them. Cases were noticed where items such as (i) blood donor's table, (ii) paediatric beds, (iii) tissue processors, (iv) mortuary coolers, etc. were supplied to the hospitals having no (a) blood bank, (b) paediatric

² B.N. Bose Hospital, Baghajatin Hospital, Baranagar Hospital, Barasat Hospital, Bidhannagar Hospital, M.R. Bangur Hospital, Sagar Dutta Hospital and Vidyasagar Hospital

department, (c) laboratory/histopathologist (for tissue processor), (d) separate morgue with required electric connection (for mortuary coolers) respectively and so on. Even the X-ray machines could not be put into use for want of suitable space/ technicians.

The injudicious purchase of medical equipment for these hospitals at a cost of Rs 55.28 lakh was all the more reprehensible as the funds for procurement were made available partially through a World Bank loan, which carried an interest burden of Rs 38 lakh³ in 20 years of repayment schedule.

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

4.2.2 Wasteful expenditure on use of DDT after expiry of the shelf-life

Failure of Deputy CMOH-II, Malda to monitor utilisation of DDT within its shelf-life resulted in wasteful expenditure of Rs 53.42 lakh affecting eradication of malaria and kala-azar from Malda district

For eradicating malaria and kala-azar in Malda District, 91 tonnes⁴ of Dichloro Diphenyle Trichloroethane (DDT) valuing Rs 56.87 lakh was received during 1996-2002 as central assistance in kind by Deputy Chief Medical Officer of Health-II (Deputy CMOH-II), Malda. The DDT was sent by the Director, National Anti-Malaria Programme, New Delhi directly to the implementing units based on the population projected for spray without any indent. Only the spraying cost of DDT was to be borne by the State Government. Of the said consignment, only 18.85 tonnes⁵ could be utilised within its shelf-life (two years from date of manufacture) and the balance 72.15 tonnes⁵ of DDT valuing Rs 45.61 lakh lost potency.

Out of 72.15 tonnes time-barred DDT, 64.75 tonnes was sprayed after expiry of the shelf-life in malaria (26.03 tonnes) and kala-azar (38.73 tonnes) prone areas during November 1997 to July 2002 and the remaining (7.4 tonnes) outlived quantity was lying in stock as of March 2003. Spraying of such DDT for kala-azar involved engagement of daily rated workers at a cost of Rs 7.81 lakh, which was infructuous.

Deputy CMOH-II, Malda attributed this to non-receipt of funds for spraying operation. The contention was not tenable as it was not brought to the notice of the higher authority in time that the DDT in storage might cross its shelf-life due to non-receipt of funds for spraying. Further, spraying of time-barred DDT indicated lackadaisical monitoring on his part. He also did not make any effort to transfer this stock elsewhere for its effective utilisation.

³ For 20 years at the rate of 12 per cent per annum, using the reducing balance method on Rs 30.40 lakh being the loan component of Rs 55.28 lakh

	<u>Receipt of DDT</u>		<u>Consumption within shelf life</u>	<u>Outlived DDT</u>
January 1996	18 tonnes	Upto 31.12.1997	9.95 tonnes	8.05 tonnes
March 1996	4 tonnes	Upto 28.02.1998	-	4.00 tonnes
July 1996	40 tonnes	Upto 30.06.1998	-	40.00 tonnes
February 2000	9 tonnes	Upto 31.01.2002	0.90 tonnes	8.10 tonnes
September 2000	20 tonnes	Upto 31.08.2002	8.00 tonnes	12.00 tonnes
Total	91 tonnes		18.85 tonnes	72.15 tonnes

Thus, failure of Deputy CMOH-II, Malda to monitor the utilisation of DDT for spraying programmes within its shelf-life led to waste of Rs 53.42 lakh, besides frustrating the objective of eradication of malaria and kala-azar from Malda district.

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

HILL AFFAIRS DEPARTMENT
DARJEELING GORKHA AUTONOMOUS HILL COUNCIL

4.2.3 *Infructuous payment of interest on unutilised loan fund for construction of road*

Owing to loan funds remaining idle, Government had to incur infructuous burden of Rs 1.44 crore on construction of road undertaken by DGAHC

Darjeeling Gorkha Autonomous Hill Council (DGAHC) took up (1998) construction of a road from Simulbarie to Gourishankar Tea Estate (21 km) near Giddhapahar at Kurseong connecting NH-55 financed from its own resources as well as assistance of State Government. On request from DGAHC for financial support, the Government requested HUDCO through the West Bengal Infrastructure Development Finance Corporation Limited (WBIDFC), for sanction of loan for the said project. The loan agreement of Rs 10.20 crore for the above project was executed between HUDCO and WBIDFC in January 2001 carrying interest at the rate of 13.5 *per cent* per annum (inclusive of 2 *per cent* interest tax) for timely repayment. Out of Rs 10.20 crore, HUDCO released (March 2001) Rs 3.64 crore through WBIDFC, in the first phase which was allotted by the Government to DGAHC as grants-in-aid in March 2001. The balance amount of Rs 6.56 crore was released by HUDCO to Finance Department, Government of West Bengal in January 2002 (Rs 4.50 crore) and January 2003 (Rs 2.06 crore). Government released further grant of Rs 3.50 crore to DGAHC in March 2003.

On receipt of the allotment, DGAHC drew Rs 3.64 crore in March 2001 and kept the entire fund in its Local Fund Account with Darjeeling Treasury. In September 2001, DGAHC invited tender for the above work. The lowest rate offered by one of the three participating tenderers at 13.05 *per cent* above the estimated cost of Rs 8.87 crore was accepted (November 2001). The formal work order was issued by DGAHC in December 2001. As per stipulation, the work was required to be completed within two years from the date of issue of the work order. As of March 2003, physical progress of work was stated to be only 51 *per cent*. Till that date, Rs 4.51 crore was spent. Of which Rs 2.31 crore were actually paid. It was thus evident that the loan assistance obtained by Government from HUDCO remained largely idle both with DGAHC and Finance Department.

Thus, drawal of the entire loan of Rs 10.20 crore, not required for immediate disbursement, proved injudicious as it led to idling of funds and incurring of consequential infructuous liability of Rs 1.44 crore by Government on account of interest as of March 2003.

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

LAND AND LAND REFORMS DEPARTMENT

4.2.4 Irregular expenditure on engagement of casual workers

Engagement of casual labourers by six District Magistrates in violation of Government order for economy measure led to irregular expenditure of Rs 2.12 crore

As a part of economy measure on Government expenditure, Finance Department stopped engagement of casual labourers, (except in rare cases with prior approval of the Finance Department) and circulated memoranda to the effect in July 1992 and December 2000. However, scrutiny of the records of the offices of six District Magistrates (DMs) (North 24 Parganas, Bankura, Paschim Medinipur, Uttar Dinajpur, Dakshin Dinajpur and Bardhaman) revealed that different categories of casual workers were engaged during 1996-2003 without approval of the Finance Department and Rs 2.12 crore⁵ were spent on their wages.

Further, DM Uttar Dinajpur spent Rs 9.77 lakh on such wages by diverting fund meant for Basic Minimum Services Scheme (BMS) and Border Area Development Programme (BADP).

Thus, engagement of casual labourers by six DMs in violation of Government order for economy measure led to irregular expenditure of Rs 2.12 crore on wages during 1996-2003.

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

Name of DDO	Period	Number of casual labour/ driver	Expenditure (Rupees in lakh)
DM, North 24 Parganas	1998-2003	41 to 43	45.19
DM, Bankura	1999-2003	46 to 50	22.05
DM, Paschim Medinipur	1996-2003	22 to 32	42.53
DM, Uttar Dinajpur	1999-2003	8 to 5 labour and 7 to 9 drivers	18.17
DM, Dakshin Dinajpur	1997-2003	29	26.52
DM, Bardhaman	1998-2003	41 to 68	57.18
			211.64

**URBAN DEVELOPMENT DEPARTMENT
HALDIA DEVELOPMENT AUTHORITY**

4.2.5 Wasteful expenditure due to defective planning

Due to defective planning, Haldia-Panskura link road constructed at a cost of Rs 6.70 crore remained unworthy of traffic movement rendering the entire cost wasteful

Haldia Development Authority (HDA) appointed M/s Metallurgical and Engineering Consultants (India) Limited (MECON) as consultants for widening the existing Haldia-Panskura Link road of 6.5 KM from Panskura Durgachak Road (Kshudiram Square) to NH 41 at an estimated cost of Rs 6.85 crore. Scope of services to be rendered by MECON included preparation of design and construction drawings; preparation of tender documents including technical specification; ensuring quality of construction materials and of the construction work.

The construction of the road was awarded to three contractors (lowest bidders) (January and February 1998) by MECON. The civil portion of construction work was completed (between March 2000 and January 2001) at a cost of Rs 6.70 crore. Of which Rs 6.11 crore was released (between February 1998 and October 2001) to MECON. Besides, Rs 38.76 lakh was paid to MECON as consultation fees.

The newly constructed road developed potholes and its bituminous top layer was completely damaged and it became unfit for movement of traffic. This matter was taken up by HDA with MECON in July 2001 requesting an in-depth study to identify the causes for failures of the project and taking adequate corrective measures. MECON stated (August 2001) that the newly constructed road suffered damages due to non-modification of the camber of the old road. This made the road slope towards the shoulder due to which rainwater had accumulated on the median of the old and new road causing seepage below the new road and weakened the base. MECON further added that heavy vehicles of more than 15 tons had started plying on the newly constructed road without allowing any settling time, while the road had been constructed for movement of vehicles of not more than 10 tons. However, these points were not raised by MECON before taking up the project. MECON, as consultants of the project, should have foreseen these problems and prepared the designs accordingly. HDA, however, took up strengthening and camber correction of the old road (December 2000) and completed it (September 2001) at a cost of Rs 2.25 crore. HDA did not penalise MECON for substandard work because there was no penal clause in the agreement.

Had the construction of the new road been taken up after carrying out the camber correction of the old road and movement of heavy vehicular traffic taken into consideration, the newly constructed road would not have been

damaged which still remained unworthy of any traffic movement. Defective planning in implementation of the project thus led to wasteful expenditure of Rs 6.70 crore.

Government intimated (December 2003) that HDA would take up the matter of defective planning with MECON, the consultant.

4.2.6 *Infructuous expenditure on construction of a Housing Complex*

Injudicious decision of HDA to construct a housing complex without any market survey led to infructuous expenditure of Rs 1.54 crore on construction

HDA decided (November 1997) to construct a housing complex (Phase-II) comprising 176 flats (715 sq ft of carpet area each) to be leased out on long-term basis as a self-financing project. MECON was engaged (April 1998) for project management of this construction work on payment of consultancy charges at the rate of 4.75 *per cent* of the project cost. The work was awarded (August 1998) to four selected contractors at a tendered cost of Rs 10.71 crore with the stipulation to complete the work within 18 months. Initially construction work for 80 flats and land development for the remaining 96 flats was started. Audit scrutiny (June 2003) revealed the following:

Before starting construction, no market survey to assess the demand for housing was conducted.

Applications invited from prospective buyers in June 1999 through advertisements in newspapers evoked no response. HDA then decided (January 2000) to sell the incomplete structures including the land on “as is where is basis”. This also failed to attract response, except for eight flats out of the incomplete 80 flats.

Of the 80 flats, HDA decided (January 2000) to restrict itself to completion of 34 flats (inclusive of eight flats leased out earlier) and to abandon the works of construction of the remaining 142 flats (176-34).

The construction work of 34 flats was completed in August 2002. Of the 34 flats, HDA could lease out only 9 flats at Rs 69.30 lakh inclusive of the eight flats leased out earlier, seven flats were let out on rental basis and the remaining 18 flats, though completed, were awaiting disposal. Besides, HDA received Rs 11.81 lakh as land premium by disposing of incomplete structure with land.

Having undertaken the construction of housing complex without assessing the demand through appropriate market survey, the Authority had to abandon the project half way resulting in 142 flats remaining incomplete.

Thus, injudicious decision on the part of the HDA rendered Rs 1.54 crore⁶ incurred on the project infructuous.

Government while admitting the fact stated (December 2003) that attempts were being made to utilise the complex and promote sales at par value.

4.2.7 Wasteful expenditure

HDA, after incurring an expenditure of Rs 78.25 lakh, abandoned a project of area development work mid-way thereby rendering the expenditure wasteful

Following expansion of a factory at Bhuniaraichak, Haldia Development Authority (HDA), in order to provide rehabilitation to evictees of that place, awarded (March 1999) the area development work at Bhagyabantapur mouza to a contractor at an estimated cost of Rs 1.58 crore⁷. The development work started in March 1999 itself and continued till submission of third running bill in July 1999. Execution of the work which valued Rs 78.25 lakh was stopped thereafter and the amount was paid to the contractor in February 2000. HDA in its reply cited unwillingness of the evictees for settling at Bhagyabantapur which prompted abandonment of the project. Evictees were, however, rehabilitated at Purba Raghunathchak and Ramnagar.

Scrutiny of records revealed that the Rehabilitation Advisory Committee (RAC) had recommended (April 1998) rehabilitation of the evictees of Bhuniaraichak at Ramnagar. Had this been done in the first place, HDA could have avoided incurring wasteful expenditure of Rs 78.25 lakh.

Government while admitting the fact stated (December 2003) that the site was shifted to a new location due to more requirement of land and the present site would be effectively utilised later. This was not tenable as assessment of land should have been done before taking up the project.

4.2.8 Failure to construct Central Bus Terminus at Haldia

Obtaining land on lease without firming up action for construction of a central bus terminus in conformity with the terms of the lease resulted in ultimate surrendering of the land after incurring unfruitful expenditure of Rs 45.63 lakh

With a view to improving the transport management system at Haldia Township, Haldia Development Authority (HDA) decided to construct a central bus terminus-cum-depot and approached the authority of the Haldia

⁶ Total expenditure Rs 430.86 lakh minus Rs 276.61 lakh (realised/realisable from sale/rent of 34 completed flats and land premium)

⁷ Comprising Land filling: Rs 136.53 lakh, Culvert: Rs 2.77 lakh, Road Work: Rs 12.69 lakh and Drinking Water: Rs 5.60 lakh

Dock Complex (HDC) of the Kolkata Port Trust (KPT) for making land available for such construction. KPT/HDC accordingly allotted (January 1997) 6 acres (24281.13 sq. metres) of land to the HDA on 30 years' lease basis. The terms and conditions stipulated *inter alia* that the leased property should not be transferred by the lessee to any third party by any means and that the lessee would not assign, sublet or part with the possession of the demised land or building or structure, if any, erected thereon or any part thereof without prior consent and/or permission in writing of the trustees of KPT.

Scrutiny of relevant records revealed (December 2002) that HDA had communicated their acceptance of the terms and conditions of the lease in October 1997 and paid (August 1997) Rs 25.43 lakh towards payment of premium and security money, etc. for lease of six acres (24281.13 square metres) of land and took possession of said land in June 1998 without deciding upon further course of action regarding construction of the terminus.

For construction of the terminus, HDA passed a resolution (January 1999) that an agreement between HDA and Indian Oil Corporation Limited (IOCL) would be executed with the stipulation that IOCL would provide fund for construction of the required facilities which would be handed over to the IOCL for maintenance. But KPT/HDC did not accept the above resolution since it caused an infringement with the terms and conditions of the lease. Subsequently, HDA decided (June 2000) that besides development of a bus terminus by themselves, South Bengal State Transport Corporation (SBSTC) and Calcutta State Transport Corporation (CSTC) would construct their depots and Bharat Petroleum would set up one petrol filling station on the said land. This was also not acceptable to the KPT/HDC as the same was not in tune with the terms and conditions of the lease.

In October 2000 the Board of HDA decided to surrender the land to KPT/HDC as it felt that the land premium was exorbitantly high. HDA ultimately surrendered the land (February 2001) to KPT/HDC. However, HDA had to pay Rs 45.63 lakh (one time non-refundable and non-adjustable premium of Rs 20.34 lakh and land rent of Rs 25.29 lakh) for June 1998 to February 2001 at varying monthly rates which was rendered infructuous.

Thus, acceptance of land on lease without firming up their action for construction of terminus in conformity with the terms of the lease not only resulted in wasteful expenditure of Rs 45.63 lakh but also deprived the Haldia Township of an efficient transport system.

Government in its reply (December 2003) admitted the facts.

4.3 Violation of contractual obligations / Undue favour to contractors

HILL AFFAIRS DEPARTMENT DARJEELING GORKHA AUTONOMOUS HILL COUNCIL

4.3.1 Undue financial aid to a Contractor

DGAHC arbitrarily enhanced the rates of scheduled and non-scheduled items of work on construction of a bridge thereby extending undue financial aid of Rs 0.56 crore to a contractor

In order to minimise the road distance from Goke, Jorthang, Bijanbari and other places of Darjeeling district to Darjeeling town, construction of 55 m Arch Steel Bridge over the river Chotta Rangit was taken up in January 1996 by DGAHC through a contractor at a lowest contractual rate of Rs 1.70 crore.

After 1996 monsoon, DGAHC felt the necessity of revising the plan and design of the proposed bridge for having clear water-way of 180 metres. Accordingly, it was decided with the approval of the Chief Engineering Adviser, DGAHC to construct the newly designed bridge with one single central span of 60 metres and three spans of 20.55 metres each on both sides increasing the length of the bridge to 216.40 metres at an estimated cost of Rs 3.60 crore. The proposal was finalised in January 1997.

The work order for the revised work was awarded to the same contractor without inviting fresh quotation at 10 *per cent* above the estimated cost stipulating the time of completion as two and a half years to be reckoned from January 1996 (i.e. time of taking up construction of bridge initially). The estimated cost comprised of scheduled rate items for Rs 1.77 crore, non-scheduled items of Rs 1.55 crore, Rs 0.10 crore for survey and design and unforeseen expenditure of Rs 0.18 crore.

The work was completed in January 2000 at a total cost of Rs 3.74 crore and final payment was made in September 2001. Records revealed that Rs 0.56 crore were paid in excess to the contractor as shown below :

Particulars of work	Amount admissible as per running account bills (PW schedule of rate) (Rupees in Lakh)	Enhancement of schedule	Actual payment made	Excess
			as per final bill	payment
			(Rupees in Lakh)	
Scheduled items	145.99	Against scheduled items by further enhancing 20 <i>per cent</i>	175.19	29.20
Non-scheduled items	134.43	Non scheduled items (market rate) by enhancing 15 <i>per cent</i>	154.60	20.17
Detailed survey, drawing, design, geo-technical investigation etc. (3 <i>per cent</i> of above items)	8.41	Detailed survey etc. (3 <i>per cent</i> of above items)	9.95	1.54
	288.83		339.74	50.91
10 <i>per cent</i> as per contractual agreement	28.88	10 <i>per cent</i> as per contractual agreement	33.97	5.09
	317.71		373.71	56.00

This was done as per verbal orders of the Chairman, DGAHC on the ground that the work was executed in difficult terrain although such enhancement of scheduled rate items was not provided in the existing rules as separate PWD schedule of rates for hilly areas of Darjeeling district was considered under the contract.

Thus, enhancing the rate of scheduled and non-scheduled items in violation of financial rules on the basis of verbal orders of Chairman DGAHC was arbitrary and led to excess payment of Rs 0.56 crore to the contractor.

Government while accepting (December 2003) the contention of audit stated that DGAHC was being advised to make a note of the audit observations for future guidance.

PUBLIC WORKS DEPARTMENT

4.3.2 *Undue benefit to the contractor*

Failure of the Superintending Engineer, Eastern Circle in scrutinising the analysis of rate offered by an agency resulted in undue benefit of Rs 65.82 lakh to the agency

In pursuance of the decision (January 2000) to improve and strengthen two important corridors of each district on emergency basis Public Works Department (PWD) had taken up (December 2000) improvement of 12 roads with the loan assistance of Housing and Urban Development Corporation (HUDCO). Accordingly, Superintending Engineer, Eastern Circle, PWD awarded (June 2001) the work of improvement and strengthening of Barrackpore Trunk Road from Dunlop Bridge to Barrackpore (Length 12.003 km.) in Kolkata at a negotiated cost of Rs 8.75 crore for completion by February 2002. The agency completed the work in June 2003.

The agency in its price bid mentioned that evaluation of rates was based on Schedule of Rates (SOR) of National Highway Works (Roads and Bridges) effective from April 2000 and SOR of Public Works (Roads) Department effective from December 1999. The agency in its analysis of rate included 24.70 *per cent* extra for income tax, sales tax, maintenance of roads for three years, other financial charges and contractors' margin of 10 *per cent* over the item rates. In analysis of item rate, use of Pakur stone materials was considered.

Scrutiny revealed that the agency, while analysing the rate, did not consider the rates of different sizes of stone materials of Pakur quarry as provided in the SOR (inclusive of 10 *per cent* contractor's profit). On the contrary it claimed higher prices than provided in the SOR and also added 24.70 *per cent* extra in arriving at the item rate resulting in excess payment of Rs 65.82 lakh.

Thus, failure of the Superintending Engineer, Eastern Circle in scrutinising the analysis of rate offered by the agency resulted in undue benefit of Rs 65.82 lakh to the contractor.

Government stated (June 2003), *inter alia*, that the basic cost of stone materials of different sizes (Pakur variety) at the nearest railway yard, as

pointed out by the audit was not at par with those mentioned in the NH Schedule of Rates (SOR) 2000-2001.

This was not acceptable as the rate worked out by audit was based on SOR of NH of 2000-2001 for stone materials at source and carriage therefrom as agreed to by the agency in their letter of intent.

PUBLIC WORKS (ROADS) DEPARTMENT

4.3.3 Unjust favour shown to the contractor

Chief Engineer (CE), Public Works (Roads) Department arbitrarily recommended abnormal high rate of Water Bound Macadam (WBM) for acceptance which resulted in undue benefit of Rs 1.53 crore to the Agency

Government of West Bengal decided (January 2000) to improve at least two important road corridors in each district, on an urgent basis with loan assistance from Housing and Urban Development Corporation (HUDCO) in such a manner that no repair and maintenance would be required on those improved roads for next three years. Accordingly, Public Works (Roads) Department (PWRD) was directed (January 2000) to act on some special modalities apart from codal provision so as to utilise the fund in the best manner for timely and satisfactory completion of works.

The work of widening and strengthening of Calcutta-Basanti Road at 53 kmp to 86 kmp (Length 33 km) of South 24-Parganas district was awarded (February 2000) to a contractor at Rs 15.02 crore (Rs 45.51 lakh per km) for completion by January 2001. The work was completed in July 2002 at Rs 15.62 crore.

Scrutiny revealed the following serious irregularities while finalising the tender by CE :

- Three tenders out of four were invalid as they had not quoted the rate for widening.

Nevertheless, CE, PWRD recommended (February 2000) the rate of Rs 45.51 lakh per km for acceptance without a retender, against the estimated rate of Rs 35 lakh per km approved by the Government.

- The sole valid tender was approved by the Minister-in-Charge in January 2000. The work, *inter alia*, included execution of 150 mm thick Water Bound Macadam (WBM) in two layers of 75 mm each.
- Initial offer of the agency for execution of 150 mm thick WBM was Rs 270 per m² (with stabilisation coat) but the CE recommended the rate at Rs 426.30 per m² for acceptance and the contractor was paid Rs 3.14 crore at the rate of Rs 414.15 per m² for 150 mm thick WBM (for using less costly primer coat) and Rs 0.65 crore for 75 mm thick WBM at the rate of Rs 215.40 per m² (using less costly primer coat).

Thus, with reference to the quoted rates of Rs 270 per m² and Rs 155 per m² for 150 mm thick WBM and 75 mm thick WBM respectively, the agency got unjust benefit of Rs 1.53 crore.

It was further revealed that another agency had executed improvement work on the same road (16 kmp to 53 kmp) with identical items viz. 150 mm thick WBM and 75 mm thick WBM at the rate of Rs 209 per m² and Rs 104.50 per m² respectively during November 2001 to March 2003.

Thus, arbitrary recommendation made by the Chief Engineer, Public Works (Roads) Directorate, for acceptance of abnormally higher rate than that quoted by the agency resulted in undue benefit of Rs 1.53 crore to the agency.

The above matter was referred to the Chief Engineer in May 2003. No response was received from him. The matter was also referred to the Principal Secretary, Public Works (Roads) Department demi-officially in July 2003 and was followed up with reminders in September and December 2003. No reply was received (December 2003).

4.3.4 Expenditure on doubtful execution

Executive Engineer, National Highway Division-X allowed payment of Rs 1.09 crore to the agency for doubtful execution of Bituminous work

Ministry of Road Transport and Highways (MORTH) approved (March 2000) two special repair works on 21.5 km stretch of NH-31C (177 kmp to 187 kmp, 193.5 kmp to 198 kmp and 203 kmp to 210 kmp) for execution at a cost of Rs 7.07 crore. Superintending Engineer (SE), National Highway Circle-III awarded (May 2000) the works to an agency in two separate tenders at a negotiated cost of Rs 6.49 crore for completion by November 2000. The works were completed in March 2001 at Rs 7.39 crore. The increase in cost was due to increase in the volume of works during execution.

The items of work as provided in the tender, *inter alia*, included laying of (a) 75 mm thick bituminous macadam (BM) of 11287.5 m³ as base course at the average rate of Rs 3773.24 per m³ on the entire road surface (150500 m²) and (b) 25 mm thick semi-dense bituminous concrete (SDBC) of 3762.5 m³ at Rs 4882.54 per m³ as wearing course to be laid over the base course. The agency claimed to have executed 14077.17 m³ of BM and 3470.81 m³ of SDBC against which payment was made to him.

Scrutiny revealed that the agency executed BM of 11185.169 m³ between July 2000 and February 2001 and also completed SDBC of 3470.81 m³ thereon between February and March 2001 covering the entire available surface area of the specified road length. Again, the agency was allowed to execute BM of 2892 m³ on the same reaches in March 2001.

BM being a basic course was not technically feasible to be laid over the freshly laid wearing course i.e. SDBC. Thus, there was no scope for further execution of 2892 m³ BM on the same reaches of the road after completion of SDBC.

In view of above, the excess BM work of 2892 m³ involving payment of Rs 1.09 crore was doubtful and, therefore, needs investigation.

The above matter was referred to the Chief Engineer in April 2003. No response was received from him. The matter was also referred to the Principal Secretary, Public Works (Roads) Department demi-officially in August 2003

and was followed up with reminders in October and December 2003. No reply was received (December 2003).

SPORTS AND YOUTH SERVICES DEPARTMENT

4.3.5 Loss of revenue

Undue favour extended to M/s Celebrity Management Group Private Limited by the Sports and Youth Services Department for holding of 'Hrithik Roshan Show' led to loss of revenue of Rs 20.98 lakh

For holding Hrithik Roshan Show on 11 November 2000 jointly with M/s Celebrity Management Group Private Limited (CMG) at Yuba Bharati Krirangan (YBK, Salt Lake Stadium), a Memorandum of Understanding (MOU) was signed on 1 September 2000 between CMG and West Bengal State Council of Sports (WBSCS), an autonomous body. The OSD and Deputy Secretary of the Sports Wing, Government of West Bengal signed the MOU on behalf of WBSCS.

The MOU *inter alia* provided that the show would be organised jointly by CMG and WBSCS. As per the understanding CMG would have to bear all expenses for the show and have exclusive rights for all revenue generated from the show, and in turn would pay Rs 20 lakh to WBSCS as donation. CMG was also liable to pay 10 *per cent* of the profit generated from the show to WBSCS. The stadium was provided to CMG free of cost. No formal agreement was, however, executed to safeguard the interest of the Government as was stipulated in the MOU. Neither was any time limit for payment of donation, profit element and submission of accounts indicated therein, thereby leaving CMG free from any legal binding for payment.

The show was organised on 11 November 2000 and CMG issued three cheques of Rs 5 lakh each (dated 9, 10 and 14 November 2000) in favour of WBSCS, which were subsequently dishonoured by bank due to instruction of 'stop payment' by the drawer (first two cheques) and 'insufficient balance' in the bank account of the drawer (third cheque). The department stated (September 2003) that the filing of legal suit against CMG was under process. In fact only FIR was lodged against CMG in June 2003 i.e. 31 months after the cheques were dishonoured.

The CMG also failed to pay 10 *per cent* profit of the show. The Department forwarded (September 2003) to Audit a copy of statement of account audited by M/s U K Chauhan and Company, Chartered Accountant which showed excess of expenditure over income to the extent of Rs 19.18 lakh. However, it had been ascertained by Audit from the Income Tax Department (July 2003) that a profit of Rs 9.80 lakh was earned by CMG from this show.

Thus, due to inaction on the part of Department of Sports and Youth Services with a view to extending undue favour to a private company (CMG), Government was deprived of revenue of Rs 20.98 lakh (Rs 20 lakh as donation plus Rs 0.98 lakh being 10 *per cent* profit on the show).

4.4 Avoidable/Excess/Unfruitful expenditure

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

4.4.1 Avoidable payment of interest on undisbursed CBC loan

Khadi and Village Industries Board failed to utilise Rs 7.97 crore of financial assistance provided by Khadi and Village Industries Commission and thus unnecessarily had to bear avoidable interest burden of Rs 1.96 crore.

Khadi and Village Industries Commission (KVIC) launched (1995-1996) the Consortium Bank Credit Scheme (CBC) of Rs 1000 crore for generation of employment opportunity and self-employment by promoting khadi and village industries projects in rural areas. KVIC sanctioned (1995-1997) CBC loan of Rs 111 crore to West Bengal Khadi and Village Industries Board (KVIB) for implementing various khadi and village industries projects in the State.

The loan was to be disbursed among the entrepreneurs in accordance with the provisions of the CBC scheme. The beneficiaries under khadi schemes were to pay interest on the loan at 4.5 *per cent* per annum whereas those under village industries sector were to pay interest at prime lending rates, 1 *per cent* of which was to be retained as service charge by the KVIB.

Scrutiny revealed the following:

Against the sanction of CBC loan of Rs 111 crore to be disbursed to 30200 targeted units, KVIB drew Rs 22.49 crore from KVIC during the period between March 1996 and April 1997, and as of December 2001 disbursed Rs 14.52 crore (Rs 3.50 crore to khadi and Rs 11.02 crore to village industries) to only 7504 units. The balance loan of Rs 7.97 crore was refunded to KVIC between April 1997 and June 2001.

Non-disbursement of Rs 7.97 crore, which mainly pertained to village industries sector, was attributed by the KVIB (August 2002) to failure of the loanee applicants in furnishing securities and other documents for such loans, change from pattern approach⁸ to project approach⁹ and poor response from village industries sectors due to high rate of interest on such loans. Besides, the project approach which required the beneficiary to conceive a project and understand the pros and cons thereof, was difficult for the villagers to adopt as they were used to pattern approach wherein they could take up familiar items of village industries.

⁸ For a particular scheme KVIC fixed a specific pattern for extending financial assistance all over India

⁹ Financial assistance depended on the project submitted by the beneficiaries

As of March 2003, KVIB could realise only Rs 3.27 crore (principal: Rs 0.97 crore and interest: Rs 2.30 crore) from the beneficiaries leaving Rs 18.84 crore (principal: Rs 11.23 crore and interest: Rs 7.61 crore) overdue. In the meantime, KVIB repaid Rs 7 crore (principal: Rs 2.03 crore and interest: Rs 4.97 crore). Rupees 22.11 crore (principal: Rs 12.20 crore and interest: Rs 9.91 crore) was overdue to KVIC as of March 2003. The interest of Rs 4.97 crore paid to KVIC included Rs 1.96 crore as interest on undisbursed loan of Rs 7.97 crore refunded to KVIC after 1 to 5 years which was avoidable.

Thus, KVIB not only failed to avail fully the financial assistance provided by KVIC for generation of employment in rural West Bengal but also failed to utilise the fund of Rs 7.97 crore on which Rs 1.96 crore were paid as interest.

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

HEALTH AND FAMILY WELFARE DEPARTMENT

4.4.2 Avoidable expenditure on sanitation and scavenging works

Seven hospitals incurred avoidable expenditure of Rs 78 lakh on contracting out of sanitary and scavenging works despite having departmental staff in excess

For ensuring improvement in cleanliness and cost efficiency the Government decided in 1998 to partially contract out sanitary and scavenging (non-clinical) services to outside agencies initially in five¹⁰ Government hospitals and subsequently (December 1999) extended to all the districts, sub-divisional and state general hospitals with bed strength of more than 100. The works included sweeping, cleaning and dis-infection of entire hospital corridors/floors outside the wards, offices, examination rooms, kitchens, ceramic tiles, window glasses, toilets, basins, maintenance of hospital compound and disinfection of drains etc. Prior to engagement of outside agencies, all these works were done by the hospitals' own sweeping and cleaning staff.

Review of contracting out of sanitary and scavenging services vis a vis achievement of cost efficiency conducted (April – July 2003) by Audit in 10 hospitals (including three of the five initially selected) revealed that in seven hospitals sweeping and cleaning staff was in excess of sanctioned strength by 5 to 70 per cent. Contracted out area in these seven hospitals during the period May 1999 to March 2003 varied between 27.5 to 50 per cent of the total floor area as shown below:

¹⁰ M.R Bangur Hospital, South 24 Parganas, J.N.M. Hospital, Kalyani, Nadia; Howrah District Hospital, Howrah; Siliguri S.D Hospital, Siliguri, Darjeeling and Cooch behar District Hospital, Cooch behar

Name of the Hospital	Total sanctioned strength of scavenging staff/staff in position (extra) during the period	Percentage of floor area contracted out	Expenses on contracting out (Rupees in lakh)	Pay and allowances of the excess staff (during contracting period) (Rupees in lakh)
B.N. Bose Hospital	60/68	35	7.20	5.68 (6/00 – 3/03)
Baranagar Hospital	30/34	40	3.69	2.11 (1/01 – 3/03)
Baghajatin Hospital	24/36	40	7.10	10.08 (7/00 – 3/03)
Barasat Hospital	124/131	27.5	15.66	4.25 (12/99 – 3/03)
Kalyani JNM Hospital	288/303	30	24.21	8.52 (5/99 – 3/03)
Sagar Dutta Hospital	36/47	31	4.95	7.52 (12/00 – 3/03)
M. R. Bangur Hospital	132/224	50	15.22	97.30 (5/00 – 3/03)
			78.03	135.46

In two hospitals¹¹ staff strength was less by 11 *per cent* (on average) and at par with sanctioned strength in one hospital (Bidhannagar Hospital).

Thus, in seven hospitals, despite having 5 to 70 *per cent* excess departmental staff, sanitary and scavenging services were contracted out incurring an avoidable expenditure of Rs 78 lakh between May 1999 and March 2003. In addition Government had to bear expenditure of Rs 1.35 crore towards pay and allowances of excess departmental staff during the period. The practice was continued although no major improvement was noticed in the Health Systems Development Project status report (November 2001) on cleanliness in hospitals.

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

4.4.3 Extra expenditure due to purchase of medicines at higher rates

Procurement of medicines during 1999-2002 in three project offices under SHSDP-II ignoring the lower rates fixed by the department and procurement during 2001 at old higher rates prevailing in 1999-2000 resulted in an extra expenditure of Rs 53.39 lakh

Health and Family Welfare Department (HFWD) enter into rate contract annually/biannually with manufacturers/suppliers through Central Medical Stores (CMS) of the department for supply of medicines etc. The rates, being binding on all purchasing organisations under Directorate of Health Services, were circulated to all the concerned authorities and Government hospitals of the state.

For the hospitals selected as project hospitals under the State Health System Development Project-II (SHSDP-II), a World Bank Aided Project jointly financed by the State Government (15 *per cent*) and the World Bank (30 *per cent* grant and 55 *per cent* loan bearing 12 *per cent* interest per annum) medicines etc. were procured by the District Project Officer (DPO) at the lowest rates, approved by Purchase Committee consisting of CMOH,

¹¹ Vidyasagar Hospital and Howrah District Hospital.

Sabhadhipati Zilla Parishad, District Magistrate, DPO and Assistant Project Officers through competitive biddings. The system of procurement did not however provide for comparing these purchase prices with Government approved rates.

Scrutiny of records in five test checked districts¹² relating to purchase of medicines etc. in the project offices during 1999-2002 revealed that in two districts¹³ medicines were procured at the rates approved by the department while purchases in the remaining three districts were made at higher rates fixed through tenders without considering the lower rates fixed by the department resulting in an extra expenditure of Rs 46 lakh. This included excess expenditure of Rs 5.03 lakh in six cases during 1999-2002 in South 24 Parganas where the same manufacturers/suppliers charged higher rates from project hospitals and lower rates from other hospitals for supplying identical medicines.

The DPOs of Bardhaman and South 24 Parganas stated (October 2002) that nowhere in the guideline of the Project Management Cell it was imperative or suggestive that rates of CMS were to be compared with those received through individual tender. They also stated that they supplied quality medicines for project hospitals.

Their contentions were not tenable as purchase of medicines by the project offices at rates higher than Government approved rates went against the basic principle of economy and cost efficiency. Moreover, while they claimed to have supplied quality medicines, complaints were received for supply of sub-standard medicines by project offices.

Further, although CMS's rates of different kinds of medicines came down during 2001-2002 (from February 2001) compared to those of 1999-2000 the project office in Hooghly district procured some medicines between August and September 2001 at the higher rates prevailing in 1999-2000 incurring extra expenditure of Rs 7.39 lakh. In reply the DPO stated *inter alia* that an investigation would be made in the matter and the outcome would be communicated to audit.

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

¹² Bardhaman, North 24-Parganas, South 24 Parganas, Nadia and Hooghly

¹³ North 24 Parganas and Hooghly

**HOUSING DEPARTMENT
WEST BENGAL HOUSING BOARD**

4.4.4 Injudicious purchase of land

West Bengal Housing Board purchased land for execution of housing project and incurred further expenditure on its development without any viability study resulting in unfruitful expenditure of Rs 9.06 crore

West Bengal Housing Board (Board) took possession (September 1993) of 45.69 acres of land in mouza Chakjote-Shibrampur (10.61 acres) and Parui (34.08 acres) in Mahestala-Behala area of South 24 Parganas for execution of a housing project. The Board paid Rs 1.52 crore (June 1993) and Rs 6.56 crore (July 1998).

Since the acquired land was connected with a narrow road, the Board upgraded the road and had taken up other development work like land filling, construction of boundary wall etc. and incurred an expenditure of Rs 97.95 lakh.

Scrutiny of records revealed that the land being located in semi-urban fringe of Behala area, the Board found its saleability aspect bleak and, therefore, dropped the concept of Housing Project. The Board further considered various other options for utilization/disposal of land but nothing materialised.

Thus, the entire expenditure of Rs 8.08 crore on acquisition of land for execution of housing project without considering its viability and further expenditure of Rs 97.95 lakh on its development became unfruitful.

The Secretary, Housing Department, while agreeing (December 2003) with the audit observation warned the Commissioner of the Board to be cautious before taking up any project in future. However, no responsibility was fixed for the lapse.

4.4.5 Idle investment on injudicious purchase of land

Injudicious decision on the part of West Bengal Housing Board in purchase of 20 acres of land for construction of ownership flats without undertaking any demand survey resulted in idle investment of Rs 1.45 crore for more than 12 years and loss of interest of Rs 1.74 crore on blocked fund

Asansol Durgapur Development Authority (ADDA) proposed for construction of 1000 housing flats to cater the needs of industrial entrepreneurs or to public in the event of poor response from the entrepreneurs. In pursuance of the proposal, the West Bengal Housing Board (Board) purchased (March 1991) 20 acres of land at a cost of Rs 1.45 crore from ADDA at Bidhannagar in Bardhaman district, without conducting any demand survey which was a

pre-requisite before taking up any project. The advice of the Finance Wing of the Board in this respect was also ignored. Besides, factors like non availability of infrastructural facilities like water line, electric supply and sewer were overlooked.

The content and design of the project were frequently revised, but did not attract response from the public. Keeping this in view, Board decided (July 1996) to surrender the plot to ADDA. However, the Board did not take any action to surrender the land, rather it took up (June 1998) another housing project comprising of 360 single-storied individual housing of different types on plots ranging between 2.11 cottahs and 2.91 cottahs. But this time also the public response was very poor and the Board dropped the project. The Board also tried (December 1999) to launch a housing project with a Joint Sector Company viz. M/s Bengal Shraichi. The company, after conducting demand survey, suggested to abandon the project in view of lack of response. The land still remained unutilized. Incidentally, the Board had experienced similar situation of poor demand in another project viz. Bidhannagar Housing Project Phase III in a contiguous land earlier but did not take any lesson therefrom.

Thus, the act of injudicious purchase of land for housing project without conducting any demand survey and lack of planning led to wasteful investment of Rs 1.45 crore along with loss of interest of Rs 1.74 crore (calculated at the borrowing rate of 10 *per cent* on an average) for more than 12 years.

The Secretary, Housing Department, while agreeing (December 2003) to the audit observation warned the Commissioner of the Board to be cautious before taking up any project in future. However, no responsibility was fixed for the lapse.

JAILS DEPARTMENT

4.4.6 Procurement of medicine and medical equipment

In 5 Central Correctional Homes excess expenditure of Rs 95.03 lakh was noticed during 2001-2003 due to adoption of unreasonable rates for purchase of medicine. Equipment worth Rs 53.98 lakh remained idle for two to four years since procurement

Inspector General, Correctional Services (IG) purchased medicines worth Rs 3.53 crore during 2000-2003 from selected private suppliers without calling for tenders and entering into any contract. Even the basis on which the competitiveness of the rates of medicines was determined and fixed, was not available on record. Rates approved for each medicine were stated to be 6 *per cent* below the hospital rates although the IG did not define the hospital rates.

Scrutiny of records, however, revealed that rates paid were actually 6 *per cent* below the labelled price (MRP) and were fixed arbitrarily as no tenders were

called. Even the selection of suppliers of medicines was made without following any transparent procedure and without considering approved rates of the Health Department, where huge quantities of medicines were procured each year through Central Medical Stores (CMS). Incidentally, CMS's rates were found to be much lower than the rates fixed by the IG. As a result, in five Central Correctional Homes (CCH), the Department incurred an extra expenditure of Rs 95.03 lakh during 2001-2003 on purchase of medicines. The details are given in Appendix 38.

The Department admitted (August 2003) the fact and stated that the system of centralised open tendering has since been adopted for supply of medicines.

Further, fraudulent and excess payment of Rs 4.74 lakh by the Superintendents of CCHs to the West Bengal State Consumers' Cooperative Society Limited (CONFED) was detected by audit during June 2001 to July 2002. It was also noticed that Superintendent, CCH, Alipore rejected 26 types of medicines supplied by CONFED in May 2001 on the ground of insufficiency of bio-availability content but instead of taking appropriate action through the Drug Control Authorities asked the supplier to take back the medicines. Resultantly, the supplier took back the medicines and supplied some of these medicines having same batch number to other correctional homes at Medinipur and Jalpaiguri.

IG procured medical equipment worth Rs 1.16 crore between May 1999 and February 2001 without assessing the infrastructure available for installation of equipment. As a result, 131 such equipment (25 types) valued Rs 53.98 lakh could not be installed and put to use. The equipment having remained in packed condition for two to four years was also susceptible to damage due to passage of time.

Government while admitting the facts (August 2003) stated that corrective actions were already initiated and necessary departmental action would be taken against the negligent officials.

LAND AND LAND REFORMS DEPARTMENT

4.4.7 Loss due to delay in processing and issue of notices to landlords by the Rent Controller

Inordinate delay in sending notices to landlords for realisation of rent led to extra expenditure of Rs 34.20 lakh due to enhancement of postal charges in the intervening period

In terms of the provisions of Section 21 of West Bengal Premises Tenancy Act, 1956, if the landlord does not accept any rent tendered by the tenant or where there is a bonafide doubt as to the persons to whom the rent is payable, the tenant within the jurisdiction of Kolkata Municipal Corporation may deposit the rent alongwith the process fees in the PL Account of Rent Controller maintained with the RBI, Kolkata. On such deposit of rent, the

Controller shall send a notice to the landlord or person claiming to be entitled to the rent, the postal charge of which is to be met from the corresponding process fees collected. The State Government fixes the process fees taking into account the prevailing postal charges.

The process fee realisable from the tenants was enhanced from Rs 9 (December 1991) to Rs 24 (January 2002) in three phases¹⁴ which included postal charges varying from Rs 8 to Rs 19.

Scrutiny of the records of the Rent Controller, Kolkata (October 2002) disclosed that the Controller made inordinate delay of over five years in sending the notices to the landlords and had to pay enhanced postal charges outweighing what had been collected from the tenants. Between March 2000 and August 2002 the Controller despatched 365595 notices incurring postal charges of Rs 63.45 lakh (Rs 16 to Rs 19 per notice) though corresponding amount of postal charges deposited by the tenants for those notices during June 1995 to September 1996 was only Rs 29.25 lakh (Rs 8 per notice as postal charges). The delay was attributed by the Rent Controller to time consumed in processing paraphernalia.

Thus, due to such abnormal delay in sending notices to landlords, the Rent Collector, Kolkata incurred an avoidable expenditure of Rs 34.20 lakh unauthorisedly out of Rent Deposit Fund (PL Account) resulting in loss to Government.

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

PUBLIC WORKS (ROADS) DEPARTMENT

4.4.8 Extra expenditure due to delay in payment of land compensation

Failure of Executive Engineer to pay land compensation within due date of award led to increase in market value of land and subsequent increase in compensation resulting in avoidable extra expenditure of Rs 81.69 lakh

Land Acquisition Collector (LA Collector), Medinipur acquired (January 1982) 3.41 acres of land in Mouza-Jalal Khabar (1.04 acre) and Kishorenagar (2.37 acre) in Medinipur district under West Bengal (Requisition and Acquisition) Act, 1948 for Executive Engineer (EE), Tamluk Highway Division for construction of Contai By-pass Road. The acquisition was notified in July 1986. EE paid (March 1985) Rs 0.48 lakh to LA Collector as ad hoc payment for land compensation. LA Collector assessed (November 1987) the land compensation at Rs 1.50 lakh (value of land Rs 0.88 lakh, solatium Rs 0.26 lakh, interest Rs 0.12 lakh and requisition compensation Rs 0.24 lakh). It was, however, observed that the division paid

¹⁴ From 31-12-1991 - @ Rs 9 (postal charges of Rs 8 plus Re 1 for stationery)
From 07-10-1997 - @ Rs 15 (postal charges of Rs 13 plus Rs 2 for stationery)
From 25-02-2000 - @ Rs 20 (postal charges of Rs 19 plus Re 1 for stationery)
From 31-01-2002 - @ Rs 24

the balance of Rs 1.02 lakh to LA Collector only on 31 March 1997 although there was enough liquid cash to meet the demand in 1987-1988. As a result, the LA case could not be settled within the currency of the Act.

Meanwhile, with the introduction of Land Acquisition (West Bengal Amendment) Act, 1997, effective from 1 April 1997, LA case was lapsed as notices under section 4 of the Act of 1948 was published before 31 March 1992 but award could not be made by 31 March 1995. The compensation payable was computed (August 1997) afresh at Rs 17.39 lakh (value of land -Rs 5.49 lakh, solatium - Rs 1.64 lakh, additional compensation -Rs 10.26 lakh) under Section 9 (3A) of the Amended Act,1997.

Executive Engineer, Tamluk Highway Division, on receipt of the estimate, requested (December 1997) the Government to sanction fund of Rs 15.89 lakh for settlement of the land acquisition case but the department did not provide fund although budget provision was available during the year. Meanwhile, in February 1999, the LA Collector further reassessed the LA compensation to Rs 83.19 lakh (value of land - Rs 24.68 lakh, solatium – Rs 7.41 lakh, additional compensation - Rs 51.10 lakh) following a Government clarification (November 1997) on Land Acquisition (West Bengal Amendment) Act, 1997. The department accorded sanction (March 2001) and EE paid (March 2001) compensation of Rs 83.19 lakh to LA Collector without adjusting Rs 1.50 lakh already paid for the purpose. Excess payment of Rs 1.50 lakh remained in the Personal Ledger Account of the LA Collector.

Thus, the failure of the EE to ensure timely payment of land compensation resulted in extra avoidable expenditure of Rs 81.69 lakh.

The Department admitted (July 2003) the delay of nine years in making the payment, but stated that the cash balance at the end of each month during 1987-1988 was 'nil' as per Divisional Cash Book. The later part of the reply was not tenable since as per divisional accounts the closing cash balance as on 31 March 1988 was Rs 1.92 lakh which at that time was sufficient to meet the balance amount.

4.4.9 Avoidable extra expenditure due to non-acceptance of the lowest rate

Chief Engineer, PW (Roads) accepted the second lowest rate ignoring the lowest without assigning any reason resulting in extra expenditure of Rs 0.70 crore

Superintending Engineer (SE), State Highway Circle-1 awarded (January 2001) the work for improvement and strengthening of the Ranihati-Haridaspur-Amta Road (Length-16.70 km) of Howrah district to a contractor at Rs 5.33 crore for completion by June 2001. The work was completed in May 2001 at a cost of Rs 5.69 crore including payment on escalation etc.

Scrutiny revealed that the Chief Engineer while finalising the tender did not consider the rate of Rs 4.63 crore offered by the lowest tenderer and

recommended the second lowest offer of Rs 5.33 crore for approval of the Minister-in-Charge without assigning any reason.

Thus, non-acceptance of the lowest favourable rate resulted in avoidable extra expenditure of Rs 0.70 crore.

The matter was referred to the Chief Engineer in August 2002 and to the Principal Secretary in June 2003 and followed up with reminders in August and December 2003. No reply was received (December 2003).

4.4.10 Excess payment on payment of inadmissible higher rate

Executive Engineer, NH-VI made excess payment of Rs 31.65 lakh by allowing higher contractual rate than admissible for supply and use of less costly materials ignoring the contractual provision

Superintending Engineer (SE), National Highway Circle-II (NHC-II) awarded the work of special repair (i) from 95 kmp to 113 kmp in September 2000 and (ii) from 48 kmp to 64 kmp in October 2000 of National Highway No.34 to two contractors at a total cost of Rs 5.71 crore against estimated total cost of Rs 6.47 crore for completion by January 2001. Both the works were completed in February 2001 at Rs 6.67 crore. The excess expenditure over tendered cost was due to quantitative increase in bituminous item during execution of work. The contracts, *inter alia*, provided for execution of bituminous items with packed bitumen costing Rs 11650 per tonne.

Scrutiny revealed (March 2003) that the contractor executed the bituminous works with the use of bulk bitumen costing Rs 9250 per tonne as recorded in the Measurement Book (MB).

The quantity actually executed, rate allowed, rate allowable for use of less costly bulk bitumen and corresponding excess payment in each item are shown in the table below:

Sl. No.	Description of work	Contract No.	Executed quantity (M ³)	Rate allowed (M ³) (In Rs)	Rate allowable for use of bulk bitumen (M ³) (In Rs)	Difference in rate (M ³) (In Rs)	Excess payment* (Rs in lakh)
1.	Laying bituminous macadam of 50 mm thick	I	3495.205	2761.10	2600.60	160.50	4.95
		II	5762.338	2731.93	2573.53	158.40	8.08
2.	Laying and consolidation semi-densed bituminous concrete of 25 mm thick	I	4458.564	3732.44	3491.74	240.70	9.47
		II	2844.816	3725.08	3477.68	247.40	6.23
3.	Laying bituminous macadam of 75 mm thick	I	---	---	---	---	---
		II	2086.927	2720.07	2561.67	158.40	2.92
Total							31.65

*Considering : (i) Contractual discount 11.77 per cent in Contract No.I
(ii) Contractual discount 11.5 per cent in Contract No.II.

Executive Engineer (EE), National Highway Division-VI (NH-VI), knowing fully well about supply and utilisation of bulk bitumen, allowed payment at higher contractual rate admissible for use of packed bitumen which led to excess payment of Rs 31.65 lakh to the contractors.

Government to whom the matter was referred, admitted the observations of audit and stated (December 2003) that the concerned agencies had already been asked to refund the amounts paid in excess inadvertently. However, report on refund had not been received (December 2003).

SCHOOL EDUCATION DEPARTMENT

4.4.11 Printing of text books at higher rates

Three State Government undertakings printed text books at higher rates than private presses' resulting in an extra expenditure of Rs 1.12 crore. Six private presses did not return the excess papers valuing Rs 11.45 lakh, while one of the undertakings consumed excess paper valuing Rs 19.13 lakh. For allowing excess wastage of papers for colour printing, the presses also got undue benefit of Rs 18.67 lakh

In order to ensure free distribution of text books to primary students (Class-I to Class-V) all over the State, the Director of School Education, Primary Branch arranged printing partly through three State Government Undertakings (Undertakings) dealing in printing jobs at lump sum rates varying from year to year without inviting tenders and partly through private presses simultaneously on tender basis. However, papers for printing of books were purchased separately by the Department and issued to all these presses free of cost.

According to West Bengal Financial Rules all State Government Undertakings were eligible to get maximum 10 *per cent* price preference over the rates of other bidders. However, in December 1992 Government issued another notification which provided that printing jobs could be allotted to the Undertakings without inviting tenders at reasonable rates to be fixed by the Department of Information and Cultural Affairs (I & CA) from time to time based on quality of printing. During the last three years (2000-2001 to 2002-2003) Undertakings and private presses printed 6.31 crore and 8.48 crore books respectively on different subjects and were paid Rs 7.41 crore and Rs 8.40 crore respectively as printing charges.

Audit scrutiny revealed the following irregularities:

As no rates for printing charges had been fixed by the I&CA department, the undertakings continued to claim and were paid arbitrary rates which were higher by 13 *per cent* to 195 *per cent* than those of private presses for identical books thus resulting in excess payments of Rs 1.12 crore to undertakings, over and above the 10 *per cent* price preference.

Consumption of papers (56/84 centimetre reel) depended upon the cut off size of offset machines of different presses. One of the State Government Undertakings having bigger cut off size machine consumed papers ranging between 14.26 Kg and 15.31 Kg in each ream while ten private presses using smaller offset machines had consumed identical papers between 13.27 Kg and 14.05 Kg per ream for identical books which resulted in excess consumption of paper valuing Rs 19.13 lakh.

As per terms of contract, wastage of paper (reel/sheet) at the rate of 2 to 10 *per cent* for single colour/four colour printed pages was allowed to presses on the analogy that two times/three times/four times printing of each page with separate colour was required by Treadle Printing Machine. As all the presses possessed four colour photo-offset machines which printed multi-colour page in single impression, allowance of additional wastage for multiple impressions was not justified. Thus due to allowance of excess wastage over 2 *per cent*, these presses were given undue benefit of Rs 18.67 lakh.

In case of printing in private presses, clause 35 of the Notice Inviting Tender (NIT) stipulated that every printer should return the excess paper soon after completion of the job at its own cost, but six private presses continued to retain excess paper at the end of each year and 86.54 tonnes of accumulated paper (2000-2003) valuing Rs 11.45 lakh was not recovered from them as of March 2003.

Admitting the fact of payment of arbitrary high rates to the undertakings the department attributed (December 2003) it to its ignorance of the Government order of December 1992 and intimated that from 2004-2005 onwards they would allow only 15 *per cent* price preference over the rates of private presses. The department also stated that there was no provision for recovery of cost of excess papers from the private presses and the same would be adjusted in the next year's contract.

The reply was not tenable as ignorance (more than 10 years) had cost the exchequer Rs 1.12 crore during last three years and the current decision of allowing 15 *per cent* price preference was also arbitrary and in disregard of Government order. Also return of excess paper by private presses was stipulated in the NIT and all the terms and conditions of NIT were accepted by the presses while executing the agreement. The department, however, failed to offer any cogent reason behind allowance of excess wastage of paper for multicolour impression.

TRANSPORT DEPARTMENT

4.4.12 Unfruitful expenditure on a helicopter

Failure of Transport Department to make a helicopter operational by renewing airworthy certificate led to unfruitful expenditure of Rs 1.35 crore on overhauling and idle wages of a pilot

A helicopter of Transport Department remained grounded since November 1998 due to its air unworthiness to fly. To make it airworthy the department placed (October 2000) the helicopter with Hindustan Aeronautics Limited (HAL) Barrackpore for overhauling at an estimated cost of Rs 1.33 crore.

The overhauled helicopter was taken back in November 2001 from HAL. The department made an agreement with HAL for maintenance of the helicopter

for a further period of five years with effect from April 2000 at a monthly charge of Rs 1.26 lakh per month with annual increase of 5 per cent. No charge was to be paid for the period from October 2000 to November 2001 i.e. the period of major overhaul. The requisite certificate of airworthiness from the Director General, Civil Aviation (DGCA) was also obtained from December 2001. The Department also re-appointed (August 2001) the pilot of the helicopter on contractual service at the rate of Rs 15000 per month for a further period of three years.

Meanwhile, the Transport Department hired one private helicopter with effect from November 2001 and continued hiring till July 2002 even after obtaining Certificate of Airworthiness for its own helicopter, at a fixed monthly hiring charge of Rs 12 lakh in addition to flying charge of Rs 16000 for each hour of flying. On this score the department incurred an expenditure of Rs 1.01 crore for the period from December 2001 to July 2002.

Thus, in spite of incurring an expenditure of Rs 1.33 crore on the overhauling of the helicopter, the department failed to derive the intended benefit from it and incurred an avoidable expenditure of Rs 1.01 crore on hiring of private helicopter. Besides, the expenditure of Rs 1.80 lakh on the wages of the pilot during the period of overhauling and hiring of private helicopter (August 2001 to July 2002) was infructuous.

The department stated (November 2003) that the private helicopter was hired during the period when the government helicopter was not in flying condition. The reply was not tenable since the hiring period was covered by Certificate of Airworthiness, issued by DGCA on satisfactory airworthiness of the aircraft.

URBAN DEVELOPMENT DEPARTMENT HOWRAH IMPROVEMENT TRUST

4.4.13 Rehabilitation projects of Howrah Improvement Trust

Maintenance cost (Rs 79.38 lakh) as well as electricity charges (Rs 1.63 crore) required to be borne by the flat owners as per agreement was borne by Howrah Improvement Trust

Howrah Improvement Trust (HIT) constructed during 1975-1980, 1542 flats at a total cost of Rs 11.80 crore for rehabilitation of families evicted due to land acquisition for construction of the second Hooghly Bridge. Of these, 1371 flats were allotted to evicted families during 1980-1986 on hire-purchase basis on the terms of payment of a fixed monthly instalment¹⁵ for a period of 40 years from the commencement of first day of the month of possession of flats.

¹⁵

<i>Type of flats</i>	<i>No. of flats allotted</i>	<i>Amount of monthly instalment (Rupees)</i>
<i>One room</i>	<i>391</i>	<i>35</i>
<i>Two room</i>	<i>537</i>	<i>110</i>
<i>Three room</i>	<i>443</i>	<i>175</i>

According to hire-purchase terms, the allottee would keep the flat in good condition and maintain the installations for water supply, drainage, electricity and such other services at his own cost. The allottee would also pay all rates, taxes, fees, charges, etc., levied by the Local Body or by the State or Central Government.

Contrary to the terms and conditions of the agreement, HIT spent Rs 79.38 lakh for repair and maintenance of the flats since 1986 and shouldered the liability for payment of electricity consumed by the flat owners. The Trust paid in October 1996, Rs 25 lakh in part settlement of dues to Calcutta Electric Supply Corporation (CESC). In September 1999, HIT discontinued supply of electricity to those flats. CESC further claimed Rs 1.38 crore for arrear electricity charges up to September 1999, which remained to be paid as of October 2003.

Thus, by not enforcing the terms of the agreement, HIT incurred unauthorised expenditure of Rs 1.04 crore and shouldered unwarranted liability of Rs 1.38 crore in respect of electricity charges. HIT stated (October 2003) that acquisition, eviction of people from their home-stead was a socio-economic-political process. Any attempt to forcibly disconnect electricity, etc. could have jeopardized similar ongoing schemes. Likewise maintenance cost of the flats had to be borne by HIT because the inhabitants did not take the responsibility and pleaded for humanitarian consideration. The HIT should have considered all these social and other factors at the time of entering into the agreements and not thereafter.

This apart, 171 flats remained unallotted as of October 2003 as there was no demand of flats from evicted families, the proportionate cost of construction of which was Rs 1.31 crore.

Estate Officer of HIT stated in October 2003 that 56 flats were under unauthorised occupation and 115 flats were vacant since 1998 when the occupiers were evicted by a special drive. HIT did not as yet take any action towards allotment/ disposal of these flats. Thus, objective of construction of those flats by investment of Rs 1.31 crore was not fulfilled as the flats were either under unauthorised occupation or remaining vacant for 17 years after construction.

The matter was referred to Government in July 2002; reply had not been received (December 2003).

4.4.14 Unfruitful investment on rehabilitation projects

<p>Flats constructed by Howrah Improvement Trust at a cost of Rs 86.60 lakh remained unallotted due to non-fixation of price of flats. Shops constructed at a cost of Rs 30.60 lakh at a different place in violation of agreement also remained vacant for refusal of traders to move there</p>

HIT constructed 64 residential flats at Salkia (March 1998) and 43 shops at Howrah (July 1996) at a cost of Rs 1.17 crore for rehabilitation of families/

traders evicted for Salkia Flyover. The flats and shops were to be allotted on ownership basis to the evicted families/ traders.

Scrutiny of records revealed that none of the flats so constructed were allotted, as HIT was yet to fix the price of the flats. HIT, in its meeting in July 1997, decided to review the land acquisition proceedings for fixation of price of flats. The review was not done so far. There was no further development in the matter and the flats were lying vacant as of date (October 2003). Rupees 86.60 lakh invested on construction remained unfruitful.

Further, the traders evicted from construction site of the Flyover came to an agreement with HIT in February 1992 that they would get alternative accommodation on GT Road between Khetrāmohan Lane and Sriram Dhan Road. Instead of constructing the shops at the place agreed upon, HIT constructed the same, spending Rs 30.60 lakh at a different location where the traders refused to move. The traders went on appeal to the Court of Law against HIT for breach of agreement. The Hon'ble Supreme Court of India finally delivered (August 2001) judgement in favour of the traders in August 2001. The newly constructed shops remained vacant as of date (October 2003).

Thus, delay in fixation of price of flats and injudicious selection of site for shops made investment of Rs 1.17 crore unfruitful.

The matter was referred to Government in July 2002; reply had not been received (December 2003).

KOLKATA METROPOLITAN WATER AND SANITATION AUTHORITY

4.4.15 Avoidable expenditure owing to discontinuance of use of Catfloc-T with alum in the Water Treatment Plant

Discontinuance of the combination of alum and a coagulant aid Catfloc-T and use of only alum in treatment of raw water resulted in an extra expenditure of Rs 1.31 crore

Kolkata Metropolitan Water and Sanitation Authority (KMWSA) used ferric alum to reduce turbidity of river water in the Water Treatment Plant at Garden Reach Water Works till 1993. A quantity of 2350 to 2768 tonne alum was being consumed (depending on the turbidity) annually for treatment of 45 million gallon of raw water per day. A coagulant aid in the brand name 'Catfloc-T' was introduced in 1994 in combination with alum to reduce alum consumption and to achieve economy by about 18 *per cent* annually. The combination was successfully used before it was discontinued since August 1996. Consequently, average expenditure on this score per month

which was Rs 5.72 lakh in 1995 rose to Rs 7.33 lakh in 1997. Annual expenditure incurred on alum in combination with or without the coagulant aid during 1994 to 2003, was as below:

Year	Quantity of Alum used (in MT.)	Rate per Metric Ton (Rupees)	Total expenditure on Alum (Rupees in lakh))	Quantity of Catfloc-T used (in M.T.)	Rate per Metric Ton (Rupees)	Total expenditure on Catfloc-T (Rupees in lakh)	Total expenditure for Alum Plus Catfloc-T (Rupees in lakh)
1994	1867	3508	65.50	2.5	187564	4.69	70.19
1995	1591	3500	55.68	4.0	175000	7.00	62.68
1996	1727	3500	60.44	2.6	175000	4.55	64.99
1997	2550	3450	88.00	Not used	-	-	88.00
1998	2550	3450	88.00	Not used	-	-	88.00
1999	2350	3550	83.36	Not used	-	-	83.36
2000	2400	3518	84.45	Not used	-	-	84.45
2001	2755	3484	96.00	Not used	-	-	96.00
2002	1093	3682	40.25 ¹⁶	Not used	-	-	40.25
2003 (Oct.2003)	1086	3682	39.99*	Not used	-	-	96.00

It would thus be seen that after discontinuing the use of Catfloc-T in 1996, the average annual consumption of alum increased by 800 MT against the requirement of 3 MT of Catfloc-T in a year. This resulted in an avoidable expenditure of Rs 22.75 lakh per annum. During 1997-2003, the total extra expenditure amounted to Rs 1.31 crore.

Reasons for discontinuance as revealed from audit scrutiny was attributed to non-cooperation from the workers for monitoring the use of Catfloc-T and absence of residential Assistant Engineer at the water treatment plant for constant monitoring of mixing of Catfloc-T with alum.

Thus, failure to build up proper monitoring system required for use of Catfloc-T resulted in extra expenditure of Rs 1.31 crore during 1997-2003.

The matter was referred to Government in July 2002; reply had not been received (December 2003).

¹⁶ Consumption of alum fell after June 2001 as the plant was under-utilised

4.5 Idle investment/Idle establishment/Blockade of funds

SCHOOL EDUCATION DEPARTMENT

4.5.1 Non-functional Training Institutes

Despite expenditure of Rs 10.34 crore out of GOI assistance of Rs 15 crore and completion of 11 buildings, not a single institute started functioning even after 10 years depriving primary students of quality and specialised teaching

To provide specialised quality pre-service and in-service training to school teachers as well as to persons involved in non-formal education, the work of establishment of District Institutes of Education and Training (DIETs) centres was taken up as a component of centrally sponsored scheme of Restructuring and Reorganisation of Teachers' Education.

During November 1993-December 2001, GOI released Rs 15 crore¹⁷ for establishment of 16 DIETs in the State. Accordingly work for expansion/upgradation of the existing 13 Primary Teachers Training Institutes (PTTIs) to DIETs and establishment of three new DIETs was taken up.

Scrutiny revealed that of the 16 DIET buildings, 11 were completed and five partially completed at a cost of Rs 10.34 crore and Rs 4.66 crore (Rs 2.08 crore for equipment was not released by State Government and Rs 2.58 crore was lying with Public Works divisions of the concerned districts¹⁸) remained unutilised. Nevertheless, as of June 2003, not a single DIET started functioning as the equipment was yet to be purchased and staff recruited.

The Department attributed (August 2003) such non-functioning to the inordinate delay in framing recruitment rules for academic posts; delay in approval of Finance Department for creation of posts; and delay in construction and maintenance work of existing PTTIs.

Thus, due to apathetical attitude of Department in implementing the scheme by creating necessary infrastructure in time in spite of availability of fund, not a single DIET could be made operational even after a lapse of nearly ten years despite spending Rs 10.34 crore. Primary students covered by the scheme were also deprived of the quality and specialised teaching from trained teachers.

¹⁷ 1993-1994 Rs 195.00 lakh, 1996-1997 Rs 530.48 lakh,
1999-2000 Rs 274.00 lakh 2000-2001 Rs 500.91 lakh

¹⁸ Howrah, Hooghly, Nadia, Bardhaman, Murshidabad, Cooch Behar, Purulia, Uttar Dinajpur and Dakshin Dinajpur

4.5.2 Construction of schools for students of minority community remained incomplete owing to non-utilisation of fund

The scheme of construction of primary schools suffered due to the failure of the District Primary School Councils to utilise the first instalment of grant thereby getting deprived of the second instalment of Rs 52.50 lakh

Government of India (GOI) sanctioned (December 1997) Rs 97.50 lakh under 'Area Intensive Programme for Educationally Backward Minorities', for construction of 90 primary schools (Rs 0.75 lakh per school) and 15 upper primary schools (Rs 2 lakh per school). GOI released Rs 45 lakh in September 1998 with the stipulation (i) for utilisation of the fund by December 1998 and (ii) that the balance amount would be released on receipt of confirmation of project-wise utilisation of 75 per cent of the first instalment.

The amount released by GOI was disbursed (September 1998) by the State Government to the respective District Primary School Councils (DPSCs) which took 3 to 29 months (December 1998 to February 2001) to provide funds to the schools selected for construction on the basis of roll strength of minority students. Inordinate delay in release of fund to the schools in South 24 Parganas DPSC was due to delayed receipt of sanction from the Government. In other cases, reasons were not found on records.

Name of the District	Fund released (Rupees in lakh)	Period of release	Number of schools to whom fund released		Utilisation Certificate (UCs) wanting		Amount of UCs wanting (Rupees in lakh)
			Primary	Upper Primary	Number of schools		
					Primary	Upper Primary	
Uttar Dinajpur	21	December 1998 to January 2001	¹⁹ 40	7	14	5	9.86
North 24-Parganas	15	December 1998 to March 1999	30	5	6	1	3.00
South 24-Parganas							
Bhangar	3	February 2001	6	1	Nil	Nil	Nil
Kolkata	6	September 2000	12	2	12	2	6.00
Total	45		88	15	32	8	18.86

Thus, 38 per cent of the schools (40 out of 103) did not submit utilisation certificates (UCs) for Rs 18.86 lakh representing 42 per cent of the funds released.

Although the State Government stated (June 2002) that 86 per cent of the fund was utilised, UCs were received for only 58 per cent of the fund and so the second instalment of fund (Rs 52.50 lakh) was not released. Thus, the construction of schools remained incomplete since 1998-1999 frustrating the objective of the programme.

¹⁹ Two schools selected were not provided with fund but two other schools were paid undisbursed amount as second instalment.

The State Government entrusted supervision and monitoring of the construction of schools to the President, West Bengal Board of Primary Education. However, there was no record to show that the said authority or the DPSCs concerned supervised and monitored implementation of the programme. Absence of monitoring and supervision resulted in non-utilisation/delay in utilisation of fund and consequently non-receipt of further fund of Rs 52.50 lakh.

Government stated (October 2003) that the National Level Grant-in-Aid Committee decided that no further grants would be released until all utilisation certificates for the previous release were received by the Committee, which the Government were trying their best to obtain from the DPSCs. No further fund was released as yet (October 2003).

WOMEN AND CHILD DEVELOPMENT AND SOCIAL WELFARE, FISHERIES, HEALTH AND FAMILY WELFARE AND TRANSPORT DEPARTMENTS

4.5.3 Unproductive expenditure on idle staff

Failure to utilise services of 113 idle officers and staff led to unproductive expenditure of Rs 6.01 crore during 1986-2003

Five Integrated Child Development Services (ICDS) projects were sanctioned for North 24 Parganas district during 1995-1997, of which four projects started functioning between October 2001 and February 2002. The remaining project (Baduria ICDS project) was not started as of December 2002. The staff and officers including Child Development Project Officers (CDPOs) and Supervisors of the five Projects were, however, posted in the project offices at block level since April 1998 onwards. Details of sanction of the projects vis-à-vis posting of officers, staff and expenditure incurred during the period of non-functioning of the projects are indicated below:

Sl. No.	Name of the ICDS Project	Year of sanction	Month of starting	Number of officers and staff posted in the project office before starting of the project including CDPO and Supervisors (with month of posting)		Total payment of salaries and other cost prior to starting of the project centres (Rs in lakh)
				Number of officers/staff posted in the Project HQ Office	Posted during	
1	Gobardanga	1995-1996	November 2001	8	June 1998 and March 1999	20.13
2	Habra I	1995-1996	October 2001	15	April 1998 and March 2001	36.83
3	Amdanga	1995-1996	January 2002	12	June 1998 and April 1999	38.78
4	Basirhat II	1995-1996	February 2002	6	July 1998 and February 2001	17.08
5	Baduria	1996-1997	Not yet started	13	September 1998 and August 1999	38.43
	Total			54		151.25

On being pointed out, District Programme officer, ICDS Cell, North 24 Parganas stated (December 2002) that the project could not be started due to non-recruitment of the anganwadi workers and helpers. Thus, posting of officers and staff in project headquarter offices much ahead of recruitment of actual programme implementing staff resulted in unproductive expenditure of Rs 1.51 crore.

Besides, in several other organisations, staff and officers continue to draw their salaries though the activities of the organisations had stopped long ago.

(Rs in lakh)

Sl No.	Organisations	Month of cessation of work	Number of idle staff	Period of idling of staff	Idle expenditure
1	Berhampore Fish Seed Farm	February 1991	8	August 1995 to March 2003	30.53
2	Central Combined Laboratory (CCL) Kolkata	June 1992	10	April 1999 to September 2003	56.26
3	Government Dockyard and Crew Training Centre	January 1986	41	January 1986 to March 2003	302.00
	Total				388.79

In addition, expenditure on office establishment (Rs 59.67 lakh) and office contingency (Rs 0.75 lakh), etc. of 10 officers and staff attached to the non-functional CCL was incurred during April 1999 to September 2003.

The Director, Inland Water Transport stated (April 2002) that proposal was sent to the Government for setting up of a training centre and dockyard to engage the idle staff.

Thus, failure on the part of local offices/directorates to redeploy the idle staff resulted in unproductive expenditure of Rs 6.01 crore.

These matters were referred to Government in December 2002; replies had not been received (December 2003).

4.6 Regulatory issues and other points

GENERAL

4.6.1 Lack of responsiveness of Government to audit

Principal Accountant General (Audit) (PAG) arranges to conduct periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs).

When important irregularities, etc. detected during inspection are not settled on the spot, these find place in IRs and are issued to the heads of offices inspected with a copy to the next higher authorities. Government of West Bengal, Finance Department Memo No 5703(72)/FB dated 29 August 1972 provides for prompt response by the executive to the IRs issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and secure accountability for the deficiencies, lapses, etc. noticed during his inspection.

The heads of offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the PAG. Serious irregularities are also brought to the notice of the Head of the Department by the office of the PAG. A half yearly report of pending reports is sent to the Principal Secretary/Secretary of the Department in respect of pending IRs to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued up to December 2002 relating to 1083 offices of Panchayat and Rural Development Department, School Education Department, Cottage and Small Scale Industries Department, Development and Planning Department, Fisheries Department, Public Works Department, Irrigation and Waterways Department and 13 commercial undertakings²⁰ disclosed that 7366 paragraphs relating to 2255 IRs remained outstanding at the end of June 2003. Of these, 598 IRs containing 1613 paragraphs had not been settled for more than 10 years.

Year-wise position of the outstanding IRs and Paragraphs are detailed in Appendix 39. Even the initial replies, which were required to be received from the heads of offices within six weeks from the date of issue, were not received upto September 2003 in respect of 325 IRs of 238 offices (from 1983-84). As a result the following serious irregularities commented upon in these IRs had not been settled as of June 2003.

Department-wise break up of these irregularities is furnished in Appendix 40.

²⁰ Under Commerce and Industries, Cottage and Small Scale Industries, Animal Resources Development, Public Enterprise, Housing and Food & Supplies Departments.

	Nature of Irregularities	Grand Total	
		Total Para	Amount (Rupees in crore)
1	Non-recovery of loans and other dues	282	7.27
2	Non-adjustment of advances drawn by department/field offices	443	25.54
3	Excess/irregular/avoidable/infructuous/unauthorised expenditure	1386	38.56
4.	Overdrawal of pay and allowances	57	5.19
5	Non-realisation of loans	75	7.43
6	Non-adherence to prescribed procedure relating to Cash Book	596	2.51
7	Utilisation Certificate wanting	156	321.82
8	Theft/defalcation/misappropriation of Government money	95	1.29
9	Diversion of Fund	48	11.05
10	Loss of revenue	49	5.14
11	Outstanding decretal amount and certificate cases	9	0.38
12	Security deposit not furnished	20	0.01
13	Excess expenditure due to non-acceptance of lowest tender	84	0.61
14	Shortage/losses not recovered/written off	275	0.81
15	Non-maintenance/non-production of records	129	0.21
16	Miscellaneous	2595	397.59
Total		6299	825.41

A review of the IRs which were pending due to non receipt of replies, in respect of Panchayats and Rural Development Department, School Education Department, Cottage and Small Scale Industries Department, Development and Planning Department, Fisheries Department, Public Works Department, Irrigation and Waterways Department including commercial undertaking revealed that the head of the offices and the head of the department (Principal Secretaries/ Secretaries to the Government) failed to discharge due responsibilities as they did not send any reply to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs. Though the position was informed to them through half yearly reports, they failed to ensure that their subordinate officers took prompt and timely action.

Audit Committees, comprising the Principal Secretary/Secretary of the Administrative Department and representatives of the Finance Department and the PAG were formed in 47 out of 58 Departments of Government for expeditious settlement of the outstanding Inspection Reports. Of the 47 Departments where Audit Committees were formed, meetings were held by 7 Departments on 8 occasions from July 2002 to June 2003. As a result of the meetings of these Committees, it was possible to settle 208 paragraphs and 41 Inspection Reports. No meetings were held by 40 other departments. Matter was taken up with the Government to form Audit Committees in the remaining Departments.

No information on follow-up action if any, taken by the Finance Department to settle the paras/ IRs was available. The above was also indicative of lack of effort by Government to ensure accountability.

It is recommended that Government should ensure that procedure exists for (a) action against the officials who failed to send replies to IRs/paras as per the

prescribed time schedule, (b) action to recover loss/outstanding advances/overpayments in a time bound manner.

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

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4.6.2 Follow up action on earlier Audit Reports

Review of outstanding Action Taken Notes (ATNs) on paragraphs included in the Reports from 1992-1993 to 2000-2001 of the Comptroller and Auditor General of India, Government of West Bengal revealed that Action Taken Notes on 377 paragraphs (selected: 129 from 1992-1993 to 2000-2001, not selected: 248 from 1981-1982 to 2000-2001) involving 39 departments²¹ remained outstanding as of June 2003. A list of 129 selected paragraphs involving 31 departments is furnished in Appendix 41.

The administrative departments were required to take suitable action on the recommendations made in the Report of the Public Accounts Committee (PAC) presented to the State Legislature. Following the circulation of the Reports of the PAC, heads of Departments were to prepare comments on action taken or proposed to be taken on the recommendations of the PAC and submit the same to the Assembly Secretariat.

It was observed that the Action Taken Notes on 13 Reports of the PAC, presented to the Legislature between May 1991 and June 2002 had not been submitted by 11 departments²² to the Assembly Secretariat as of June 2003. Thus, the fate of the valuable recommendations contained in the said reports of the PAC and whether they were being acted upon by the Administrative Departments could not be ascertained in audit.

Non-implementation of PAC recommendations

Health and Family Welfare Department

In September 1987 Government accorded administrative approval to the construction of a six bedded Primary Health Centre (PHC) at Sitaljore in Bankura district at an estimated cost of Rs 24.33 lakh. Though the work was scheduled to be completed by June 1989, building of the PHC was handed over only in February 1991. In April 1990, the opening of the PHC as well as posts of one Medical Officer (MO) and other staff were sanctioned.

²¹ Agriculture, Animal Resources Development, Backward Classes and Welfare, Commerce and Industries, Cottage and Small Scale Industries, Development and Planning, Environment, Excise, Food process and Horticulture, Food and Supplies, Forest, Health and Family Welfare, Higher Education, Hill Affairs, Home (Const. and Elec.), Home (PAR), Home (Political), Home (Police), Industrial Reconstruction, Irrigation and Waterways, Judicial, Labour, Land and Land Reforms, Mass Education Extension, Municipal Affairs, Panchayats and Rural Development, Power, Public Health Engineering, Public Works, Public Works (Roads), School Education, Social Welfare, Sports and Youth Services, Sundarban Affairs, Technical Education and Training, Transport, Tourism, Urban Development and Finance

²² Agriculture, Fisheries, Home (Police), Municipal Affairs, Panchayats and Rural Development, Public Health Engineering, Public Works, Public Works (Roads), Refugee, Relief and Rehabilitation, Social Welfare and Transport

In Para 3.3 of Audit Report (Civil) No. 3 for the year 1992-93 it had been pointed out that although the building was completed at a cost of Rs 27.99 lakh sanction for the additional cost of Rs 3.66 lakh incurred on its construction beyond the sanctioned estimate had not been accorded as of April 1993 and even after lapse of three years the post of the MO and most of the other posts were also not filled up. As a result the PHC could not be opened and the people of the block remained deprived.

While giving oral evidence on the matter before the Public Accounts Committee, 1998-1999, during February 1999, the department stated that the PHC had since become operational and it started functioning with one MO and five other staff. Committee observed that the department all along acted quite sluggishly in the matter of opening the PHC ignoring the accountability of the heavy expenditure incurred on its construction and recommended in its 27th Report (laid on 16 July 1999) to take all possible steps to fill up the existing vacant posts in the said PHC so that it may extend the intended treatment facilities to the people of the locality.

In its action taken notes submitted to the Committee on 30 December 2002 department stated that since May 1996 one MO had been working on contractual basis, and no indoor bed could be opened and only Out Patient Department (OPD) service was available. The reply clearly indicated that no action was taken on the basis of the PAC recommendations and Sitaljore PHC was functioning merely as an OPD centre.

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