

## CHAPTER II: MINISTRY OF HEALTH AND FAMILY WELFARE

### 2. Working of Government Medical Stores Depot, Kolkata

*Government Medical Stores Depot, Kolkata was set up to centrally procure and supply medicines and medical stores required by hospitals and dispensaries run by the Central Government, State Government and local bodies. An audit review on the working of the GMSD revealed that the objective for which this organisation was established had not been achieved. Local purchases made by the GMSD constituted between 94 and 99 per cent of total purchases during the period under review. This was despite the recommendations of the Public Accounts Committee to restrict the local purchases to the minimum. It was also noticed that GMSD entertained and supplied medicines against grossly defective indents including many which were not countersigned by the controlling authority. Maintenance of basic records was faulty and receivables were alarmingly high for which details were not available. GMSD was required to run on no-profit no-loss basis but it incurred deficits during the period 1996-97 to 1999-2000.*

#### Highlights

Amounts recoverable from indentors stood at Rs 40.20 crore as on March 2000. Details of Sundry Debtors were not available with GMSD.

Local purchase of medicines constituted 94.23 to 99.66 per cent of total purchases.

GMSD purchased proprietary drugs at higher rates, which resulted in excess expenditure of Rs 53.71 lakh.

Excess payment of Rs 1.47 crore made to suppliers was not recovered.

GMSD did not recover liquidated damages amounting to Rs 26.64 lakh from suppliers.

Failure to obtain security deposit resulted in loss of Rs 14.99 lakh.

Stores worth Rs 78.46 lakh were not acknowledged by the indentors. Payments against the supply of stores had not been recovered.

Substandard medicines worth Rs 15.45 lakh were supplied by GMSD to beneficiaries.

## **2.1 Introduction**

The GMSD<sup>1</sup> is under the Medical Stores Organisation of the Ministry of Health and Family Welfare and is administered through the DGHS<sup>2</sup>. The main functions of GMSD are to procure and supply medicines and medical stores required by hospitals and dispensaries run by the Central Government, State Governments and local bodies; receive, store and issue medicines received from various international organisations and meet emergency requirements of drugs in case of calamities. The GMSD runs on no profit no loss basis.

GMSD maintains stocks of about 1600 items of stores comprising various drugs and non-drug items. It also has a chemical testing laboratory to check quality of drugs purchased from different suppliers.

## **2.2 Organisational setup**

GMSD Kolkata is a subordinate office of the Ministry and is headed by an Assistant Director General, who is assisted by a Quality Control Manager, Depot Manager and Accounts Officer.

## **2.3 Scope of Audit**

A comprehensive review on the working of GMSD Kolkata covering the period 1989-94 was featured in Paragraph 9.2 of Audit Report No. 1 of 1995. Ministry's Action Taken Note (ATN) was received in February 1998. This review on the working of the GMSD Kolkata for the period 1994-2001 was conducted in Audit during July to September 2000 and July and August 2001.

## **2.4 Financial Results**

Mention was made in Paragraph 9.2.5 of Audit Report No. 1 of 1995 of the Comptroller and Auditor General of India that GMSD failed to prepare Proforma Accounts in time. The Ministry had stated in the ATN that the maintenance of proforma accounts had been taken up vigorously. However, delays in preparation of proforma accounts continued as detailed below:-

<b>Year</b>	<b>Due date of submission of proforma to DGHS with audit certificate</b>	<b>Date of preparation</b>	<b>Delay in months</b>
1994-95	September 1995	October 1998	36
1995-96	September 1996	December 1999	38
1996-97	September 1997	September 1999	23
1997-98	September 1998	December 1999	14
1998-99	September 1999	May 2000	7
1999-2000	September 2000	January 2001	3
2000-2001	September 2001	Not yet prepared	-

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<sup>1</sup> Government Medical Stores Depot

<sup>2</sup> Director General of Health Services

There was inordinate delay in finalising proforma accounts.

Inordinate delay in preparation of proforma accounts reflected ineffective managerial control.

The financial results of GMSD Kolkata for the period from 1994-95 to 2000-2001 as per Proforma Accounts furnished to audit were as follows:

Year	Expenditure (Rs in lakh)				Income *	Surplus(+)/ Deficit(-)
	Medicines	Salaries & wages	Other expenditure	Total		
1994-95	3290.82	149.69	170.95	3611.46	3639.38	27.92(+)
1995-96	2308.39	173.79	170.96	2653.14	2659.89	6.75(+)
1996-97	2786.49	193.10	210.60	3190.19	3105.83	84.36(-)
1997-98	1951.60	260.51	181.52	2393.63	2398.26	4.63(+)
1998-99	722.91	302.91	179.56	1205.38	1122.66	82.72(-)
1999-00	840.40	329.21	296.90	1466.51	1247.69	218.82(-)
2000-01	Proforma accounts not finalized					

Note : \* Income includes sales, proforma recoveries and disposal of stock and not actual cash realisation.

While total expenditure of GMSD showed a decreasing trend, expenditure on salaries & wages increased steadily.

The decrease in expenditure during 1994-2000, by 59.39 per cent, was attributable to steep decline in the principal activity of the Depot viz., purchase of medicines. However, income from sale of medicines decreased by 65.72 per cent while expenditure on medicines decreased by 74.46 per cent, expenditure on salaries and wages increased by 119.93 per cent. The increase in salaries and wages also caused deficit of Rs 84.36 lakh , Rs 82.72 lakh and Rs 2.19 crore during the years 1996-97 , 1998-99 and 1999-2000 respectively.

#### 2.4.1 Sundry Debtors

The total amount recoverable from indentors was as follows:-

Year	Amount (Rs in crore)
1994-95	52.18
1995-96	48.10
1996-97	47.42
1997-98	41.48
1998-99	37.34
1999-00	40.20
2000-01	Proforma accounts not finalized.

As per para 295(I) of the GMSD Manual, individual Account Ledgers of sundry debtors are to be maintained with details of issue of medicine and payment received. Scrutiny of individual ledgers revealed that prescribed format was not being followed and the accuracy of the figures of recoverables could not be verified.

Details of sundry debtors are not available.

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GMSD was unable to give age-wise and party-wise details of amounts recoverable. GMSD stated in October 2001 that the amounts under Sundry Debtors were being reconciled with the Pay and Accounts Office and that it would take six months to be completed.

From the data available, it was seen that while Rs 40.20 crore was recoverable from Government indentors as on March 2000, GMSD could furnish details of only Rs 3.87 crore as detailed below: -

Year	Amount (Rs in crore)
1985-1990	2.13
1991-1996	1.36
1996-1997	0.02
1997-1998	0.06
1998-1999	0.13
1999-2000	0.17
<b>Total</b>	<b>3.87</b>

Rs 2.13 crore was outstanding for more than ten years and Rs 1.36 crore for more than five years. Rs 1.22 crore and Rs 1.12 crore were not recovered from Bihar and Andaman and Nicobar Administration respectively.

From the foregoing, it is evident that the position regarding maintenance of basic records relating to recoverables is highly unsatisfactory. Such a state of affairs causes additional risk of non-recoveries of correct dues from actual indentors. With the absence of age-wise and party-wise details of amounts recoverable, the entire picture of sundry debtors becomes hazy and possibilities of frauds cannot be ruled out, especially of amounts relating to earlier periods. Urgent measures are called for to address this issue.

## **2.5 Procurement**

GMSD procures medicine of both generic and proprietary nature on the basis of demands projected in the provisioning statement forwarded to the DGHS annually. If the items are not covered under the centrally placed orders and in case of emergencies, local purchase of medicines by the ADG, GMSD is admissible.

The Assistant Director General is required to forward a provisioning statement to the Director General, by 30<sup>th</sup> April each year detailing therein the stock balance as on 1<sup>st</sup> April, the average expenditure incurred on each drug during the previous three years and the requirement for the succeeding year.

### **2.5.1 Assessment of required drugs not being done**

Analysis of the provisioning and purchase of generic drugs during 1994-95 to 2000-01 revealed the following:-

Year	No. of Generic Drugs purchased	No. of Generic Drugs included in the provisioning statement	No. of Generic Drugs purchased out of the items included in the provisioning statement	Percentage of estimated requirement made in the provisioning statement to the actual purchase
1994-95	109	101	42	38.53
1995-96	138	133	59	42.75
1996-97	157	148	110	70.06
1997-98	158	148	102	64.56
1998-99	134	No provisioning Statement prepared		
1999-00	136			
2000-01	136			

(i) It is evident from the above table that out of the total number of drugs purchased, only 38.53 *per cent* to 70.06 *per cent* were estimated and included in the provisioning statement. Thus the purpose of furnishing the provisioning statement was frustrated as GMSD did not correctly assess the requirement.

(ii) Preparation of provisioning statement for generic drugs from 1998-99 was stopped though no such orders in this regard were received from DGHS.

(iii) DGHS also did not call for the provisioning statements from GMSD in terms of the manual provision. Resultantly, DGHS could fix the rates for a limited number of medicines only.

Test check in Audit revealed that in case of four items, the rates approved by DGHS on the basis of the proposal sent by GMSD, Kolkata, were not properly drawn up as one of the indentors of GMSD, Kolkata procured medicines with the same composition at lower rates. Thus, purchase of medicines at higher rates resulted in excess expenditure of Rs 34.35 lakh by GMSD.

### 2.5.2 Local purchase of medicines not scaled down

**Despite recommendation of the PAC, GMSD had not scaled down the local purchases of medicines.**

As per Paragraph 38 of GMSD Manual, the Depot is to prepare the estimated requirement carefully for each year to ensure adequate stock levels at all times to meet demands of the indentors without resorting to local purchase. Further, the PAC<sup>3</sup> had recommended in Paragraph 1.25 of its 103<sup>rd</sup> Report (Fourth Lok Sabha) the scaling down of local purchases of medicine to the minimum since it was costlier than centralised purchase. Mention was made in Paragraph 9.2 of Audit Report No 1 of 1995 of the Comptroller and Auditor General of India regarding non-compliance of PAC's recommendation by the GMSD during 1989-94. If at all, the situation in this regard has become worse now and GMSD continues to resort almost entirely to local purchases as detailed below:-

<sup>3</sup> Public Accounts Committee

Year	Purchase through DGSD	Local purchase	Total purchase	Percentage of local purchase to total purchase
1994-95	33.18	3048.77	3081.95	98.92
1995-96	27.82	2277.33	2305.15	98.79
1996-97	8.65	2520.64	2529.29	99.66
1997-98	25.20	1832.50	1857.70	98.64
1998-99	31.67	687.68	719.35	95.60
1999-00	42.46	693.52	735.98	94.23

The purchase figures were furnished by GMSD on the basis of figures of Receipt Day Book and is different from the figures of proforma accounts. Reasons for variation could not be given by GMSD to audit.

The percentage of local purchase to the total purchases made during 1994-2000 varied between 94.23 per cent and 99.66 per cent.

GMSD failed to effectively assess its requirements with the result that there was a phenomenal increase in local purchases. The advantage of centralised purchase was lost.

### 2.5.3 Avoidable expenditure of Rs 2.01 crore on local purchase

Scrutiny of records of local purchase of medicines revealed a number of irregularities as detailed in succeeding paragraphs leading to avoidable excess expenditure of Rs 2.01 crore.

#### 2.5.3.1 Proprietary drugs were purchased at higher rates

The formulary of medicines of CGHS<sup>4</sup>, a major indenter of GMSD has certain proprietary medicines with the same composition which are known as bracketed drugs. DGHS issued specific instructions in May 1994 to the GMSD that the lowest rate proprietary drug should be procured from among the bracketed items.

**GMSD incurred avoidable expenditure of Rs 53.71 lakh on purchase of proprietary drugs at higher rates than that of the bracketed medicines with the same composition.**

Test check of records disclosed that GMSD, disregarding the instructions, procured 29 different proprietary drugs at rates higher than that of other bracketed medicines with the same composition, thereby incurring an avoidable expenditure of Rs 53.71 lakh. GMSD stated in May 2000 that CGHS had specifically placed indents for the more expensive medicines. The reply is not tenable as the procurement of the more expensive medicines violated the extant instructions of DGHS.

#### 2.5.3.2 Extension of delivery period was allowed at higher rates

In terms of para 96 of GMSD Manual, GMSD can extend the date of delivery of medicines only if the supplier agrees to reduce the rate of medicines to the lower rate if prevailing at the time of such extension. Test check of records relating to local purchases revealed that, although the period of delivery was

<sup>4</sup> Central Government Health Scheme

extended, GMSD failed to apply the reduced rate thus incurring avoidable expenditure.

**GMSD incurred extra expenditure of Rs 1.06 crore.**

(a) GMSD placed supply orders for medicine worth Rs 5.55 crore during 1995-96, out of which, medicines worth Rs 4.13 crore were received in 1996-97 after allowing extension. Though the 1996-97 rates were lower, GMSD made payment at the higher rates of 1995-96 rates, incurring an additional expenditure of Rs 1.06 crore. GMSD stated in May 2000 that this was due to the fact that the approved rates for 1996-97 were received from DGHS after payment had been made to the suppliers. However, GMSD did not approach the suppliers for recovery of the excess amount paid and Rs 1.06 crore had not been recovered as of August 2001.

**Excess payment of Rs 8.27 lakh.**

(b) GMSD placed 51 supply orders between April 1996 and June 1996 for purchase of two proprietary drugs, Metrodix and Elprim DS. The supply orders, placed before the finalisation of the rates for 1996-97, were based on the rates offered by the firm with the undertaking that it would refund any excess payment in case the approved rate was less than the rate offered by them. The rates of these two drugs for 1996-97 fixed by the Ministry in August 1996 and effective from April 1996 were less than the rates offered by the firm. But GMSD paid the firm at the higher rates quoted by him. There was an excess payment of Rs 8.27 lakh and no action was taken till August 2001 to recover the amount in accordance with the undertaking furnished by the firm.

(c) Para 72 of the GMSD Manual states that if after placing the supply order, the manufacturer reduces the sale price of such stores the price payable by GMSD on these stores will stand correspondingly reduced.

**GMSD made excess payment of Rs 33.26 lakh on purchase of medicines though at the time of supply of medicines the supplier had reduced the rate of medicines..**

Test check revealed that in case of purchase of 16 drugs GMSD released payment at higher rates though the suppliers or manufacturer had reduced their rate by the time the drugs were supplied to the Kolkata Depot. This resulted in excess payment of Rs 33.26 lakh. No recovery was made till August 2001.

### **2.5.3.3 Liquidated damages of Rs 26.64 lakh not recovered**

**GMSD did not charge liquidated damages of Rs 26.64 lakh due to late supply of medicines.**

In terms of para 96 of GMSD Manual, GMSD can extend the date of delivery if the supplier applies for extension only before expiry of the original date of delivery. Further, in the event of failure of the firm to adhere to the delivery dates, GMSD may recover liquidated damages from the supplier at the rate of 5 per cent on the total cost of quantities in arrears per month. It was noticed that in 250 cases involving purchase of medicines worth Rs 2.81 crore, the GMSD extended the date of delivery even though the suppliers had not applied for extension or had applied after the original date. The suppliers were not charged liquidated damages amounting to Rs 26.64 lakh as of August 2001.

### 2.5.3.4 Security deposits not taken against supply orders

**GMSD suffered loss of Rs 14.99 lakh for not obtaining security deposit.**

GMSD is required to obtain security deposits from the successful tenderers during placement of supply orders of medicines to ensure timely supply of medicines. Test check of records revealed that GMSD did not obtain security deposit from the tenderers. Hence, though 282 supply orders amounting to Rs 1.69 crore could not be executed, GMSD could not effect forfeiture of security deposits which resulted in a loss of Rs 14.99 lakh. GMSD stated in May 2000 that the system of security deposit started from 1999-2000. This is incorrect since the quantum of deposit was only revised, from Rs 5000 to 5 per cent of the contractual value, in July 1999.

Thus, GMSD's failure to follow the proper system of procurement not only led to excess payments and incorrect procurement, but also defeated the objective of centralised procurement as upto 99 per cent of the medicines supplied to indentors was locally purchased.

## 2.6 Indenting

Medicines are procured for the various indentors and supplied by GMSD on the basis of their requirement placed through indents.

### 2.6.1 Medicine supplied against defective indents

Detailed procedures for processing indents have been prescribed in the GMSD Manual.

- (i) Indents have to be in prescribed form from enrolled indentors.
- (ii) Budget allotment with expenditure figures have to be indicated.
- (iii) Each indent has to be signed by the indenting authority and countersigned by the administrative authority.
- (iv) Each indent has to give details of the balance of the medicine available with the indenter.

However test check of 1108 out of 2207 indents received by GMSD during 1994-2000 revealed that 662 indents (59.75 per cent) were defective as shown below:-

Year	Total No. of indent recd	No. of indents test checked	Value (Rs in lakh)	Defective indents	Value (Rs. in lakh)	Percentage of 5 to 3
1	2	3	4	5	6	7
1994-95	510	234	886.14	107	623.83	45.73
1995-96	357	223	935.10	190	785.41	85.20
1996-97	310	137	626.30	103	301.06	75.18
1997-98	369	169	195.16	128	153.13	75.74
1998-99	300	164	170.72	116	128.90	70.73
1999-00	361	181	52.66	18	1.27	9.94
<b>Total</b>	<b>2207</b>	<b>1108</b>	<b>2866.08</b>	<b>662</b>	<b>1993.60</b>	<b>59.75</b>



The following are the various deficiencies noted in the defective indents (Some indents had more than one defect) :

(Rs in lakh)

Year	Prescribed form not furnished	Value	Budget allotment not given	Value	Counter signature of controlling authority wanting	Value	Consumption level not furnished	Value
1994-95	91	546.07	76	546.24	73	555.82	93	561.84
1995-96	97	112.94	137	730.05	26	67.62	170	757.93
1996-97	53	78.10	70	267.73	21	52.19	92	284.96
1997-98	87	90.74	60	92.45	22	36.37	109	131.98
1998-99	60	26.07	15	6.85	15	15.65	110	123.18
1999-00	13	0.89	4	0.38	00	00	6	0.54
<b>Total</b>	<b>401</b>	<b>854.81</b>	<b>362</b>	<b>1643.70</b>	<b>157</b>	<b>727.65</b>	<b>580</b>	<b>1860.43</b>

**Prescribed procedures were not being followed while acting upon indents.**

Far from following the prescribed procedure regarding processing of indents, GMSD supplied medicines even when indents were not signed by the controlling authority or budget allotments were not indicated. GMSD entertained and supplied medicines against such grossly defective indents amounting to Rs 19.94 crore. Of this, indents amounting to Rs 8.55 crore were not in prescribed form and indents amounting to Rs 7.28 crore were not countersigned by the controlling authority. As the percentage of local purchase to total purchase ranged between 94.23 percent to 99.66 *per cent*, most of the local purchase was on the basis of defective indents.

### 2.6.2 Irregular indents

As per GMSD Manual, indentors have to prepare their annual indents and supplementary indents, if any, are to be sent to the GMSD as and when requirement arises. Different forms are to be used for the purpose.

A test check of 49 defective indents of 1994-95 received from different indentors in Bihar disclosed that in the case of 31 indents, 8 indentors had repeatedly placed demands for the same medicines which were supplied by the GMSD. This resulted in irregular issue of medicines worth Rs 2.76 crore. (Annex-1)

It was also noticed that eight indentors placed 24 indents on the same day and 7 indents at frequent intervals. All the indents were called annual indents which was irregular.

### 2.6.3 Details of enrolled indentors not available

In terms of para 162 of GMSD Manual, GMSD is to supply medicines only to enrolled indentors and other indents are to be returned with the advice that the indenter may get himself enrolled. While GMSD stated that all the indentors were enrolled and registered with them, the enrolment register had been prepared by the GMSD only in 1997-98. No enrolment document prior to

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1997-98 could be produced to Audit. It is not clear as to how GMSD ensured that supplies were made only to enrolled indentors prior to 1997-98.

On test check of records of India Government Mint, Kolkata, Government of India Press, Temple Street, Kolkata and Calcutta Port Trust Centenary Hospital stated to be registered indentors by GMSD, it was seen that though all were receiving medicines against indents, Calcutta Port Trust Centenary Hospital was not enrolled with GMSD. Enrolment of the other two organisations could not be ascertained.

**2.6.4 (a) Receipt of stores not being acknowledged**

As per para 292 of GMSD Manual, four copies of the indent are prepared and acknowledgement is required to be obtained from indentors on the fourth copy of the indent. It was observed in audit that the acknowledgement of the indentors for the receipt of the stores were not found recorded on the fourth copy of the indent. In absence of acknowledgement, there is no proof in the possession of GMSD that the stores were actually received by the indentors.

**(b) Medical Stores worth Rs 78.46 lakh remained unacknowledged and unrealised**

A test check of records revealed that supply of medical stores worth Rs 78.46 lakh was neither acknowledged nor were payments realised from the indentors.

<b>Year</b>	<b>Unacknowledged and unrealised amount (Rs in lakh)</b>
1994-95	59.80
1995-96	3.04
1996-97	0.16
1997-98	2.34
1998-99	13.12
<b>Total</b>	<b>78.46</b>

The ADG, GMSD stated in August 2000 that receipts could be made available only in respect of the stores despatched by road transport. However, GMSD could supply only some details relating to road, air and railway transport but not the fourth copy of the indent which was to be signed and returned by the indenting authority. Audit found Rs 48.62 lakh of unacknowledged medical stores had been supplied against defective indents from Bihar, which were not furnished in prescribed form and were not countersigned by the Controlling Authority. Apart from the fact that there had been violations of prescribed procedures, it is clear that this matter needs further investigation. The possibility of wrongful supply cannot be ruled out.

## 2.7 Testing of medicines

Details of samples tested in GMSD laboratory are given below:-

Year	Total No. of items for which samples were drawn	No. of items tested in laboratory attached to GMSD	No. of items tested in laboratory approved by DGSD	Percentage of samples tested in GMSD laboratory of the total no of sample
1996-97	1954	750	1204	38.38
1997-98	1770	772	998	43.62
1998-99	705	470	235	66.67
1999-00	982	845	690	86.05
2000-01	842	665	956	78.98

Only 38.38 *per cent* to 78.98 *per cent* of the total samples were tested in GMSD laboratory during 1996-01. GMSD stated that they did not have facilities for testing all drugs in their laboratories. From June 1999, each sample was to be tested in two testing laboratories. But it is evident from the above table that in 2000-01 the GMSD did not follow this.

Test check in Audit revealed that GMSD issued 18 items of medicine to indentors after due testing. 17 items were returned by the indentors as these were substandard, while one substandard item was consumed. Out of 17 defective medicines returned, 7 items were subsequently tested at CDSCO<sup>5</sup> and CIPL<sup>6</sup> by CGHS, Kolkata and CGHS Lucknow and found defective and one medicine was found defective in depot stock. The details are given in the **Annex II**.

**Sub-standard medicines worth Rs 15.45 lakh were supplied to the beneficiaries.**

During 1996-2001, GMSD supplied substandard medicines worth Rs 23 lakh, out of which medicines worth Rs 7.55 lakh were returned by the indentors and the balance substandard medicines worth Rs 15.45 lakh representing 67 *per cent* were consumed. It was further noticed that out of 18 medicines, in case of 9 medicines, the percentage of consumption ranged between 91 *per cent* and 100 *per cent*.

## 2.8 Control and monitoring

To establish effective monitoring and control over the activities of GMSD, a permanent Internal Audit Party exists to exercise detailed check on all the financial transactions to ensure that they are entered in the books of accounts. It was, however, seen that the Internal Audit Party conducted only some routine checks. No detailed report was being submitted to the authorities for compliance.

Moreover, periodical inspections are to be carried out by officers including one officer from the office of the DGHS and reports are to be submitted to

<sup>5</sup> Central Drugs Standard Control Organisation

<sup>6</sup> Central Indian Pharma Copoeia Laboratory

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appropriate authority. No periodical inspection was carried out as per prescribed procedure.

Control and monitoring mechanisms were ineffective and remedial steps to improve the functioning of GMSD could not be taken.

## **2.9 Conclusion**

Despite increase in establishment costs from Rs 3.21 crore in 1994-95 to Rs 6.26 crore in 1999-2000 and accumulated losses of Rs 3.47 crore, GMSD was unable to fulfil the primary objective of centralised procurement of medical supplies to government medical establishments. Up to 99 *per cent* of the medicines supplied to indentors was through local purchase which could well have been done by the indenting departments. The practice negates the rationale of the centralised purchase and local purchases were resorted to with impunity involving loss of the advantage of economic rates that would have been available in central purchase. Medicines were procured and supplied against defective indents. Supply of medicine had not been acknowledged by indentors. In the course of procurement, the GMSD incurred avoidable expenditure, failed to recover excess amount paid to the suppliers and accorded undue financial benefit to the suppliers. GMSD supplied sub-standard medicines to the indentors and sub-standard medicines worth Rs 15.45 lakh were consumed by the beneficiaries. The Ministry needs to critically examine the working of the GMSD in order to improve its functioning and to enable it to achieve its objectives.

The matter was referred to the Ministry in December 2000 and December 2001; their reply was awaited as of December 2001.

**Annex-I**  
(Refers to Paragraph 2.6.2)

(Rs in Lakh)

Sl. No.	Name of Indentor	No. of Indents issued	Remarks	Value
1.	Medical Officer Referral Hospital , Kateya, Gopalganj, Bihar	Total 7 indents issued on 5.3.94, 8.3.94, 9.3.94 & 28.12.93 (4 indents)	5 Medicines were indented	33.44
2.	Dist. T.B Officer, Chapra, Bihar	Total 5 indents issued on 14.9.93 (2 indents) 31.12.93 (3 indents)	7 medicines were indented	60.59
3.	C.M.O, Madhepura, Bihar	Total 5 indents issued on. 15.3.94, 23.3.94, 25,3,94 & 26.3.94 (2 indents)	6 medicines were indented	49.67
4.	Medical Officer Referral Hospital Bandu, Ranchi, Bihar	Total 3 indents issued on 23.2.94	Same 8 medicines were indented	27.87
5.	Dist. Leprosy Officer, Ranchi, Bihar	Total 5 indents issued on 16.2.94 (4 indents) & 2.4.94	Same 12 medicines were indented	64.20
6.	Dist. Leprosy Officer, Chaibasa, Singhbhum, Bihar	Total 2 indents issued on 22.4.94	Same 12 medicines were indented	28.37
7.	Dist. T.B Centre, Motihari, East Champaran, Bihar	Total 2 indents issued on 25.2.94	Same 5 medicines were indented	5.88
8.	Medical Officer, Leprosy Control Unit & Dist. Leprosy Officer, Bettiah, West Champaran, Bihar	Total 2 indents issued on 18.3.94	Same 5 medicines were indented	5.79
<b>Total</b>				<b>275.81</b>

**Annex -II**  
(Refers to Paragraph 2.7)

(Rs in lakh)

Sl. No.	Name of medicine	Substandard medicine supplied to indentors		Substandard medicine returned by indentors		Consumption of substandard medicines		Percentage of substandard medicines consumed against supply
		Qty	Cost	Qty	Cost	Qty	Cost	
1	Cap. Neoclox	97420	3.82	53917	2.11	43503	1.71	45
2	Tab. Atenolol	144676	0.17	59498	0.07	85172	0.10	59
3	Tab Gelusil	399840	1.24	7800	0.02	392040	1.22	98
4	Inj. Gentamycin	100000	2.34	24430	0.57	75570	1.77	76
5	Cap. Gynal CVP	51020	0.65	20235	0.26	30785	0.39	60
6	Cap Ampicillin	250000	2.10	21465	0.18	228535	1.92	91
7	Tab paracetamol	650000	0.89	70900	0.10	579100	0.79	89
8	Tab. Diethyl carbanazine citrate (hetrazan)	304400	0.36	10081	0.01	294319	0.35	97
9	Tab. Ploxy	73000	0.62	--	--	73000	0.62	100
10	Cap Ampicillin-X	173800	5.22	51298	1.54	122502	3.68	70
11	Cap, Cloxacillin	230000	2.88	189805	2.37	40195	0.51	17
12	Tab Alprazolam	825000	0.48	11030	0.01	813970	0.47	99
13	Syp promethazine	1400	0.36	110	0.03	1290	0.33	92
14	Tab salbutamol	359000	0.46	3372	0.01	355628	0.46	99
15	Tab Diltiazem Hcl	156000	0.31	76132	0.15	79868	0.16	51
16	Tab Mebendazole	200000	0.47	6061	0.01	193939	0.46	97
17	Tab dipinol (Amlodipine + Atenolol)	189850	0.48	10647	0.03	179203	0.45	94
18	Tab. Ferrous sulphate	249390	0.15	150706	0.09	98684	0.06	39
<b>Total</b>			<b>23.00</b>		<b>7.55</b>		<b>15.45</b>	