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**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

**FOR THE YEAR ENDED 31 MARCH 1989
NO. 1 OF 1990**

UNION GOVERNMENT—CIVIL

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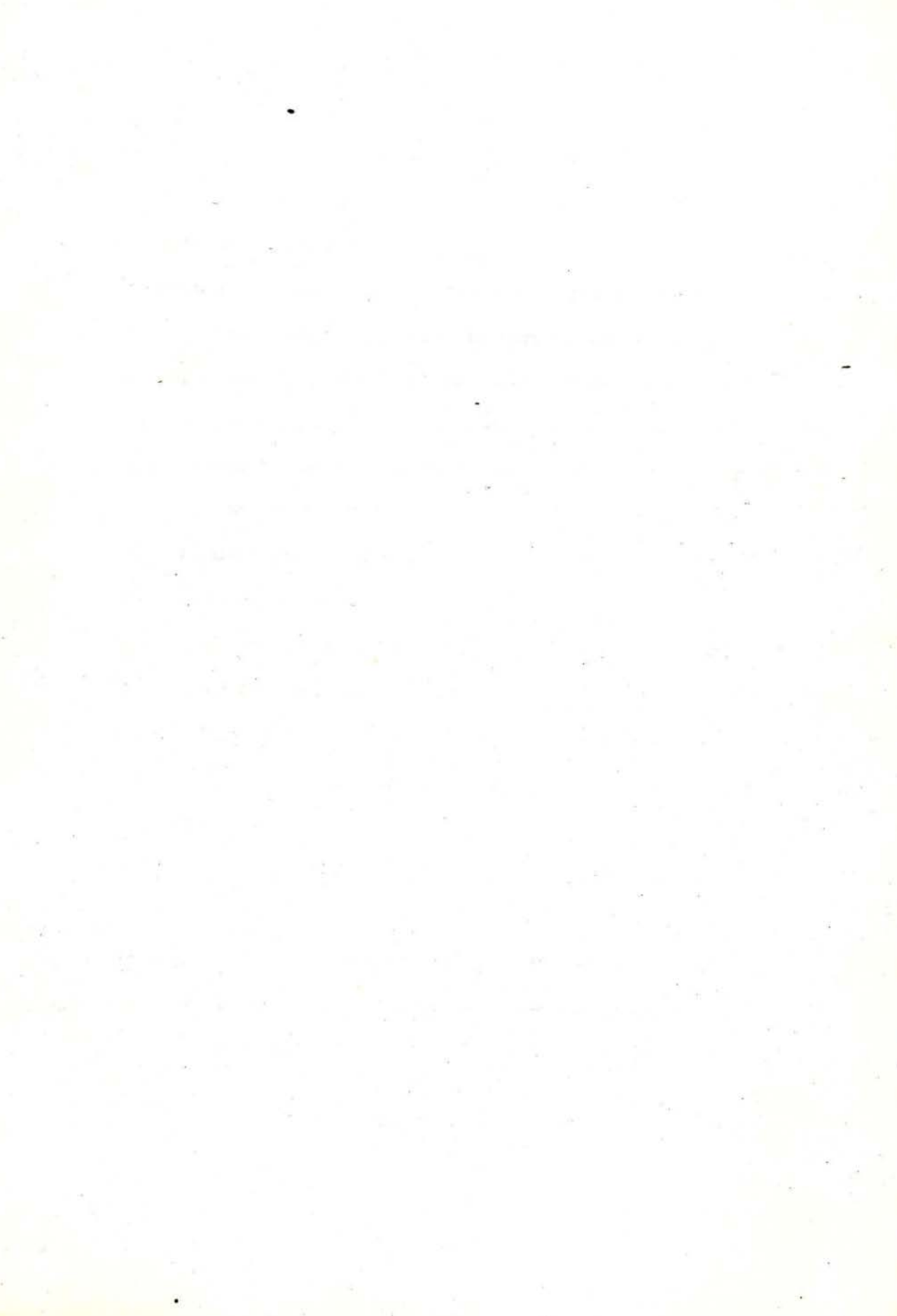
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PREFATORY REMARKS

This Report for the year ended 31 March 1989 has been prepared for submission to the President under Article 151 of the Constitution. It relates mainly to matters arising from test audit of the financial transactions of some of the Civil Departments of the Union Government.

2. This Report includes, among others, reviews on
 - (a) Guarantees given by Government for external loans
 - (b) Central Government Health Scheme
 - (c) National Malaria Eradication Programme
 - (d) Doordarshan commercial service
 - (e) Directorate of Estates

3. The cases mentioned in this Report are among those which came to notice in the course of audit during the year 1988-89 as well as those which had come to notice in earlier years but could not be dealt with in the previous Reports; matters relating to the period subsequent to 1988-89 have also been included, wherever considered necessary.



OVERVIEW

The Audit Report for the year ended 31 March 1989 contains 32 paragraphs including 5 reviews. The points highlighted in the Report are given below :-

I. Ministry of Finance - Department of Economic Affairs

Guarantees given by Government for external loans.- Internal and external loans raised by public sector undertakings, private companies, institutions, etc. are guaranteed by the Central Government for repayment of principal and payment of interest. These guarantees constitute contingent liabilities of Government.

The amount of guarantees given by Government for raising external loans increased by 81 per cent between 1984 and 1988 and stood at Rs.6850 crores. Audit scrutiny, however, showed that the amount as per budget documents was not correct as it did not include the amount of accrued interest, where the loans were interest bearing and Government had given guarantee for principal as well as interest. The amount also did not include the guarantees given by the Ministry of Railways. The amounts of guarantees had not been adjusted for fluctuations in rate of exchange. There was no regular procedure in converting the amount of guarantee into Indian rupees; different ministries followed different procedures and even the same ministry followed different procedures in respect of amount of guarantees provided in favour of

different institutions. Where historical rate of conversion was adopted, the actual liability in terms of rupees was much more due to the depreciation of Indian currency.

The amount of guarantees shown in different budget documents for the same year did not mutually agree and there were several discrepancies. The payment of Rs.17 crores made on account of invoking of guarantee in the 1987-89 by creditors was not reported in budget documents.

There was no centralised control exercised by the Ministry of Finance to watch that the loans and interest were paid as per the terms of the agreements. Other ministries which had stood guarantee also did not intimate whether any such monitoring was done. Although Ministry of Finance had issued instructions for a consolidated review of all Government guarantees, it was observed that even the Ministry of Finance (Department of Economic Affairs) had not undertaken such a review.

In most of the cases, no guarantee fee was charged and by not charging proper guarantee fee, Government had paid hidden subsidy amounting to Rs.718 crores.

No provision existed in the agreements with the institutions for recovery of interest/ penalty for delay in payment of guarantee fee.

(Paragraph 1)

II. Ministry of Health and Family Welfare

Central Government Health Scheme .- Central Government Health Scheme covers 16 cities through 221 allopathic units, 13 allopathic polyclinics and 71 units of the Indian systems of medicines. It covers a beneficiary population of 37.59 lakhs.

The annual expenditure of the scheme had increased from Rs. 29.63 crores in 1984-85 to Rs. 55.20 crores in 1988-89 and the average cost per card holder had increased from Rs.375 to Rs.650. While the expenditure had increased over the years, the amount spent on medicines was proportionately less. The average cost per card holder varied widely from station to station. Despite the recommendations of the Estimates Committee, Government did not compile and publish the dispensary-wise information on cost per card holder. Audit analysis of expenditure in respect of selected dispensaries showed that the cost per beneficiary in high income areas was relatively more. In Delhi, the average annual expenditure on medicines per beneficiary was Rs. 9 in Srinivaspuri and Rs. 65 in north Avenue.

The contribution from the beneficiaries covered just 13 per cent of the recurring expenditure. Despite the recommendations of the Fourth Central Pay Commission, the rates of contribution from Government servants prescribed in 1954 had not been revised.

The Seventh Five Year Plan targets of opening of new units were not likely to be achieved.

Several shortcomings were noticed in the working of

dispensaries. The criteria for opening dispensaries were not observed. In Delhi, the number of families attached to a dispensary varied from 1547 (President's Estate) to 17432 (Kingsway Camp). The dispensaries were working on a single shift of six hours' duration though it had resulted in inconvenience to the beneficiaries. The deployment of medical and para medical staff conformed neither to the sanctioned strength nor to the recommended norms, resulting in uneven workload. Fifty per cent of the doctors whose work was test checked, attended to 50 patients against the norm of 75 patients per day.

The family folder system which would include the total history of a patient, at a glance, and put a restraint on malpractices had not been introduced though recommended by the Estimates Committee.

The expenditure on specialist services had increased from 9.5 to 11.3 per cent of total expenditure between 1984-85 and 1988-89. Though the attendance in dispensaries had declined the number of cases referred for specialist treatment had increased. There were no facilities for emergency beds, requisite number of specialists were not provided, X-ray, ECG equipment were not functioning or remained closed for want of films etc.

Dental clinics at Ahmedabad, Allahabad and Kanpur did not function for long periods up to five years for want of dental surgeons.

In the procurement and supply of medicines, several irregularities in provisioning resulting in excessive stocking,

short supply necessitating local purchases at extra cost, receipt and supply of substandard medicines and non-disposal of expired medicines were noticed. In Delhi alone, the additional expenditure on local purchase of medicines was about Rs. 33.1 lakhs during 1987-88 and 1988-89.

There was no analytical system of quality control in the purchase of ayurvedic and unani medicines. Procurement of unani medicines fell short of the requirement due to delay in finalisation of contracts. Cases of non-availability of homeopathic medicines for long periods were also noticed.

In Delhi, 75 out of 111 units did not have proper accommodation. In other cities also, 95 out of 194 units were housed in private accommodation. Despite an adverse notice by the Estimates Committee in 1981-82, no targets were fixed for construction of CGHS buildings during the Sixth and Seventh Five Year Plans.

The reporting system and monitoring by the Director, CGHS showed that though several returns had been prescribed, the compilation of statistical data was in arrears for over two years, and the data published/ compiled were inaccurate. The scheduled inspections of the dispensaries were not conducted and complaints were not monitored.

(Paragraph 2)

National Malaria Eradication Programme.- National Malaria Eradication Programme in 1958 aimed at total eradication of malaria within six to seven years. In April 1977, this objective was abandoned, the Modified Plan of Operation was

directed towards controlling and containing malaria and preventing deaths due to malaria.

However, these limited objectives had also not been achieved. According to the information furnished by the Directorate of National Malaria Eradication Programme, the incidence of malaria actually increased in Andhra Pradesh, Goa, Gujarat, Kerala, Mizoram, Rajasthan, Tamil Nadu, West Bengal and Dadra and Nagar Haveli between 1981 and 1988. The increase was 64 per cent in Andhra Pradesh and 4358 per cent in Goa. The total number of deaths due to malaria in the country also increased from 170 to 209 between 1981 and 1988. In four States (Assam, Madhya Pradesh, Mizoram and Orissa), the number of deaths increased from 70 to 580 per cent during 1986 over 1985.

Audit scrutiny of figures of incidence of malaria as well as deaths due to malaria showed that these statistics were not reliable. The incidence of malaria was understated due to under-reporting, shortfalls in collection of blood smears and unexamined blood smear slides, etc. The number of deaths due to malaria was also understated. The Indepth Evaluation Committee consisting of National and International experts had also observed, in October 1985, that the official records were extremely unreliable and there were no guidelines and parameters to monitor whether the objective of arresting the deaths was achieved. The Committee had observed that the actual number of deaths due to malaria was considerably higher and many times more than officially recorded.

Under the Modified Plan of

Operation, the main activities were selective spray operations, fortnightly collection of blood smears from fever cases and their examination and treatment with anti-malaria drugs. Health education, public cooperation, distribution of drugs, establishment of fever treatment depots were other important components of the Modified Plan of Operation. For designated urban areas, the Urban Malaria Scheme was launched in November 1971.

While the major thrust of the programme was on spraying activity, substantial population areas requiring regular spray were left unsprayed each year; the shortfall in spraying ranged from 33 to 53 per cent during 1980-88. Shortfalls in spraying occurred up to 90 per cent in Gujarat, up to 86 per cent in Madhya Pradesh, up to 88 per cent in Meghalaya and 100 per cent in Sikkim. Mopping up operations and focal sprays were also not carried out in many States.

Some of the States had attributed shortfalls in spraying operations to resource constraints. Test check, however, showed that in many States, the quantity of Insecticides used in spraying operations was far in excess of requirement as per the prescribed norms. This resulted in avoidable extra expenditure of Rs.908.58 lakhs and improper utilisation of scarce insecticides in Bihar, Goa, Gujarat, Karnataka, Madhya Pradesh, Meghalaya, Mizoram and Uttar Pradesh. In Karnataka, avoidable extra expenditure of Rs.33.84 lakhs was incurred in conducting spray operations in areas where the State

Governments had recommended discontinuance of such operations.

Cases of excess supply of insecticides to Bihar, Meghalaya, Punjab and Rajasthan were noticed in Audit. In Gujarat, Haryana, Karnataka, Manipur, Dadra and Nagar Haveli, excessive procurement of insecticides and their retention beyond the date of expiry resulted in avoidable expenditure of Rs.144.63 lakhs during 1982 to 1988.

Entomological surveys were the basic requirement in selection of the right type of insecticides and the effectiveness of the spray operations depended upon the susceptibility of the vector mosquito to the insecticides sprayed. Such entomological surveys had not been carried out in several States. In Madhya Pradesh, expenditure of Rs.17710 lakhs was incurred on spray of insecticides to which the resistance of vector was indicated. In Andhra Pradesh, Malathion which is the costliest of insecticides was used for spray in several places incurring extra expenditure of Rs.88 lakhs; the use of Malathion did not result in control of incidence of malaria which actually increased.

Insecticides testing laboratories had not started functioning in seven out of nine States where the establishment of such laboratories was recommended by the Public Accounts Committee in 1985-86.

Under the Modified Plan of Operation, fortnightly surveillance by enumerating all the families in

village register had not been carried out in several States properly. In terms of blood smears, 10 per cent of the population was required to be screened every year. Targets of blood smear collection were not met; the shortfall in collection ranged from 15 to 76 per cent in four States of Bihar, Punjab, Tamil Nadu and Uttar Pradesh.

The incidence of un-examined blood slides was particularly high in two malaria infested States viz., Kerala and Madhya Pradesh. Consequently, an estimated expenditure of Rs.23.28 lakhs on their collection was rendered unfruitful and positive cases were denied the benefit of treatment.

Radical treatment of administering prescribed dosage of primaquine tablets for five days was required to be given to all cases found malaria positive. In Bihar, Madhya Pradesh, Rajasthan, Tamil Nadu and West Bengal, shortfalls ranging from 13 to 23 per cent were noticed in administering radical treatment.

In Assam, Bihar, Meghalaya, Mizoram and West Bengal, excessive use of anti-malaria drugs worth Rs.132.39 lakhs was noticed. Cases of administering time-barred anti-malarial drugs were noticed in Bihar, Karnataka, Madhya Pradesh, Rajasthan and Tamil Nadu. Several States had huge stock of time-barred drugs.

The urban malaria scheme sanctioned for 133 towns was actually in operation only in 126 towns. Except in Bombay, the implementation of bye-laws of mosquito control was very tardy or non-existent.

The multi-purpose worker is at the core of operational efficiency of the programme and the success of the programme depends upon active case detection through routine collection of blood smears by the multi-purpose worker from individuals presently suffering from or reporting recent spell of fever. Vacancies against the posts of multi-purpose workers were common. The Indepth Evaluation Committee had also observed that the converting of a vertical unipurpose malaria worker scheme into a horizontal multi-purpose worker scheme proved too heavy a drag on the front line worker. Emphasis on other activities particularly family welfare was stated to be responsible for poor performance of multipurpose worker in malaria eradication.

Key posts of officers responsible for implementation of the Programme remained vacant for long periods in a very large number of States. In Nagaland, extra expenditure of Rs. 108 lakhs was incurred due to over-staffing. In West Bengal excessive deployment of gangs of field workers resulted in extra expenditure of Rs. 112.49 lakhs.

One of the major objectives of the Modified Plan of Operation was to make available anti-malaria drugs to fever cases in remote inaccessible areas through voluntary institutions like Fever Treatment Depots and Drug Distribution Centres. These institutions had either not been established or were not functioning properly.

Health education is the basic means of enlightening the masses for control of malaria. This area

remained largely neglected. The funds provided for publicity were not utilised; the extent of saving ranged from 51 to 92 per cent in seven out of nine years up to 1988-89.

The various records and reports and returns as prescribed for monitoring and assessing the performance of the programme were either not maintained or not submitted to the designated authorities.

There had been no follow up on the recommendations of the Indepth Evaluation Committee (1985) which included malariogenic startification of the country, professionalisation of health education, strengthening of community participation and inter and intra sector coordination.

(Paragraph 3)

Construction of nurses hostel in Safdarjung Hospital.- The construction of a new nurses hostel in Safdarjung Hospital sanctioned in November 1970, was commenced, in March 1980, and completed after 18 years in July 1988 at a cost of Rs.2.29 crores. The hostel was constructed for unmarried nurses though it was known that the requirement of accommodation was more for married nurses. The hostel with 543 rooms taken over by the hospital had not been put to use. Even the existing hostel with 222 rooms for nurses was not fully occupied. Out of the 706 nurses, 520 nurses were married, 120 nurses were unmarried and 66 student nurses. Consequently, while on the one hand, the constructed accommodation remains unoccupied, there is, on the other hand, denial of quarters to married nurses whose requirements remain unfulfilled.

The investment of Rs.2.29 crores on the building will remain substantially blocked.

(Paragraph 4)

Construction of a sterilisation ward.- Under the all India Hospital Post Partum scheme sanctioned by Government in 1969 as part of the programme of family welfare, separate sterilisation wards were to be constructed in various medical institutions. The construction for the building for one such centre in the All India Institute of Medical Sciences, New Delhi, could not start as funds amounting to Rs.5.33 lakhs provided to it in March 1981 were inadequate. Although grants aggregating Rs.20.17 lakhs were again paid to AIIMS in November 1985 and September 1986 for construction of the ward, the construction could not be taken up initially because of non-receipt of permission from the New Delhi Municipal Committee and subsequently, because of certain difficulties expressed by AIIMS on construction at the proposed location. AIIMS had not been able to decide upon an alternative site for construction of the ward. Thus the benefit of the facilities envisaged under the family welfare programme could not be provided even after a period of twenty years.

(Paragraph 6)

Establishment of a drug de-addiction ward at Safdarjung Hospital .- Since treatment of drug addiction cases was not possible in general wards, it was decided to set up a drug de-addiction ward in Safdarjung Hospital, New Delhi. The ward was to start functioning in the Hospital by October 1986.

Expenditure of Rs.9.79 lakhs was incurred on the ward during 1987-89. Information regarding the installation of equipment; number of patients admitted in the ward during 1987-89 was not furnished by the Hospital. The Hospital incurred further expenditure of Rs.2.91 lakhs on staff during 1989-90. In July 1989, the Ministry ordered the establishment of the centre at Lady Hardinge Medical College and Smt. Sucheta Kripalani Hospital. The 11 members of the staff ordered to be transferred to the college in September 1989 did not join. Only a limited in-patient service was being provided by the college for drug de-addicts as the nursing staff and house-surgeon were not in position. Thus the total expenditure of Rs.12.70 lakhs incurred in the Safdarjung Hospital did not prove fruitful and the benefit of de-addiction services could also not be provided to drug addicts.

(Paragraph 7)

III. Ministry of Information and Broadcasting

Doordarshan commercial service.- The receipts from commercials are credited to a non-lapsable fund. The fund was to be utilised primarily on expenditure for improvement of the soft-ware and hard-ware and for experimentation in the new fields of development of electronics and programming in Doordarshan and Akashwani, implementing schemes, which would increase the commercial revenues, payment of financial assistance to artists, etc. A sum of Rs. 445.59 crores was deposited in the fund by Doordarshan during 1976-77 to 1988-89. Against this, a sum of Rs.298.10 crores (revenue expenditure : Rs. 95.33 crores;

capital expenditure: Rs. 202.77 crores) was utilised till 1988-89. The earnings of Doordarshan from advertisements increased from Rs.31.43 crores in 1984-85 to Rs.161.26 crores in 1988-89.

The time allotted for commercials, prescribed in the Doordarshan Manual was 10 per cent, later reduced to 5 per cent. The actual utilisation of time was only two and a half per cent; substantial efforts were not made to market more time. Further, there was no fixed periodicity for review and revision of rate structure. Doordarshan did not revise the rate at any time between February 1980 and September 1983 despite the increase of 76 per cent and 141 per cent in the number of television sets and transmitters.

Doordarshan paid 15 per cent commission to the agencies booking advertisements; no commission was payable for advertisements booked directly (direct business constituted less than 1 per cent of the total business). Nearly one quarter of the business was accounted for by three agencies during 1987-88 and 1988-89. The agency commission had increased from Rs.4.84 crores in 1984-85 to Rs.24.19 crores in 1988-89; however, the rate of commission which stood at 15 per cent had not been revised.

Doordarshan did not maintain record of time demanded for commercials, time available and sold and advertisers waiting for time. The prescribed agents' ledger was also not maintained. No record showed the outstanding dues from the parties. According to the information furnished by Doordarshan in June 1989, bills amounting to Rs.444.93 lakhs and

interest amounting to Rs.41.09 lakhs were outstanding from 142 agencies. An internal team decided to be set up, in April 1989, to tackle the outstanding bills had not started functioning so far. There were delays of more than 90 days in raising the bills against the agencies. In 3303 cases, the payment of bills by the agencies was delayed, but Doordarshan did not recover interest amounting to Rs.61.06 lakhs from the parties concerned for delayed payments. Sixteen agencies which owed Rs.54.57 lakhs to Doordarshan up to March 1987 were granted fresh accreditation from January 1988. A sum of Rs.56.17 lakhs was also due from these agencies, in September 1989, for bills raised up to January 1989. The non-accredited agencies were required to deposit the telecast charges, at least 15 days in advance. Cases were noticed where the charges were not paid even up to October 1989 for telecasts made during 1988-89.

Doordarshan suffered loss of revenue amounting to Rs.25.49 lakhs due to reduction in prescribed rates, improper categorisation of telecasts, make good spots, telecasting advertisements not contracted, allowing extra time and under billing etc. This included concession of Rs. 4.50 lakhs allowed to an agency in connection with the telecast of the highlights of the programme "freedom run" at reduced rates for which Doordarshan had no authority. Although Doordarshan admitted having given similar concessions in other cases as well, it did not furnish details of these cases.

(Paragraph 12)

IV. Ministry of Steel and Mines

Avoidable expenditure on payment of terminal charges.- The Controller of Stores, Geological Survey of India, Calcutta paid Rs.10.30 lakhs as terminal charges in 47 cases between August 1984 and November 1988 due to delay in clearing consignments which had arrived at Calcutta airport from abroad. These charges were being paid in a routine manner due to lack of control over such expenditure.

(Paragraph 16)

V. Ministry of Surface Transport

Purchase of racons.- Twenty-four solid state radar transponder beacons (Racons), for providing navigational aid to mariners ordered in November 1986 at a cost of Rs.36.53 lakhs failed during field trials even though these had been inspected by the DGSD in association with the department. Only two racons could be rectified and made functional by the end of August 1988 resulting in expenditure of Rs.33 lakhs incurred towards the cost of 22 non-functional racons remaining unfruitful. Besides the intended improved navigational facilities to the mariners could also not be provided.

(Paragraph 17)

VI. Ministry of Textiles

Implementation of a handloom project.- In September 1986, Ministry of Textiles sanctioned a pilot project costing Rs.39.72 lakhs as there was an urgent need to make the handloom industry adept

in the use of blended yarns. Against the sanction, a sum of Rs.20 lakhs was released to Silk and Art Silk Mills Research Association (SASMIRA). The Ministry, however, did not lay down the physical and financial targets and instead stipulated that the targets would be worked out by SASMIRA who also failed to do so. This contributed to slow pace of the project. The pilot project which was to be completed within a period of one and a half years had been languishing and only Rs.7.33 lakhs were utilised by SASMIRA till March 1988.

(Paragraph 18)

VII. Ministry of Urban Development

Working of Directorate of Estates, New Delhi.- Due to acute shortage of residential accommodation, a Government employee could not ordinarily get allotment of accommodation only before he renders service ranging between 17 and 27 years. A large number of ad-hoc allotments are being made and 48 per cent of the total allotments in Type V in 1988 was on out-of-turn basis. This further delayed the availability of accommodation to those entitled to regular allotment.

Only 2525 additional residential units became available for allotment during 1986 to 1988 as compared to 3119 units during 1983 to 1985 and 12814 units during 1981 to 1982.

While on the one hand, there was a long waiting period for Government servants to get allotment of accommodation, instances of considerable delays ranging up to 62 months in allotment of units vacated by

earlier occupants and up to 17 months for newly constructed units, were noticed in test check.

Due to ineffective monitoring and control, cancellation of allotment in many cases of unauthorised occupation was unduly delayed. Delay in cancellation was more than 60 months in 26 cases. Procedure for getting unauthorised occupation vacated was also not effective with the result that as on 31st March 1989, 1739 quarters were under unauthorised occupation out of which in 116 cases, the period of unauthorised occupation ranged from 60 to 165 months. Out of 437 cases in which eviction orders were passed, the accommodation was got vacated only in 37 cases.

Steps taken for realisation of dues were not adequate. Arrears of licence fee increased from year to year. Extent of realisation with reference to total outstandings at the end of each year declined from 75 per cent in 1984-85 to 64 per cent in 1988-89. Assessment of recovery due was not made in a number of cases.

Out of 150 flats purchased from DDA at a cost of Rs.10.20 crores for allotment for special allocation within the general pool, 77 flats remained unallotted from December 1986 to July 1988, resulting in blocking of capital of approximately Rs.5.24 crores.

(Paragraph 19)

Abnormal delay in construction of quarters.- The work of construction of 128 type III quarters at Saltlake, Calcutta, awarded to a contractor in December 1977 could not be completed by him by May 1979. The contract was

rescinded in January 1984. The balance work was awarded to another contractor in March 1985 which was completed in January 1987. This resulted in an extra expenditure of Rs.11.02 lakhs which was to be recovered from the defaulting contractor. This has not been recovered. Another contract for the work, namely construction of 96 type III quarters, at Saltlake awarded to a contractor in January 1979, was rescinded in September 1983. The remaining work was awarded to another contractor in November 1984 which was completed in December 1988. This resulted in an extra expenditure of Rs.11.09 lakhs.

The quarters completed, in January 1987 and December 1988 could not be handed over for allotment (August 1989) owing to non-completion of internal work and external electric supply connection. This resulted not only in blocking of funds but also payment of house rent allowance in lieu of these quarters. Besides, the beneficiaries were deprived of the facilities for about 14 years.

(Paragraph 21)

Infructuous expenditure due to idle printing machines.- Out of two rotary printing machines of Government of India Press, Calcutta, one remained totally idle from April 1987 to February 1988 and the other for two months in January and February 1988 for want of 43 Cms wide reel papers. Consequently, the workers attached to these two machines remained idle and the expenditure of Rs.21.26 lakhs incurred on these workers was rendered infructuous.

(Paragraph 22)

Disposal of metal dross residue.- Government of India Press, Minto Road, New Delhi offered 1100 quintals of metal dross (residue) for disposal. The acceptance of valid tender at Rs.1541 per quintal was conveyed to the tenderer after the expiry of extended validity period. Further extension of time for lifting the material, requested for, by this tenderer was not granted and the tenders were re-invited. The offer at Rs.856 per quintal was accepted permitting the tenderer to lift the material in 139 days against 30 days provided in the tender. Non acceptance of the earliest tender within the validity period resulted in short realisation of Rs.7.38 lakhs.

(Paragraph 23)

VIII. Ministry of Water Resources

Delay in execution of a work.- For restoring vehicular traffic and pedestrian movements, Government accorded sanction, in November 1973, for construction of an additional bridge at the feeder canal of Farakka barrage. After four years, the project authority awarded the work for Rs.82.52 lakhs to a State Government undertaking of West Bengal for completing the work by April 1980. The work could not be started due to failure of the department to supply soil boring data for the canal soil and on the part of the undertaking to submit the design in time. The undertaking after completing 77 per cent work, stopped the work. Till May 1986, Rs.63.98 lakhs had been paid. In January 1988, the contract was rescinded. In addition, a total expenditure of Rs.36.39 lakhs was also incurred on free ferry services from April 1980 to July

1989. Thus work sanctioned in 1973 has not yet been completed.

(Paragraph 27)

IX. Andaman and Nicobar Administration

Delay in fabrication of bus bodies:- For augmenting the road transport service in the Union Territory, the Administration purchased 12 bus chassis for Rs.20.99 lakhs. A firm at Jamshedpur was allowed to take delivery of the chassis, in March 1976, for fabrication of bus bodies without furnishing any indemnity bond for the value of chassis delivered in violation of the terms of the agreement executed with it. The Director of Transport could not trace out the chassis or the proprietor of the firm. For all 12 chassis, action had not been initiated for their fabrication. The failure of the Administration to evaluate and assess the capacity of the firm, not only resulted in blocking of funds to the extent of Rs.20.99 lakhs but also the objective for putting more buses on the road was not achieved.

(Paragraph 31)

Injudicious procurement of spares:- The Administration purchased spares of the value of Rs.41 lakhs during June 1970 to August 1977 for use in two Komatsu bulldozers purchased in February 1969 at a cost of Rs.8.60 lakhs. As per norms prescribed in the Central

Water Commission Guide book, spares could be purchased to the extent of 240 per cent of the cost of equipment at the estimated life of 10 years of the equipment. Accordingly, spares worth Rs.20.64 lakhs could be purchased during 1969-78 instead of Rs.41 lakhs.

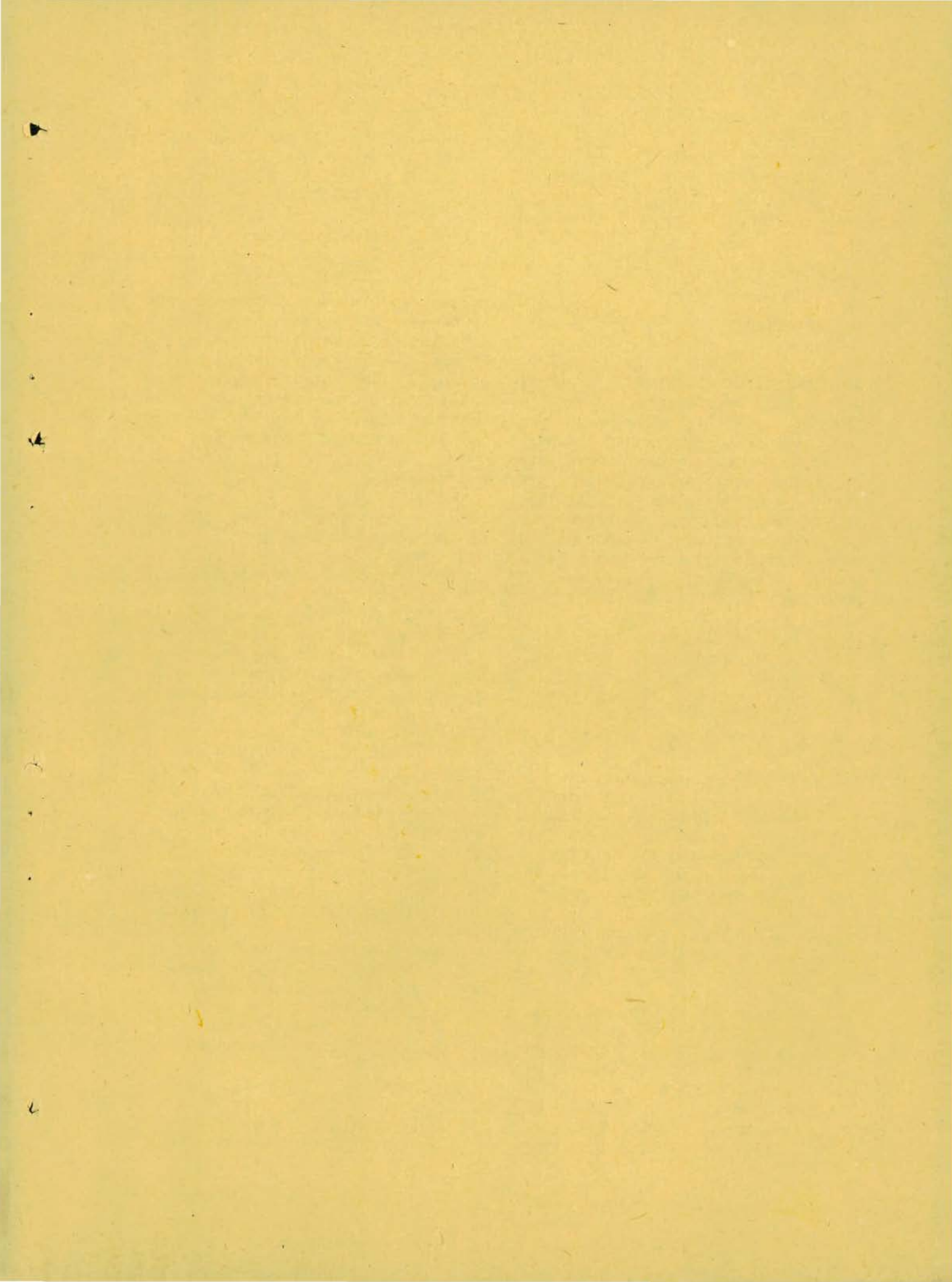
The bulldozers were condemned in 1985 and auctioned for Rs.1.26 lakhs in January 1988.

No action had been taken for the disposal of spares. Thus injudicious procurement of spares contrary to the norms resulted in procurement of surplus spares.

(Paragraph 30)

Abnormal delay in execution of work:- For construction of a 5 Kms long rural road from Millangram to Radhanagar, administrative sanction of Rs.4.04 lakhs was accorded in May 1970 which was revised to Rs.9.61 lakhs for extension of road up to 6.65 Kms in March 1971. Again in March 1974, the specifications were further revised for the work which was completed in March 1986. Up to July 1987, a sum of Rs.72.67 lakhs had been incurred. Thus delay in execution of work resulted in an abnormal increase in expenditure and the objective of linking isolated settlements of the locality remained unfulfilled for 14 years.

(Paragraph 32)



CHAPTER I

Ministry of Finance

(Department of Economic Affairs)

1. Guarantees given by Government for external loans

1.1 Introduction

Under Article 292 of the Constitution of India the executive powers of the Union extend to borrowing upon the security of the Consolidated Fund of India within such limits, if any, as may from time to time be fixed by Parliament by law and to the giving of guarantees within such limits, if any, as may be so fixed. The guarantees are given by Government of India in respect of both internal and external loans for repayment of principal and payment of interest according to the terms of agreement.

1.2 Scope of Audit

Some aspects of 'Public Debt' covering, inter alia the growing debt and other liabilities, increasing deficit in Revenue Account, rising overall deficit, the need for rigorously pruning wasteful expenditure, growth of external debt and servicing the external debt were commented upon in the Report (No. 10 of 1988) of the Comptroller and Auditor General of India for the year ended 31 March 1987. The review covered the period from 1981-82 to 1986-87.

Further data available in the Union Government Finance Accounts

for 1987-88, Economic Survey for 1988-89 and budget documents for 1989-90 underlined the growing trend in public debt which was pointed out in the Report (No. 1 of 1989) of the Comptroller and Auditor General of India for the year ended 31 March 1988.

The present review covers the guarantees given by Government of India for external loans raised by public sector undertakings, financial institutions, co-operative societies and public limited companies. This review is based on a test check of records of the ministries of Civil Aviation, Energy (Department of Power), Finance (Department of Economic Affairs), Health and Family Welfare, Industry, Information and Broadcasting and Surface Transport and information furnished by other ministries. These ministries/departments together accounted for more than 90 per cent of the guarantees for external loans outstanding as on 31st December 1988.

Ministry of Finance (Department of Economic Affairs) was requested, in September 1989, to confirm the facts and figures given in the draft review. The Ministry stated, in October 1989, that the review was based on the figures contained in the budget documents and demands for grants and these were not parts of "accounts" in terms of Article

151 of the Constitution, the question of confirming the facts and figures, therefore, did not arise.

The Ministry of Finance is responsible for economic management, preparation of the budget and its presentation to Parliament and monitoring current economic trends. Budgeting and accounting are integral to the financial system and the link between budgeting and accounting is particularly close since the same system of classification and categorisation is used, and budgetary control is not possible without accounting. Under the Constitution, all documents presented to Parliament in terms of Articles 112 and 113 relate to 'procedure in financial matters' and form part of accounts which Audit can examine. It is only proper to expect that the Ministry would extend all assistance to Audit for conducting a review on a subject of public importance as this will help in better financial administration. The interpretation given by the Ministry of Finance is, therefore, surprising.

The copies of the draft review were also sent to other ministries concerned. No reply was received from the ministries of Civil Aviation, Communications (Department of Telecommunications), Defence (Department of Defence Production and Supplies), Food and Civil Supply (Department of Civil Supplies), Industry (Department of Public Enterprises), Information and Broadcasting, Petroleum and Natural Gas, Railways, Steel and Mines (Department of Steel), Surface Transport, Textiles and Urban Development. Replies of the ministries of Agriculture, Energy, Health and Family Welfare and

Industry (Departments of Chemicals and Petrochemicals and Industrial Development) have been received and incorporated where necessary.

1.3 Highlights

Contingent liability on account of guarantees given for external loans increased by 81 per cent between 1984 and 1988 and stood at Rs.6850 crores at the end of December 1988 as per the budget documents. The amount did not include the outstanding interest accrued thereon. The amount also did not include the guarantees given by the Ministry of Railways as the same was not intimated.

There has been no regular procedure in converting the amount of guarantees into Indian rupees. While the Ministry of Finance had worked out the amount of guarantees in Indian rupees at a uniform rate year after year, it had applied different rates in respect of different guarantees for the same year. The Ministry of Civil Aviation had converted the amount of guarantees at the historical rate of exchange in some cases and in other cases, the rates varied from year to year.

No guarantee register had been prescribed or maintained; in the absence of the same, information given in budget documents could not be vouchsafed. Audit noticed that there were inaccuracies and discrepancies in the information given in the detailed demands for grants/Explanatory Memorandum on Budget presented to Parliament.

There was no system to watch that the amounts guaranteed by Government were repaid as per schedule. The prescribed review of guarantees was also not conducted.

There was no centralised system of control over guarantees. Neither monitoring was done by the Controller of Aid Accounts and Audit in the Ministry of Finance nor by the ministries concerned. The administrative ministries have not undertaken a consolidated review of all the Government guarantees given during a financial year contravening the instructions issued by the Ministry of Finance in December 1984.

Guarantees invoked to the tune of Rs. 17 crores in 1987-1989 were not reported in the budget documents.

No specific rate of guarantee fee had been prescribed by Government. In most cases, no guarantee fee at all was levied. Government had paid hidden subsidy of Rs.718 crores approximately to public sector undertakings etc. by not charging a proper guarantee fee. Even where guarantee fees were prescribed, these were not being recovered on the due dates. This resulted in loss of interest amounting to Rs. 160 lakhs approximately in the case of two institutions.

1.4 *Extent of guarantees* .- Up to 1986-87, a consolidated Statement of Guarantees given by Government on account of internal as well as external loans was being attached to Explanatory Memorandum on Budget presented to Parliament. From 1987-88, while carrying out changes in

the format of the Budget estimates, as per the recommendations of the Estimates Committee, in their Thirty-seventh Report (Eighth Lok Sabha-1988-89) on Revision of form and contents of the Demands for Grants, the Ministry of Finance, on its own, discontinued the statement. A similar statement was, however, attached with the detailed demands for grants of each Ministry and a summary of all the statements in Expenditure Budget (Volume I). However, similar information was not attached with the detailed demands for grants for Railways. The Ministry of Railways also did not furnish the information to Audit when called for in June 1989.

The amount of guarantees for external loans which were outstanding as on 31st December of the last five years (excluding Railways) was as under :-

Year	Amount (In crores of rupees)
1984	3775.34
1985	5393.76
1986	5574.98
1987	5193.46
1988	6849.94

(Based on the information given in the Explanatory Memorandum on Budget up to 1985 and the Statement of Guarantees attached with the detailed demands for grants from 1986 onwards).

There has been an increase of 81 per cent in the amount of guarantees outstanding for external loans during the last five years. The Public Accounts Committee, in paragraph 1.11 of their Sixty-

fourth Report (Fourth Lok Sabha-1968-69), had recommended to the Government to work out with a reasonable degree of approximation, a workable limit on borrowings, for the purpose of incorporation in a statute, as contemplated in Article 292 of the Constitution. No law prescribing any limit has, so far, been enacted. This was also mentioned in paragraph 1.10 of the Report (No. 10 of 1988) of the Comptroller and Auditor General of India. The Ministry of Finance stated, in January 1989, that Government was not considering fixing any statutory limit for its borrowings and guarantees to be given by it.

The amount of guarantees as mentioned above was exclusive of accrued interest outstanding in cases where loans were interest bearing and Government had guaranteed repayment of principal together with payment of interest thereon. This was due to the reason that the amounts of interest accrued had not been taken into account while preparing the Statement of Guarantees. Reasons for the same were inquired from various ministries in July 1989. While the Ministry of Steel and Mines stated, in August 1989, that the amount of interest was not shown as there was no specific column in the form prescribed by the Ministry of Finance, no reply was received from any other Ministry. Therefore, the liability on account of the guarantees would be actually more than what was disclosed in the budget documents.

According to the budget circular issued every year by the Budget Division of the Ministry of Finance (Department of Economic Affairs), the amount of guarantees should be indicated in rupees and

not in foreign currency. No instructions have, so far, been issued regarding the conversion rate to be adopted i.e. whether the same should be the historical rate (rate as on the date of agreement) or the rate prevalent as on 31st December of the relevant year or any other date. Various ministries were asked, in June/July 1989, about the system of conversion rate of foreign currencies into Indian currency adopted by them. No reply was received. A test check of records of the ministries of Finance and Civil Aviation showed that no uniform system was being followed. While the Ministry of Finance had exhibited the amount of guarantees converted into Indian currency at a uniform rate year after year, it had applied different rates in respect of different guarantees for the same year. Thus the Ministry of Finance had adopted three different rates of Rs. 10.28, Rs. 10.45 and Rs. 12.00 to a dollar for 1985-86 in respect of external loans guaranteed for three companies and four different rates of Rs. 8.99, Rs. 10.28, Rs. 10.45 and Rs. 12.00 to a dollar for 1986-87 in respect of loans guaranteed for four companies. The Ministry of Civil Aviation had not followed any uniform procedure in the matter. In some cases it had converted the amount of guarantees at the historical rate of exchange, and in other cases, the rates varied from year to year. Thus the Ministry while on the one hand had adopted the same rate of conversion in the budget documents for 1987-88, 1988-89 and 1989-90 in respect of loans guaranteed for the Indian Airlines Corporation; it had, on the other adopted different rates of conversion in respect of loans guaranteed for Air India in the same budget documents. Details are

given in Annexure I. Where the historical rate was adopted, the actual liability in terms of rupees was much more due to the depreciation of the Indian currency over a period of time. The Ministry of Finance (Department of Economic Affairs) stated, in October 1989, that this was a complex issue which needed a detailed examination.

According to the form of Statement of Guarantees appended to the Explanatory Memorandum on Budget/detailed demands for grants, information viz, name of the institution, nature and extent of guarantee, maximum amount of guarantee, sums guaranteed and outstanding, security obtained and payments made, if any, by Government should be furnished. Government had not prescribed maintenance of any guarantee register by the ministries/ departments to record the guarantees given and outstanding at any time from which the aforesaid details could be compiled. Test check in various ministries showed that only the Ministry of Information and Broadcasting had maintained a guarantee register. In the absence of such a basic record, the correctness of figures of guarantees given in the budget documents could not be vouchsafed.

The following inaccuracies were noticed on a test check of information given in the detailed demands for grants/ Explanatory Memorandum on Budget :-

(i) *Ministry of Agriculture (Department of Fertilizers).*- (a) In the Statements of Guarantees attached with Explanatory Memorandum on Budget for 1985-86 and 1986-87, the maximum amount of guarantees in respect of external loans of Hindustan Fertilizer Corporation Limited were shown as Rs.

2609.20 lakhs in both the years, against which the outstanding amounts as on 31st December 1984 and 31st December 1985 were shown as Rs.1508.93 lakhs and Rs.1465.63 lakhs respectively. Ministry of Agriculture (Department of Fertilizers), however, intimated in October 1989 that the maximum amount of guarantee for external loan in respect of guarantees given by Government of India for the said company was Rs.609.20 lakhs, against which Rs. 208.93 lakhs and Rs. 150.63 lakhs were outstanding as on 31st December 1984 and 31st December 1985 respectively.

(b) In the Statement of Guarantees attached with detailed demands for grants in respect of the Ministry of Agriculture (Department of Fertilizers) for 1988-89, the amount of guarantee for external loan taken by the Indian Farmers Fertilizers Cooperative Limited and outstanding as on 31st December 1987 was shown as Rs.19760 lakhs. However, the Corporation intimated, in October 1989, that the amount outstanding as on 31st December 1987 was Rs. 7389 lakhs.

(ii) *Ministry of Energy (Department of Power).*- (a) In the Explanatory Memorandum on Budget for 1986-87, guarantee given for Skandinaviska Enskilda Banken, Sweden for Rs. 56.75 lakhs was included in the guarantee given for Standard Chartered Bank, United Kingdom.

(b) In the detailed demands for grants for 1989-90, the maximum amount of guarantee in respect of Damodar Vally Corporation was shown as Rs. 3760.19 crores instead of 330 crores. The Ministry, stated, in December 1989, that actual amount was Rs. 323.26 crores.

Similarly, the outstanding amount of guarantee against the same Corporation was shown in the detailed demands for grants as Rs. 287 crores. The Ministry, however, stated, in December 1989, that the amount of guarantee actually outstanding was Rs. 286.69 crores.

(iii) *Ministry of Finance (Department of Economic Affairs), Ministry of Energy (Department of Power).*- Guarantee given to the National Hydroelectric Power Corporation limited for Canadian loan of 403 million Canadian dollars had been shown twice in the Explanatory Memorandum on Budget for 1986-87 both under the Ministry of Finance (Department of Economic Affairs) and the Ministry of Energy (Department of Power).

(iv) *Ministry of Finance (Department of Economic Affairs).*- (a) Guarantees given by Government for raising external loan by the Industrial Development Bank of India were not shown in the detailed demands for grants for 1988-89 and 1989-90. The amount of these guarantees was 20 billion Yen, 320 million Deutsche Mark, 100 million Swiss Franc and 19.341 million US dollars for 1988-89 and 22.712 billion Yen, 570 million Deutsche Mark, 100 million Swiss Franc and 34.341 million US dollars for 1989-90.

(b) Guarantees given for loans raised by private shipping companies were not shown in the detailed demands for grants for 1988-89 and 1989-90. The amount of such guarantees was Rs. 151.32 crores in April 1987.

(c) In the Statement of Guarantees attached with the Explanatory Memorandum on Budget/detailed demands for grants for the

Ministry of Finance for 1985-86 to 1989-90, amounts of Rs. 9650.66 lakhs, Rs.10155.91 lakhs, Rs.10155 lakhs and Rs. 10155 lakhs were shown as maximum amount of guarantees and Rs.5697.61 lakhs, Rs. 5068.09 lakhs, Rs. 7354.00 lakhs and Rs.7289.00 lakhs were shown as outstanding amounts of guarantees given by Ministry of Finance (Department of Economic Affairs) for Indian Farmers Fertilizers Cooperative Limited as on 31st December 1984, 1985, 1987 and 1988 respectively. The Corporation, however, intimated, in October 1989, that no guarantee was given by the Ministry of Finance in respect of loans raised by it.

(v) *Ministry of Information and Broadcasting.*- In the detailed demands for grants for 1989-90, guarantees of Rs. 492.33 lakhs (maximum amount) in respect of the National Film Development Corporation were shown as Rs.300 lakhs, while guarantees of Rs.70 lakhs (maximum amount) in respect of Children's Film Society was shown as Rs.192.33 lakhs. The outstanding amount against guarantees were shown as Rs.180 lakhs and Rs.192.33 lakhs instead of Rs.372.33 lakhs and Rs.14 lakhs respectively.

(vi) *Ministry of Surface Transport.*- (a) Guarantees given for loans raised by the Shipping Corporation of India Limited were not shown in the detailed demands for grants for 1988-89 and 1989-90. The outstanding amount of these loans was Rs. 556.29 crores and Rs. 529.78 crores respectively.

(b) Amount of loan of Rs. 369 lakhs obtained by Government from Asian Development Bank was shown under guarantees in the detailed demands for grants for 1989-90.

(vii) *Ministry of Urban Development.*- Guarantees given for raising loans by the National Building Construction Corporation Limited were not shown in 1985-86 and 1986-87. It was, however, seen from the Statement of Guarantees for subsequent years that 40 guarantees were outstanding for the period 1977 to 1985.

It was also noticed by Audit that there were several discrepancies in details shown in the Statement of Guarantees attached with the detailed demands for grants of various ministries for 1987-88, 1988-89 and 1989-90 and the summary of these statements as shown in the Expenditure Budget (Vol.I) of the respective years. The details of discrepancies and comments of the ministries where received, are given in Annexure II. The discrepancies were intimated to the ministries concerned in June 1989. Eight ministries agreed to the discrepancies pointed out and attributed these to printing errors, omissions, late receipt of information etc. Replies in other cases have not been received.

1.5 *Monitoring* .- Since guarantees constitute contingent liabilities of the Government, it was necessary to institute a proper and effective monitoring system to watch that the loans and interest thereon were being repaid as per terms of the agreement. It was noticed that no such system was in vogue. Ministry of Finance in reply to an Audit query, stated in May-June 1989, that monitoring was being done by the Controller of Aid Accounts and Audit. The Controller, however, stated, in June 1989, that his office was maintaining accounts of all external loans and grants passing through Central Government Budget and in respect of external

loans guaranteed by Government the responsibility for accountal of receipts and debt servicing as well as timely debt servicing of such loans rested with the borrowers. The Controller also stated that the basic records for guarantees given should be available with the administrative ministries/ Credit Divisions of the Department of Economic Affairs in the Ministry of Finance, dealing with such loans. Thus there was no centralised system of control over guarantees and no monitoring was done. Similar information was also called for from other ministries, in April-July 1989 to see whether control was exercised at least by the administrative ministries. In one case, the Ministry of Information and Broadcasting stated, in April 1989, that payment was being watched through a register being maintained in the Ministry, and there were delays in repayment ranging up to four months. Information was not recieved from other ministries.(October 1989)

According to instructions issued by the Ministry of Finance (Department of Economic Affairs) in May 1969 and again in December 1984, "the administrative ministries should undertake a consolidated review of all the Government guarantees given during a financial year. Such review would help to assess the actual performance of the guarantees and would enable a decision to be taken whether any modification in criteria already laid down was necessary or whether the guarantees could be discontinued." Inquiries made by Audit, in June-July 1989, showed that even the Ministry of Finance (Department of Economic Affairs) had not undertaken any such review. Ministry of Surface Transport (Shipping Wing) stated,

in July 1989 that no such review was necessary. Replies from other ministries had not been received. (October 1989)

1.6 *Invoking guarantees.*- The Shipping Development Fund Committee was abolished, in April 1987, and its assets and liabilities were taken over by Government. The guarantees given by the Committee became guarantees of the Government of India as successor of the Committee. Some of these guarantees were invoked during 1987-88 and 1988-89 and a sum of Rs. 17 crores was paid on this account to the creditors up to January 1989. However, the amount outstanding against these guarantees as well as payments made were not shown in the detailed demands for grants of the Ministry of Finance (Department of Economic Affairs)/ Ministry of Surface Transport, although budget provision in Supplementary Demands for these years were made for making the payments. Reasons for the same were called from both the ministries (July 1989) but no reply had been received (October 1989).

1.7 *Guarantee fee.*- Guarantee is a service given by a guarantor for which a fee is normally charged by him. In the case of Tata Electric Companies, Ministry of Finance (Department of Economic Affairs) prescribed guarantee fee at 2.75 per cent per annum in January 1979 and December 1984 on two loans guaranteed and outstanding. In 1975, in the case of a guarantee for the Indian Farmers' Fertilizers Co-operative Limited, the same Ministry prescribed a guarantee fee at 2.25 per cent per annum on the outstanding balance. For two guarantees given in 1988 for World Bank loans of Rs.67.20 crores and Rs.333.50 crores for the Steel Authority of India Limited and the

Housing Development Finance Corporation, the guarantee fee was fixed at 0.25 per cent per annum and 0.5 per cent per annum respectively. In all other cases, no guarantee fee was charged.

Non-charging or charging of guarantee fee at lower rates than these being charged from Tata Electric Companies resulted in payment of hidden subsidy to the institutions/companies to the tune of Rs. 718 crores (based on approximate estimation) during 1984-85 to 1988-89 in respect of loans guaranteed for them. The Ministry of Finance (Department of Economic Affairs) stated, in October 1989, that it was not generally Government policy to levy a guarantee fee in all cases and that according to the instructions issued, in May 1969, the question of levy of fee would arise only in the case of non-public sector institutions. The Ministry also stated that while the policy in this respect was already under examination, it was not correct to assume that there was a hidden subsidy.

1.8 *Recovery of guarantee fee.*- The agreements with the institutions prescribed the dates on which guarantee fee where provided was to be recovered. Scrutiny of details of payment of guarantee fee made available by the Controller of Aid Accounts and Audit, Ministry of Finance (Department of Economic Affairs) showed that guarantee fee was not paid by the concerned institution on due dates in any case. There were delays of one to six months on 35 occasions and more than six months on six occasions. This resulted in loss of interest amounting to Rs. 160 lakhs approximately in the case of two

institutions computed at the rates prescribed by Government from time to time for loans granted to industrial and commercial undertakings in the public sector and co-operative societies having

equity capital exceeding rupees one crore. No provision was made in the agreement with the institutions for charging of interest/levying of penalty for non-payment of guarantee fee on the due dates.

ANNEXURE - I
(Refer to paragraph 1.4)

Illustrative cases showing uniform and varying rates of exchange adopted for conversion to rupees.

(a) Statement of illustrative cases where same exchange rate has been adopted for conversion every year.

S.No	Name of Ministry	Name of Institution	Year	Loan in Foreign currency (In lakh)	Loan as shown in Indian currency (In lakh Rs.)	Exchange rate per \$
1.	Finance	Kudermukh Iron Ore Ltd.	1986-87	\$ 6300	56637	Rs. 8.99
			1988-89	\$ 6300	56637	-do-
			1989-90	\$ 6300	56637	-do-
2.	-do-	Maruti Udyog Ltd.	1985-86	\$ 750	7710	Rs. 10.28
			1986-87	\$ 750	7710	-do-
3.	-do-	Bharat Heavy Electricals Ltd.	1985-86	\$ 500	5225	Rs. 10.45
			1986-87	\$ 500	5225	-do-
4.	-do-	National Aluminium Company Limited	1985-86	\$ 3000	36000	Rs. 12.00
			1986-87	\$ 3000	36000	-do-
5.	Civil Aviation	Indian Airlines Corporation (for 6 Boeing)	1987-88	\$ 650	7865	Rs. 12.10
			1988-89	\$ 650	7865	-do-
			1989-90	\$ 650	7865	-do-
6.	-do-	Indian Airlines Corporation (for 2 Air Buses A-300 B-2)	1987-88	\$ 510	6171	Rs. 12.10
			1988-89	\$ 510	6171	-do-
			1989-90	\$ 510	6171	-do-
7.	-do-	Indian Airlines Corporation (For 2 Air Buses A-300 B-4)	1987-88	\$ 770	9317	Rs. 12.10
			1988-89	\$ 770	9317	-do-
			1989-90	\$ 770	9317	-do-
8.	-do-	Indian Airlines Corporation (for 2 Air Buses A-300 B-4)	1987-88	\$ 210	2541	Rs. 12.10
			1988-89	\$ 210	2541	-do-
			1989-90	\$ 210	2541	-do-
9.	-do-	Indian Airlines Corporation (for four Boeing 737 Aircraft)	1987-88	\$ 567	6860.70	Rs. 12.10
			1988-89	\$ 567	6860.70	-do-

(b) Statement of illustrative cases where Exchange rates were changed every year.

1.	Civil Aviation	Air India (Agreement of July 82)	1987-88	\$ 880	11176	Rs. 12.70
			1988-89	\$ 880	11419.47	Rs. 12.98
			1989-90	\$ 880	12738.85	Rs. 14.48
2.	-do-	Air India (Agreement of January 1986)	1987-88	\$ 1730	21971.05	Rs. 12.70
			1988-89	\$ 1730	22450.04	Rs. 12.98
			1989-90	\$ 1730	25043.43	Rs. 14.48
3.	-do-	Air India (Agreement of March 1986)	1987-88	\$ 2200	28832	Rs. 13.10
			1988-89	\$ 2200	30720.21	Rs. 13.96
4.	-do-	Air India (Agreement of February 1987)	1988-89	\$ 800	10881.52	Rs. 12.98
			1989-90	\$ 800	11580.78	Rs. 14.48

ANNEXURE - II

Illustrative statement of discrepancies
(Refer to paragraph 1.4)

(in crores of rupees)

S.No.	Name of Ministry	Particulars	Amount as shown in Expenditure Budget.	Amount as per detailed demands for grant.	Comments of Ministry
			1987-88		
1.	Defence (Department of Defence Production)	Maximum amount	180.55	186.82	
2.	Finance (Department of Economic Affairs)	Maximum amount	10843.28	-do-	Reasons for not attaching statement not given.
		Outstanding amount	8351.79	-do-	-do-
3.	Food & Civil supplies (Department of Civil Supplies)	Maximum amount	16.73	16.34	The discrepancy was due to printing error and the amount of Rs. 16.73 crores in Expenditure Budget (Volume I) was correct
		Outstanding amount	-	19.46	The correct sum is Rs. 19.46 crores
4.	Health & Family Welfare (Department of Family Welfare)	Maximum amount	1567100500 Japanese Yen	No details	
		Outstanding amount	595206953 Japanese Yen	-do-	
5.	Industry (Department of Chemicals and Petro Chemicals)	Maximum amount	14.49	23.45	The correct amount is Rs. 23.45 crores and not Rs.14.49 crores.
		Outstanding amount	14.49	23.45	
6.	Steel and Mines (Department of Steel)	Outstanding amount	28.63	38.63	Amount as per Detailed Demands for Grants is correct.
7.	Textiles	Maximum amount	37.21	114.02	Some information from borrower was received late which was incor- porated in the Detailed Demands but was not conveyed to the Ministry of Finance.
		Outstanding amount	37.21	103.19	
8.	Urban Development	Maximum amount	782.18	**	
		Outstanding amount	683.08	**	
9.	Railways	Maximum amount	183.53	No details	
		Outstanding amount	183.53	-do-	

** Total of statement of detailed demand for grant could not be verified as no amount was shown against one of the guarantees.

S.No.	Name of Ministry	Particulars	amount as shown in Expenditure budget.	amount as per detailed demands for grant.	Comments of Ministry
1988-89					
1.	Civil Aviation	Maximum amount	1430.75	2138.66	The amount of Rs. 1430.75 crores is correct.
2.	Defence (Department of Defence Production & Supplies)	Outstanding amount	109.59	116.03	
3.	Finance (Department of Economic Affairs)	Outstanding amount	10694.00	10710.56	Discrepancy could not be reconciled as relevant files were not traceable
4.	Food and Civil Supplies (Department of Civil Supplies)	Outstanding amount	12.61	12.73	Rs. 12.73 crores is correct. The figure got revised after it was intimated to the Ministry of Finance
5.	Textiles	Maximum amount	142.90	142.80	The correct amount is Rs. 142.90 crores
6.	Urban Development	Maximum amount	895.58	900.50	
		Outstanding amount	717.93	722.15	
7.	Railways	Maximum amount	198.92	No Details	
		Outstanding amount	198.92	-do-	

(in crores of rupees)

S.No.	Name of Ministry	Particulars	Amount as shown in expenditure budget.	Amount as per detailed demands for grant.	Comments of Ministry
			1989-90		
1.	Agriculture (Department of Agriculture and Co-operation).	Maximum amount	596.18	596.18 (*)	
2.	Civil Aviation and Tourism	Maximum amount	1859.50	1859.50 (**)	The amount as per the Detailed Demands aggregated to Rs.1859.40 crores; the Ministry attributed this to a printing error.
3.	Defence	Outstanding amount	152.00	148.00	
4.	Energy (Department of Power)	Maximum amount	3760.91	7190.38	(1) Maximum amount should be Rs.3760.19 crores and not Rs. 3760.91 crores as shown in Expenditure Budget (ii) The Maximum amount of guarantee for Damodar Vally Corporation was mentioned as Rs. 376019 lakhs in stead of Rs. 33000 lakh.
5.	Finance (Department of Economic Affairs)	Maximum amount	50912.44	50923.46	The amount given in the Detailed Demands are correct
		Outstanding amount	48984.28	48984.20	Difference due to rounding.
6.	Urban Development	Maximum amount	635.26	881.40	
		Outstanding amount	481.60	541.74	
7.	Railways	Maximum amount	119.51	No details	
		Outstanding amount	119.51	-do-	

+(*) Total of statement is 59608.33 lakhs instead of 59617.98 lakhs given in the detailed demands. The Ministry of Agriculture (Department of Agriculture and Cooperation) stated, in August 1989, that the discrepancy was due to a printing mistake.

CHAPTER-II

Ministry of Health and Family Welfare

2. Central Government Health Scheme

2.1. Introduction

The Central Government Health Scheme (scheme), started with 16 allopathic dispensaries in Delhi in 1954, had been extended to other cities gradually, covering allopathic, ayurvedic, homeopathic, unani and sidha systems of medicine. The scheme covers Central Government employees and pensioners including widows of Central Government pensioners, staff and families of certain autonomous and semi-government organisations, Members of Parliament and employees of the Delhi Police and their families. The scheme has also been extended to former Members of Parliament, former Vice Presidents, former Governors, retired Judges of Supreme Court, High Court, and the Defence industrial employees. The scheme has also been extended to the general public on payment of prescribed fees in 14 selected areas in Delhi. At the end of March 1989, there were 8.38 lakh card holders and 37.59 lakh beneficiaries in 16 cities.

The objectives of the scheme, as originally envisaged, were to promote and provide comprehensive and satisfactory medical care services to the Central Government employees, to do away with the cumbersome and expensive system of reimbursement, and to serve as a pilot project for a National Health Insurance Scheme in the country. At present, the scheme envisages

provision of comprehensive medical care facilities, treatment under different systems of medicines and family welfare services to the beneficiaries.

2.2 Scope of Audit

The working of the scheme was earlier reviewed by Audit in paragraph 35 of the Report of the Comptroller and Auditor General of India for the year 1973-74 - Union Government (Civil). The inadequacy of service in terms of doctor-patient ratio, domiciliary visits, specialist services, supply of medicines, etc., were some of the significant points brought out in that review.

The working of the scheme had also been reviewed by the Estimates Committee in 1958-59, 1973-74 and 1981-82, by the erstwhile National Institute of Health Administration and Education in March 1972, Department of Personnel and Administrative Reforms in September 1977 and the National Institute of Health and Family Welfare in October 1983- April 1985.

The Estimates Committee (1981-82) in paras 1.21 to 1.25 of their twenty second Report reviewed the working of the scheme and had observed that the working of CGHS left much to be desired; it had failed to provide facilities for medical care and treatment to the satisfaction of the beneficiaries and so it had not by and large achieved its objectives. The Committee recommended that the

working of the scheme as a whole should be evaluated at periodical intervals through an independent institution in the context of the objectives of the scheme.

Accordingly, the Ministry entrusted the task of evaluation of the scheme to the National Institute of Health and Family Welfare. The Institute submitted its findings in October 1983 and April 1985. According to the Institute, there had been a lack of understanding between the providers of services and the receivers of facilities, the norms prescribed were overlooked and decisions were taken on ad hoc considerations, and little cognizance had been taken of the felt needs of beneficiaries, reaction towards the provision of services planned and satisfaction from the facilities actually utilised by them. The Institute made 28 recommendations covering the availability of criteria on the operational modalities to render certain services, administrative, technical and operational problems of dispensaries/units, perspective plan, etc. Ministry had not initiated action to examine these recommendations and take corrective measures, so far (August 1989).

The present review of the working of the scheme in Delhi and other cities was conducted during January to July 1989 with reference to the records of the Director, CGHS, and those in selected dispensaries, zonal offices and Medical Stores Depots. The dispensaries, in Delhi, covered in the review were : Allopathic - Kalkaji-I, Janakpuri-II, Tilak Nagar, Hari Nagar, R.K. Puram-I, Iodi Colony-I, Srinivaspuri, Kingsway Camp, Iaxmi Bai Nagar, North Avenue, Pandara Road, Sewa Nagar, Gurgaon, Pushp Vihar; Ayurvedic - R.K.Puram;

Homeopathic - R.K.Puram; and Unani - Sarojini Nagar. At places other than Delhi, three to five dispensaries were covered in each of the 14 stations.

The review covers the period from 1984-85 to 1988-89 for study of trend of statistics and selected months in 1988-89 for detailed review of initial records.

2.3 *Organisational set up*

The Director General of Health Services under the Ministry of Health and Family Welfare (Ministry) is in overall charge of the scheme. The administration of the scheme is the responsibility of a Director (CGHS) assisted by an Additional Director (Headquarters) in-charge of the scheme outside Delhi and a Deputy Director incharge of the scheme at Delhi. For the purpose of administration of the scheme, Delhi is divided into three zones (Central, North and South) with one Assistant Director incharge of each zone. In addition, the Deputy Director, CGHS, Delhi is assisted by three Assistant Directors for Stores, Headquarters and Family Welfare. At places other than Delhi, one Deputy Director is in overall charge of the scheme.

2.4 *Highlights*

- The scheme which started with 16 allopathic dispensaries covering 2.23 lakh beneficiary population in Delhi in 1954 had been extended to 16 cities with 221 allopathic units, and 13 allopathic polyclinics and 71 units of the Indian systems of medicine. The coverage of the scheme had increased to 37.59 lakh beneficiary population at the end of March 1989.

- Although the annual expenditure on the scheme increased from Rs.29.63 crores in 1984-85 to Rs.55.20 crores in 1988-89, the amount spent on materials and supplies declined from 51 to 46 per cent of the total expenditure. The contribution from beneficiaries covered just 13 per cent of the recurring expenditure on the scheme.
- Despite the recommendation of the Fourth Central Pay Commission, the rates of contribution from Government servants prescribed in 1954 had not been revised except for adjustment of slabs with reference to the revised scales of pay and rounding off fraction of rupee(s) to whole rupee(s).
- The average cost per card holder increased by 73 per cent from Rs.375 to Rs.650 between 1984-85 and 1988-89. Test check showed that the expenditure per beneficiary was comparatively more in dispensaries located in high income areas. In Delhi, the average annual expenditure on medicines was Rs.9 in Srinivaspuri and Rs.65 in North Avenue.
- The scheme was extended only to nine additional cities during 1974-89 against the target of 20 cities as per the perspective plan for 1974-95. From the achievements during the first four years of the Seventh Five Year Plan, it seemed unlikely that the Plan targets would be achieved. The criteria for opening new dispensaries were not observed.
- The number of card holders and beneficiaries had increased by 16 and 19 per cent respectively during 1984-85 to 1987-88. The total attendance declined by three per cent during the same period.
- The single shift system of working of dispensaries for six hours, which had been adversely commented upon in several studies was not revised, and the recommendation of the Estimates Committee for twelve hour "single shift system" had not been implemented despite assurance.
- The deployment of medical staff conformed neither to the sanctioned strength nor to SIU norms and resulted in uneven work load. The average work load in terms of doctor patient ratio was uniformly less than 75 patients per day per doctor in all cities except Nagpur. Fifty per cent of the doctors whose work was test-checked attended to 50 patients or less and only 22 per cent attended to more than 75 patients per day.
- No record of domiciliary visits was maintained in most of the dispensaries outside Delhi. The family folder system recommended by the Estimates Committee had not been introduced even after seven years.
- The expenditure on specialist services had increased from 9.5 to 11.3 per cent of total expenditure between 1984-85 and 1988-89. Though the attendance in the dispensaries had declined, the number of cases referred for specialist treatment had increased. At certain stations while the percentage of cases referred to Government hospitals declined, there was

an increase in the percentage of cases referred to private hospitals.

- The indents placed by the dispensaries on medical stores depots were not complied with in full and consequently, several items of medicines were out of stock in the dispensaries for long periods.
- The guidelines for providing polyclinics which were to be set up as intermediate health stations between dispensaries and hospitals had not been observed. There were no facilities for emergency beds; requisite number of specialists were not provided; X-ray, ECG equipment were not functioning or remained closed for want of films, etc.
- The dental clinics at Ahmedabad, Allahabad and Kanpur did not function for long periods when the posts of dental surgeons remained unfilled; other staff (technicians and safaiwallas) remained idle.
- Records maintained at the clinical laboratories did not indicate whether there was any system of random checks by pathologists.
- The requirement of medicines was not assessed properly resulting in excess provisioning and overstocking. In Delhi, stocks of 33 medicines were sufficient to meet the requirements of 18 to 189 months. The indents were short supplied or not at all supplied by Medical Stores Depots in large number of cases; delays in compliance of indents ranging from 2 to 12

months were noticed, in Delhi, Madras and Ahmedabad.

- Expenditure on local purchase of medicines had increased at Ahmedabad, Bangalore, Delhi, Jaipur and Madras during 1984-85 to 1988-89. The procurement of medicines through Super Bazar in Delhi resulted in additional expenditure of Rs.33.1 lakhs during 1987-89.
- Though the medicines supplied by the Medical Stores Depots were certified to be of standard quality, a significant per cent of these failed in tests conducted by Drug Control department. Most of the sub-standard medicines had been consumed even before the test results were received. Medicines which had crossed their expiry dates had not been disposed of and remained in stock.
- The study team recommended by the Estimates Committee 1981-82 to enquire into the working of Medical Stores Depots had not been set up so far.
- Though the overall attendance in the dispensaries of Indian systems of medicines had increased during 1984-88, the work load was very low in Ahmedabad, Bangalore, Bombay, Jaipur, Lucknow, Patna, Pune and Madras.
- There was no analytical system for testing the quality of ayurvedic and unani medicines. The quality was tested by means of colour, odour and consistency.
- There were delays in supply of Ayurvedic medicines outside the formulary. In the procurement

of homeopathic medicines, there were delays in finalisation of rate contracts resulting in non-availability of medicines for long periods, ranging from two to nine months during 1987-89. The procurement of unani medicines fell short of the requirements during 1986-89. Non-acceptance of lowest tenders resulted in additional expenditure of Rs.5.6 lakhs during 1986-88.

- The reporting system in dispensaries and its monitoring by the Director, CGHS was deficient in many respects and the annual statistical data published were inaccurate.
- Inspection of dispensaries was not carried out at Allahabad, Hyderabad, Kanpur, Patna and Lucknow and at other places it

fell short of the prescribed schedule. No report of complaints was prepared by dispensaries in Bombay, Delhi, Hyderabad, Jaipur, Madras and Patna.

- An evaluation of the scheme done by the National Institute of Health and Family Welfare in 1985 revealed that there had been lack of understanding between the providers of services and the receivers. Little cognizance had been taken of the felt needs of beneficiaries. The Ministry had not initiated action on any of the 28 recommendations made by the Institute.

2.5 *Financial arrangements.*- The budget provision and actual expenditure on the scheme during 1984-85 to 1988-89 were as follows :-

(In crores of rupees)

	Non-plan		Plan		Total expenditure
	budget provision	expenditure	budget provision	expenditure	
1984-85	24.11	26.65	3.00	2.98	29.63
1985-86	24.77	29.66	2.35	0.89	30.55
1986-87	31.42	35.68	3.00	1.48	37.16
1987-88	36.35	41.80	3.20	1.76	43.56
1988-89	41.88	52.53	2.30	2.67	55.20

Against an outlay of Rs. 20 crores envisaged in the Seventh Five Year Plan, an amount of Rs.10.85 crores only was provided in the budget estimates up to 1988-89. The actual expenditure was

still less at Rs.6.80 crores. The savings were attributed to non-availability of proper accommodation to open more dispensaries and polyclinics.

Analysis of expenditure incurred on various components, viz. salaries, materials and supplies, payment for professional and special services furnished by the Director General Health Services showed that while expenditure on salaries had increased from 37 to 41 per cent during 1984-85 to 1988-89, that on materials and supplies had come down from 51 to 46 per cent indicating that proportionately less amount was being spent on medicines etc. The payments made for professional and special services had increased from 9.5 per cent to 11.3 per cent.

2.5.1 Contribution from beneficiaries:- The scheme is essentially contributory in nature. The Central Government employees are required to pay contribution at varying rates depending upon their pay. These rates were prescribed in 1954 and had not been revised thereafter except for adjustment of slabs on revision of scales of pay from time to time. The employees of autonomous organisations and others to whom the scheme has been extended are also required to pay contributions at rates prescribed by the Ministry from time to time.

During 1984-85 to 1988-89, an amount of Rs.24.88 crores was received as contribution from the card holders. The total expenditure on the scheme was Rs.186.32 crores, of which, the recurring expenditure on salaries, rent, rates and taxes, payment for specialist services, and medicines was Rs.182.16 crores (98 per cent), and non-recurring expenditure on machinery, equipment etc. was Rs.4.16 crores (2 per cent). The contribution during this period covered only 13 per cent of the recurring expenditure. The Fourth

Central Pay Commission had observed in their Report submitted in June 1986 that about 87 per cent of the total beneficiaries contributed less than Rs. 45 per annum and recommended an upward revision of rates from the existing Rs. 6-144 to Rs. 24-300 per annum. Government issued orders, in February 1989, prescribing rates of contribution as per revised graded scale from Rs. 12 to Rs. 144 per annum. These orders did not involve any upward revision of rates except that due to rounding off of fraction of rupee(s) to whole rupees(s).

2.5.2 Cost per card holder/beneficiary:- The average cost per card holder increased by 73 per cent from Rs.375 in 1984-85 to Rs.650 in 1988-89. The average cost per beneficiary increased by 70 per cent from Rs.86 to Rs.146 during the same period. The cost per card holder was the highest at Rs.1383 in Ahmedabad and lowest at Rs.312 in Kanpur during 1987-88. The cost per card holder was higher than the All-India average of Rs.545 in Ahmedabad (Rs.1383), Allahabad (Rs.1035), Bombay (Rs.579), Delhi (Rs.583), Hyderabad (Rs.612), Jaipur (Rs.649), Lucknow (Rs.670), Nagpur (Rs.643) and Pune (Rs.793) during 1987-88.

The Estimates Committee, in paragraph 2.118 of their twenty second Report - 1981-82 had observed that "the impression that beneficiaries living in certain areas got preferential treatment and those living in other areas were discriminated against in the matter of treatment and issue of medicines was, in fact, there among beneficiaries" and recommended that "dispensary-wise information on per beneficiary cost should be collected and published in the Annual Report of CGHS". While accepting

the recommendation, Ministry stated, in September 1982, that dispensary-wise information on per beneficiary cost would be collected and published in the Annual Report of CGHS. Despite this assurance, the beneficiary cost was not being worked out dispensary-wise.

The expenditure on selected dispensaries was test checked by Audit with a view to determining whether there was imbalance in the treatment between dispensaries located in different areas with high and low incomes. The results of analysis in four dispensaries in Delhi, four in Calcutta and two in Hyderabad showed that generally the cost per patient in high income area was more than in other areas. The cost per beneficiary ranged between Rs.14 (Bidhan Sarani) and Rs.29 (Dover Lane) in Calcutta, Rs.20 (Srinivasपुरi) and Rs.80 (North Avenue) in Delhi and Rs.33 (Malakpet) and Rs.37 (Himayat Nagar) in Hyderabad. In Delhi the expenditure on medicine per beneficiary was Rs.9 in Srinivasपुरi and Rs.65 in North Avenue.

2.6 *Physical progress.*- The scheme which started with 16 allopathic dispensaries covering 2.23 lakh beneficiary population in Delhi, in 1954 has been extended to various metropolitan cities. At the end of March 1989, the scheme was in operation in 16 cities with 221 allopathic units and 13 allopathic polyclinics and covered 37.59 lakh beneficiary population.

Under the Indian system of medicine, the first ayurvedic dispensary was started in 1963, homeopathic in 1967, unani in 1974 and sidha in 1980. The Indian system was becoming more popular and at the end of March 1989, 30 ayurvedic, 33 homeopathic, 7 unani

and 1 sidha units were functioning.

Reviewing the progress of coverage of Central Government employees under the scheme, the Estimates Committee in their fifty seventh Report - 1973-74 had noted that the progress had been "rather slow". Ministry of Health informed the Committee, in November 1974, that a detailed 20 years Perspective Plan for 1974-95 prepared in 1971 envisaged extension of the scheme to 20 cities in 20 years period. Against this, the scheme had been extended to only nine cities (viz. Ahmedabad, Bangalore, Bhubaneswar, Hyderabad, Jaipur, Lucknow, Madras, Patna and Pune) during 1974-89.

The table below shows the targets for the Seventh Five Year Plan and achievements during the first four years up to 1988-89.

Details	Target Achievement	
	(n u m b e r s)	
1. Allopathic dispensaries	34	22
2. Polyclinics	7	2
3. Homeopathic units	5	3
4. Ayurvedic units	5	2
5. Unani units	3	-
6. Siddha units	2	1
7. Dental units	1	1
8. Introducing 24-hour working including 12 hour emergency services in dispensaries	25	5
9. Upgradation of laboratory services	30	13

With the rate of progress achieved during the first four years, it is unlikely that the Seventh Five Year Plan targets

would be achieved.

The Ministry stated, in August 1989, that the shortfall in achieving the targets was due to financial constraints, non-availability of accommodation etc.

2.7 Number of beneficiaries.- With

the opening of more dispensaries and extension of the scheme to other cities, the number of beneficiaries had increased over the years. The table below shows the number of card holders and beneficiaries and the attendance at the dispensaries during 1984-89.

(In lakhs)

Year	Number of		Total attendance	Daily average attendance
	card holders	beneficiaries		
1984-85	7.26	31.68	158.76	0.54
1985-86	7.49	31.81	156.10	0.53
1986-87	7.51	32.87	152.52	0.51
1987-88	7.79	34.52	153.85	0.52
1988-89	8.38	37.59	Not available	

The increase in card holders and beneficiary population was 16 and 19 per cent respectively during 1984-85 to 1987-88. The total attendance declined by three per cent during the same period. While the attendance at the ayurvedic, homeopathic and unani dispensaries increased between 1984-85 and 1987-88, in the case of allopathic dispensaries, the attendance declined by five per cent from 140.97 lakhs to 133.60 lakhs during the same period.

2.8 Working hours.- Prior to June 1985, a double shift working pattern (totalling six hours) was in operation in the dispensaries. The Estimates Committee in their 22nd Report - 1981-82 recommended that a single 12 hours shift in CGHS dispensaries would be ideal both for medical and para-medical

staff and recommended that the single 12 hour shift system should be introduced in those dispensaries where the work-load was heavy and gradually extended to other dispensaries keeping in view that the man-power did not remain under-utilised. In pursuance of this recommendation, the Ministry decided, in September 1982, to introduce 12 hour single shift system in 15 dispensaries in Delhi where the work load was excessive. It was also proposed to introduce 12 hour single shift system of working in 50 dispensaries during the Seventh Five Year Plan period.

In June 1985, however, the Ministry decided that all dispensaries would work in single shift of six hours duration, replacing the double shift working and single shift of 12 hours. The

working of the single shift system was considered by the CGHS Advisory Committee in September 1985, when it was noted that the change in the working hours had resulted in inconvenience to the beneficiaries, and they had to depend on private practitioners incurring expenditure on treatment and purchase of medicines.

An evaluation of the single shift system done by the Department of Administrative Reforms and Public Grievances, in February 1986, concluded that two shift system would appear to be best suited for all categories of beneficiaries.

The Ministry, however, decided, in February 1986, that it was not desirable to go back to the previous practice of double shift working and that it should go ahead with the introduction of 12 hours working in all the dispensaries. The additional requirement of staff was expected to cost Rs.2.16 crores annually. The Ministry, however, issued instructions, in March 1986 that the dispensaries which were working in two shifts of six hours prior to 10th June 1985 would revert to their old system.

Thus, the dispensaries now work for a single shift of six hours in the morning only except 11 dispensaries in Delhi. Neither the recommendation of the Department of Personnel for two shifts working nor the recommendation of the Estimates Committee for a single shift of 12 hours has been implemented, though these recommendations had been made after taking into account the convenience of the

beneficiaries.

2.9 *Allopathic dispensaries*

2.9.1 Opening of new dispensaries.- As per existing criteria, a dispensary can be opened for a minimum of 2000-2500 beneficiary families residing within a distance of about three kms. from the proposed dispensary premises. Where the work load exceeds 2500 families, opening of a new dispensary is to be considered.

However, these norms were not being observed. The number of families attached to a dispensary varied from 1547 (President's estate dispensary) to 17432 (Kingsway Camp) at Delhi. Out of 80 dispensaries in Delhi, only seven dispensaries viz. Chanakyapuri, Karol Bagh, North Avenue, Presidents Estate, Telegraph Lane, Vivek Vihar and Zakir Hussain Marg had up to 2500 families and in the remaining dispensaries, the number of families was more than the prescribed norm : 28 dispensaries (35 per cent) upto 4000 and 45 dispensaries (56 per cent) above 4000 families. Thus in Delhi alone the workload in 73 dispensaries was more than the prescribed scale of 2500 families.

The information regarding the number of families attached to each dispensary in other cities was not readily available. However, assuming five beneficiaries per card holder, the number of dispensaries having a strength of up to 2500, between 2500 and 4000, and above 4000 families in nine cities are given below:

City	Number of dispensaries with families			Total
	up to 2500	2500 - 4000	4000 and above	
Ahmedabad	3	-	-	3
Allahabad	4	2	1	7
Bangalore	3	4	2	9
Calcutta	6	4	7	17
Hyderabad	3	3	7	13
Kanpur	2	2	5	9
Lucknow	2	3	-	5
Meerut	2	2	2	6
Patna	2	1	2	5

The non-observance of norms for opening dispensaries resulted in uneven distribution of beneficiaries and imbalance in workload of medical and paramedical staff thereby affecting the quality of service provided to the beneficiaries.

2.9.2 Strength of medical and paramedical staff.- According to the norms of staffing prescribed on the basis of a study conducted by the Staff Inspection Unit (SIU) of the Ministry of Finance, in November 1977, two medical officers are sanctioned up to a beneficiary strength of 6000 with one additional medical officer for each increase upto 3000 beneficiaries.

Two pharmacists are sanctioned up to beneficiary strength of 12000 with one additional pharmacist for each increase upto 5000 beneficiaries. Against the total number of posts of 136 Chief Medical Officers, 168 Specialists, 1272 Senior Medical Officers/ Medical Officers and 171 Physicians (Indian system of medicines), 3, 12, 55 and 5 posts respectively were vacant at the end of March 1989. Similarly, in the cadres of para-medical staff, out of 949 posts of Pharmacists, 354 staff nurses, and 124 laboratory technicians, 37, 19 and 15 posts respectively were vacant. The city-wise break up of vacancies was as under:

Name of City	Specialists	Chief Medical Officer	Medical Officer	Pharmacists	X-ray ECG technicians	Staff nurse
Ahmedabad	1	-	3	-	1	1
Bangalore	2	-	7	2	2	1
Calcutta	-	-	1	-	-	-
Delhi (January 1989)	6	3	44	33	7	14
Jaipur	3	-	-	2	-	1
Kanpur	-	-	-	-	5	2

The dispensary-wise sanctioned strength was not made available by the Director, CGHS who stated, in August 1989, that before the CGHS organisation was declared subordinate to the Director General of Health Services in June 1971, no establishment register had been maintained. Consequently, it was not possible to assess the shortages/surplus of staff at the dispensary level.

In order to make up for the shortage in medical officers, doctors were appointed on ad hoc basis on monthly wages. There were 35 ad hoc doctors in Delhi and six in Ahmedabad.

Though there was shortage of medical officers in Delhi, as many as seven medical officers had been deployed on administrative and other duties for which no sanction existed, as follows :

Medical Stores (four), South Zone Office (two), North Zone Office (one). At CGHS headquarters, five medical officers had been deployed against three sanctioned.

The medical and para medical staff in position in the various dispensaries did not also conform to the SIU norms. In Delhi, in nine out of 16 dispensaries, medical officers were in excess of the

norms, while in others, there were shortages. Pharmacists were surplus in five dispensaries.

Thus, the deployment of medical staff conformed neither to the sanctioned strength nor to SIU norms, and resulted in uneven work load (doctor-patient ratio), affecting the service rendered to beneficiaries.

2.9.3 Doctor-patient ratio.- The Estimates Committee, in paragraph 2.39 of their twenty second Report - 1981-82, did not consider the SIU norms to be a scientific method of fixing staff and recommended that the strength of doctors in each dispensary should be related to average number of patients visiting the dispensary, which should be reviewed periodically in the light of variations in attendance over a period. Though the Ministry accepted the recommendation, in September 1982, and proposed to get a fresh study done by SIU, no such study had been undertaken so far (August 1989). Meanwhile, the work load in terms of doctor-patient ratio in the dispensaries showed wide variations.

The table below shows the overall doctor-patient ratio in various cities during 1984-85 to 1987-88; information for 1988-89 was not available :-

Overall doctor-patient ratio				
	1984-85	1985-86	1986-87	1987-88
(Number of patients per doctor per day)				
Ahmedabad	16	14	7	15
Allahabad	68	72	62	59
Bangalore	33	42	39	34
Bombay	56	52	50	51
Calcutta	37	39	39	46
Delhi	76	68	67	62
Hyderabad	58	57	57	65
Jaipur	19	NA	51	54
Kanpur	66	54	47	49
Lucknow	26	42	48	49
Madras	56	47	46	53
Meerut	59	60	60	61
Nagpur	81	86	90	88
Patna	37	43	41	38
Pune	59	58	58	49

At Delhi, the number of patients per day per doctor had declined from 76 in 1984-85 to 62 in 1987-88. Although the work load was lowest in Ahmedabad with the doctor patient ratio of only 15, six vacant posts of Medical Officers out of the total sanctioned strength of 18 had been filled up on monthly wages during October 1984 to March 1989.

2.9.4 Specific doctor-patient ratio.- The overall doctor patient

ratio represents the average work load per doctor per day. According to the Ministry, a norm of 75 patients per day per doctor based on the study conducted by SIU in 1977 was an ideal norm for rendering reasonably good service. As can be seen from the above table, the work load was uniformly less than 75 patients per doctor per day except in Nagpur. A test check of work load for 421 doctors revealed that 208 (50 per cent) had work load of less than 50, 119 (28

per cent) between 51 and 75, and 94 (22 per cent) above 75 patients per day. The distribution of work load of doctors test checked was as under :

City	Number of doctors attending to			Total
	Less than 50 patients per day	51-75	Above 75	
Bangalore	33	6	nil	39
Calcutta	39	8	nil	47
Delhi	25	45	74	144
Hyderabad	9	10	19	38
Jaipur	5	22	nil	27
Madras	64	22	1	87
Patna	33	6	nil	39
Total	208	119	94	421

2.9.5 Domiciliary visits.- All medical officers including specialists are required to attend to domiciliary calls from patients, when necessary. The medical officers are entitled to conveyance allowance at Rs.550 (if owning a car), Rs.180 (if owning a scooter/motor cycle), or Rs.150 (in other cases) subject to a minimum of 20 domiciliary visits per month. Expressing unhappiness at the system of record keeping about domiciliary visits, the Estimates Committee(1981-82), in paragraph 3.58 of their twenty second Report, recommended that all requests for domiciliary visits by beneficiaries should be recorded in a register. The Ministry accepted the recommendation and issued instructions to the dispensaries accordingly in July 1982. No record

of domiciliary visits was maintained in most of the dispensaries outside Delhi; where this record was maintained, it did not indicate the details of request like time of request, time of visit, etc.

The number of domiciliary visits made by medical officers outside Delhi during 1987-88 and 1988-89 was also negligible and ranged between 25 (Lucknow: 1988-89) and 1685 (Hyderabad: 1987-88). The average annual number of visits per doctor in 1988-89 was less than one in Lucknow, four in Allahabad, six in Madras, 14 in Kanpur, 19 in Meerut and 65 in Hyderabad.

2.9.6 Family folder system.- The Estimates Committee(1981-82), in paragraph 3.56 of their twenty

second Report, had recommended that a family folder system should be introduced in the dispensaries. The family folder would include the total history of a patient at a glance, with record of the past periods of illness, treatment and specialist opinions. It would also put a restraint on malpractices and wastages in medicine issues. The Ministry stated, in September 1982, that the family folder system was being extended to a few dispensaries on trial basis and a final decision would be taken after the results of trials were known. The family folder system was to be introduced in 50 dispensaries each year during the Seventh Five Year Plan period on experimental basis. However, the recommendation of the Estimates Committee had not been implemented so far even after seven years.

The Ministry stated, in August 1989, that the system could not commence as printing of folders had not yet been undertaken.

2.9.7 Specialist services.- In case where specialist consultation is required in diagnosing the case and type of treatment to be adopted by the attending physician, it is referred to a specialist available in the nominated dispensaries/hospitals. The consultant/senior specialist only can recommend for treatment in non-CGHS hospitals. In the case of hospitalisation medicines for admitted patients are provided by the hospital in Delhi and by the respective dispensaries outside Delhi.

The expenditure on cases referred to specialists/ recognised hospitals/ private laboratories was debited to the scheme. According to the information furnished by the

Director General, the expenditure increased from Rs.253.24 lakhs in 1984-85 to Rs.594.79 lakhs in 1988-89, and constituted 11.3 per cent of the total expenditure in 1988-89 against 9.5 per cent in 1984-85. The expenditure had increased by 135 per cent during 1984-85 to 1988-89.

Although the total number of patients had declined between 1984-85 and 1987-88, the number of patients referred for specialist treatment had increased during the same period; the increase was maximum at Pune (64 per cent) followed by Madras (63 per cent), Patna (59 per cent), Meerut (58 per cent), Calcutta (41 per cent), Bombay (15 per cent), Kanpur (12 per cent), Ahmedabad (8 per cent) and Allahabad (6 per cent). Further at Bombay, Nagpur and Pune where between 1984-85 and 1988-89, the number of cases referred to private hospitals increased by 62 per cent, 36 per cent and 40 per cent respectively while cases referred to Government hospitals fell by 87, 10 and 48 per cent.

The following points which have a bearing on the increased expenditure on referral cases were noticed :

(a) vacancies in specialist cadres (physician, ENT, radiologist, gynaecologist, paediatrician, etc.) at Ahmedabad, Bangalore, Patna and Calcutta;

(b) non-functioning of dental units at Ahmedabad, Allahabad and Kanpur;

(c) non-availability of X-ray facilities at Calcutta;

(d) inadequate facilities in the clinical laboratories at Calcutta

and non-filling up of posts of lab-technicians at Patna; and

(e) lack of separate facilities in the Government hospitals for CGHS beneficiaries and consequently, the preference of patients for private hospitals.

2.9.8 Medicines.- The indents for medicines and drugs for issue to beneficiaries were placed by the dispensaries on medical stores depots/ Government medical stores depot periodically for formulary items, or 'by hand' indents for urgent items, and local purchase indent in respect of other items. The dispensaries were required to maintain a buffer stock of listed medicines for seven days either by procuring from medical stores depots or local purchases.

The indents placed by dispensaries on medical stores depots were not complied with, in full, or there were delays in compliance resulting in shortages of medicines in dispensaries. In the nine dispensaries (Gurgaon, Hari Nagar, Janakpuri-II, Kingsway Camp, Pushp Vihar, R.K. Puram-I, Srinivaspuri and Tilak Nagar) test checked in Delhi, the percentage of compliance (in terms of number of items) during 1988-89 ranged from 63 to 76. The items supplied also fell short of the indented quantity in 8 to 29 per cent cases. Consequently, in these nine dispensaries, several items of medicines remained out of stock continuously for periods ranging from one to nine months.

In order to cover the shortage of formulary medicines and the medicines which are prescribed by the specialists outside the formulary, purchases were made through Super Bazar in Delhi and if

they were not available in the Super Bazar, through local chemists. The process of purchase through Super Bazar/local chemists takes 3 to 7 days after sending the indents, thereby resulting in delayed provision of entitled treatment to the beneficiaries. The formulary of allopathic medicines consists of 240 items including 76 items which may be prescribed by the specialists only. According to the instructions, the medical officers and specialists were not expected to prescribe medicines outside the formulary except under unavoidable circumstances in which case 'a certificate "Life saving - Essential" should be recorded on the prescription. These instructions were not being observed and in Delhi a test check showed that 82 per cent of local purchases were non-listed medicines and 18 per cent only were formulary medicines.

2.10 Polyclinics.- There were 13 polyclinics under the scheme : two each at Bombay, Delhi and Hyderabad and one each at Allahabad, Bangalore, Calcutta, Jaipur, Madras, Nagpur and Pune. The Estimates Committee in their fifty seventh Report- 1973-74 recommended certain minimum facilities which should be provided in the polyclinics. The Estimates Committee (1981-82) in paragraph 5.76 of their twenty second Report reiterated the importance of polyclinic as an intermediate health station between the dispensary and the hospital. According to the guidelines issued by the the Ministry, there should be one polyclinic for about four dispensaries covering a population of about 0.50 lakh beneficiaries. Against the target of seven polyclinics to be opened during the Seventh Five Year Plan, only two had been opened so far (March 1989).

The guide-lines issued by the Ministry envisaged that the dispensaries attached to a polyclinic should be geographically contiguous and beneficiaries need not be required to go for more than 3-4 kms. to reach a polyclinic. The polyclinic should be housed in a specially designed building so as to have a consulting room, X-ray department, pathology, a minor operation theatre, etc. and specialists for medical, surgical, gynaecology, eye, ENT, radiology, pathology, dental and paediatrics should be provided. The polyclinic should have laboratory services having all clinical, pathological and biochemical testing facilities, X-ray facilities, ECG facilities, beds for emergency as well as dental wing. Thus the polyclinic should have all the facilities and function like a mini hospital.

The guidelines for providing facilities in the polyclinics had not been observed in any of the polyclinics. There were no facilities for emergency beds. Stock of special medicines was not kept. The laboratories attached to the polyclinics were conducting routine tests and pathological and biochemical tests were not done. Owing to lack of proper accommodation, kits and reagents, the laboratories could not undertake tests other than routine ones.

The polyclinics in Delhi, Allahabad and Bangalore were housed in the existing dispensary buildings and lacked the facilities for special consultation rooms, surgery, X-ray, etc. The polyclinics in Delhi were not equipped for dental X-ray.

At Kasturba Nagar polyclinic, the medical specialist was not

visiting the polyclinic from November 1988. The ECG equipment remained out of order for 14 months during April 1987 to March 1989. Consequently, patients were referred to hospitals. Though an X-ray unit was available, the X-ray facility remained closed for 14 months during April 1987 to March 1989 either due to short supply of films or the equipment remaining out of order. Three other equipment viz. coulter counter, flame photometer, and mode lab system were lying idle at Kalkaji dispensary attached to this polyclinic. Further, the laboratory could not conduct even some of the general tests viz., rheumatoid arthritis test, blood grouping, coomb's test, leudel test, venereal diseases related test and gravindex test, etc., during 1987-89 due to non-availability of kits and reagents.

The Pusa Road polyclinic did not have X-ray facilities as the X-ray equipment received in the clinic in November 1987 had not been installed so far (August 1989). The polyclinic did not have a refractionist and the patients had to be referred to hospitals for eye testing despite the availability of testing equipment.

At Allahabad, an X-ray plant costing Rs.5.69 lakhs purchased, in October 1985, had not been installed so far (August 1989) as the owner of the rented building had not allowed its installation. Expenditure of Rs.0.97 lakh was incurred on pay and allowances of Radiologist from October 1986 to July 1988. An amount of Rs.11.18 lakhs was paid during November 1985 to March 1989 to private clinics/hospitals towards X-ray charges of CGHS beneficiaries.

The polyclinic at Bangalore, inaugurated in July 1984, did not have specialists for long periods: ENT for 57 months, gynaecologist for 48 months, paediatrician for 40 months, physician for 21 months and eye specialist for seven months. Though budgetary provisions of Rs. 11.55 lakhs for "materials and equipment" were made during 1984-85 to 1988-89, equipment worth Rs.5.77 lakhs only (including X-ray plant) were purchased. The X-ray plant purchased at a cost of Rs.4.34 lakhs, in August 1985, had remained idle till March 1989 for want of power connection.

2.11 Dental clinics .- The services rendered in the dental clinics in Delhi (in the two polyclinics) and other places were restricted to extraction and temporary filling of cavities. Other equipment such as dental unit, etc. were not provided.

At Ahmedabad, 50 per cent of essential instruments were not available and even the material for filling cavities was out of stock from July 1986. The post of dental surgeon was vacant from September 1986 to August 1988 when the incumbent was on study leave; after he re-joined, the dental unit was out of order from September 1988.

The dental units at Kanpur and Allahabad stopped functioning from November 1984 and February 1986 respectively for want of dental surgeons. The technicians and the safaiwalas were rendered idle. With the posting of a dental surgeon, the Allahabad Unit started functioning from January 1989, while the dental unit at Kanpur was not working (April 1989). Expenditure on the pay and allowances of the dental staff remaining idle amounted to Rs.1.52

lakhs at Kanpur (from November 1984 to March 1989) and Rs.1.04 lakhs at Allahabad (from February 1986 to December 1988).

2.12 Clinical laboratories .- In pursuance of the recommendation of the Estimates Committee (1981-82), in paragraph 5.63 of their twenty second Report, for ensuring quality of tests conducted by the clinical laboratories, the Ministry stated, in September 1982, that pathologists had been directed to carry out random checks of the tests for cross checking the results.

The records maintained at the dispensaries at difference stations did not indicate that there was any system of random checks by pathologists for cross checking of results of tests carried out in the laboratories.

2.13 Medical stores .- The requirement of all the medicines borne on formulary is met by the Government medical stores depots situated at Bombay, Calcutta, Gauhati, Hyderabad, Karnal and Madras.

The requirement for each item of drug is determined by a Provisioning Committee based on the trend of consumption during the previous three years and also taking into account the stock on hand and the quantity of buffer stock to be maintained. The annual indents for the quantities so worked out are placed on the Medical Stores Organisation, Karnal for Delhi and the respective medical stores depots in other places. The supplies are received in three instalments in April, August and December each year.

The dispensaries are supplied

medicines on monthly demands and in cases, where the indented medicines are not supplied, these can be purchased from approved local chemists.

At Allahabad, Kanpur, Lucknow and Meerut, the information regarding names of medicines, quantity indented, received and procured from other sources was not furnished to Audit. A review of the procedures for procurement, stocking and issue of medicines in other places disclosed the following:-

(i) Excessive provisioning:- In the annual provisioning statements for the years 1987-88 and 1988-89 in Delhi, the average annual consumption for the previous three years had been overstated by 63 to 989 per cent. In Patna and Madras, the opening stock and past consumption respectively were not taken into consideration while determining the quantities to be indented. In Madras, wasteful expenditure of Rs.0.86 lakh was incurred during 1985-86 on account of mistake in provisioning resulting in excess receipt of a drug.

(ii) Overstocking:- As a result of failure to assess the requirements properly, medicines had been procured much in excess of annual requirements in a number of cases.

In Delhi, the stock available of 33 medicines as on 31st March 1986 or 1987 or 1988 was sufficient to meet the requirements of 18 to 189 months; further procurements for 12 to 24 months stock were made in subsequent years nevertheless.

At Patna, during 1986-87, the medical stores depot, Calcutta had supplied medicines worth Rs.88.75 lakhs, without any indent, during June-November 1986. These were accepted by the CGHS stores without assigning any justification. The quantities received were not, however, taken into stock. During 1987-88 and 1988-89, further quantities worth Rs.26.25 lakhs and Rs.36.56 lakhs of the same medicines were procured. Bulk of the medicines were lying unutilised. Though the supply of unindented medicines was reported to DGHS, in October 1986, no action was taken. It was also reported that some of the drugs which did not carry batch number, name of manufacturer, etc. had serious side effects such as temporary loss of vision, burning of eyes, etc. There was no record indicating any follow up action.

At Allahabad, supplies from Medical Stores Depot, Calcutta were in excess of the indented quantity during 1986-87 in nine items, out of which in four items, the stock had not been utilised even at the end of March 1989.

(iii) Short supply of medicines:- While on the one hand, there were excess supplies as mentioned above, on the other, the indents were not complied with in full. Some items in the indents were supplied in part while some were not supplied at all. In Delhi, only 78 to 85 per cent of the medicines indented by the CGHS Stores Depot during 1987-88 and 1988-89 were supplied by the Medical Stores Depot, Karnal.

The following table gives the extent of supply in some of the cities.

City	Year of indent	Number of items	Number of items supplied		
			Nil	Part	Full
Ahmedabad	1984-85	349	160	189	-
	1985-86	159	53	106	-
	1986-87	106	44	62	-
	1987-88	287	180	107	-
Allahabad		5 (test checked)	3	2	-
Delhi	1987-88	84 (test checked)	19	55	10
Hyderabad	1984-85	67	44	23	-
	1985-86	93	45	48	-
	1986-87	67	40	27	-
	1987-88	48	18	30	-
	1988-89	88	40	48	-
Jaipur	1988-89	254	62	10	182
Madras	1984-85	246	15	32	199
	1985-86	192	27	39	126
	1986-87	127	66	25	36
	1987-88	217	97	44	76
	1988-89	200	137	10	53

The delay in compliance of indents by the medical stores depots ranged from 2 to 3 months in Delhi, and 3 to 12 months in Madras and Ahmedabad.

time necessitated local purchases of medicines by the Central stores depots and dispensaries. The cost of such purchases had been steadily going up as indicated below :

(iv) Local purchases:- The non-compliance of indents fully and in

(In lakhs of rupees)

	1984-85	1985-86	1986-87	1987-88	1988-89
Ahmedabad	2.97	3.69	6.87	9.21	5.23
Bangalore	-	5.10	5.82	6.78	12.87
Delhi	141.88	200.39	276.85	272.99	482.60
Jaipur	9.03	11.50	17.76	23.38	29.18
Madras	28.47	15.42	29.91	67.53	52.29

The cost of local purchases to total purchases had increased from 62 to 66 per cent in Ahmedabad, 18 to 38 per cent in Delhi and 22 to 33 per cent in Jaipur during 1984-85 to 1988-89. In Bangalore, the cost of local purchases had increased from 20 per cent of total cost in 1985-86 to 33 per cent in 1988-89.

(v) Extra expenditure due to local purchase of medicines:- At Delhi, in the event of non-supply of medicines by the Medical Stores Depot, Karnal, the local purchases of patent medicines (instead of under generic names) are made from Super Bazar. The procurement through Super Bazar costs more as the rate charged by the latter is the net retail trade price in addition to 10 to 12 per cent towards profit margin and handling charges. According to the Ministry, the difference in rates between the purchases made through the Super Bazar and supplies made by Medical Stores Depot is about 20 per cent. Consequently, on all local purchases of medicines through Super Bazar, the CGHS, Delhi is incurring additional expenditure.

During 1987-88 and 1988-89, purchases worth Rs.50.18 lakhs and Rs.147.24 lakhs respectively were made from the Super Bazar; the additional expenditure on these purchases worked out to Rs.8.4 lakhs and Rs.24.7 lakhs respectively.

(vi) Sub-standard medicines:- All the medicines supplied by the Medical Stores Depot, Karnal, carry a certificate about quality test on each challan as "All items have been got tested and found of standard quality". In addition, random samples of medicines are taken from dispensaries/Medical Stores Depot by Drug Control Department of Delhi Administration.

Test check of records revealed that since June 1987, 87 tests had been conducted, out of which 63 results had been received, and 24 results were not received (August 1989). The time taken for receiving the results ranged from 3 to 14 months. Out of the 63 results received, 22 samples (34 per cent) had failed in tests, though they had been verified as conforming to standards by the Medical Stores

Depot, Karnal.

Even before the receipt of test results, the medicines had been issued to and consumed by the dispensaries in most of the cases. The Medical Stores Depot, Karnal stated, in August 1989, that as soon as a report of sub-standard drug was received from the Drug Controller of India, it was circulated to all the dispensaries for suspending the issue of drugs and returning them to stores depot. However, test check in respect of 13 medicines which had failed in tests showed that only in two cases some quantity had been returned by dispensaries and the bulk of substandard supply had already been issued to beneficiaries in other cases.

The Medical Stores Depot also did not pursue with the Drug Controller for expeditious testing of the samples. It was stated, in September 1989, that there was no practice of reminding the Drug Controller and that in future it would be done as suggested by Audit.

At Hyderabad, one sample of Furoxone suspension supplied by Government Medical Stores Depot was tested, in August 1988, which also failed. Before the test results were received, 91 per cent of supplies had been consumed.

At Ahmedabad, Allahabad, Calcutta, Kanpur, Lucknow and Meerut, no system existed for testing of supplies of medicines. On complaints made by patients about the quality of one medicine (viz. Ethambutal tablets-400 mg) supplied by Medical Stores Depot, Calcutta to CGHS, Lucknow, in July 1987, a sample was sent to Analytical Testing Corporation,

Lucknow (Government approved laboratory) in February 1989 which reported in the same month that the medicine was sub-standard. Meanwhile, out of 1.50 lakh tablets costing Rs.0.98 lakh, 1.42 lakhs (95 per cent) had been consumed.

Medicines supplied by the Medical Stores Depot, Calcutta to dispensaries in Patna were not supported with the required test certificates. For the first time the Central Drug Inspector conducted, in April 1987, the sample test of one medicine (Ethambutal tablets) of a particular manufacturer and declared that it was sub-standard in quality and was not fit for human consumption. No follow-up action was taken on the report of the Drug Inspector.

The CGHS authorities had not taken any action to advise the Medical Stores Depot, Karnal and other main depots to initiate penal action against the suppliers of sub-standard medicines.

(vii) Non-disposal of expired medicines:- In the Medical Stores Depot sub-depot at Tilak Nagar-Hari Nagar, New Delhi, certain medicines costing Rs.3.47 lakhs which had crossed expiry dates, in March 1986 to July 1988, were still lying in stock. The Chief Medical Officer, Medical Stores Depot stated, in August 1989, that these medicines were procured during 1982-83 on the basis of provisioning done during the respective years and could not be consumed within the stipulated period.

Similarly, time expired medicines were lying in stock of CGHS, Allahabad and Kanpur. The reasons for time expired medicines

were attributed by the Department to be their non-prescription by the doctors.

At Patna, periodical inspection of medicines was not conducted to segregate and dispose of the expired medicines by the Central Stores Depot.

(viii) Other stores:- Huge stock of livery items (cost not known) were lying unused from 1975-76 in the CGHS Medical Stores Depot. The Depot stated, in August 1989, that for the last few years the eligible employees were being issued terrycot cloth and paid stitching charges instead of cotton liveries; consequently, there was no likelihood of these being consumed.

Similarly, huge stock of various stationery, forms, etc. (cost not known) procured by the Depot had not been utilised; some of these items were received prior to 1973-74. In order to consume the bulk quantity, these items were issued in 1988-89 to all the dispensaries/units without any demand/requirement. Some of the dispensaries refused to accept the unrequired stock of these items and returned them to the stores depot while in others, the stock issued would last for 50 to 100 years as there was only limited use for these forms.

(ix) Working of Medical Stores Depots:- Commenting on the procedures obtaining in the Medical Stores Depots, the Estimates Committee(1981-82), in paragraph 3.126 of their twenty second Report observed that the Central Stores had failed in the matter of timely and adequate supply of medicines to dispensaries and for many of the ills of the dispensaries, it was the Central Stores which was mainly

responsible, and recommended that the Ministry should enquire into the working of Central Medical Stores Depot.

Ministry accepted the recommendation and stated, in September 1982, that it had decided to set up a study team to enquire into the working of the Medical Stores Depots and the representatives of the Department of Personnel and Administrative Reforms, Staff Inspection Unit of the Ministry of Finance and other organisations would be associated with it. However, no such study team had been set up by the Ministry even after a period of seven years.

2.14 *Dispensaries of Indian systems of medicines.*- Ayurvedic and Homeopathic dispensaries function in 15 cities, unani dispensaries function in Delhi, Hyderabad and Lucknow, and a Sidha dispensary functions only in Madras.

2.14.1 Attendance:- The attendance in the Ayurvedic and homeopathic dispensaries had increased from 9.81 lakh and 6.40 lakh patients in 1984-85 to 10.20 lakh and 7.78 lakh patients respectively in 1987-88. However, there was a decline in attendance in Ayurvedic dispensaries in Ahmedabad (25 per cent), Allahabad (12 per cent), Bangalore (14 per cent), Delhi (3 per cent), Patna (27 per cent) and Pune (20 per cent) and in Homeopathic dispensaries in Ahmedabad (14 per cent), Kanpur (26 per cent), Madras (3 per cent), Meerut (40 per cent), Patna (11 per cent), and Pune (21 per cent).

2.14.2 Staff:- The Ministry had not fixed the norms for the

strength of medical staff in the dispensaries under Indian systems of medicine. However, a minimum of two physicians was provided in each dispensary.

In 1987-88, the work load per doctor per day in Ayurvedic dispensaries was only four patients in Ahmedabad, 16 in Bangalore, 23 in Calcutta, 36 in Patna, 25 in Pune, 29 in Jaipur while at other places it was 40 or more. Only in Allahabad, Delhi and Lucknow, the work load was 70 or more patients per day.

In the case of Homeopathic dispensaries, the work load was less than 70 patients per doctor per day in all cities except Allahabad. In Allahabad, it was 74 patients per doctor. The work load per day was: Ahmedabad-4, Bombay-35, Calcutta-18, Delhi-60, Jaipur-29, Lucknow-27, Madras-13 and Pune-27.

2.14.3 Medicines:- The following points were noticed in the procurement and supply of medicines to the dispensaries.

(i) Although a formulary of medicines exists for each system, disease/ ailment-wise formulary was not prepared for Homeopathic and Unani systems. Only additions were being made to the formulary and deletions were very few under Ayurvedic and Homeopathic formularies.

There was no analytical system for testing the quality of Ayurvedic and Unani medicines. The quality was tested through organoleptic method i.e. by taste, colour, odour, and consistency by the Purchase Advisory Committee. About 300-400 samples were supplied and tested in two or three sittings. In such circumstances, it

was not clear how the committee could satisfy itself about the quality.

(ii) Ayurvedic medicines:- Ayurvedic medicines prescribed outside the formulary were being procured from an approved local chemist. As per the system prevailing, each and every local purchase prescription must be countersigned by the Ayurvedic research officer/ physician attached to DGHS who sits in the Nirman Bhawan Building of the Ministry. The process of local purchase takes seven to nine days resulting in inconvenience to the patients besides delay in treatment.

(iii) Homeopathic medicines:- The Homeopathic stores at Gole Market was responsible for provisioning, procurement and supply of Homeopathic medicines to various dispensaries in Delhi and sending the finalised rate contracts to units outside Delhi. The rate contracts were to be finalised in June each year; however, there were delays of nine months in 1987, five months in 1988 and two months in 1989 in finalising the rate contracts.

Test check of the stock ledgers/ bin cards maintained by Homeopathy stores depot revealed that in 92 cases stock available was 'nil' for over six months. In R.K. Puram, Sector-XII, Homeopathic Dispensary in as many as 187 cases, medicines were not available for periods ranging from two to eight months during 1988-89. Non-availability of medicines in the Stores depot affected the working of the dispensary.

The stores depot at Gole Market was resorting to local purchase of

medicines of foreign (viz. Germany/U.K. make) though indigenous medicines were available in stock. In such cases, the local purchases were seldom on the basis of prescription by a doctor specialist, but on the basis of requests by the WVIP (on a plain paper). During January to May 1989, only in one case out of 26 cases, doctors/specialists had prescribed the medicines to be purchased locally. No authorised chemist has yet been approved for local purchase. The imprest money of Rs.300 sanctioned to the depot for day to day petty/contingent purchases required for running of the depot was utilised for making local purchases.

Provisioning of Homeopathic medicines was done for 16 months and medicines were procured by placing supply orders for four months' requirement. In a number of cases, medicines had been procured much in excess of prescribed limits though the available stock on 1st April was already excessive and adequate for periods ranging from 16 to 144 months. Incorrect provisioning by overstating the average monthly consumption led to such excessive procurement. The Medical Officer incharge of the depot stated that the monthly average for the period for which stock was available was taken into account. The practice followed was incorrect and resulted in excess provisioning.

(iv) Unani medicines:- The procurement of Unani medicines was done by Unani Stores depot in Delhi through annual rate contract. There was no analytical system of quality testing. During 1986-87 and 1987-88, the Unani Stores Depot had purchased 133 and 152 items out of the formulary of which only 56 and

47 items respectively were from lowest tenders. For other items, higher rates were accepted involving additional expenditure of Rs.5.6 lakhs out of Rs. 31.4 lakhs purchases made.

The procurement of Unani medicines fell short of the requirements (number of items in the formulary) by 10, 16 and 42 per cent during 1986-87, 1987-88 and 1988-89 respectively due to delay/non-finalisation of rate contract. The Medical Officer-in-charge of stores stated that due to "unavoidable circumstances" the rate contract for formulary items could not be finalised during 1988-89. The "unavoidable circumstances" were not, however, specified.

Besides, the shortfall in the number of items purchased, the quantity purchased also fell short of the requirement. A test check of procurement of 35 medicines showed that against the finalised provisioning for 1987-88, seven to 33 per cent quantity had only been received resulting in shortage of medicines and their non-availability in the dispensaries. In one of the dispensaries test-checked (Sarojini Nagar, New Delhi), 106 and 108 items of medicines respectively were not available during 1987-88 and 1988-89 for two months (seven and six items), three months (55 and 16 items), 6 to 11 months (29 and 15 items) and 12 months (15 and 71 items).

Non-availability of medicines in the dispensaries affected the attendance of the number of beneficiaries visiting the dispensary which declined from 0.42 lakh during 1987-88 to 0.36 lakh during 1988-89 in the case of Unani dispensary.

2.15 *Accommodation for CGHS dispensaries.*- Out of 111 dispensaries/units in Delhi, 47 dispensaries are housed in Government quarters, 36 in Government owned buildings, six in Delhi Development Authority (DDA) flats and 22 in private buildings. The annual rent paid on private buildings was Rs.7.34 lakhs. In other cities also, out of 194 dispensaries, 95 units were housed in private buildings on which annual rent of Rs.38.63 lakhs approximately was being incurred. The absence of suitable accommodation was commented upon by Estimates Committee in their twenty second Report-1981-82 which had observed that the residential quarters designed for small families were not at all suitable for locating dispensaries catering to over 2500 families.

On an enquiry regarding the programme of construction of CGHS dispensary buildings, the Director, CGHS stated, in August 1989, that no targets were fixed for the construction of buildings for CGHS during the Sixth and Seventh Five Year Plans and five or six buildings had been completed during Seventh Plan period. Details about the date of commencement of construction and the date of completion of the buildings were not available.

With a view to extending the CGHS facilities to more locations in Delhi and to construct own buildings, negotiations were held with DDA from time to time for allotment of land. The progress in this regard was, however, found to be slow. Out of 28 cases for allotment of land, in 14 cases, though the allotment had been made, possession had not been taken; in eight cases possession had been

taken but construction plans were not ready and in six cases, the matter remained under correspondence.

2.16 *Monitoring and review*

2.16.1 *Reports and returns:-* The Estimates Committee 1981-82, in their twenty second Report considered the absence of system of supervision, control, monitoring and review of the scheme by the Ministry and recommended that the Ministry should shed "the ivory-tower attitude" it had, so far, and play an active role in exercising effective supervision and control over the scheme and in carrying out periodic review of its working. The Committee also observed that the Ministry lacked an efficient information system and advised utilisation of a proper management information system and a matching apparatus to analyse the information to be able to know the weak spots in the working of the scheme and to apply corrections without delay.

The Ministry accepted the recommendations and stated, in September 1982, that it would carry out a review of working of the CGHS after every six months and for this purpose an expert group was being appointed. Regarding the organising of a management information system, the Ministry stated that the CGHS functioned in accordance with Government rules and regulations as applicable in all other departments; the recommendation was, however, being examined in consultation with the National Institute of Health and Family Welfare.

No follow up action has been taken so far. The half-yearly review of the working of the scheme

was not being conducted by the Ministry. The National Institute of Health and Family Welfare which conducted an evaluation of the working of the scheme during October 1983 - April 1985, noted that most medical officers in charge of CGHS dispensaries were having apathetic attitude towards maintenance of records which according to the Institute was one of the weakest areas in the working of the scheme as a whole. The Institute, however, did not make any specific recommendation about introducing a proper management information system.

A test check in Audit of the reporting system in dispensaries and monitoring by the Director, CGHS revealed the following:-

(i) Though the Ministry had prescribed several returns to be submitted by the dispensaries, such as attendance statement, laboratory tests, number of emergency cases seen, specialists cases, domiciliary visits, diseases statement, water-borne diseases and monthly complaints reports and these were being rendered regularly, their consolidation was in arrears. The Annual Report of CGHS for the year 1987-88 had not been compiled so far (November 1989).

(ii) The statistical data published in the Annual Reports and those compiled for subsequent years were inaccurate, as per the instances given below :

(a) According to the Annual Report for 1986-87, there were 3.45 lakh card holders with 15.21 lakh beneficiaries in Delhi. The statistics compiled by the Director, CGHS for 1988-89 showed that while the number of card

holders had risen to 3.60 lakhs, the number of beneficiaries increased to 17.98 lakhs. While the increase in card holders was only 0.15 lakh, the increase in beneficiaries was 2.77 lakhs over a period of two years, giving margin of more than 18 beneficiaries per additional card holder. This was highly improbable.

(b) The register of index cards was not maintained properly in the dispensaries. A test check of the index cards in 10 selected dispensaries in Delhi revealed that Government servants who had superannuated and left continued to be on the roll of index cards and their names had not been deleted in these dispensaries. The extent of such inflated data of card holders ranged from 8 to 22 per cent in 10 dispensaries test-checked in Delhi.

(c) An analysis of the statistics of laboratory tests conducted at Delhi and number of patients (new attendance) attending the dispensary for the years 1984-85 and 1987-88 showed that while the number of patients had decreased by five per cent, the number of laboratory tests had increased by 46 per cent.

2.16.2 Inspections:- According to the schedule of inspections prescribed by the Ministry, a Zonal Office should conduct two surprise inspections every week at Delhi, and as frequently as possible outside Delhi. In addition, each dispensary should be inspected twice a year. Copies of inspection reports were required to be sent to officers concerned and only the salient points requiring the attention of Director were to be communicated to the Directorate.

The Ministry had not prescribed a regular return to be sent by the inspecting officers about the number of inspections conducted by them and compliance of the schedule prescribed.

In Delhi, only scheduled inspections twice a year were being conducted and the frequency of surprise inspections was less than prescribed. At Allahabad, Hyderabad, Kanpur, Lucknow and Patna, no inspections by supervisory officials had been conducted during 1984-85 to 1988-89.

At Calcutta, no records regarding inspections were available for verification, though it was stated that inspections were carried out occasionally.

2.16.3 Complaints:- All medical officers-in-charge were required to submit a statement of complaints received during the month to the Zonal Officer who, in turn, was required to consolidate and furnish a statements to the Director, CGHS. For this purpose, a complaint book was required to be maintained by the dispensaries.

There were deficiencies in the maintenance of complaint book, furnishing the statement of complaints and follow up action on the complaints in the dispensaries in cities outside Delhi.

At Calcutta, no complaint register was maintained except in one dispensary.

The monthly statement of complaints and consolidated statements to Director, were not being prepared at Bombay, Delhi, Hyderabad, Jaipur, Madras and Patna. A 'nil' return was being sent regularly by Ahmedabad though

there were a few cases of complaints and nine of these remained unattended. At Madras, out of 63 complaints received during 1984-85 to 1988-89, action had been taken on 55 complaints only. The complaints on which action was not taken related to (i) prescription of wrong medicines, (ii) Medical Officers not examining the patients properly, (iii) non-issue of reference slips in an emergency and (iv) non-reimbursement of costs of medicines by local chemist.

At Patna and Calcutta, the complaints were attended to by the officials against whom the complaints were made.

Generally, in all the dispensaries the availability of complaint book was not displayed.

2.17 Other points of interest

2.17.1 Recoveries from semi-government organisations and autonomous bodies :- The scheme was extended to semi-government organisations/ autonomous bodies subject to the conditions that the whole organisation would join the scheme, contribution would be paid in advance and full contribution, without any element of subsidy, would be charged. The rate of contribution was to be reviewed and notified by the Ministry annually.

As on 31st March 1989, there were 62 autonomous bodies covered by the scheme, besides certain industrial staff and work charged staff, from whom contributions were to be recovered. The number of beneficiaries as on 31st March 1989 was not available. The rate of recovery was fixed last in 1981-82 and had not been revised so far despite the increase in expenditure per card holder from Rs.375 in

1984-85 to Rs.650 in 1988-89. The failure to revise the rates commensurate with increase in cost resulted in under recovery and payment of hidden subsidy to the organisations.

Between June 1980 and March 1989, facilities of the scheme were withdrawn from eight organisations; an amount of Rs.9.05 lakhs (of which Rs.8.89 lakhs related to 1987-88 or earlier years) were due from five of these organisations.

The dues outstanding from semi-government and autonomous organisations were : Calcutta - Rs.0.43 lakh, Madras - Rs.16.33 lakhs, Ahmedabad - Rs.11.25 lakhs, Bombay - Rs.86.48 lakhs and Pune - Rs.1.10 lakhs.

In the case of industrial staff and worked charged staff, an amount of Rs.5.03 crores (Rs.1.31 crores for 1987-88 and Rs.3.72 crores for 1988-89) was due from four Government organisations.

2.17.2 Dispute with Cancer Research Institute, Adyar, Madras:- The only specialised institute for cancer treatment at Madras, viz., Cancer Research Institute, Adyar, refused to admit the beneficiaries for giving specialised treatment from December 1985 due to certain differences on account of revision of rates by the Institute and non-settlement of claims for Rs.0.91 lakh relating to the period June 1985 to November 1986 raised by the Institute.

The Institute, however, admitted the beneficiaries for treatment on payment of lumpsum advance for the duration of the treatment as per the Institute's schedule of rates. The beneficiaries were allowed reimbursement of the

charges as per the rates approved by the Government and the difference was borne by the beneficiaries. The beneficiaries who could not afford to pay the cost of treatment in advance were denied the treatment at the risk of their lives. No action had been taken so far (July 1989) to resolve the dispute.

The matter was reported to the Ministry in October 1989; reply has not been received despite reminder issued in December 1989.

3. National Malaria Eradication Programme

3.1. Introduction

National Malaria Control Programme was first launched in 1953. The programme was renamed as National Malaria Eradication Programme in 1958 with the objective of total eradication of malaria from the country within six to seven years. In 1964 and 1967, the termination dates for eradication of malaria were revised to 1970 and 1975 respectively. The un-precedented resurgence of malaria in 1976 necessitated revamping of the strategy. In April 1977, Government introduced the Modified Plan of Operation (MPO) with the objective of effectively controlling and containing malaria and preventing deaths due to malaria instead of its total eradication. Under the MPO, the main activities to be executed by the State Governments/ Union Territory Administrations were selective spray operations in areas with Annual Parasitic Index (API) 2 and above in the rural areas, fortnightly collection of blood smears from fever cases and their examination and treatment with anti-malaria drugs. Other main

features of the MPO were to impart health education, enlist public cooperation, step up research work, distribute drugs, establish fever treatment depots, etc. For designated urban areas, the Urban Malaria Scheme (UMS) was launched in November 1971.

An Indepth Evaluation Committee comprising national and International experts appointed by the Ministry, in September 1985, had reviewed the implementation of the programme in October 1985.

3.2 Scope of Audit

The programme was reviewed earlier and Audit findings were included in paragraph 7 of the Advance Report of the Comptroller and Auditor General of India for 1980-81 - Union Government (Civil).

The present review was conducted in 1988-89 and contains the Audit findings as a result of test check of records of the Directorate of National Malaria Eradication Programme and selected districts of 31 States/Union Territories for 1980-81 to 1987-88. The Audit findings have been updated for 1988-89 wherever feasible.

3.3 Organisational set up

At the National level, the Directorate of National Malaria Eradication Programme (Directorate) under the Director General of Health Services, Ministry of Health and Family Welfare (Ministry) was responsible for implementation of the programme. At the State level, the programme was being implemented by District Malaria Officers (DMOs) under the overall control of the Director of Health Services (DHS)

of the State concerned.

3.4 Highlights

- National Malaria Eradication Programme originally aimed at total eradication of malaria from the country within six to seven years from 1958. In April 1977, the objective of total eradication of malaria was abandoned with the introduction of Modified Plan of Operation in 1977 under which the programme was directed towards effectively controlling and containing malaria and preventing deaths due to malaria.
- The limited objectives of the programme were also not achieved. According to the information furnished by the Directorate of National Malaria Eradication Programme, the incidence of malaria actually increased in nine States/ Union Territory viz., Andhra Pradesh, Goa, Gujarat, Kerala, Mizoram, Rajasthan, Tamil Nadu, West Bengal and Dadra and Nagar Haveli between 1981 and 1988. The total number of deaths due to malaria in the country also increased from 170 to 209 between 1981 and 1988. Audit scrutiny of figures of incidence of malaria as well as deaths due to malaria showed that these were not reliable. The incidence of malaria was understated due to under-reporting, shortfalls in collection of blood smears and unexamined blood smear slides, etc. The number of deaths due to malaria was also understated. An Indepth Evaluation Committee had also reported, in October 1985, that the official records were

extremely unreliable and there were no guidelines and parameters to monitor whether the objective of arresting the deaths was achieved.

- Although the major thrust of the programme was on spraying activity, substantial population areas requiring regular spray were left unsprayed each year; the shortfall in spraying ranged between 33 and 53 per cent during 1980 to 1988. Both the mopping up operations and focal spray had also not been carried out as per prescribed requirement.
- Insecticides were not used as per the prescribed norms. In eight States of Bihar, Goa, Gujarat, Karnataka, Madhya Pradesh, Meghalaya, Mizoram and Uttar Pradesh, use of insecticides in excess of requirement resulted in avoidable expenditure of Rs.908.58 lakhs. Further, excessive procurement of insecticides and their retention beyond the date of expiry resulted in avoidable expenditure of Rs. 144.63 lakhs during 1980-88 in five States/Union Territory of Gujarat, Haryana, Karnataka, Manipur and Dadra and Nagar Haveli.
- Insecticides testing laboratories had not started functioning in seven out of nine States though recommended by the Public Accounts Committee in 1985-86.
- Entomological surveys which were the basic requirement in selection of the right type of insecticides were not properly carried out in States like Andhra Pradesh, Goa, Himachal Pradesh, Kerala, Maharashtra, Meghalaya, Punjab, Tripura and West Bengal.
- Spray of insecticides had not been regulated in accordance with the result of the entomological surveys in Bihar, Punjab and West Bengal.
- Fortnightly checks envisaged under active surveillance had not been carried out fully and properly in six States/ Union Territories viz., Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu, Chandigarh and Dadra and Nagar Haveli.
- The shortfall in targets of blood smear collection in four States of Bihar, Punjab, Tamil Nadu and Uttar Pradesh ranged from 15 to 76 per cent during 1980 to March 1989. Contrary to the prescribed guidelines even where collection was being done, the passive method through hospitals, dispensaries, voluntary agencies, etc. was in greater use than active collection which was to take place through departmental authorities.
- The incidence of un-examined blood smear slides was particularly high during 1981 to 1988 in two malaria infested States of Kerala and Madhya Pradesh, rendering an estimated expenditure of Rs.23.28 lakhs approximately on their collection unfruitful; the positive cases were denied the benefit of radical treatment. Re-examination and cross checking of blood smear slides was also not being done as per norms and in five States of Bihar, Kerala, Rajasthan,

- Sikkim and West Bengal, the percentage shortfall in cross checking ranged from 51 to 100 during 1980-81 to March 1989.
- In five States of Bihar, Madhya Pradesh, Rajasthan, Tamil Nadu and West Bengal, there were shortfalls ranging from 13 to 23 per cent in providing radical treatment in positive cases during 1981 to 1988. The treatment which was required to be provided within seven days of detection of positive cases was delayed by 8 to 90 days.
 - Excessive use of anti-malarial drugs worth Rs.132.39 lakhs were noticed in five States of Assam, Bihar, Meghalaya, Mizoram and West Bengal. Cases of administering time-barred drugs were noticed in Bihar, Karnataka, Madhya Pradesh, Rajasthan and Tamil Nadu. Several States had huge stocks of time-barred drugs.
 - The Urban malaria scheme sanctioned for 133 towns was actually in operation only in 126 towns. Except in Bombay, the implementation of bye-laws of mosquito control was very tardy or non-existent. The incidence of malaria had increased in five States of Andhra Pradesh, Jammu and Kashmir, Madhya Pradesh, Maharashtra and Tamil Nadu. Shortfalls in anti-larval operations, collection of blood smears and passive surveillance as well as cases of excessive supply and consumption of larvicide were noticed. The municipal claims for reimbursement of expenditure amounting to Rs.167.25 lakhs had not been paid in three States of Andhra Pradesh, Karnataka and Tamil Nadu.
 - Key posts of officers responsible for implementation of the programme remained vacant for long periods in thirteen States. In six States/ Union Territories, the officers had not been trained in malaria eradication.
 - The multipurpose worker is at the core of operational efficiency of the programme. The posts of multi-purpose workers were not sanctioned and filled as per norms. Emphasis on other activities particularly family welfare, was stated to be responsible for poor performance of multi-purpose workers in malaria eradication. According to the Indepth Evaluation Committee, given the other and equally important tasks assigned to the multi-purpose worker, the duties assigned to him are practically impossible to do.
 - One of the major objectives is to make available anti-malaria drugs to fever cases in remote and inaccessible areas through voluntary institutions like Fever Treatment Depots and Drug Distribution Centres. The objective had not been fulfilled as per reports received from seven States.
 - The extent of saving under publicity ranged from 51 to 92 per cent in seven out of nine years. In seven States/ Union Territories, the work of enlightening the people to control malaria through audio visual aids, printed materials, etc. had been largely neglected.

- The various records, reports and returns as prescribed for monitoring and assessing the implementation of the programme were either not maintained or not submitted to the designated authorities. Consequently, corrective and remedial measures could not be recommended in time. The Directorate also took long time in dealing with the requests/reports of the States.
- There had been no follow up on the recommendations of the Indepth Evaluation Committee (1985) which included malariogenic stratification of the country, professionalisation of health education, strengthening of community participation and inter and intra sectoral co-ordination.
- Amount of Rs.60,091.95 lakhs released by Government of India during 1980-89 exceeded the budget provision of Rs.59,406.19 lakhs (rural) resulting in excess release of Rs.685.76 lakhs.
- The value of unutilised stock upto 1979-80 amounting to Rs.314.18 lakhs when the present pattern of fund-sharing was introduced had not been worked out and adjusted in the case of three States of Gujarat, Punjab and Sikkim test checked.

3.5. Pattern of assistance.-

Pursuant to the decision taken by the National Development Council in 1979-80, the programme was converted into a Centrally sponsored scheme on fund sharing basis. The expenditure on the programme over and above the committed level of expenditure by

the States was to be shared equally between the Centre and the States. The Central Government also provided specified materials like all imported insecticides/ anti-malarials/ equipment, di-chloro di-phenyl tri-chloroethane (DDT), benzene hexachloride (BHC) and malathion from Hindustan Insecticides Limited, diazinon, drugs procured indigenously, microslides, larvicide other than mosquito larvicide oil, superior kerosene oil, etc., while the State Governments met the expenditure on the specified items like the entire operational cost, malathion from indigenous sources other than Hindustan Insecticides Limited, BHC, sprayers, vehicles, mosquito larvicide oil and kerosene oil for use in Urban Malaria Programme etc.

The Public Accounts Committee in their 19th report (Eighth Lok Sabha - 1985-86) had observed that whereas the Central Government had been providing funds corresponding to their share of expenditure on the programme, the State Governments had not been able to make the matching provision in their budgets. In view of the fact that the Malaria Eradication Programme was basically a National health problem involving crores of people mainly coming from the weaker sections of the population, it was necessary to convert the scheme into a 100 per cent Centrally sponsored one. The Committee also recommended that pending a decision in the matter, in consultation with the National Development Council, the programme should be upgraded as category-I.

The Ministry stated, in January 1989, that the matter was put up to the Expenditure Finance Committee in its meeting held in March 1988 and that the Committee recommended

the continuation of the programme on the existing pattern.

According to information furnished by the Directorate, against the total budget provision of Rs.59,406.19 lakhs (rural), during 1980-81 to 1988-89, the Central Government released funds amounting to Rs.60,091.95 lakhs (rural) resulting in excess release of Rs. 685.76 lakhs. The entire amount was spent by the States/ Union Territories. The State/ Union Territory-wise position (rural) is given in Annexure I.

In case, the Central Government expenditure in kind was less than that borne by the State Governments, the balance was reimburseable by the Centre in cash and vice versa. No adjustment of the assistance received in kind from the Central Government was, however, carried out during 1980-81 to 1988-89.

According to the information furnished by the Directorate, in November 1989, from 1980-81 to 1987-88, Rs.3884.52 lakhs were left to be recovered from State Governments (Assam: Rs.87.94 lakhs, Gujarat:Rs. 787.04 lakhs, Himachal Pradesh : Rs.299.37 lakhs, Jammu & Kashmir: Rs. 141.54 lakhs, Karnataka: Rs. 488.31 lakhs, Maharashtra: Rs.209.71 lakhs, Manipur: Rs.16.66 lakhs, Punjab: Rs. 425.25 lakhs, Rajasthan: Rs. 489.24 lakhs, Sikkim: Rs.6.44 lakhs, Uttar Pradesh: Rs. 846.90 lakhs and West Bengal: Rs. 86.12 lakhs).

Also, an amount of Rs.1473.61 lakhs was payable by the Centre to the States (Andhra Pradesh : Rs. 270.30 lakhs, Bihar : Rs. 75.74 lakhs, Haryana : Rs. 284.21 lakhs, Madhya Pradesh: Rs. 502.43 lakhs,

Meghalaya : Rs. 13.53 lakhs, Nagaland : Rs. 88.07 lakhs, Orissa : Rs. 138.72 lakhs, Tamil Nadu : Rs. 77.71 lakhs and Tripura : Rs. 22.90 lakhs).

The Directorate was to recover incidental charges at the rate of two per cent from all States and Union Territories for supply of equipment, insecticides, anti-malaria materials, etc. According to the information furnished by the Directorate, in November 1989, a sum of Rs.24.03 lakhs was due from the States and Union Territories up to 1988-89. Out of this, an amount of Rs.23.72 lakhs was due from the under-mentioned States for the period 1980-81 to 1988-89:-

	Amount (Rupees in lakhs)
Assam	6.82
Bihar	9.66
Kerala	1.08
Karnataka	2.65
Tamil Nadu	1.46
West Bengal	2.05
Total	23.72

Cases of non-adjustment were commented upon in paragraph 7.5.2 of the Advance Report of the Comptroller and Auditor General of India for 1980-81 - Union Government (Civil). The Ministry replied to the Public Accounts Committee that all out efforts were being made to expedite the recovery. The Ministry stated, in January 1989, that recovery from some of the State Governments such

as Bihar and Kerala, could not be made as no cash grant was released to them for the programme (rural) during 1985-87 and that necessary steps were being taken to recover the outstanding amounts from the State Governments.

According to the revised pattern of Central assistance from 1979-80 onwards, the value of unutilised material lying with the States had to be accounted for against the Central share.

In June 1988, the Directorate stated that the value of unutilised stocks was not worked out resulting its non-adjustment against the Central share. Test check of records in three States viz., Gujarat, Punjab and Sikkim revealed non-adjustment of unutilised stock of Rs. 208 lakhs, Rs. 105.40 lakhs and Rs. 0.78 lakh respectively at the end of 1978-79.

The Ministry stated, in January 1989, that prior to 1979-80, all Central assistance was got adjusted as per approved norms and financial pattern on 100 per cent Central assistance basis; from the financial year 1979-80, adjustment of Central assistance had been carried out on 50:50 cost sharing basis and thus the question of valuation of unutilised stock by the Directorate did not arise. Ministry's contention is not tenable because as per the provisions of Government Financial Rules, all unutilised stocks must either be surrendered or their value adjusted in subsequent years.

3.6. *Incidence of malaria.*- The objective of the Modified Plan of Operation introduced from April 1977 signified a long term malaria control strategy to reduce the incidence of the disease. State-

wise position of positive cases of malaria during 1981-88, as furnished by the Directorate, is given in Annexure II which shows that there had been a decrease in the overall number of malaria positive cases from 1981 to 1987 except in 1984 and 1988 when there was an increase of 8.2 and 11.3 per cent compared to the incidence in the preceding years 1984 and 1987 respectively.

The incidence of malaria actually increased in nine States between 1981 and 1988 - Andhra Pradesh from 0.38 lakh to 0.63 lakh (64 per cent), Goa from 151 to 6732 (4358 per cent), Gujarat from 4.15 lakhs to 4.61 lakhs (11 per cent), Kerala from 4127 to 5147 (25 per cent), Mizoram from 0.17 lakh to 0.20 lakh (15 per cent), Rajasthan from 1.01 lakhs to 1.04 lakhs (3 per cent), Tamil Nadu from 0.72 lakh to 0.76 lakh (6 per cent), West Bengal from 0.31 lakh to 0.36 lakh (18 per cent) and Dadra and Nagar Haveli from 3198 to 5845 (83 per cent).

The Ministry and States of Andhra Pradesh and Uttar Pradesh and Union Territory of Dadra and Nagar Haveli had reported wide ranging reasons for increase in malarial incidence like rapid industrialisation, failure of spray operations, failure to conduct susceptibility tests to determine appropriate insecticides, shortage of staff and paucity of funds.

The data on incidence of malaria in various States is based on results of surveillance operations conducted mainly in house-holds, hospitals and malaria clinics run by the health departments of respective States and case detection thereafter by blood smear examination of fever

cases. It will, however, be seen from the following that the figures furnished by the Directorate were not reliable.

Andhra Pradesh: 148 repeat positive cases were not reported in four districts in 1987. Also, malaria positive cases from Vishakhapatnam Steel Project numbering 8,905 in 1986 and 9,753 in 1987 were not reported. Reasons for non-reporting of such cases were not furnished. Further, although the number of malaria positive cases increased from 0.37 lakh to 0.40 lakh between 1985 and 1987, the blood smear collections by mass and contact surveys, which was 1.03 lakhs in 1985, came down to 0.47 lakh in 1987.

Madhya Pradesh: Against the target of 56 lakhs and 57.13 lakhs, in 1985 and 1986, only 52.73 lakh and 55.45 lakh blood smears respectively had been collected.

Rajasthan: Although the number of malaria positive cases increased from 1.01 lakhs to 1.02 lakhs between 1981 and 1984, the number of blood slide collections, which was 39.92 lakhs in 1981, came down to 29.02 lakhs in 1984.

West Bengal: The annual technical report of the districts indicated that all the blood smears collected had been examined. Test check of the records of Purulia (1981-86) and Malda (1981-86) district headquarters revealed that 0.45 lakh and 0.57 lakh out of 1.80 lakh and 4.08 lakh blood smears respectively had not been examined.

Shortfalls in blood smear collections ranging from 15 to 75 per cent were noted in some States; a backlog of 51.93 blood smear slides remained unexamined during 1981 to 1988 in various States. Even where blood smear slides were collected and examined, cross examination of slides was not done as per norms.

Private medical practitioners are required to notify cases of malaria infection to the nearest Health Officer. This was not being followed in some of the States. In eight Health Unit Districts (HUDS) test checked in Tamil Nadu, only in one district, such cases were notified to the departmental officers.

The above data reveal that the possibility of a large number of positive malaria cases having been omitted from statistical data furnished by the Directorate could not be ruled out.

The Indepth Evaluation Committee observed, in October 1985, that surveillance was unsatisfactory and conveniency collection was being undertaken instead of 'house to house' visits. Coupled with the poor quality of blood smear examinations, the epidemiological devices had been failing and were not yielding information as to the true picture of the situation. The Committee felt that realistic figures of incidence would be very much higher than those reported.

3.7. *Deaths due to malaria.*- The number of deaths due to malaria

during 1981-88, as per the Directorate, in November 1989, information furnished by the were:

Year	Number of deaths	Increase (+)/Decrease (-) over the previous year	Percentage increase over the previous year
1981.	170	-	-
1982	187	+ 17	+ 10
1983	239	+ 52	+ 28
1984	247	+ 8	+ 3
1985	213	- 34	- 14
1986	323	+110	+ 52
1987	188	-135	- 42
1988 (provisional)	209	+ 21	+ 11

The number of deaths due to malaria had actually increased from 170 to 209 between 1981 and 1988; the annual increase ranged from 3 to 52 per cent except in 1985 and in 1987. In four States (Assam, Madhya Pradesh, Mizoram and Orissa), the number of deaths increased from 70 to 500 per cent during 1986 over 1985. In Gujarat, the number of deaths increased from 4 in 1987 to 67 in 1988.

In October 1985, the Indepth Evaluation Committee pointed out the absence of guidelines and parameters to monitor whether the objective of arresting the deaths was achieved. The Committee reported that the official records produced by the Directorate were extremely unreliable. The Committee further observed that the number of actual deaths due to malaria was

considerably higher and many times more than that officially recorded. According to the Committee, in 1983 an outbreak of malaria epidemic in 38 villages of Shahjahanpur district (Uttar Pradesh) resulted in 349 deaths. There were reports of similar outbreaks from many parts of the country. During the same year, the Directorate recorded only 178 (239 as per the Annual Report 1987) malaria deaths in the entire country. In Rajasthan, evaluation of the programme made by the Independent Appraisal Committee revealed that there was a four fold increase in plasmodium falciparum (cerebral malaria) cases during 1980 compared to 1979, no death was indicated.

A test check of records of the Directorate and the States revealed discrepancies in the reporting of

death cases as under:-

State	Year(s)	Death cases as per the Directorate	Death cases as verified by Audit from records of State Governments
Bihar	1987	11	29
	1988	4	7
Orissa	1984	49	69
	1985	67	70
Madhya Pradesh	1984	12	18
	1985	3	7
Maharashtra	1981-82 to 1988-89	16	27
Tripura	1984	24	25

In Andhra Pradesh, while three deaths were reported by the department during 1980-87, according to information collected by Audit, five deaths recorded by the Municipal Corporation, Vishakhapatnam (three in 1984 and one each in 1985 and 1987) and one death (1987) recorded by Municipal Corporation, Vijayawada, were not included in the records of the department. Besides, according to the 'Vital Statistics Wing' of the State Directorate, 518 deaths were recorded due to malaria during 1982 to 1986.

The Ministry attributed (January 1989) the increase in the number of deaths due to malaria to better reporting, reluctance of tribals (who accounted for large number of deaths) to take medical aid from the health institutions, general malnutrition among the tribal population, etc.

3.3. Vector control.- Vector control refers to activities for controlling resistance of the disease carrier. In any anti-malaria programme, vector control

plays an important role either by way of manipulating the environment or by a direct attack on the vector at different points of its life cycle. According to a status paper prepared by the Directorate in 1985, one of the main activities under the programme is the application of insecticides in rural areas as per a strict time schedule based on technical grounds, with the primary objective of minimising and finally interrupting malaria transmission. The broad expenditure pattern for the programme indicates that about 50 per cent expenditure is incurred on insecticides. The major thrust of the programme was thus on spraying activity.

3.3.1 Coverage under spraying operations.- Under the programme, spraying was to be repeated in areas which have an API 2 and above (i.e. two malaria cases and above per thousand population), once after eight to ten weeks where DDT was used and twice after six to eight weeks where BHC/ Malathion was used, so that all spraying surface available in the area

remained lethal for the vector to prevent transmission of malaria.

According to the information supplied by the Directorate in

November 1989, substantial population areas requiring regular spray were left unsprayed during 1980 to 1988 as shown below :-

Year	Target (Population areas in lakhs)	Achievement	Shortfall	Percentage shortfall
1980	3004.02	1412.50	1591.52	53
1981	3226.90	2044.80	1182.10	37
1982	3317.34	2226.50	1090.84	33
1983	3393.90	2199.00	1204.10	35
1984	3432.00	175.10	1556.90	45
1985	3504.60	103.10	1701.50	49
1986	3569.80	2213.00	1356.80	38
1987	3580.90	2128.40	1452.50	41
1988 (provisional)	3652.50	1944.10	1708.40	47

Test check of records in a few States showed as under :-

Gujarat: Sprayed population against the sprayable population was 39 per cent in 1980, 20 per cent in 1987 and 90 per cent in 1988. The shortfall was attributed to financial constraints in procuring insecticides.

Madhya Pradesh: Actual coverage of population by spray of DDT/BHC did not match the targets in any round and the shortfall in spray ranged from 2 to 66 per cent (DDT) and 1 to 86 per cent (BHC) during 1981 to 1988.

Meghalaya: The shortfall of spraying operations in three districts ranged from 15 to 88 per cent

in first and second rounds during 1981-88.

Rajasthan: During 1984-87, areas covering population of 226.90 to 296.02 lakhs were targeted to be covered annually whereas the actual coverage of population ranged from 157.08 to 209.16 lakhs resulting in a 38 per cent shortfall.

Sikkim: During 1982 to 1988, the percentage shortfall under spraying operation ranged from 8 to 100; the shortfall was attributed to fluctuation of labour population in labour camps and project areas.

3.8.2 Mopping up operations.- Houses left unsprayed by regular spray teams, for one reason or the other, were required to be covered

immediately by spray squads. Test check of records of a few States revealed the following:-

Andhra Pradesh: Shortfall in spray coverage of houses in nine districts was 18 per cent in 1985, 17 per cent in 1986 and 19 per cent in 1987. Even so, separate squads of mopping up operations were not constituted to cover the houses not sprayed.

Punjab: No mopping up squads were ever formed throughout the State and left out houses were not at all covered.

Rajasthan: Mopping up operations in five districts were not carried out during 1981 to 1987 although the houses left unsprayed by the main teams ranged from 26 to 42 per cent of the total houses. The State Government stated, in July 1988, that it was not possible to cover the spraying operations fully as the number of spraying squads appointed was less than the sanctioned strength.

Tamil Nadu: Mopping up operations were not carried out in three health unit districts during 1983 to 1987 although the rooms left unsprayed by regular round spray ranged from 52 to 56 per cent and unsprayed 'cattlesheds' ranged up to 7 per cent of the targets.

The Ministry stated, in January 1989, that the responsibility for undertaking mopping up operations rested with the respective States.

3.8.3 Focal spray.- Population areas having API below 2 i.e. less than two malaria cases per thousand population, were normally not to be covered by regular insecticidal spray. However, in such cases, 50 houses around a detected malaria

case were required to be given insecticidal spray during the transmission period under the scheme of focal spray. Test check of records of a few States revealed the following:-

Rajasthan: Test check in five districts revealed that focal spraying was not at all done in three districts viz., Alwar, Bharatpur and Sikar during 1981 to 1987. In one district viz., Udaipur only 0.15 lakh houses (nine per cent) were covered against 1.69 lakh houses required to be covered in 1981 and no such spraying was done thereafter. In the remaining one district viz., Bikaner spraying was not done during 1981-84 and only token spraying was done during 1985-87.

Tamil Nadu: There were 0.17 lakh Malaria cases in 21 primary health centres during 1983 to 1987, but 78 to 97 per cent of the houses requiring focal spray in such areas were not sprayed. The poor coverage was stated to be on account of refusal of the persons to agree to focal spraying.

West Bengal: Focal spray was not carried out in two districts viz Malda and Purulia involving population of 0.86 lakh in 1981 to 1987 due to paucity of funds and for want of insecticides even though deadly virus was detected in these areas.

The Ministry stated, in January 1989, that the Directorate did not monitor the focal spray operations being carried out in the States.

3.8.4 Excessive use of insecticides.- The target for spraying under MPO was to cover all areas recording API 2 and above annually with appropriate dosage of insecticide. The Directorate, thus, prescribes an appropriate spray

schedule for each State. Test check showed that in many States, quantity of insecticides used was far in excess of the requirement as per the prescribed norms. This resulted in avoidable extra expenditure of Rs.908.58 lakhs and improper utilisation of insecticides as per instances indicated below :-

Bihar: In three districts (Hazaribagh, Nawadah and Singhbhum), 2179 tonnes of DDT were used in 1980-88 against the requirement of 1949 tonnes; thus there was excessive use of insecticides by 230 tonnes valued at Rs.34.00 lakhs. Further, areas with API below 2 covering population of 230.30 lakhs in three districts (Dhanbad, Giridh and Hazaribagh) were sprayed both rounds of insecticides during 1980-88 simultaneously with areas API 2 and above instead of being subjected to only focal spray. This resulted in excessive use of about 717 tonnes of DDT involving extra expenditure of Rs.106 lakhs. On the other hand, in four districts of Giridh, Dhanbad, Palamau and Ranchi, against the requirement of 395, 194, 1019 and 1171 tonnes of DDT only 326, 146, 942 and 850 tonnes of DDT were used. The short utilisation in these districts ranged from 8 to 27 per cent.

Goa: During 1980-87, against the requirement of 16,354 kgs, 29,311 kg of DDT (75 per cent) were used; the excess consumption ranged from 59 to 620 per cent. Likewise, 17,330 kgs of DDT (50 per cent) were used against the actual requirement of 7,447 kgs during 1983 to 1987, the excessive use ranged from 40 to 326 per cent.

Gujarat: 94.01 tonnes of DDT valued at Rs.11.74 lakhs was used

in excess in two districts Ahmedabad (46.66 tonnes; cost Rs.5.83 lakhs) and Kaira (47.35 tonnes; cost Rs.5.91 lakhs) during 1984 to 1986 and 1984 to 1985 respectively.

Karnataka: The cost of 1493 tonnes of insecticide used in excess of requirement of 3015 tonnes during 1981-85 was Rs.160.56 lakhs

Madhya Pradesh: 1007 tonnes of DDT and 821 tonnes of BHC valued at Rs.259.93 lakhs were used in excess of requirement of 4934 tonnes of DDT and 4375 tonnes of BHC during 1981-86 in respect of specific rounds of spray. The value of quantities used in excess during 1987 and 1988 was Rs. 42.35 lakhs approximately.

Meghalaya: During 1981-87, 498.5 tonnes of DDT costing Rs.77.65 lakhs were used in excess of the prescribed requirement of 341.7 tonnes.

Mizoram: During 1981-87, 446 tonnes of insecticide were used in excess of requirement of 200 tonnes, the cost of which was Rs. 33.30 lakhs.

Uttar Pradesh: During 1983 to 1987, 1418.50 tonnes of DDT and 1264.62 tonnes of BHC were used against the requirement of 324.66 tonnes and 692.74 tonnes in five and two districts respectively. The cost of 1093.84 tonnes of DDT and 571.88 tonnes of BHC used in excess of requirement was Rs.183.05 lakhs.

The Ministry stated, in January 1989, that three committees were formed to study the reasons for excessive/deficient use of insecticides in some States. The Committees had attributed

excessive/ deficient use of insecticides to spraying surface areas being larger than the areas as visualised in MPO, high discharge rate from nozzle, and loss of insecticide due to frequent handling and soakage in rain water. The committees had recommended early supply and utilisation of insecticide, handy packing of insecticide, change of norms for calculation of requirement of insecticide and change of nozzle tips at an appropriate time.

3.8.5 Unnecessary and improper spraying operations.- In Karnataka, annual spray was continued in all the earmarked sections despite reduction in the malarial indices noticed during 1982 to 1985. Though the State Government sought approval of the Directorate of NMEP in 1983 for withdrawal of spray in sections recording less than 2 API, the latter gave approval after nearly four years in March 1987. Spray operations in these areas were stopped from the second round of spray of 1987. The continued coverage of sections recording less than 2. API during 1983 to 1987 (first round) resulted in avoidable expenditure of Rs.33.84 lakhs (approximately).

In accordance with the prescribed time-schedule, usually two rounds of DDT commencing from March and August were to be given annually. If BHC/ Malathion were used, three rounds commencing from 1st March, 1st August and 15th October were to be given annually with proper dosages as per an advance schedule drawn up and approved. The residual effect of the insecticides, which last for six/ten weeks depending on the insecticides used, as also its density on the sprayed surface, checks transmission of malaria. In

Karnataka, in six out of eight districts test checked, there were delays of 7 to 38 days in spray operations which reduced the effectiveness of the insecticides. The total expenditure on such untimely spray amounted to Rs.21.25 lakhs.

3.8.6 Excess supply of insecticides.- In the following States, insecticides were supplied in excess of their requirements:-

Bihar: In Sitamarhi district, 156 tonnes of DDT valued at Rs.32.58 lakhs were lying in stock in May 1988. Reasons for not using the insecticide were not on record, though there had been a shortfall of 38 per cent in spray coverage in the district.

Meghalaya: During 1981-88, against the requirement of 461.70 tonnes of DDT, 1023.96 tonnes were available in stock resulting in excess stocking of 562.26 tonnes of insecticide valued at Rs.71.48 lakhs.

Punjab: During 1981-88, against the requirement of 7266 tonnes of DDT, 12,258 tonnes of BHC and 3205.59 tonnes of Malathion, 16.59 tonnes of DDT 1133.95 tonnes of BHC and 43.23 tonnes of Malathion valued at Rs. 3.15 lakhs, Rs.92.24 lakhs and 9.31 lakhs respectively were purchased in excess of requirement.

Rajasthan: In 1981-87, in five districts, against the requirement of 3027 tonnes of DDT and 4027 tonnes of BHC, 1912 tonnes of DDT and 1405 tonnes of BHC were supplied in excess.

The Ministry stated, in January 1989, that the Directorate supplied insecticides to the States/

districts strictly on the specific requirement by the State malaria authorities and since the allotment of insecticides to the districts was made by the State Government, the latter monitored proper stocking and use at district level. The Directorate had thus not done any scrutiny of the requirements reported by the State

Governments.

3.8.7 Use of time-expired insecticides.-Excessive procurement of insecticides and their retention beyond the date of expiry leading to avoidable expenditure aggregating Rs. 144.63 lakhs during 1982 to 1988 was noticed as shown below:

Name of the State/ Union Territory	Period during which insecti- cides were used	Quantity (in tonnes)	Value (Rupees in lakhs)
Gujarat	October and November 1985 August to October 1986	83.00	14.11
Haryana	1982, 1985, 1986, 1987 and 1988	613.12	103.38
Karnataka (Hassan and Mandya districts)	1985/86	31.18	6.79
Manipur	July 1985 and February 1986	47.92	8.97
Dadra and Nagar Haveli	1982, 1984, 1985, 1986, 1987 and 1988	73.45	11.38
Total		848.67	144.63

The Ministry stated, in January 1989, that the Directorate had no information about utilisation of time-barred insecticides. The Ministry also stated that DDT was a stable compound and the technical content of even time-barred formulation did not show any substantial decrease. The reply of the Ministry was not convincing since it was observed that the

quantity of life expired DDT 50 per cent was only 55 tonnes of the total quantity of 841.77 tonnes and the remaining quantity of 786.78 tonnes of insecticide was Malathion.

3.8.8 Entomological failure and use of inappropriate insecticides.- Effectiveness of the spray operation depends upon the

susceptibility of the vector mosquito to the insecticides sprayed. Thus entomological surveys were the basic requirement in selection of the right type of insecticides.

Test check of records of a few States/UTs revealed the following:-

Maharashtra: A switch over from DDT to BHC/Malathion was made in Sholapur in 1984, in Aurangabad and Ahmednagar in 1985 and in Thane in 1987 without any susceptibility tests/consultation and approval of the Director, NMEP.

West Bengal: 1319 tonnes of DDT valued at Rs.251.55 lakhs were sprayed during 1981-88 in Jalpaiguri district without verifying the extent of resistance of the malaria vector to the insecticides, reportedly because no assistant entomologist was posted. The Ministry stated, in January 1989, that the services of other entomological staff were utilised.

Even where instructions had been given based on entomological studies to spray a particular type of insecticide in a designated area, the States had not followed the instructions for spraying the prescribed insecticides.

Punjab: In four blocks of Patiala district and in one block of Sangrur district, Malathion was required to be sprayed. Instead, BHC was sprayed in place of Malathion in the first and second round during 1983.

West Bengal: 2179 tonnes of BHC valued at Rs.174.89 lakhs were sprayed in three districts of Bankura, Midnapur and Purulia between 1984 and 1986 despite its reported ineffectiveness. In Malda district, despite reported

ineffectiveness of DDT, 194 tonnes of DDT valuing Rs.36.46 lakhs were sprayed between 1981 and 1987.

Malathion is the costliest of the three insecticides (others being DDT and BHC) both in terms of the initial cost of insecticides as well as its spraying cost and could be used only on technical advice.

Andhra Pradesh: 498 tonnes of Malathion valued at Rs.109.85 lakhs were procured during December 1986 to April 1987 for use against possible outbreak of malaria due to floods in August 1986. To obtain the same effect 55.33 tonnes of DDT valued at Rs.6.26 lakhs would have been sufficient. Out of the total quantity purchased, insecticides received long after the floods were utilised for regular spray operations under NMEP in seven districts in 1987-88. The use of Malathion, instead of DDT was not based on any technical decision. Even its use was against the recommendations of the In-depth Evaluation Committee. The effects of utilisation of the Malathion at other places incurring extra expenditure of about Rs.88 lakhs compared to DDT are mentioned below

(i) In Vishakhapatnam district, Malathion was introduced even though the incidence of malaria was under control with DDT spray in 108 out of 110 sections. Similarly, in six out of nine sections in Srikakulam, 47 out of 52 sections in East Godavari and 11 out of 12 sections in West Godavari districts, Malathion was used, though the incidence of malaria was under control with DDT.

(ii) The use of Malathion did not result in control of the malaria incidence and there was manifold increase in the incidence. Some

instances of increase are tabulated hereunder :-

District	Section	API (before use of Malalathion)	API 1987 (after use of Malathion)
Vizianagram	Yendebadra	0.87	9.1
	Gumma	6.21	32.77
Vishakhapatnam	Kasipatnam	6.3	51.4
	Kotturu	5.4	21.4
	Iragi	6.5	24.9
	Dodipet	7.3	23.5
	Pedaguda	7.2	20.2
	Arlada	1.0	22.0
East Godavari	Maredumilli	27.8	116.8
	Addarivalasa	25.5	123.3
	G.M. Valasa	30.6	156.0
	Y. Ramavaram	50.9	117.6

3.8.9 Spray of insecticides without reference to entomological tests.- At several places, the supply and consumption of insecticides had not been regulated in accordance with the results of entomological surveys as per instances given below:-

Andhra Pradesh: According to the information furnished by six Zonal Malaria Offices, the number of tests actually conducted was nil in four years in one Zonal Malaria Office and in three years, in three Zonal Malaria Offices during 1980 to 1987 against the prescribed minimum of 24 tests per year.

Bihar: Though the vector had become resistant to DDT, demand for any other insecticides was not made. Moreover, susceptibility tests were conducted in only 97 out of 471 primary health centres. Thus the objective of giving entomological support to the programme was not achieved.

Himachal Pradesh: The spray operations were conducted without entomological study of susceptibility of vector to DDT.

Madhya Pradesh: The resistance of vector to DDT and BHC was strongly indicated. Even then DDT (14,126 tonnes) and BHC (31091 tonnes) were used during 1981-88 involving expenditure of Rs.17,710 lakhs on material, equipment and operation.

Kerala: No regular entomological studies had been carried out since 1983.

In Goa, Meghalaya and Tripura, tests were not carried out.

3.8.10 Non-establishment of insecticides testing laboratories.- The Public Accounts Committee in their 161st Report (1983-84), and 19th Report (1985-86) had recommended the setting up of insecticides testing laboratories

in the States of Gujarat, Haryana, Karnataka, Maharashtra, Madhya Pradesh, Orissa, Punjab, Rajasthan and Uttar Pradesh on priority basis. According to the information furnished by the Directorate, in November 1989, the laboratory was established and functioning only in Karnataka, while in Madhya Pradesh, the State Government had intimated that the building had been acquired and testing of field spray performance tests had also started. In the remaining seven States, the insecticides testing laboratories had not been set up so far.

3.9. Surveillance

3.9.1 Fortnightly checks under active surveillance.- Under the programme, every primary health centre is divided into various sections and each such section is assigned to a multi-purpose worker (MPW) who is responsible for conducting proper fortnightly surveillance by enumerating all the families in village register in form MFI.

Andhra Pradesh: 6.33 lakhs of population were not covered by surveillance in six districts having 61 sections for periods exceeding three months. In another district, population of 0.84 lakh in six sections was not covered by surveillance for periods ranging from one to four years.

Chandigarh: No fortnightly visits/monthly visits were made by officers for months together in 1986.

Dadra and Nagar Haveli: No record was maintained to verify the extent of fortnightly visits. Nor did the malaria officer and the medical officer evolve any system to get periodical information about the extent of surveillance.

Gujarat: Surveillance was not conducted in 90 to 94 per cent fortnights in four districts involving nine primary health centres (21 primary health centres in 1988) during 1985-88.

Karnataka: Forty-three villages were not covered during 1984 and 1986; of these, one village was not covered for 17 years while another village was not covered for 20 years.

In two States of Karnataka and Tamil Nadu, wall stencilling, which was part of the job chart designed to monitor regularity of surveillance work, was not done despite instructions of the Government of India. Consequently, the data on surveillance provided by the multi-purpose worker was not susceptible of verification even by the department.

3.9.2 Shortfall in collection of blood smears.- In terms of blood smears, 10 per cent of population in a year was required to be screened in the ratio of 60 to 40 by active and passive methods of detection respectively. Active collection takes place by departmental authorities whereas passive collection is done by the hospitals, dispensaries, voluntary agencies, etc. Targets of blood smear collection were not met; the percentage of shortfall in collection of blood smears in four States was as under:

Name of State	Period	Percentage shortfall
Bihar	1980-88	52 to 76
Punjab	1984-88	42 to 46
	January to March 1989	57
Tamil Nadu	1984-88	23 to 51
Uttar Pradesh	1981-88	15 to 34

Further, even where blood smear collection was being done, the passive method was found to be in greater use.

Punjab: Passive surveillance exceeded active surveillance in 1981, 1982, 1984 and 1985.

Bihar; Records of 29 out of 32 primary health centres (PHC) test checked showed that most of the blood smears were collected only from fever cases treated at the centres and the performance at the Fever Treatment Depots (FTDs) or through mass survey, etc., was practically nil.

Chandigarh: Passive collection exceeded the active collection year after year during 1981 to 1988-89.

Mizoram: The percentage of active collection to total collection ranged from 22 to 41 only during 1981-1988.

The Indepth Evaluation Committee had noted in 1985 that the present malaria intelligence system did not play an effective role in the control strategy. The Ministry admitted, in January 1989, that fortnightly surveillance, which was required to be done as per the MPO guidelines, was not being carried out in the right perspective due to a large number of vacancies in the cadre of multipurpose workers.

3.9.3 Delays in examination of blood smear slides.- According to instructions, the blood smear slides duly stained were required to be sent to the laboratory the same day and latest within 72 hours. In para 7.9.6 of the Advance Report of the Comptroller and Auditor General of India for the year 1980-81 - Union Government

(Civil), a mention was made of cases of delay in sending blood smear slides for examination and those remaining unexamined.

The incidence of unexamined slides was particularly high in two malaria infested States viz. Kerala and Madhya Pradesh during 1981-88. The number of blood smear slides remaining unexamined in these two States was 9.31 lakhs; Kerala 5.21 lakhs and Madhya Pradesh 4.10 lakhs.

The cost of collection and examination of each BSS was estimated to be Rs.5/- by the Central Government. If half of the expenditure was treated for collection, smearing and forwarding the slides, the expenditure on collection of 9.31 lakh slides in two States alone, which remained unexamined, worked out to Rs.23.28 lakhs approximately which proved unfruitful. In addition, the positive cases were deprived of the much needed radical treatment.

3.9.4 Confirmation and cross examination of results of blood smear slides examination.- All positive malaria cases were required to be confirmed and a percentage (0.5 to 7.5 per cent) of smears declared negative at the unit laboratory were required to be re-examined by the State central laboratory and 2.5 per cent were to be cross-checked at the Regional Coordination Office (RCO).

The Directorate of NMEP in the Annual Report for 1986 had conceded that this norm had not been followed by all the RCOs and only a few had reported cross checking as per norms.

Test checks in the States revealed as under:-

Andhra Pradesh: Seven primary health centres of four districts had not sent blood smear slides for cross check. Where blood smear slides had been cross checked, the results thereof were communicated to the unit laboratories after delays of six months which defeated the very purpose of cross check.

Gujarat: Blood smear slides received for cross checking in four districts during 1987 had several deficiencies viz. too thin, fixed, not visible, incomplete dehaemoglobin, poor staining, bad numbering, poorly drawn, washed out, etc. in 39 to 52 per cent cases. Thus cross checking could not be satisfactorily carried out.

In five States, the percentage shortfall in cross checking of examined blood smear slides ranged from 51 to 100 (Bihar 100, Kerala 62, Rajasthan 69, Sikkim 51 and West Bengal 52) during 1980-81 to March 1989.

The Ministry stated, in January 1989, that instructions to the States and Regional Directors existed to undertake cross checking for malaria positive cases and negative cases at State/ Central laboratory and at the Regional Co-ordination Office.

3.10. Radical treatment

3.10.1 Shortfall and delays in administering radical treatment.- Radical treatment of administering prescribed dosage of primaquine tablets of 15 mg per day for five days was required to be given to all cases found malaria positive after examination of blood smear. The time lag of radical treatment should not be more than seven days from the date of detection of the positive case. In five States of Bihar, Madhya Pradesh, Rajasthan, Tamil Nadu and West Bengal, there were shortfalls ranging from 13 to 23 per cent in administering radical treatment in positive cases during 1981-88 as indicated below :

Name of the State	Year	Number of positive cases	Number of cases given Radical Treatment	Short-fall	Percentage of short-fall
(In lakhs)					
Bihar	1981-88	3.65	3.14	0.51	14
Madhya Pradesh	1981-88	17.71	15.11	2.60	15
Rajasthan	1981-87	5.80	5.05	0.75	13
Tamil Nadu	1981-87	4.62	3.88	0.74	16
West Bengal	1981-88	3.36	2.58	0.78	23

Besides cases of shortfalls mentioned above, there were delays in administering radical treatment of 30 days in 16 per cent cases in Andhra Pradesh (1985-87), 11 to 30 days in 41 to 70 per cent cases in Dadra and Nagar Haveli (1982-86 and 1988), 11 to 90 days in 18 per cent cases in four test-checked districts in Haryana (1981-88), 14 days in 46 per cent cases in eight test-checked units in Madhya Pradesh (1981-87), more than 90 days in 11 out of 24 test checked units in Maharashtra (1980-87), 8 to 30 days in 43 per cent cases in Meghalaya (1985-87), 11 to 90 days in 62 per cent cases in Rajasthan

(1981-87) and 31 to 60 days in 11 per cent cases in Tamil nadu (1984-87).

3.10.2 Excess use of anti-malarial drugs.- In paragraph 7.10.4 of the Advance Report of the Comptroller and Auditor General of India for the year 1980-81, Union Government (Civil), a mention was made of excess consumption of anti-malarials vis-a-vis the prescribed norms in the five States (Assam, Bihar, Haryana, Maharashtra and Uttar Pradesh) valued at Rs.111.55 lakhs. Excessive use of anti-malarials were still noticed during 1980-88 as under :-

Year	Name of the drug	Quantity required to be used	Quantity actually used	Exces quantity used	Value of excess drug used	
		(Number in lakhs)			(Rupees in lakhs)	
Assam	1980-88	Primaquine	133.18	360.86	227.68	77.81
		Aminoquine	554.93	1061.05	506.12	
Bihar	1980-87	Chloroquine (8 districts)	346.45	450.45	104.00	31.00
		Primaquine (5 districts)	5.07	11.32	6.25	
Meghalaya	1985	Paracetamol	0.70	2.30	1.60	1.25
		Aminoquine	2.34	4.51	2.17	
	1986	Paracetamol	0.79	2.14	1.35	
		Aminoquine	3.72	5.16	1.44	
		Metakalfin	0.35	0.54	0.19	
	1987	Paracetamol	0.51	0.97	0.46	
Aminoquine		1.66	4.96	3.30		
Mizoram	1982	Chloroquine	34.16	53.00	18.84	2.27
	1983					
	1985 to					
	1987					
West Bengal	1981-85	Tablets	258.84	426.04	167.20	20.06
Total :					132.39	

No specific reasons for excess consumption were given by the Ministry. The Ministry stated, in January 1989, that State Governments were responsible for ensuring proper distribution of anti-malarial drugs as per programme schedule and their consumption by the people.

3.10.3 Use of time-barred anti-malarial drugs.- Use of time-barred anti-malarials had earlier been commented upon in the Advance Report of the Comptroller and Auditor General of India for the year 1980-81 - Union Government (Civil). But the practice still persisted as per instances given below :-

Bihar: 12 lakh primaquine tablets which were more than five years old were consumed.

Karnataka: 28.89 lakh primaquine tablets valued at Rs.0.62 lakh, which had lost their potency in December 1983, were administered during January 1984 to December 1986 in seven districts.

Madhya Pradesh: Despite instructions issued by the Directorate, in September 1975, not to use quinine sulphate tablets which were time-barred, one lakh tablets were supplied to District Malaria Officer, Ambikapur, in April 1978 and these were used till 31st December 1987. Besides, shelf life expired 3.22 lakh daraprim tablets were used for treatment during September 1984 and December 1987.

Rajasthan: In three districts of Bharatpur, Bikaner and Udaipur, 5.30 lakhs of time-barred primaquine tablets were issued for treatment during 1984-88.

Tamil Nadu: One lakh primaquine tablets manufactured, in February 1980 were received in Zonal Office Coimbatore, in April 1985 and were distributed between August 1986 and October 1987 after expiry of shelf life.

Test check of records of the following States showed stocks of time-barred medicines as under :-

Name of the State	Name of Drug	Number (In lakhs)	Value (Rs. in lakhs)
Andhra Pradesh (five districts)	Daraprim	8.02	Not available.
	Primaquine	3.9	0.08
Assam	Primaquine	20.00	0.81
Bihar (three districts)	Primaquine	1.12	0.02
Jammu and Kashmir	Primaquine	9.90	0.40
Manipur	Injections (vials Chloroquine)	0.06	0.14
Rajasthan	Primaquine	198.00	3.84

Use of time expired drugs results not only in infructuous expenditure but also generate adverse after effects.

The Ministry stated, in January 1989, that these anti-malarials were in use and no adverse after effects were reported and that no survey on adverse after effects was, therefore, necessary. It added that the use of anti-malarial drugs beyond sixty months had been stopped.

3.11 *Urban malaria scheme.*- In 1971, Government initiated the Urban Malaria Scheme (UMS) with the main objective of controlling malaria by reducing the vector population in urban areas through recurrent antilarval measures since indoor residual spraying of insecticides was not acceptable by residents. The scheme was envisaged for towns having population of 40,000 and above and was sanctioned for 133 towns in 17 States and 2 Union Territories of Andhra Pradesh, Bihar, Chandigarh, Delhi, Gujarat, Haryana, Jammu and Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal. However, the scheme was actually in operation only in 126 towns. The scheme had not been introduced in three towns in Rajasthan and in one town each in Gujarat, Karnataka, Orissa and West Bengal.

(i) Expenditure on urban malaria scheme.- Under the scheme, Central Government pays 50 per cent of the cost. Expenditure of Rs.2730.70 lakhs had been incurred on the scheme during 1980-81 to 1988-89. State-wise position regarding release of funds and expenditure incurred thereagainst is given in Annexure III.

(ii) Implementation of bye-laws.- One of the most important aspects of control of urban malaria was implementation of bye-laws of mosquito control, drainage and water collection in the cities. Except for Bombay, most other urban units either did not have the bye-laws or those were not being strictly followed.

Andhra Pradesh: While the Municipal Corporation, Vijayawada initiated action under the provisions of the relevant Act to ensure that the premises did not become breeding places of mosquitoes with positive results, similar steps had not been taken in Hyderabad and Vishakhapatnam which had high incidence of malaria.

Gujarat: Bye-laws in respect of one Municipal Corporation (Rajkot) were not put in operation in the absence of delegation of powers to a nominated officer, bye-laws passed by one municipality (Nadiad), in November 1982, had not been confirmed by State Government so far while in case of Surendra Nagar Municipality, the bye-laws were not effectively enforced.

(iii) Incidence of malaria.- In Andhra Pradesh, the incidence of malaria had increased in five out of eight urban areas between 1980 and 1988: Hyderabad from 1436 to 8090, Vishakhapatnam from 36 to 2479, Vijayawada from 216 to 3702, Guntur 1666 to 2072 and Warangal from 41 to 327.

Jammu and Kashmir: The incidence of malaria had increased in Jammu from 240 in 1981 to 3776 cases in 1986. Even *P. Falciparum* cases had risen from 14 in 1984 to 34 in 1986.

Madhya Pradesh: The incidence

of malaria positive cases had increased in Bhopal by 117 per cent during 1987 as compared to the incidence in 1986. The incidence of malaria further increased in 1988 by 45 percent over that of 1987.

Maharashtra: Positive cases increased in Bombay from 1971 in 1980 to 4301 during 1988-89.

Tamil Nadu: The incidence in Madras city alone ranged from 45 to 72 per cent of total incidence in the State during 1981 to 1988. The incidence of malaria had increased in municipalities of Erode and Salem between 1983 and 1988 from 568 to 6472 and 682 to 2071 cases respectively. The rise was due to abnormal increase in breeding places on account of new houses etc, shortfall in radical treatment, shortfall in coverage of bloodsmear collections and employment of sanitary inspectors not trained in malaria eradication operations.

(iv) Shortfall in anti larval operations.- In Andhra Pradesh, breeding sources identified by the Municipal Corporation of Hyderabad for anti-larval operations remained more or less constant during 1980-81 to 1987-88, since sources in new localities were not covered. Even in the case of identified sources, shortfall in coverage of anti-larval operations in 1987-89 was 42 per cent in respect of cisterns, 60 per cent in respect of overhead tanks and 22 per cent of drains. All the 15 hand sprayers, 255 dented spades and 6 vanfog machines with the Municipal Corporation were not in working condition and were to be condemned. Forty out of 42 power sprayers (mist blowers) were not put to use due to acquisition of unsuitable sprayers of inferior

quality for which enquiry was pending (January 1990).

Rajasthan: In two towns viz. Bikaner and Bharatpur, the number of breeding sources increased from 0.52 lakh to 0.72 lakh and from 0.14 lakh to 0.17 lakh respectively during 1981 to 1987. In Bikaner, against the tentative targets of 1295 to 1681 pits to be filled and 12,049 to 12,544 water collections to be drained per annum during 1981-87, the achievement ranged from 107 to 343 pits filled and 1942 to 12,364 water collections drained. In Bharatpur, no targets were fixed.

Tamil Nadu: In Madras Municipal Corporation areas, 31 per cent of the breeding places were not covered by larvicide spraying during 1985.

Uttar Pradesh: In four urban districts (Agra, Mathura, Meerut, Moradabad), the coverage fell short of the targets by 22 to 45 per cent during 1981 to 1987.

Anti-larval operations undertaken by the gangs were required to be cross-checked by medical officer and assistant entomologist. In cross checks in three districts of Agra, Allahabad, Kanpur, it was found that 30 to 86 per cent of spots were not treated with larvicides during 1983 to 1987.

(v) Shortfall in collection of blood smears.- In Maharashtra, the Directorate did not fix any targets for collection of blood smears for the units. It also did not prescribe any performance reports for watching the progress of the scheme.

In Madras Municipal Corporation

areas, blood smear collections under active surveillance fell short of the targets by 63 to 89 per cent during 1981 to 1988.

In Calcutta, against 32.13 lakhs of blood smears required to be collected between 1981 and 1986, only 4.04 lakh blood smears (12.40 per cent) were collected and examined despite gradual increase in positive cases from 6660 in 1981 to 26,056 in 1984.

(vi) Shortfall in passive surveillance.- In Andhra Pradesh, 56.51 lakhs urban population in 13 districts was not covered by surveillance. In the absence of active surveillance, malaria case detection was only through passive surveillance. Blood smear collections under the passive surveillance in the urban areas were far below the norm of 15 per cent of the new out-patient cases.

Test check of records of three months of 1986 and 1987 revealed that out of 101 passive agencies in five districts, 66 agencies (65 per cent) either did not furnish reports of blood smear collections or did not indicate the number of new cases. The number of blood smears collected by 17 agencies was less than 5 per cent ranging from nil to 4 per cent of new cases treated.

In five Government hospitals/dispensaries in Hyderabad and Secunderabad, 5665 out of 17439 fever cases (32 per cent) were treated without collection of blood smears, the percentage of cases treated without collection of blood smears ranged between 22 and 51. In a Hospital in August 1987, 142 malaria positive cases were detected out of 605 blood smears examined, still about 40 per cent

of the fever cases were treated without collecting blood smears.

Out of 120 Government and semi-Government health institutions in the twin cities, 68 institutions (57 per cent) were not conducting passive surveillance. Even in the case of Central Government health clinics, only 2 out of 12 clinics were screening the patients for malaria.

(vii) Excess supply and consumption of larvicide.- In Andhra Pradesh, larvicide was supplied by the Directorate in excess of requirement by 249 per cent to 430 per cent. Larvicides were supplied to one unit Khammam for the year 1987-88 from February to April 1988 at the same level as was done in the previous years despite a specific request by the District Malaria Officer in April 1987 not to supply larvicides as the existing stocks were sufficient. The District Malaria Officer, Nalagonda stated, in May 1988 that most of the stocks valued at Rs.1.52 lakhs at the end of December 1987 were life expired and the balance stock was likely to expire its life shortly as the supplies were in excess of requirement.

In Rajasthan, the annual average consumption of various larvicides was greater by 3.8 times for Bikaner and 5.9 times for Bharatpur during 1981-87 resulting in wastage and excessive use of larvicide. In spite of excessive use of larvicides, there was hardly any reduction in API and mosquito density.

In Uttar Pradesh, test check of records of five districts (Allahabad, Meerut, Moradabad, Mathura and Varanasi) revealed that

during 1981 to 1987, there was excess use of larvicides valued at Rs.22.73 lakhs. In five districts (Agra, Allahabad, Mathura, Meerut and Varanasi) during 1981 to 1987 larvicides valued at Rs.6.93 lakhs were used after 7 to 32 months of their shelf-life.

In Tamil Nadu, in Erode against the annual requirement of only 87.5 litres each of Baytex and Temophos, the stocks as on 31st March 1988 were 630 and 365 litres representing 720 and 417 per cent of the annual requirement.

(viii) Key posts of biologists.- Biologist is in-charge of control operations and appraisal of the results under the scheme.

In the two districts of Bikaner and Bharatpur in Rajasthan, the posts of biologists had remained vacant since August 1982 and October 1982 respectively.

In Tamil Nadu, there was no biologist in any of the nine towns in which this scheme was implemented. The posts were vacant in six municipalities and had not been sanctioned for the remaining three municipalities.

(ix) Municipal claims for reimbursement.- In Andhra Pradesh, claims for reimbursement of expenditure amounting to Rs.93.96 lakhs of four municipal corporations/ municipalities, (Hyderabad: Rs.59.16 lakhs, 1972-73 to 1981-82; Kurnool: Rs.23.31 lakhs, 1982-87; Vijayawada: Rs.0.92 lakh, 1976-77 to 1979-80 and Warrangal: Rs.10.57 lakhs, 1984-85) had not been paid.

In Karnataka, Rs. 6.75 lakhs due to four municipalities for the year 1978-79 to 1984-85 had not

been reimbursed so far.

In Tamil Nadu, claims totalling Rs.66.54 lakhs for reimbursement of operational expenditure preferred by five municipalities for 1980-81 to 1985-86 (two municipalities), 1980-81 to 1986-87 (two municipalities) and 1980-81 to 1987-88 (one municipality) were pending with the Government. These municipalities reported that their financial position was in bad shape on account of non-payment.

3.12 *Manpower*.- Key posts of officers responsible for implementation of the programme remained vacant for long periods.

Andhra Pradesh: Four out of six posts of zonal malaria officers remained vacant for years together; five posts of district malaria officers also remained vacant for 42 months.

Arunachal Pradesh: One out of three posts of district malaria officers remained vacant till July 1988.

Assam: The post of Joint Director of Health Services (Malaria) was held by seven officers in eight years up to March 1988.

Bihar: 55 per cent posts of district malaria officers remained vacant till March 1988. The post of State entomologist had been lying vacant since March 1984.

Goa: Epidemiological investigations were being done by the sanitary inspectors of the concerned primary health centres instead of the entomologist.

Gujarat: Four out of 19 posts of district malaria officers remained vacant during 1987-88.

Himachal Pradesh: Though nine posts of district malaria officers stood sanctioned in 1980, yet these were still lying vacant (June 1988).

Jammu and Kashmir: One post each of State entomologist, assistant entomologist and district malaria officer, four posts of malaria inspectors were not sanctioned during 1981-87 as envisaged under the MPO. The State malariologist stated that deficiency of staff was impediment in smooth implementation of the programme.

Kerala: One post of entomologist had remained vacant from 1983 to November 1988.

Madhya Pradesh: Two out of nine posts of assistant entomologists remained vacant till March 1988.

Maharashtra: The post of junior entomologist at Nagpur had remained vacant from 1984 to 1986-87; in six districts, six posts of junior entomologist remained vacant for varying periods during 1983 to June 1988. The post of State entomologist also remained vacant during 1988-89.

Punjab: All the 13 posts of entomologists/ parasitologists remained vacant from 1978-79 to October 1987.

Rajasthan: Two out of four posts of assistant entomologists and one out of 27 posts of deputy chief medical and health officers remained vacant till November 1987. Two posts of biologists had also been lying vacant since 1982.

3.13 *Overstaffing.*- The State of Nagaland was treated as one district under the Modified

Programme of Operation. Scrutiny by Audit showed that staff had been deployed in excess of the prescribed norms which resulted in extra expenditure of Rs.12.20 lakhs per annum in respect of the programme "rural" and Rs.37.60 lakhs in respect of the programme "urban" during July 1984 to March 1988. In addition, expenditure of Rs. 13.58 lakhs and Rs.11.13 lakhs in respect of rural and urban respectively was incurred during 1988-89. The approval of Government of India for operating the additional posts was not on record.

3.14 *Untrained staff.*- According to status report on malaria control (July 1985) the first priority for training need was for district malaria officers followed by zonal malaria officers and entomologists.

Andhra Pradesh: Two out of six zonal malaria officers and 21 out of 22 district malaria health officers were not trained in Malariology.

Assam: One out of three zonal malaria officers, four out of 16 district malaria officers and 14 out of 17 chief medical and health officers were not trained. Even the Joint Director, Health Services, who was the state malaria officer and the Deputy Director, Health Services (Malaria), had no training.

Bihar: 13 out of 14 district malaria officers had no training in malaria.

Dadra and Nagar Haveli: Chief medical officer, medical officers of primary health centres and malaria inspectors were not trained in malaria eradication.

Rajasthan: One out of five

zonal medical officers and 22 out of 26 deputy chief medical officers were not trained.

West Bengal: Both the zonal medical officers had no training in malariology.

The In-depth Evaluation Committee (October 1985) had observed that the training provided was inadequate and insufficient to meet the needs of the country and that training facilities at the Centre and the State levels should be developed immediately but not later than 1987.

The Directorate stated, in October 1988, that full capacity of courses run by National Institute of Communicable Diseases and regional offices was not utilised by States.

3.15 *Multi purpose worker.*- Multi purpose worker is at the core of the operational efficiency of the programme. The success of the programme also depends on active case detection through routine collection of blood smears from individuals presently suffering from or reporting recent spells of fevers. This routine collection is to be carried out by the multi purpose worker on fortnightly visits in the villages of his area of operations. He is to cover about 5000 population on fortnightly rounds.

In Andhra Pradesh, the entire State was covered by the Scheme but the staff was not sanctioned according to the norms. Threats of punishment for not achieving targets and incentive for achievement under the Family Welfare Programme drew the health worker away from responsibilities

under the malaria programme. Government stated, in October 1988, that low priority attached to the programme was affecting the implementation of the Programme.

In Kamrup district of Assam, according to an Appraisal Team in almost all primary health centres, the multi purpose workers drawn from disciplines other than malaria were not collecting the required number of blood smear slides. There was resistance to draw the stencil and sign the same during their visit by the multi purpose workers drawn from disciplines other than malaria.

In Bihar, the poor performance of blood smear collection was attributed among other reasons to lack of interest in the programme by the health worker.

Wall stencilling is part of the job chart of the multi-purpose workers and is designed to monitor the regularity of the surveillance work. In Karnataka, despite specific instructions of the Government, in January 1985, this was not done by the health workers. Consequently, the data on surveillance provided were not susceptible of independent verification.

In Madhya Pradesh, against a minimum requirement of about 12090 multi purpose workers for a population of 604.53 lakhs at the end of March 1989, only 9683 posts were sanctioned of which only 8365 were in position as at the end of March 1989. This had resulted in denial of active malarial services to a large section of population and epidemiological surveillance had seriously suffered.

The Indepth Evaluation

Committee (October 1985) had observed that the converting of a vertical unipurpose malaria worker scheme into a horizontal multipurpose worker scheme proved too heavy a drag on the front line worker. It further stated that given the other and equally important tasks assigned to the multi purpose worker within the frame work of primary health care, duties assigned to him are practically impossible to do. It also pointed out that vacancies were very common at multi-purpose workers level, in some areas upto 50 per cent. Consequently, many sections remained totally uncovered for months even during high transmission period.

3.16 *Voluntary organisations and community participation.*- One of the major objectives of Modified Plan of Operation is to make available anti-malarial drugs to fever cases in remote and inaccessible areas through voluntary institutions like fever treatment depots and drug distribution centres .

Andhra Pradesh: 87 per cent out of 2740 fever treatment depots and 85 per cent out of 4878 drug distribution centres, which were established, did not function during the period 1985 to 1987. Reasons for non-functioning of the established agencies on such a large scale were not furnished (October 1988).

Bihar: Out of ten districts test checked, no such depots were established in three districts, the number of fever treatment depots and drug distribution centres functioning was 43 and 144 against 680 and 3095 established in seven districts at the end of 1988.

Gujarat: The number of fever treatment depots and drug distribution centres functioning came down steeply from 20,954 and 11,026 in 1981 to 11,178 and 7,778 in 1988 respectively.

Maharashtra: Out of 12,000 fever treatment depots sanctioned, only 7,186 (60 per cent) fever treatment depots were established and functioned. In 40 per cent tribal areas, arrangements could not be made for treatment of fever cases during 1980 to 1987. During 1988-89, out of 1500 fever treatment depots sanctioned, 826 were functioning.

Manipur: No drug distribution centre and fever treatment depot was opened in tribal areas as per the Modified Plan of Operation.

Rajasthan: In five districts (Alwar, Bharatpur, Bikaner, Sikar and Udaipur) against 666 to 721 fever treatment depots required to be established, 355 to 721 were established of which only 351 to 704 actually functioned during 1981 to 1987.

West Bengal: The number of voluntary organisations in 1988 was 2452. Most of these organisations were not functioning due to lack of incentive, for want of feed back and other administrative difficulties. No grant was given to these organisations. In Jalpaiguri district, insecticides and antimalarial drugs valuing Rs.24.44 lakhs were issued between 1981 and 1987 to tea estates and panchayats but neither any report on utilisation nor any information about their activities was available.

3.17 *Health-education and Publicity.*- Health education is the basic means of enlightening the masses for control of malaria. An organised attempt was needed through audio-visual aids, film shows, distribution of printed material, etc. in that direction. Practical aspects like the advantages of spraying and how effectively it could be done were also to be covered. According to the information furnished by the Directorate, in November 1989, expenditure of Rs.23,954 lakhs was incurred on publicity during 1980-89 against the budget allocation of Rs.52,851 lakhs. The extent of saving ranged from 51 to 92 per cent in seven out of nine years.

Andhra Pradesh: Health education was limited to display of stencils and posters on malaria. Though display of films on malaria alongwith other health programmes was reported in some of the districts, particulars of activities on malaria actually conducted were not furnished. It was noticed that the slide projectors issued by the State Directorate to the field offices remained unutilised. One of the three projectors in Krishna District and the projector in Adilabad district were transferred to the deputy medical health officers. Full particulars regarding procurement and issue of slide projectors were not furnished by the State Directorate.

Bihar: Funds were not provided in any year to initiate activities for imparting health education and enlisting public cooperation.

Maharashtra: There was no separate cell for health education at the State level of malaria organisation. In 1983-84, the State

Directorate procured five exhibition sets designed to educate public on malaria and allotted the same to only four regions. The manner in which health education activities were conducted in the remaining three regions was not known. The extent of exhibition of film on 'Malaria' was not monitored. In 14 units, only 5033 shows were arranged during 1980-81 to 1987-88 against 9480 prescribed; out of these, only 2515 pertained to malaria. The projectors were utilised for shows on subjects other than malaria in five regions.

Manipur: Lack of action to enlist public cooperation resulted in lack of active cooperation of the community by refusing to allow spraying of their homes/ rooms over the years.

Rajasthan: The malaria inspectors were responsible to get publicity material distributed and displayed as also to undertake talks on malaria in different panchayats and schools. All these activities were to be recorded in their daily diaries and in their monthly reports on health activities. Information relating to such activities was neither kept in the daily diaries of the malaria inspectors nor were monthly reports submitted to deputy chief medical health officers. Submission of such reports by their malaria inspectors was also not insisted upon by the deputy chief medical health officers.

No voluntary organisation was actively associated with the implementation of the programme. The people's participation in the programme was not encouraging and there were cases where villagers refused to get their homes sprayed.

West Bengal: Activities in regard to health education had not been taken up by the State Directorate.

3.18 *Monitoring and evaluation.*-

For the purpose of monitoring and assessing the performance of the programme from time to time, various reports like monthly epidemiological situation reports to be submitted by 20th of the following month, annual reports, spray completion reports after the completion of each round etc., tour reports and for drug distribution centres and fever treatment depots, working reports and returns were prescribed by the Directorate, for submission by the executing agencies. This was, however, not done in many States with regularity and accuracy. As a result, corrective and remedial measures were not recommended in time by the States or Central Government. In Bihar, Goa, Karnataka, Manipur and West Bengal, for example, basic records were either not maintained or were reported to the States from the districts in a haphazard and irregular manner without vital data regarding the posts of technical staff lying vacant.

In Andhra Pradesh, no State level committee was constituted.

In Gujarat, the State level committees met only once in 1979, 1983-1986 and 1988 and twice in 1987 against the four meetings in a year.

In Haryana, although the District Malaria Officer submitted regular monthly reports, no suggestions/signals for improvement were issued by the zonal offices to the district malaria offices.

In Rajasthan, independent

appraisals of the working carried out several times by teams nominated by the Government of India had made various observations like lack of supervision by supervisory staff due to paucity of funds, resistance to DDT and BHC in the vector, lack of training of personnel, etc. No remedial measures had been taken by the State Government.

In Sikkim, an Independent Appraisal Team which visited the Malaria Unit in 1979, had observed that the average output of the laboratory technicians in examining blood smears was low. However, this position still persisted despite enough staff being employed.

States like Bihar, Meghalaya, Nagaland and Sikkim had been sending incomplete or discrepant returns to the Centre. Directorate of NMEP took usually long time in dealing with the requests/reports of the States.

3.19 *Recommendations of the*

indepth Evaluation Committee of October 1985.- Realising the need for reviewing the Modified Plan of Operation, Government appointed a Committee comprising National and International experts. The Committee in their report submitted in October 1985, recommended a long term anti-malaria programme for the period 1986-90. It also put forward 20 specific recommendations for implementation during the Seventh Plan. It was, however, seen that the anti-malaria programme had not yet been implemented. Final action had also not been taken on a large number of the recommendations of the Committee.

(i) The Committee had recommended malariogenic stratification of the country on the basis of operational

socio, economic and epidemiological grounds. This was still in the process of being done. Directorate, NMEP stated, in June 1988, that the base line information had been collected from 100 primary health centres and was submitted to the Member of the Experts Committee for fitting in the data in one of the seven States.

The Ministry stated, in January 1989, that it would not be possible to analyse this data on manual basis and a computer was in the final stage of installation.

(ii) The Committee had recommended that Health Education Bureau at State and Central levels should be professionalised and community participation strengthened by laying down specific guidelines for district malaria officers and zonal malaria officers. A Committee constituted for this purpose had not submitted its report so far.

(iii) The Committee had recommended that there was a need for inter and intra-sectoral co-ordination. The Directorate, NMEP, stated, in October 1988, the response of other ministries was not encouraging and only Ministry of Agriculture and Central Water Commission had sent their comments.

3.20 *Other points of interest.-*

(a) In Madhya Pradesh, 19,079 tonnes of BHC worth Rs.1559 lakhs was purchased in 3.82 lakh steel drums costing Rs.177 lakhs during 1981 to 1986. On test check of records of 10 units, it was observed that none of the executing agencies maintained any account of such costly drums.

(b) In West Bengal, in three districts, against the requirement

of 558 gangs, 1146 gangs of field workers were engaged between 1981 and 1987 resulting in extra expenditure of Rs.112.49 lakhs.

(c) Expenditure of Rs.11.12 lakhs was incurred by the Directorate on the purchase of 25,056 litres of pyrethrum through Director General, Supplies and Disposals in 1979. Sample testing done, in February 1980, at the Sri Ram Test House, Delhi on receipt of complaints had indicated that the material was not pyrethrum and contained presence of Synthetic Pyrethroids. No joint sampling was done with the supplier and in the mean time, the shelf life expired. Thus the expenditure of Rs.11.12 lakhs proved infructuous.

The Ministry agreed, in January 1989, that the shelf life of the insecticide had expired and the decision for joint sampling could not materialise and stated that inspection of the material was the responsibility of the Director General, Supplies and Disposals.

(d) Government Medical Stores, Patna supplied to the Chief Medical Officer 65,806 ampules of Quinine Hydrochloride injections in December 1980, which were manufactured by a firm more than 30 years ago in 1947-48. Although in September 1981, the Directorate had advised that the medicine should not be used unless it was tested by the Drug Controller, Calcutta. Neither the results of tests nor reports about consumption of medicine issued by the district malaria officers to the primary health centres were available. The Chief Malaria Officer, Bihar, Patna stated, in August 1989, that test reports from the Drug Controller, Calcutta had not, so far, been received (August 1989).

The Ministry stated, in January 1989, that the Directorate had advised the State authorities to get the ampules tested before use.

Thereafter, the Directorate had not received any intimation on the subject from the State Government.

ANNEXURE-I

[see Paragraph 3.5]

Statement showing Budget estimates expenditure and un-spent balances in respect of Central Assistance relating to National Malaria Eradication Programme (Rural) for 1980-81 to 1988-89

(Figures in Lakhs)

S.No	Name of the State	For the period 1980-81 to 1984-85			For the period 1985-86 to 1988-89		
		Budget estimate	Expenditure	Balance	Budget estimate	Expenditure	Balance
1.	Andhra Pradesh	767.42	763.71	(-) 3.71	978.00	1325.70	(+) 347.70
2.	Assam	1517.65	1380.49	(-) 137.16	1288.70	1640.58	(+) 351.88
3.	Bihar	1342.67	1224.51	(-) 118.16	1477.95	1363.48	(-) 114.47
4.	Gujarat	3153.21	2989.35	(-) 163.86	3238.30	3617.32	(+) 379.02
5.	Haryana	1939.86	1969.24	(+) 29.38	2429.32	757.23	(-) 1672.09
6.	Himachal Pradesh	223.64	423.36	(+) 199.72	452.39	411.84	(-) 40.55
7.	Jammu & Kashmir	122.11	145.05	(+) 22.94	227.35	242.61	(+) 15.26
8.	Karnataka	2132.58	1906.91	(-) 225.67	1955.67	1130.10	(-) 825.57
9.	Kerala	23.98	5.09	(-) 18.89	-	26.17	(+) 26.17
10.	Madhya Pradesh	2668.97	3167.07	(+) 498.10	2629.37	5043.51	(+) 2414.14
11.	Maharashtra	4116.16	5066.83	(+) 950.67	5629.21	4087.06	(-) 1542.15
12.	Manipur	141.63	158.51	(+) 16.88	159.80	241.08	(+) 81.28
13.	Meghalaya	131.45	238.55	(+) 107.10	135.68	214.78	(+) 79.10
14.	Nagaland	93.04	79.20	(-) 13.84	97.86	170.88	(+) 73.02
15.	Orissa	1624.68	1322.98	(-) 301.70	1184.47	1066.98	(-) 117.49
16.	Punjab	920.56	1229.60	(+) 309.04	1733.19	1553.15	(-) 180.04
17.	Rajasthan	2141.61	2114.07	(-) 27.54	1933.53	1739.87	(-) 193.66
18.	Sikkim	12.54	43.16	(+) 30.62	5.63	62.75	(+) 57.12
19.	Tamil Nadu	699.19	274.74	(-) 424.45	259.04	384.95	(+) 125.91
20.	Tripura	166.15	211.58	(+) 45.43	226.64	292.37	(+) 65.73
21.	Uttar Pradesh	2755.39	2597.54	(-) 157.85	3125.32	4069.45	(+) 944.13
22.	West Bengal	702.11	608.78	(+) 93.33	746.73	672.27	(-) 74.46
23.	Arunachal Pradesh	352.81	314.78	(-) 38.03	406.93	469.48	(+) 62.55
24.	Goa, Daman & Diu	35.05	21.94	(-) 13.11	17.15	16.22	(-) 0.93
25.	Mizoram	188.41	210.16	(+) 21.75	181.57	207.93	(+) 26.36
26.	Pondicherry	13.92	5.75	(-) 8.17	8.16	10.15	(+) 1.99
27.	Andaman & Nicobar Islands	98.57	116.54	(+) 17.97	161.03	160.53	(-) 0.50
28.	Chandigarh	13.52	28.69	(+) 15.17	23.54	9.32	(-) 14.22
29.	Dadra & Nagar Haveli	63.26	37.46	(-) 25.80	54.84	40.65	(-) 14.19
30.	Delhi	232.66	221.67	(-) 10.99	228.77	178.79	(-) 49.98
31.	Lakshadweep	8.76	3.80	(-) 4.96	6.49	3.64	(-) 2.85
Total		28403.56	28881.11	(+) 477.55	31002.63	31210.84	(+) 208.21

N.B.:- Figures for this statement were furnished by Directorate of N.M.E.P.

From 1980-81 to 1988-89

	Budget estimate	Expenditure	Balance
Grand Total	59406.19	60091.95	(+) 685.76

ANNEXURE-II
[See Paragraph 3.6]

Statement of positive cases of Malaria reported during 1981-89

S.No	Name of the States/ U.Ts./ Others	1981	1982	1983	1984	1985	1986	1987	1988 (Provisional)	1989 (upto March)
1	2	3	4	5	6	7	8	9	10	11
1.	Andhra Pradesh	38234	34942	35638	46238	36814	28836	53010	62535	12976
2.	Arunachal Pradesh	33601	32148	31343	28234	24896	21810	16959	19254	1910
3.	Assam	58106	81799	49237	59678	61978	113135	63858	56296	4981
4.	Bihar	64121	49100	47217	51376	48960	42463	32749	23038 x	2927
5.	Goa	151	105	107	112	80	433	4814	6732	964
6.	Gujarat	414968	332984	280060	253552	139207	153562	274593	460683	57148
7.	Haryana	305690	185447	138600	147160	104020	62575	18926	9237	616
8.	Himachal Pradesh	81857	48708	38947	27966	36478	42136	22460	10209	313
9.	Jammu & Kashmir	5703	7042	9901	18144	34026	41815	11540	4430	72
10.	Karnataka	158528	102299	61982	32293	39237	58119	88505	127008	18543
11.	Kerala	4127	3981	3725	4735	3854	3382	3772	5147	323 *
12.	Madhya Pradesh	337508	228982	171585	145712	111631	165592	303033	306882	26547
13.	Maharashtra	110552	84814	82983	91949	61825	47998	60557	84030	10923
14.	Manipur	1265	2342	1553	1284	1166	1778	1084	1076	186
15.	Meghalaya	12640	16710	11600	15315	12560	14687	10975	11863	1069
16.	Mizoram	17361	24677	14991	15056	16217	19116	15356	20030	1864
17.	Nagaland	7401	6814	4595	5322	5163	6317	5000	3744	399 *
18.	Orissa	298471	296400	251829	283927	246223	316139	237810	208068	34073
19.	Punjab	232071	207925	177265	216098	223756	174012	86604	33342	964
20.	Rajasthan	100654	75320	115177	101955	67040	54818	85523	104109	2240
21.	Sikkim	40	49	35	27	57	45	24	23	1
22.	Tamil Nadu	71517	65797	67192	71320	71347	58741	55523	75953	11982
23.	Tripura	6182	10596	10176	13126	8334	9318	8107	6178	573
24.	Uttar Pradesh	175930	170233	285618	419708	373006	228244	126181	135096	8783
25.	West Bengal	30717	34237	41861	46340	46814	53620	46029	36318	1607
26.	Andaman & Nicobar Islands	5045	3470	6455	4054	3648	3276	3271	3360	677
27.	Chandigarh	34215	26125	23306	24292	37546	30723	19349	14157	652
28.	Dadra & Nagar Haveli	3198	1963	1660	1640	2400	4150	5625	5845	588
29.	Daman & diu	1126	580	775	696	256	394	384	779	48
30.	Delhi	62415	46530	42107	38108	32556	26613	14112	14423	929
31.	Lakshadweep	0	4	5	3	1	2	3	1	-
32.	Pondicherry	414	474	434	545	274	224	220	309	56
33.	Coalfields	1771	1670	859	493	559	548	283	126 x	5
34.	DNK Project	25562	18035	9787	17988	12451	7746	7045	Information of these areas included in Orissa and Madhya Pradesh	-
Total		2701141	2182302	2018605	2184446	1864380	1792167	1663284	1848281	204958

x :-Incomplete figures

* :- Figures for Kerala and Nagaland upto February 1989.

ANNEXURE III
[See Paragraph 3.11(i)]

Statement showing Budget estimates expenditure and un-spent balances in respect of Central Assistance relating to National Malaria Eradication Programme (Urban) for the period 1980-81 to 1988-89.

(Figures in lakhs)

S.No	Name of the State	For the period 1980-81 to 1984-85			For the period 1985-86 to 1988-89		
		Budget estimates	Expenditure	Balance	Budget estimates	Expenditure	Balance
1.	Andhra Pradesh	99.42	61.73	(-) 37.69	159.74	106.41	(-) 53.33
2.	Bihar	33.81	8.44	(-) 25.37	59.59	41.38	(-) 18.21
3.	Gujarat	108.08	73.99	(-) 34.09	239.72	216.52	(-) 23.20
4.	Haryana	64.51	60.16	(-) 4.35	109.64	162.08	(+) 52.44
5.	Jammu & Kashmir	6.55	2.03	(-) 4.52	15.18	14.63	(-) 0.55
6.	Karnataka	87.22	39.00	(-) 48.22	160.58	128.31	(-) 32.27
7.	Maharashtra	114.02	109.10	(-) 4.92	170.54	296.65	(+) 126.11
8.	Madhya Pradesh	71.29	43.77	(-) 27.52	91.79	100.40	(+) 8.61
9.	Manipur	3.91	2.25	(-) 1.66	12.44	17.91	(+) 5.47
10.	Orissa	40.16	17.18	(-) 22.98	59.22	41.73	(-) 17.49
11.	Punjab	54.45	47.01	(-) 7.44	116.63	98.47	(-) 18.16
12.	Rajasthan	73.98	23.47	(-) 50.51	142.00	91.89	(-) 50.11
13.	Tamil Nadu	67.24	49.51	(-) 17.73	112.76	95.97	(-) 16.79
14.	Tripura	2.42	1.56	(-) 0.86	3.62	8.18	(+) 4.56
15.	Uttar Pradesh	162.59	47.17	(-) 115.42	284.10	223.50	(-) 60.60
16.	West Bengal	44.46	24.80	(-) 19.66	33.72	47.69	(+) 13.97
17.	Kerala	-	0.23	(+) 0.23	-	-	-
18.	Nagaland	0.17	0.36	(+) 0.19	6.80	31.06	(+) 24.26
19.	Andaman & Nicobar Islands	-	0.94	(+) 0.94	-	-	-
20.	Delhi	60.82	102.28	(+) 41.46	119.03	157.04	(+) 38.01
21.	Chandigarh	44.06	53.07	(+) 9.01	86.49	82.83	(-) 3.66
Total		1139.16	768.05	(-) 371.11	1983.59	1962.65	(-) 20.94

N.B:- Figures for this statement were furnished by Directorate of N.M.E.P.

Total from 1980-81 to 1988-89		
Budget estimates	Expenditure	Balance
3122.75	2730.70	(-) 392.05

4. Construction of nurses' hostel in Safdarjung Hospital

The construction of a new nurses' hostel (Phase-I) for 248 nurses in Safdarjung Hospital was sanctioned by Government, in November 1970, at a cost of Rs. 22.64 lakhs to meet the urgent needs of accommodation. In March 1971, the Matron's office brought to the notice of the hospital authorities that the requirement of accommodation was more for married nurses since one-third of the staff were married and the number of married staff was likely to increase further and hence the new hostel should be planned as married accommodation. The proposal of Matron's office was not agreed to and it was intimated by the Director General of Health Services in April 1971 that estimates/plans had already been finalised and that changes could only be feasible in the second phase. The construction of hostel could not start for another five years as the land (approximately 8.13 acres) on which the hostel was to be built was under dispute. Although land was taken over by the hospital in August 1975, the Central Public Works Department was advised, in September 1975, to keep further action pending till a final decision regarding conversion of hostel into married hostel accommodation was taken. In November 1976, it was finally decided to provide accommodation for 580 unmarried nurses only, including student nurses. Accordingly, the construction of hostel for staff and student nurses was sanctioned, in July 1978, for an estimated cost of Rs. 148.45

lakhs. It was also envisaged that with the construction of new hostel, the existing nurses' hostel would be vacated and used for resident doctors.

The construction work commenced in March 1980. Even while construction was in progress, representations were received by the authorities from the nurses reiterating their demand for married accommodation. The completion of the building was delayed largely due to indecision regarding accommodation for married/ unmarried nurses and additions and alterations to meet fire safety requirements, etc. The building was finally ready with 543 rooms, in July 1988, at a cost of Rs.2.29 crores. The building was taken over by the Hospital block-wise between July 1988 and March 1989. The long time in taking over the building was attributed (June 1989) to procedural delays and non-appointment of security staff. The accommodation had not been allotted to the nurses so far (September 1989) due to their reluctance to shift.

The Hospital Administration stated, in September 1989, that nurses had been asked to shift immediately to the new hostel. It was observed that even the existing hostel with 223 rooms comprising Matron's house and 222 rooms for nurses including 48 double seater rooms was not fully occupied, with vacancies ranging from 18 to 34 per cent during March 1987 to May 1989. It was also observed that out of 706 nurses, 520 nurses were married, 120 nurses were unmarried and 66 were student nurses. The

likelihood of full utilization of the new hostel as constructed was, therefore, doubtful.

Consequently, while on the one hand, the constructed accommodation remains unoccupied, there is, on the other, denial of quarters to married nurses whose requirements remain unfulfilled. Inadequate planning and improper assessment of demand have resulted in delay in construction despite the fact that the project was mooted in November 1970. The investment of Rs. 2.29 crores on the building will remain substantially blocked up.

The matter was reported to the Ministry in July 1989. The Ministry admitted, in January 1990, that the nurses had been agitating for married accommodation as a result of which it had not been possible to utilise the 543 rooms in the building completed in July 1988 and that the single room accommodation was not suitable for meeting the needs of married nurses. The Ministry also stated that other measures were being considered by which the accommodation could be partly utilised by married nurses and partly by student nurses/unmarried nurses.

5. Poor utilisation of mobile vans

A mention was made in the Report of the Comptroller and Auditor General of India for the year 1982-83 Union Government (Civil) regarding poor utilisation of mobile vans allotted by Government to Lady Hardinge Medical College and Smt. Sucheta Kriplani Hospital, New Delhi (College) under the scheme of Re-orientation of Medical Education (ROME) for intensification of rural health care under the guidance and

expertise of medical faculty. Ministry had stated, in June 1985, that action was under way to improve the utilisation of vans to the extent possible.

A further examination in Audit showed that two of the three vans which were received in the College, in December 1979, and September 1980 were not utilised up to June 1984 and March 1984 respectively and finally went off the road from May 1986 and December 1987 after doing 11080 and 8888 kms. inclusive of 1030 and 684 kms. in test runs. The third van received, in September 1980, went off the road from April 1984 after running 1989 kms. inclusive of 488 kms. of test run. These vans had not been repaired and put back into operation so far (October 1989). Thus the utilisation of vans continued to be poor. Ministry attributed (October 1989) the poor utilisation of vans to non-availability of spare parts.

Three drivers and two cleaners were appointed exclusively for these vans and an expenditure of Rs. 4.96 lakhs was incurred on their salaries up to March 1989. Ministry had stated, in October 1988, that the services of the drivers were being utilised against other available vacancies. A verification by Audit, in July 1989 and October 1989 respectively, revealed that there were no vacancies in the cadre of drivers and cleaners.

As the vehicles costing Rs.15.96 lakhs which were specially equipped for the scheme had remained off the road for most of the time, the object of the scheme had remained largely unfulfilled. The College and the Ministry had stated, in June and

October 1989 respectively that the services under scheme were being provided at the door steps of the villages by utilising other available vehicles. On enquiry, the College furnished details of services like medical care, laboratory services, maternity and child health services, immunisation and family welfare services provided in two of the three attached centres only during 1988. These were not comprehensive as were envisaged in the ROME scheme. Ministry admitted, in October 1989, that the type of equipment available in mobile vans could not be fitted in the matador type vehicles and that equipment needed for ailments seen in these areas and minor surgery was taken in the matador vans. Consequently, the comprehensive package of general and specialised services could not be provided.

6. Construction of a sterilisation ward

As part of the programme of family welfare Government sanctioned all India Hospital Post Partum Scheme in 1969. The scheme envisaged separate sterilisation wards with buildings, equipment, beds, etc., in the various medical institutions. A mention was made in paragraph 22.6 (iv) of the report of the Comptroller and Auditor General of India for 1984-85 - Union Government (Civil), Volume-I that the construction for the building for one centre in the All India Institute of Medical Sciences (AIIMS) New Delhi, could not start as funds amounting to Rs. 5.33 lakhs provided to the Institute in March 1981 were inadequate.

In September 1985 a fresh proposal for construction of a 20 bedded ward and an operation

theatre on the sixth floor of the existing teaching block of the AIIMS was approved by the Ministry at a cost of Rs. 24.28 lakhs. The work was required to be completed by June 1986 to make it functional. Grants aggregating Rs. 20.17 lakhs were paid by the Ministry to AIIMS in November 1985 and September 1986. In March 1986, AIIMS informed the Ministry that the lay out plan and estimates for the work had been prepared and tenders were being invited. AIIMS, however, applied for permission to the New Delhi Municipal Committee (NDMC) for construction only in May 1986. The permission was not, however, granted initially due to the imposition of ban by the Ministry of Urban Development on construction of buildings more than 45 feet in height and subsequently, because of the inability of the AIIMS to obtain the clearance of the fire authorities as the teaching block was constructed during the period when provisions for fire safety were not mandatory. AIIMS also intimated the Ministry, in April 1989, that there were certain practical difficulties in the construction of the proposed sterilisation ward on top of the existing teaching block and an in-house Committee had been constituted to reconsider the site for construction of ward and operation theatre. In response to an inquiry by Audit, AIIMS intimated, in January 1990, that the Superintending Engineer had been requested to suggest a suitable site for the approval of the in-house Committee. Further developments were awaited (December 1989).

Thus the benefit of the ward and operation theatre envisaged under the family welfare programme in 1969 could not be provided even

after a period of twenty years.

Ministry stated, in August 1989, that it had remained in constant touch with AIIMS but there were genuine and practical difficulties in the provision of facilities.

7. Establishment of a drug de-addiction ward at Safdarjung Hospital

In view of the phenomenal rise in drug abuse in Delhi and other parts of the country, the Ministry constituted an Expert Committee on drug de-addiction, in January 1986, to examine and recommend solutions on all aspects of de-addiction. A high level committee, which discussed the recommendations of the Expert Committee, decided, in July 1986, to set up drug de-addiction wards in different hospitals in Delhi including Safdarjung hospital, New Delhi, since treatment of drug de-addiction cases was not possible in general wards. The ward was to start functioning in the hospital by October 1986.

In pursuance of the above decision, the Safdarjung Hospital earmarked a portion of the building for location of a ten bedded drug de-addiction ward to which requisite additions and alterations were carried out by the Central Public Works Department in November 1986. In March 1987, the Ministry intimated the hospital that the Planning Commission had approved the setting up of this ward in hospital. Against 28 posts of medical, para-medical, clerical and conservancy staff sanctioned for this ward in October 1987, 21 were actually filled up. In February 1988, an amount of Rs. 5.50 lakhs was also sanctioned by Government

for purchase of equipment for the ward. During 1987-89 a total expenditure of Rs. 9.79 lakhs had been incurred on the ward. Audit inquired from the hospital in September 1989 whether the equipment had been installed in the ward, whether any patients had been admitted for de-addiction in 1987-89 or whether they were treated in the general ward. The hospital did not furnish any reply.

In July 1989, the Ministry ordered the establishment of the centre at lady Hardinge Medical College and Smt. Sucheta Kripalani Hospital by transfer of staff and equipment from the Safdarjung hospital. The hospital issued orders for transfer of the staff to the Collage in September 1989. According to the information furnished by the College in December 1989, Rs 2.91 lakhs had been spent on the salaries of the staff during 1989-90. The College also stated that 11 members of the staff had not joined on transfer from the hospital, and no equipment was received. Further, since the nursing staff and house-surgeons were not in position, only a limited in-patient service was being provided for drug addicts.

Thus the expenditure of Rs. 12.70 lakhs incurred in the Safdarjung hospital on the establishment of de-addiction ward did not prove fruitful, and the benefit of the services envisaged as per the decision taken, in July 1986, was also not provided to the drug addicts.

The matter was reported to the Ministry in July 1989, reply has not been received despite reminders issued in September and November 1989.

8. Temporary mis-appropriation of hospital receipts

Financial rules require that all moneys received by or on behalf of the Government should be brought to account without delay. A test check of the accounts of the General Hospital, Chandigarh disclosed that out of the total daily collections of Rs. 1.93 lakhs made during March 1985 to May 1987 by the laboratory Assistant, Rs. 1.38 lakhs were deposited by him with the cashier of the hospital by the end of May 1987 leaving a balance of Rs. 0.55 lakh. The delay between the collections and deposit of the amounts ranged from 20-140 days and the amount of deposits with the cashier was

invariably less than the amount collected by the laboratory Assistant during the period. The temporary misappropriation was facilitated by non-observance of codal provisions by the hospital authorities.

Chandigarh Administration stated, in August 1988, that the balance short deposit of Rs. 0.55 lakh had also been recovered during June 1987 to August 1988. The Ministry/ Chandigarh Administration while admitting the facts stated, in December 1988 / June 1989, that disciplinary action against the officials had been initiated and the collection procedure had been streamlined.

CHAPTER III

Ministry of Home Affairs

9. Non-recovery of rent for hostel accommodation

The Principal, Central Detective Training School, Chandigarh incurred a sum of Rs. 3.80 lakhs on the hiring of buildings used as hostel accommodation for the trainees in various courses during August 1980 to 25th July 1988. The sanctions issued by Government of India, Ministry of Home Affairs relating to the hiring of accommodation, inter-alia, provided that full rent of buildings used as hostel accommodation would be recovered from the trainees on monthly basis up to 25th July 1988 where after it was fixed at the rate of Rs. 7.75 per day. A test check of the accounts of the school by Audit, in October 1988, however, disclosed that no recovery of rent for hostel accommodation was effected from 1168 trainees during this period. This resulted in loss to Government to the extent of Rs.3.80 lakhs.

The Bureau stated, in May 1989, that matter regarding waiving of recovery was being taken up with the Ministry of Home Affairs and Ministry of Finance.

The matter was referred to the Ministry in June 1989; reply has not been received (October 1989).

10. Non-accounting of Government receipts

According to the Central Government Accounts (Receipts and Payments) Rules 1983, all money

transactions should be entered in the cash book as soon as they occur and attested by the Drawing and Disbursing Officer in token of check. A receipt in the prescribed form, which is machine numbered, is required to be given by the Head of Office, or such other officer who may be designated for the purpose, to the payer of Government dues after ensuring, before signing of the receipt and initialling its counterfoil that the amount has been entered in the cash book. Further, all moneys received by or tendered to Government Officers on account of revenues or receipts or dues of the Government are, without undue delay, required to be paid in full into the accredited bank for inclusion in Government account.

Test check conducted by Audit, in October 1988, revealed that amounts realised from the hostel occupants through the hostel warden pertaining to the period September 1986 to October 1988 were not brought to account in the cash book by the cashier. Consequently, Rs. 0.36 lakh was kept out of Government account. These were, however, accounted for in the cash book, in October 1988 only. Besides, receipts amounting to Rs. 0.18 lakh tendered by the hostel warden during October 1986 to May 1987 were accounted for in cash book after inordinate delays of two to eighteen months.

Following points were noticed in Audit:-

(1) Although the cashier had received the amounts from hostel

warden on different dates, he neither issued official receipts to the hostel warden nor made necessary entries in the cash book. He also did not keep the amount in the cash book. He also did not keep the amount in the cash chest since the physical verification done at the end of each month did not show any surplus cash in the chest. The money was also not remitted into the bank by him.

(ii) The hostel receipts were remitted by the hostel warden to the cashier through the drawing and disbursing officer, but the latter did not ensure its credit in the cash book. He was also not vigilant in bringing the receipts into cash book properly.

(iii) The hostel warden paid the amounts to the cashier and obtained his signatures in his file on different dates, but he did not insist upon issue of receipt from the cashier in proper form.

(iv) The head of the office did not make surprise checks of cash with reference to the cash book at any time.

Thus, failure to follow the prescribed procedure resulted in temporary misappropriation of Government money. This was also not detected by internal audit of the Bureau conducted in May 1987.

The Ministry confirmed in October 1989 that the aforesaid irregularities had occurred and stated that the Director of the Bureau had administered severe warnings to the drawing and disbursing officer and cashier for the lapses on their part and transferred them alongwith the incharge of the hostel. The Ministry also stated that the Bureau had been asked to carry out surprise inspections and to ensure that such irregularities do not occur in future.

CHAPTER IV

Ministry of Human Resource Development

11. Irregular expenditure

In January 1983, the Government of India sponsored a scholar for Ph.D. in Electronics in Canada for a period of three years. Besides rail fare, air fare, tuition fees and cost of books, maintenance grant of US \$ 5,000 per annum was also sanctioned. As per terms and conditions of the scholarship, extension beyond four years was not to be granted under any circumstances and unauthorised stay beyond four years would make the scholar liable to pay the expenditure incurred on him. The sanction also required that a progress report of studies would be submitted annually or at the end of the term. The scholar informed the High Commissioner of India in Canada in March 1983 that he had been admitted in Ph.D in Electronics.

The report for the year ending April 1984 (submitted in August 1984) showed that he had been working on his Master's degree in Electronics. The maintenance grant, however, was continued to be released by the High Commission in spite of the fact that the scholar had not joined the course for which he had been sponsored. The Professor concerned informed, in February 1986, that the scholar was expected to complete his Master's degree in April 1986 and that the fact that he had been away from the University for a while prior to starting his programme towards a Ph.D had a serious impact on his early progress. In spite of this, the term of the scholar was

extended upto March 1987 with maintenance grant. Subsequently, the term was extended upto March 1988 without maintenance grant. The High Commission, however, disbursed maintenance allowance of US \$ 3000 (C\$ 3600) for the period from 1st April 1987 to 31st October 1987.

Against a sanction given by the Ministry to a scholar for Ph.D in Electronics, Canadian dollars 51,115 (Rs. 4.68 lakhs) were disbursed for pursuing a course other than the one for which he was sponsored. Out of this, C\$3,600 (equivalent to Rs. 0.33 lakh) was disbursed without sanction.

The Mission stated, in June 1988, that every science scholar from India desirous of admission in Ph.D. course had to repeat the final year of M.Sc before he could join Ph.D.

Even if this is accepted, the candidate had been doing M. Sc for more than three years which was never taken note of. Further, extension beyond four years was granted by the Ministry, though without scholarship, in utter disregard of the scheme of scholarship.

The matter was referred to the Ministry, in November 1988. The Ministry stated, in September 1989, that the High Commission had never pointed out that the scholar was being paid for the Master's degree and that due to violation of the bond, the High Commission had been requested to recover the entire amount spent on the scholar.

Recovery action was awaited.

The Government thus incurred

irregular expenditure of C\$ 51,115
(Rs. 4.68 lakhs) on the purpose for
which it was not intended.

CHAPTER V

Ministry of Information and Broadcasting

12. Doordarshan commercial service

12.1 Introduction

Commercial advertisements were introduced on television in Delhi from first January 1976 on lines similar to those followed for commercial broadcasting on All India Radio. Initially, only static captions were allowed on television for advertisements but since this met with limited success, it was decided after six months to abandon it and commence spot advertisements on television. Commercial service has since then been extended to other regional centres, viz., Ahmedabad, Bangalore, Bombay, Calcutta, Hyderabad, Jullunder, Lucknow, Madras, Srinagar and Trivandrum as well as on second channel in the four metro cities.

The primary objective of commercial advertisements is to tell viewers about the availability and usefulness of such products as are of use to people living in urban and rural areas.

12.2 Scope of Audit

A test-check of the records of the Controller of sales was done by Audit from April 1989 to July 1989.

12.3 Organisational setup

The Controller of sales is the head of the Doordarshan commercial service under the Director General, Doordarshan. The Controller is responsible for

direction and supervision of planning and scheduling of advertisements, acceptance of contracts, and approval of materials and script. Commercial advertisements can be booked either in the office of the Controller or at the kendras but billing and payments are centralised in the office of the Controller. Bills are issued by the Controller on the basis of telecast certificates received from the Kendras.

12.4 Highlights

- Doordarshan had not maintained the prescribed records of time demanded, time available and sold and advertisers waiting for time. The time allotted for commercials viz. 10 per cent, as per the Doordarshan Manual was stated to have been reduced to five per cent by an internal order against which the actual utilisation was about two and a half per cent. Apparently, Doordarshan had not made significant efforts to market more time.

- The rate cards were revised at intervals ranging from 5 to 43 months. There was no fixed periodicity for review and revision of rate structure. Doordarshan did not revise the rate card at any time between March 1980 and August 1983 despite the increase of 76 and 141 per cent in the number of television sets and transmitters between January 1980 and December 1982 and February 1980 and August 1983 respectively.

- Sixteen agencies were granted accreditation even though Rs. 54.57 lakhs were due from them upto March 1987. These agencies had defaulted in payment of further amount of Rs.56.17 lakhs for bills raised upto January 1989 outstanding upto September 1989.

- Direct business with advertisers constituted less than one per cent of the total business of Doordarshan. Agencies doing business with Doordarshan were entitled to agency commission of 15 per cent from 1st January 1976. Even though the revenue earned from advertisements had increased from Rs. 2.07 crores to Rs.161.26 crores between 1977-78 and 1988-89, the rates of agency commission were not reviewed.

- Doordarshan did not maintain the prescribed agents' ledger. Consequently, there was no system to watch the performance of agents and also to obtain information of amounts due from them.

- Rupees 486.02 lakhs were due from 142 agencies upto January 1989 on account of telecast charges and interest thereon. The bills for telecast were raised after delay of more than 90 days. Bills for interest amounting to Rs. 61.16 lakhs were not raised for delayed payments. Although non-accredited agencies were required to make

advance payments, Rs. 0.28 lakh were due from non-accredited agencies in four cases.

- Improper reduction in prescribed rates resulted in loss of Rs. 4.50 lakhs to Doordarshan. Improper categorisation of telecasts resulted in loss of Rs. 3 lakhs. Improper telecasts resulted in further loss of Rs. 6.35 lakhs

- Doordarshan suffered loss of time worth Rs.4.80 lakhs due to make good spots and Rs. 2.82 lakhs for telecasting advertisements for which the parties had not contracted. Doordarshan had no system of keeping record of cases charged at reduced rates, or cases in which make good time was allotted to the parties.

- In one case, extra time resulting in benefit of Rs. 1.46 lakhs was granted to an agency; in two cases, there was under billing of Rs. 1.20 lakhs. An amount of Rs. 1.36 lakhs awarded in an arbitration case had not been recovered even after 23 months of the award.

12.5 Revenue receipts .- The budget estimates, revised estimates, and the actual receipts of Doordarshan commercial service during 1984-85 to 1988-89 were as under:

(In crores of rupees)

Year	Budget estimates	Revised estimates	Actual receipts
1984-85	Information	not available	31.43
1985-86		-do-	60.20
1986-87	60.00	90.00	98.32
1987-88	100.00	138.32	136.29
1988-89	142.00	146.00	161.26

The utilisation of the amounts received through commercial service is channelised by creation of a "non-lapsable" fund administered by the Ministry of Information and Broadcasting. The amount received from commercial service is credited to the non-lapsable fund after deducting total expenditure on Doordarshan commercial service. This expenditure includes the commissions paid on commercials and five per cent of the expenditure on Programme service. The amounts received through commercial service of All India Radio are also to be credited to this fund.

Expenditure out of non-lapsable fund was to be incurred with the approval of a committee constituted for the purpose. According to the rules for utilisation of revenues of commercial services of Akashvani and Doordarshan framed by the Ministry, in February 1977, and July 1981 the non-lapsable fund was to be utilised for recurring and non recurring expenditure primarily on improvement of software and hardware facilities, experimentation in new fields of development and electronics and programming in Akashvani and Doordarshan, implementing schemes which would increase the commercial revenues, payment of financial assistance to artists, etc.

A sum of Rs. 445.59 crores was deposited in the 'non-lapsable fund' by Doordarshan during 1976-77 to 1988-89. Against this a sum of Rs.298.10 crores (Revenue expenditure: Rs. 95.33 crores; Capital expenditure: Rs. 202.77 crores) was utilised from the fund till 1988-89.

12.6 Utilisation of time .- According to the Doordarshan Manual, ten per cent of the total transmission time was allotted for commercials. Doordarshan was required to maintain registers and statements showing time demanded, time available and sold and advertisers waiting for time. These registers/statements, which were essential had not been maintained. Information regarding total time available and time sold for commercials called for by Audit, in April 1989, was not made available by Doordarshan. Doordarshan stated, in May 1989, that no record was available of unsold time. In the absence of relevant information/records, it was not possible to ascertain the utilisation of time vis-a-vis time available for telecast.

The Ministry stated, in November 1989, that maximum permissible time allotted for commercials was, subsequently, reduced to five per cent by an internal order against which the actual utilisation was about two and a half per cent. Ministry also stated that relevant registers were not being maintained due to shortage of staff. Efforts made by Doordarshan to promote and increase the utilisation of time for commercials upto the permissible limit were not, however, intimated. Apparently, no significant effort was made by Doordarshan to market more time.

12.7 Rate structure .- A rate structure had been prescribed in the Doordarshan Manual for commercial advertisements. The powers to rationalise the commercial service rates including increase and decrease in rates

vested in the Director General. These were to be exercised in consultation with the Internal Financial Adviser up to September 1988, and from October 1988 in consultation with the Financial Adviser of the Ministry. The rates were revised from time to time keeping in view the factors like population, number of television sets and viewership of programmes. The addition of more Doordarshan kendras and transmitters was also taken into account.

As per rate cards furnished to Audit the rate structure was revised as mentioned below.

Revision made in	Period after which revised
February 1980	-
September 1983	43 months
November 1984	14 months
November 1985	12 months
March 1987	16 months
February 1988	11 months
August 1988	6 months
January 1989	5 months

There was no fixed periodicity for review and revision of rate structure.

The Ministry stated, in November 1989, that since 1984, the rate structure was continuously under review and the demand for advertisement time was constantly watched and revisions made after internal assessment. According to the Ministry, there was not much point in revising the rate structure earlier as the number of television sets and transmitters was growing very slowly and demand for advertisement time was also not such that a revision was called for. It was, however, observed in Audit that the number of television

sets increased by 76 per cent from 11.91 lakhs to 21 lakhs between January 1980 and December 1982 and the number of transmitters increased by 141 per cent from 17 to 41 between February 1980 and August 1983. However, no review/revision of rate structure was carried out between February 1980 and September 1983.

12.8 Appointment of agencies .- Prior to 1st January 1988, the status of agencies was being determined by the Central Sales Unit, Bombay both in the case of All India Radio and Doordarshan. Doordarshan was completely delinked from All India Radio from January 1988. New rules of registration and accreditation of advertising agencies on Doordarshan came into force from 1st January 1988. Existing agencies were required to apply afresh, and only such agencies were considered for accreditation which had satisfied the prescribed criteria relating to paid-up capital, volume of business, production of tax clearance certificate, etc. However, past performance of the agencies in making payments was not taken into consideration. Test check of records showed that 16 agencies against which Rs.54.57 lakhs were outstanding up to March 1987, were granted accreditation from January 1988. In respect of two of these agencies, the outstanding dues exceeded Rs.10 lakhs in each case. A further sum of Rs.56.17 lakhs was due from these 16 agencies for bills raised up to January 1989 and outstanding upto September 1989. According to Doordarshan, the outstanding amounts mainly pertained to disputed bills for which action was being taken separately.

The Ministry stated, in

November 1989, that the outstanding amounts constituted only a small percentage of total business secured through these agencies and that the decision to deaccredit these agencies on the basis of outstanding dues mainly on account of disputed bills would have been counter productive.

Doordarshan accepted advertisements directly from the advertisers and through agencies. Agencies doing business with Doordarshan were entitled to 15 per cent commission. Where advertisements were accepted directly, no commission was payable. The table below shows the total revenue from commercials and revenue realised from direct booking during 1986-87 to 1988-89:-

12.9 Agency commission .-

(In lakhs of rupees)

Year	Total revenue receipts	Revenue receipts from direct booking
1986-87	9832	8.96
1987-88	13629	15.30
1988-89	16126	5.17

Thus, direct booking which did not involve payment of 15 per cent commission, constituted less than one per cent of the total business of Doordarshan. During 1987-88 and 1988-89, about 25 and 24 per cent of the total business of Doordarshan were accounted for by three agencies.

The Ministry stated, in November 1989, that the agency commission was paid in accordance with international norm and this practice was followed by media all over the world. It also added that at no stage, necessity was felt to review the rate of commission.

The rate of commission was fixed when commercials were first introduced over AIR, in November 1967 and adopted by Doordarshan on introduction of commercials from January 1976. Even though the revenue earned from the advertisements telecast had increased from Rs.2.07 crores in 1977-78 to Rs.161.26 crores in 1988-89 and the amount of commission had increased from Rs.4.84 crores in 1984-85 to Rs.24.19 crores in 1988-89, the rates of agency commission had not been reviewed.

12.10 Agents' ledger .- According to the Doordarshan Manual, agents' ledger was required to be maintained by Doordarshan. The purpose of the ledger was to ascertain the total business given by each agent/ canvasser during the course of the year from all the kendras. The bill register maintained by Doordarshan was intended to indicate the total amount billed in respect of each agent and these totals were carried over to the ledger. As and when the payments were received, necessary entries were made in this ledger by giving reference to cash book

folio. At the end of each financial year and at regular intervals, the amounts due to or from the agencies were required to be confirmed.

Doordarshan was not maintaining 'agents ledger'. Receipts were watched through bill register only. Consequently, neither was the total business received from each agent/canvasser ascertainable nor could the confirmation of outstanding balances by the agencies be obtained.

The Ministry stated, in November 1989, that due to shortage of staff, it was found difficult to maintain the agents' ledger and that computerisation of the work of commercial wing had been undertaken which would fulfil this requirement.

12.11 Outstanding dues .- According to the terms and conditions of contracts with agencies, Doordarshan would submit monthly bills and the advertisers were required to pay all the bills promptly. In the case of accredited agencies, the payment was to be

made within 45 days from the first of the month following the date of telecast while in the case of non-accredited agencies, payment was required to be made not later than 15 days before the telecast. The agencies were responsible for payment of advertisement and related bills severally as well as jointly with the advertisers. Further, if an accredited agency failed to make payment of monthly bills on more than three occasions in a year or within 45 days after the prescribed credit period, it would automatically lose its accreditation.

No record was maintained by Doordarshan to show the outstandings from month to month. The outstanding bill register did not indicate the period from which the bills were outstanding. On an enquiry by Audit, Doordarshan intimated, in June 1989, that bills amounting to Rs.444.93 lakhs and interest amounting to Rs.41.09 lakhs were outstanding as on 1st May 1989 from 142 agencies for telecast charges up to January 1989. The break-up of the outstanding amount and interest was

as under :-

	Number of agencies	Amount	Amount of interest due
		(Rupees in lakhs)	
Agencies in existence	84	303.76	32.30
Agencies against which arbitration cases were initiated.	4	7.28	-
Agencies no longer doing business with Doordarshan	32	86.99	6.93
Government departments and undertakings	22	46.90	0.68
Agencies against which only interest was due	-	-	1.18
Total	142	444.93	41.09

According to an analysis prepared by Doordarshan in March 1989, in addition to delayed payments from the existing accredited agencies, the outstanding dues were also on account of the following factors:-

- (i) telecast of advertisements which were got cancelled by agencies well in advance;
- (ii) telecast of advertisements on National network and regional kendras because of incorrect advice by Doordarshan commercial service;
- (iii) telecast of advertisements by transmitting kendras which were not in accordance with the contracts received/advice sent.

All these fell in the category where the advertisements were telecast because of oversight/fault of Doordarshan staff.

In April 1989, Doordarshan decided to constitute an internal team to collect and compile the necessary information in respect of each disputed bill which would be analysed yearwise and agencywise. It was also decided that an "empowered committee" would be set up to decide final action on each case. The Controller of sales was directed to make every effort for collection of outstanding dues from the existing accredited agencies especially for the period 1987-89. However, the internal team had not started functioning so far (November 1989). Doordarshan stated, in October 1989, that the outstanding dues at the end of September 1989, for bills raised upto January 1989 had been reduced to Rs.318.24 lakhs and interest to Rs.35.24 lakhs. Out of this, Rs.96.99 lakhs was due from agencies no longer doing business with Doordarshan.

A review of bill register for 1988-89 revealed as follows:-

(i) Contrary to the provisions of Doordarshan Manual, the bills were not raised by the 10th of the month following the month of telecast in 239 cases, the extent of delays ranged upto 30 days (188 cases); 31 to 60 days (32 cases), 61 to 90 days (13 cases) and more than 90 days (6 cases).

The Ministry stated in, November 1989, that the bills were issued latest by 20th of the following month and that in certain cases, the bills got delayed because of non-receipt of telecast certificates for a particular date from a particular kendra. Ministry attributed the delays of 30 to 90 days to issue of revised/supplementary bills because of receipt of telecast certificates from the kendras after issue of bills, non-telecast or improper telecast of advertisements, delayed or non-linking of a particular Kendra to the national network, power failures, typographical mistakes in telecast certificates, etc. The Ministry also stated that these factors were beyond the control of Doordarshan commercial service.

(ii) According to the terms and conditions of contracts with the agencies, Doordarshan was entitled to charge interest at the rate of 18 per cent per annum on all amounts due to it which were not paid within the stipulated period. The interest was to be charged from the date following the due date of payment and computed on monthly basis. In 3303 cases, the payment of bills was delayed but interest bills amounting to Rs.61.16 lakhs were not raised. This constituted extra-contractual benefit to these

agencies. The reasons for not recovering interest on delayed payment of bills as per terms and conditions of contracts with the agencies were not on record.

The Ministry stated, in November 1989, that interest had been levied in all cases except those covered by grace period. It further stated that the policy of providing the grace period had not been intimated to any agency in writing. The reply of the Ministry was not tenable as there was no provision to grant grace period.

(iii) As per terms and conditions of contracts, where the advertiser operates through a non-accredited agency, the bills are to be issued to the agency concerned and the payment made of all the bills promptly on receipt of the bills and in any case, not later than fifteen days before the telecast is due to commence. During audit scrutiny of the bill register for 1988-89, it was observed that Rs.0.28 lakh had not been recovered in four cases even upto October 1989. The reasons for not recovering the amount in advance were not on record.

(iv) There were 24 agencies which had failed to make timely payment of monthly bills on more than three occasions during 1988-89.

The Ministry stated, in November 1989, that the deaccreditation normally breaks the link with the agency and the chances of recovering the outstanding dues become bleak. It added that if the rule of deaccreditation on the basis of delayed payments on three occasions was strictly followed, almost all the accredited agencies might lose their accreditation status within

one year and that since April 1989, accreditation status of four agencies had been withdrawn.

12.12 Improper application of rates.- The highlights of the programme 'freedom run' were telecast on 27th February 1988 in super 'A' time category at 9 P.M. Three spots of 20, 10 and 30 seconds were charged at the rate of Rs.0.70 lakh per 10 seconds. However, five other spots each of 30 seconds booked by another agency were charged at the rate of Rs.0.40 lakh per ten second under orders of the Additional Director General, Doordarshan, on a representation in February 1988, from the agency that their clients had borne enormous expenditure for the event "freedom run". By charging reduced rates, Doordarshan lost revenue totalling Rs.4.50 lakhs. Doordarshan stated, in September 1989, that the Director General had been vested with full powers to rationalise the commercial service rates including the increase and reduction in rates. However, this did not empower the Director General to charge reduced rates in individual cases vis a vis the rates prescribed as per the rate card. Further, the powers vested in the Director General were to be exercised in consultation with the Internal Financial Adviser. It was observed in Audit that the Internal Financial Adviser was not consulted.

The Ministry stated, in November 1989, that "Doordarshan sells time which is perishable.... The unsold time cannot be utilised on any other day. Secondly, every advertiser fixes the budget allocation for each product on monthly/media-wise basis. In this, if the budget of the advertiser was

Rs. 6 lakhs, it would have remained the same irrespective of the duration of advertisements. In case, the special rate had not been given, in all probability, the advertiser would have revised the duration of the advertisement or would have dropped the idea of telecasting the advertisements with this programme..... As no booking was refused because of non-availability of time, reduction in the rates did not result in any loss of revenue to the Government".

The reply is hypothetical and unsubstantiated.

Doordarshan was requested, in August 1989, to furnish details of all cases of advertisements telecast at rates other than the rates prescribed in rate cards during 1986-87 to 1988-89. Doordarshan stated, in September 1989, that no separate record was maintained in respect of such cases, but such cases were 'very rare, may be, perhaps, once in a year'. However, Doordarshan did not furnish the details of all such cases though specifically called for by Audit, in October 1989.

12.13 Improper categorisation of telecast .- Rates for commercial advertisement spots, sponsorship etc., were grouped in various categories on the basis of viewership ratings and primacy of time. In January 1988, the Controller of sales issued instructions that live international sports events were to be charged as for category 'A' but special sports events (to be specified from time to time) could be placed in higher category 'Super A'.

The finals of French Open Tennis championship were telecast

on 4th and 5th June 1988. The rate charged for sponsoring half an hour event was Rs.1.50 lakhs as applicable for category 'A'.

French Open Tennis championship was one of the four major world championships and by all standards, a special international sports event and deserved to be placed in the then highest category viz. 'Super A' which would have meant sponsorship fee of Rs. 2.50 lakhs for half an hour and spot advertisement rate of Rs.0.70 lakh for 10 seconds. It was also observed that 30 seconds spot advertised after first set men's final before the second set was charged at the rate for the highest category viz. Rs.0.70 lakh for 10 seconds (Super A). The categorisation of finals of the event in category 'A' instead of 'Super A' resulted in loss of revenue of Rs.3 lakhs.

The Ministry stated, in November 1989, that French Open Tennis Championship did not have a good viewership which determined the interest of the advertisers, and further the booking of the spots/sponsorships for the event was limited and that the bill for 30 second's spot after first set men's final before the second set was prepared through oversight which had subsequently, been amended. It was noticed that the amendment was made, in August 1989, after the question of improper categorisation was raised by Audit in May 1989.

12.14 Improper telecast .- In four cases mentioned below, Doordarshan suffered a loss of Rs. 6.35 lakhs due to improper telecasts:-

(i) One 60 seconds spot ('Super A' category spot rate Rs.0.70 lakh per

10 seconds) booked by an agency to be telecast during Sharjah cricket match on 10th April 1987 was actually telecast after the match was over. Accordingly, the agency refused to make the payment for the spot. Doordarshan's offer to telecast the spot with a 'Super A' category programme within 30 days was also not agreed to by the agency. The improper telecast of the spot resulted in loss of revenue of Rs.4.20 lakhs to Doordarshan.

The Ministry stated, in November 1989, that special efforts had been made to ensure that such capsules were not telecast if the event was over.

(ii) A 30 seconds spot booked to be telecast with Hindi feature film over Delhi kendra (local) on 15th February 1987 was actually telecast over the national network. Despite reminders, the agency failed to make any payment to Doordarshan. This resulted in a loss of revenue of Rs.1.05 lakhs.

While admitting that the spot booked for telecast over Delhi kendra was actually telecast over the national network due to operational oversight, the Ministry stated, in November 1989, that the wrong telecast did not result in any loss to Government as no advertisement booked on the national network got cancelled because of the wrong telecast. The fact, however, remains that an advertisement was telecast over national net work for which no amount could be recovered from the party.

(iii) An agency booked two spots for 6th and 14th April 1986 for advertising certain products for 20 seconds each to be telecast with

"Chhoti Badi Baten" and "Chhapte Chhapte" (both category 'A' programmes). Doordarshan telecast wrong advertisement on 6th April 1986 and on 14th April 1986 the telecast was made with 'Nukad' ('Super A' category) instead of "Chhapte-Chhapte". The agency refused to make the payment amounting to Rs.0.80 lakh.

(iv) A twenty seconds spot booked to be telecast with Hindi feature film over Delhi kendra on 16th November 1986 was actually telecast over national network. This resulted in loss of Rs.0.30 lakh for 20 seconds spot.

12.15 Make good spots .- Two spots of 10 and 20 seconds and three spots of 30 seconds each were to be telecast on 31st December 1986 during the new year programme. These were, however, not telecast during the new year programme but telecast after the programme ended. Doordarshan admitted the mistake and as a special case allowed make good spots to the agencies in four of the five cases during October to December 1987 under orders of the Controller of Sales. In the remaining case, payment from the agency had not been received so far. This resulted loss of time worth Rs. 4.80 lakhs (category 'A' spot at the rate of Rs. 0.40 lakh per 10 seconds).

The Ministry stated, in November 1989, that make good advertisements were given only on dates and times when time was available after acceptance of all the contracts i.e. during unsold time. This position could not be verified in Audit as Doordarshan was not maintaining any record of unsold time.

Doordarshan was requested, in August 1989, to intimate the total number of cases with details where make good spots had been granted during the year 1986-89. Doordarshan stated, in September 1989 that each such case was decided on merit and no record was maintained of such cases year-wise. Doordarshan also did not furnish the copy of orders authorising the Controller of Sales to grant make good spots in such cases.

12.16 Telecast of advertisements without valid contracts .-

According to the Doordarshan Manual, no spot should be telecast without a valid contract which should be signed both by the advertiser and the agency. As soon as the confirmation of the booking is sent, the agency/advertiser should send the contract so as to reach Doordarshan commercial service atleast three to four weeks in advance. Advice to the centres regarding the telecast should be sent by Doordarshan commercial service only on receipt of relevant contract complete in all respects. During test check, four cases were noticed in which telecast were made even though these were not booked by the agencies and there were no contracts for telecasting the spots and consequently, no amounts could be realised for telecasting the same. Improper and unauthorised telecasts in these four cases resulted in loss of time worth Rs.2.82 lakhs.

The Ministry admitted, in November 1989 that the four advertisements were telecast because of operational fault but denied that there was any loss of revenue as these advertisements were never booked and no payment

was expected. However the clients/agencies were requested to make payments as a special case but they declined.

12.17 *Improper grant of extra time.*- An agency sponsored the serial "Munshi Prem Chand Ki Amar Kahaniyan" for telecast on 7th, 14th and 21st February 1988. The sponsorship was charged at the rate of Rs.1 lakh per episode under category 'A' and the sponsorer was entitled to "free commercial time" of 90 seconds. The telecast of advertisements with the programme on 21st February 1988 was not properly done for 50 seconds and on receipt of representation, the agency was allowed by the Controller of Sales to telecast two spots for 30 seconds and 20 seconds on 26th June 1988 with the serial "Sunil Gavaskar Presents". The spot rate for telecasting with the said serial was Rs.0.40 lakh for 10 seconds.

There was no provision in the rules to grant extra time for improper telecast of advertisements with the sponsored programmes. Since the telecast on 21st February 1988 was not proper, the agency was entitled to a refund of Rs. 0.54 lakh only, against which it was allowed benefit of Rs. 2 lakhs. This resulted in extra benefit of Rs. 1.46 lakhs to the agency. Orders authorising the Controller of Sales to allow make good time in such cases were also not made available to Audit.

The Ministry stated, in November 1989, that the value of 50 seconds 'make good' had to be viewed in the light of extra cost of production paid to outside producers.

12.18 *Under-billing.*- During test check of the telecast certificates, two cases of underbilling were noticed in Audit.

According to telecast certificate for 1st June 1988, one 20 seconds spot was given to an agency but the agency was charged for 10 seconds only resulting in a short recovery of revenue of Rs. 0.70 lakh. In another case of Delhi kendra, the bill for telecast made on 28th February 1988 in respect of an agency was not issued for Rs. 0.50 lakh. In both the cases, the amount along with interest of Rs.0.18 lakh was recovered after this was pointed out by Audit.

12.19 *Non recovery of arbitration award.*- An agency failed to make payment of advertising charges amounting to Rs. 1.06 lakhs for November 1981 and September to November 1985 within the stipulated period. The agency contended that the scheduling of advertisements was not proper and hence no payment was to be made. The matter was referred for arbitration in October 1986.

An award in this connection in favour of Doordarshan was given, in November 1987. According to the award, a sum of Rs.1.06 lakhs on account of telecast charges was to be paid by the agency. In addition, the agency was also required to pay Rs. 0.30 lakh towards interest at the rate of 18 per cent per annum. from the date of expiry of credit period till date of reference to arbitration i.e. 16th October 1986. The above amounts were to be paid within two/three months from the date of publication of the award.

The award was filed in the

High Court of Bombay in December 1987. Though a period of more than 23 months had expired since the award was announced, Doordarshan had failed to realise the amount and no further legal action had been taken in the matter.

13 Infuctuous expenditure

Directorate of Advertising and Visual Publicity (DAVP) purchased three chassis for Rs.4.75 lakhs in November 1981 and March 1983 for use as exhibition vans for its mobile exhibition units at Calcutta, Itanagar and Aizwal. The delivery of the chassis for Calcutta van was taken in Delhi and of the remaining two chassis at Bhubaneshwar.

The fabrication work was awarded to a firm in Cuttack for Rs. 4.88 lakhs, in January 1985, on the basis of open tenders invited by the Accounts Officer of the Gauhati Regional Office of DAVP. The work was to be completed within 60 days from the date of receipt of the chassis by the firm. No valid reasons were forthcoming for the long delay in awarding the work. The chassis were handed over to the firm in February 1985. Two of the three fabricated vans intended for Itanagar and Aizwal were delivered by the firm, in March 1986 and March 1988. The third chassis intended for Calcutta unit was withdrawn from the firm, in March 1988 since the firm was not in a position to complete the job. The chassis was brought to New Delhi in March 1988 and the fabrication work was awarded to a firm in New Delhi, in September 1988, at a cost of Rs. 2.45 lakhs to be completed within 90 days. The work was actually completed in October 1989.

Thus there were delays of three and five years in the completion of body building of two chassis for Itanagar and Aizwal units and the chassis earmarked for Calcutta unit was completed only in October 1989. According to the agreement with the Cuttack firm, DAVP was entitled to recover an amount upto 20 per cent of the contract as liquidated damages for the delay. DAVP had paid Rs. 2.28 lakhs to the Cuttack firm for body building on two vans and an amount of Rs.1.43 lakhs including security deposit of Rs. 0.45 lakh had been withheld. The withdrawal of work of body building on the chassis intended for Calcutta unit from Cuttack firm and its subsequent award to a Delhi firm resulted in extra expenditure of Rs. 0.98 lakh to DAVP which as per the agreement was recoverable from the Cuttack firm. This had not been recovered. In the meantime, DAVP had incurred expenditure of Rs. 2.72 lakhs on the salaries of staff for the Calcutta unit upto October 1989.

The two completed vans reached Itanagar and Aizwal, in March and May 1988, respectively and were used for the programmes only from March and September 1989. The DAVP stated, in July 1989, that the units had remained idle since no field exhibition officer was posted and later on there were some problems of technical nature due to which van could not be used. Expenditure of Rs. 3.16 lakhs was incurred on staff before the vans were used for the programmes.

Thus the expenditure of Rs. 5.88 lakhs incurred on the staff of the three vans before these were ready, was infructuous. Delay in completion of body building also

resulted in blocking of funds spent on the purchase of chassis.

The matter was referred to the Ministry in July 1989; reply has not been received (November 1989).

14. **Extra expenditure due to failure to hand over the work site**

The Civil Construction Wing of the All India Radio (AIR) Calcutta accepted the lowest offer of Rs.3.37 lakhs of the West Bengal Development Corporation, Calcutta for construction of internal roads and paths Phase I of T.V. Centre at Tollygunge, Calcutta. The work order was issued in May 1981 for completing the work in November 1981.

In November 1981, the Corporation expressed its inability to complete the work within the stipulated date due to failure of AIR to (i) hand over the portion of road alignment on the date of commencement of the work, (ii) make arrangements of earth work required for filling the road alignment passing through a low lying area, and (iii) clear the obstruction in the work site which was littered with materials dumped there by other construction agencies. The bottlenecks were removed partially in March 1982 and 73.48 per cent of the work (value: Rs. 2.48 lakhs) was completed by the Corporation. The contract with the Corporation was terminated in April 1982. AIR awarded the unexecuted portion of the work to a party at a total cost of Rs. 1.57 lakhs in November 1983. This involved an extra expenditure of Rs. 0.60 lakh over and above the tendered amount of Rs. 3.37 lakhs.

The Corporation preferred a compensation claim for Rs. 1.20 lakhs against AIR Calcutta on four counts (a) reimbursement of additional cost of execution due to escalation in prices of materials and labour for working seven months more beyond the scheduled date of completion in November 1981 (b) reimbursement of site expenses for prolongation of the work (c) loss of profit earning capacity and (d) loss of profit on the unexecuted portion of the contract. The dispute was referred by AIR Calcutta to an arbitration in March 1984. The sole arbitrator gave an award of Rs. 0.82 lakh against the claim of Rs. 1.20 lakhs in January 1986 in favour of the Corporation. The award was decreed by the high court of Calcutta in September 1986 for making payment with interest at 9 per cent from the date of decree till realisation. Accordingly, payment of Rs.0.90 lakh (award money Rs.0.82 lakh plus Rs. 0.08 lakh interest) was made to the Corporation in November 1986. Besides the AIR's share of arbitration cost paid to the arbitrator and fees paid to Government pleader amounted to Rs.0.24 lakh.

Thus failure of All India Radio Calcutta to keep the work site ready before issue of the work order and hand over the work site to the Corporation within a reasonable time even after issue of the work order resulted in an extra expenditure of Rs.1.82 lakhs.

The matter was referred to the Ministry in May 1989; reply has not been received (November 1989).

15. Wasteful expenditure on a telefilm

Director General, Doordarshan, New Delhi approved, in January 1983, a proposal of Doordarshan Kendra, Calcutta for making a 16 m.m. colour film titled "The room on the roof" of forty minutes duration at a total cost of Rs.1.85 lakhs.

The work, as per agreement made on 23rd March 1983 was awarded to a film producer. The film was to be completed and delivered to the Kendra for release within six months from the date of the agreement. A total advance payment of Rs.1.11 lakhs was made to the producer, in June 1983 and February 1985, respectively.

The film producer, however, on one pretext or the other, sought extension of time for submission of rough cut of the film. The producer ultimately submitted the film to the Kendra in September 1985.

The local committee which previewed rough cut, in September 1985, did not find the film up to the desired standard in respect of treatment, delivery of dialogue, building up situation and the period depicted. The producer made some corrections as advised by the committee and the film was again previewed in April 1986. The preview committee could not approve

the film as satisfactory even after a second screening. Kendra's decision of non-acceptance of the film was conveyed to the producer, in May 1986.

The Kendra intimated the producer, in August 1986, that failure to come up with a satisfactory proposal of corrective measures for improvement of the film by 15th September 1986 would result in refund of advance amount already paid to him. No substantial progress had been made thereafter for about two years. It was decided, only in June 1988, by the Kendra to preview the film again by a review committee in order to find out possible ways and means of salvaging the film and legal action against the producer would follow in the event of not getting the film salvaged. Accordingly, the producer was intimated, in June 1988, to arrange for preview again. But this did not materialise. Nothing had, so far, been done to implement the decision to take legal action against the producer.

Thus an advance of Rs. 1.11 lakhs made to a film producer for making a telefilm, more than four years back, had remained blocked.

The Ministry stated, in December 1989, that the Director of Kendra had discussed the areas of improvement in the film with the producer and the film was expected to be completed shortly.

CHAPTER VI

Ministry of Steel and Mines

16. Avoidable expenditure on payment of terminal charges

The International Airports Authority of India realises terminal charges from consignees of stores/ materials for non-clearance of consignments within the permissible time. The Controller of Stores, Geological Survey of India, Calcutta paid Rs. 10.30 lakhs as terminal charges between August 1984 and November 1988 in 47 cases due to delay in clearing the consignments which had arrived at Calcutta airport from abroad. In five out of 47 cases, the terminal charges paid amounted to Rs. 6.26 lakhs, each payment varying between Rs. 0.87 lakh and Rs. 1.96 lakhs. In no case, the period of delay was recorded, nor did the department

explain the reasons for delayed clearance of consignments. In seven other cases, while the period of delay was recorded against each, which varied between four and seven months, the amount of terminal charges paid in each case was not recorded.

The Department had been paying terminal charges in a routine manner and had not exercised any control over such expenditure. Due to lack of control, the Department incurred an expenditure of Rs. 10.30 lakhs during August 1984 to November 1988 which was clearly avoidable.

The matter was referred to the Ministry in May 1989; reply has not been received (November 1989).

CHAPTER VII

Ministry of Surface Transport

17. Purchase of racons

Solid State Radar Transponder beacons (racons) provide accurate information relating to the position and bearing to all ships within the line-of-sight distance and have, therefore, been of great benefit to mariners. The racons had been indigenously developed by the Society for Applied Microwave Electronics Engineering and Research (SAMEER) and Tata Institute of Fundamental Research, Bombay. One prototype unit was reported to have undergone successful field trials conducted by the department. A firm was designated as the production agency by the Department of Electronics for racons developed by SAMEER.

In pursuance of the administrative approval and expenditure sanction accorded by the Ministry, in March 1983, the department placed an indent on the Director General of Supplies and Disposals (DGSD) for procurement of 24 racons, essential spares and five test sets from the firm in April 1986. After obtaining confirmation from the Department of Electronics that the firm was the only indigenous source for manufacturing racons, DGSD placed an Acceptance of Tender (A/T) on the firm, in November 1986, for Rs. 37.53 lakhs.

The racons were to be installed at five different stations during 1987-88. They were despatched to the respective destinations, in October 1987, after inspection by the DGSD in

which the department was also associated. In October 1987, 95 per cent of the value amounting to Rs. 35 lakhs was released to the firm. In addition, Rs. 1 lakh was incurred on commissioning. On field trials, all the 24 racons were found defective and could not be installed and commissioned. The firm was asked by the department and the DGSD, in December 1987, to rectify the defects. Only two racons could be rectified and made functional by the end of August 1988. The remaining 22 racons could not be made functional till October 1989 despite attempts made by the firm to rectify the defects. Though the A/T provided for the payment of compensation to the purchaser in case the equipment did not give satisfactory performance, DGSD had not claimed any compensation so far (October 1989).

Thus, failure in detecting the defects in the equipment during inspection resulted in an expenditure of Rs. 33 lakhs remaining unfruitful for the last two years. Although the Ministry had accorded sanction, in March 1983, the racons had not been commissioned till October 1989 with the result that the intended benefit to mariners could not be secured.

The Ministry stated, in January 1990, that nine racons had been despatched after repairs and modifications, to the consignees and the remaining were being repaired and despatched to the consignees by February 1990."

CHAPTER VIII

Ministry of Textiles

18. Implementation of a handloom project

The Silk and Art Silk Mills Research Association (SASMIRA) established, in January 1950, is a multi-purpose, multi-functional institute to serve the scientific and technological needs of man-made textile industry. It is under the administrative control of the Ministry of Textiles.

The Ministry sanctioned, in September 1986, a pilot project on the use of blended fabric to be executed by SASMIRA at a cost of Rs.39.72 lakhs. The project cost comprised Rs.13 lakhs on establishment of a handloom research and development centre and Rs.26.72 lakhs on two techno-economic-cum-production centres on an experimental basis for a period of one and half years. The project was sanctioned, recognising the urgent need to make the handloom industry adept in the use of blended yarn in fabrics on a large scale, in view of the target of 800 million metres (17 per cent of the total targeted handloom production) earmarked for blended fabrics in the Seventh Plan. Promotion of production of synthetic blended fabrics would enable weavers to weave value added fabrics and earn higher wages. The Ministry did not, however, lay down the precise physical and financial targets while sanctioning the grants-in-aid and instead stipulated in the sanction that the targets to be achieved under the project would be worked out by SASMIRA with the approval of Development Commissioner Handlooms (DCH). The physical

and financial targets to be achieved were neither intimated by SASMIRA nor were these fixed by DCH.

Against the sanctioned amount, a sum of Rs.20 lakhs was released to SASMIRA, in September 1986, for being utilised up to March 1987. SASMIRA could, however, utilise Rs.3.27 lakhs only up to March 1987 and Rs.7.33 lakhs till March 1988, thus leaving Rs.12.67 lakhs as unspent balance with it at the end of March 1988.

Against two-techno-economic-cum-production centres to be set up under the project-one each in Maharashtra and Uttar Pradesh, only one centre in Maharashtra was set up in February 1987.

The progress of the project was reviewed by the Standing Screening Committee on Research and Development (Committee) for Handloom sector set up in the office of DCH and also assessed by Director Indian Institute of Handloom Technology (IIHT), Varanasi.

The Committee observed, in March 1987, that the progress of the project was rather slow and unless there was considerable improvement, further funds may not be released.

The Director, IIHT observed, in August 1987, that most of the research and development works had been carried out in SASMIRA laboratory even before the sanctioning of the project and the overall performance of SASMIRA was

not at all encouraging.

The Committee in the meeting held, in November 1987, again expressed its dis-satisfaction at the slow rate of progress made by SASMIRA. The representatives of SASMIRA requested that they might be permitted to re-examine the project and to submit a separate proposal which could concentrate more on research and development activities of SASMIRA in Bombay and less on techno-economic-cum-production centres. They were advised to submit the proposal for consideration. The revised proposal had, however, not been submitted till February 1989.

Reviewing the progress, in January 1989, the Committee expressed its concern over suitable

follow-up action not being taken by SASMIRA on the evaluation report of the Director IIHT, Varanasi.

The Ministry's failure in fixing targets and releasing funds without relating to targets contributed to slow pace of the project. The pilot project which was to be completed within a period of one and a half years and for which funds amounting to Rs.20 lakhs were released, in September 1986, had been languishing and the benefit of research had not reached the weavers to the extent desired by the Ministry.

The Ministry stated, in July 1989, that a fresh look would be taken at the entire project on hearing from SASMIRA.

CHAPTER IX

Ministry of Urban Development

19. Working of Directorate of Estates, New Delhi

19.1 Introduction

Directorate of Estates is an attached office of the Ministry of Urban Development. The functions of the Directorate include: (a) management of general pool accommodation both office and residential; (b) allotment and cancellation of accommodation, recovery of licence fee and other dues; (c) eviction of unauthorised occupants, processing and finalisation of litigation cases; (d) assessment and recovery of licence fee/damages for residential buildings in Lok Sabha and Rajya Sabha pools; (e) allotment of shops in the markets under the administrative control of the Directorate and recovery of licence fee thereof and (f) leasing and requisitioning of private buildings and payment of compensation thereof.

19.2 Scope of Audit

A review on the working of the Directorate of Estates, New Delhi and a few of the regional offices was included in paragraph 32 of the Report of the Comptroller and Auditor General of India - Union Government-Civil for the year 1982-83. The records in the Directorate of Estates, New Delhi for the years 1986-87 to 1988-89 were test checked by Audit.

19.3 Organisational set up

The organisation with headquarters at New Delhi is headed

by the Director of Estates. The regional offices at Bombay, Calcutta, Chandigarh, Faridabad, Ghaziabad, Madras, Nagpur and Shimla are headed by Estate Managers/Assistant Estate Managers.

19.4 Highlights

- Due to acute shortage of Government residential accommodation in Delhi, a Government servant, depending on the type of accommodation for getting allotment, has to put in service ranging between 17 and 27 years. A large number of ad-hoc allotments are being made and 48 per cent of the total allotments in Type V in 1988 was on out-of-turn basis. This further delayed the availability of accommodation to those entitled to regular allotments.

- Only 2525 additional residential units became available for allotment during 1986 to 1988 as compared to 3119 units during 1983 to 1985 and 12814 units during 1981 to 1982.

- While on the one hand, there was long waiting period for Government servants to get allotment of accommodation, instances of considerable delays, ranging up to 62 months in allotment of units vacated by earlier occupants and up to 17 months for newly constructed units, were noticed in test check.

- Due to not keeping an effective watch, cancellation of allotment in many cases of unauthorised occupation was unduly delayed which in turn resulted in delay in initiation of eviction proceedings. In 26 cases, the delay was more than 60 months.
- As on 31st March 1989, 1739 quarters were under unauthorised occupation, out of which in 116 cases, the period of unauthorised occupation ranged from 60 to 165 months.
- The procedure for getting unauthorised occupation vacated was not effective. Out of 437 cases in which eviction orders were passed, the accommodation was got vacated only in 37 cases.
- Arrears of licence fee increased from year to year. Realisation of dues with reference to the outstandings showed a declining trend from 75 per cent in 1984-85 to 64 per cent in 1988-89.
- Licence fee of shops fixed in 1964 was revised only in June 1985 effective from April 1985. The recovery of licence fee at the revised rates has not been made so far.
- Out of 150 flats purchased from DDA at a cost of Rs. 10.20 crores for allotment for special allocation within the general pool, 77 flats

remained un-allotted from December 1986 to July 1988 resulting in blocking of capital of approximately Rs.5.24 crores.

19.5 Demand and availability of residential accommodation.- Government residential accommodation in the general pool is presently divided into ten types for the purpose of allotment. Entitlement for each type is determined with reference to prescribed pay range of the employees.

All Government servants on regular employment are eligible for Government accommodation, but due to acute shortage in Delhi, there are restrictions for inviting applications for allotment. For allotment of accommodation of types I to IV, year of entry in Government service up to which applications would be entertained for each type (date of priority) is specified and for higher types, pay ranges are prescribed. The demand for residential accommodation, as available in the records of the Directorate, is thus based on the number of applications invited within the prescribed restrictions. Information about the actual demand based on the requirement of accommodation of all eligible employees and the level of satisfaction on that basis was not available with the Directorate.

Demand (suppressed), availability and shortage of residential units in the general pool accommodation in Delhi as on the last day of three years 1986 to 1988 was as under :

(Number in lakhs-in terms of dwelling units)

	demand	availability	shortage	percentage of shortage
as on				
31st December 1986	0.90	0.62	0.28	31
31st December 1987	1.11	0.62	0.49	44
31st December 1988	0.98	0.63	0.35	36

The level of satisfaction (with reference to the suppressed demand) in different types of residential accommodation in general pool in Delhi as on 31st December 1988 is indicated below :-

(Number in lakhs)

type of accommodation	total demand	number of units available	percentage of satisfaction
I	0.19	0.14	74
II	0.35	0.20	57
III	0.31	0.21	68
IV	0.08	0.05	63
V to VIII	0.05	0.03	60
Total	0.98	0.63	64

Increase in the number of residential units during 1986 to 1988 was only 2525 as against an increase of 3119 units during 1983 to 1985 and 12814 units during 1981 to 1982. Besides, residential accommodation in general pool was also allotted to freedom fighters, eminent artists, social workers, etc. Out of 227 units so allotted as on 31st July 1989, 122 units were in type V.

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had, however, indicated in the performance budget for 1989-90 that the level of satisfaction in Delhi was about 45 per cent, also stating that there was acute shortage of accommodation in the general pool. The level of satisfaction for different types of accommodation as indicated in the above table did not reflect the true relative position as the demand for each type is based on different priority dates.

Number of years of service put in by the employees who got allotment of residential accommodation (type I to IV) in March 1989 was as under :-

Type of accommodation	Number of year of service
I	17
II	23
III	27
IV	26

The date of priority for allotment of type III accommodation which was September 1962 i.e. 27 years of service in March 1989 had receded to September 1956 i.e. 33 years in July 1989 primarily due to downgrading of 7835 quarters constructed under the Crash Housing Programme from type III to type II in July/October 1988.

19.6 *Adhoc allotment.*- Allotment of residential accommodation out-of-turn is made, inter alia, in the following cases by relaxing the provisions of Allotment of Government Residences (General Pool in Delhi) Rules 1963.

- retired officials
- (iii) medical grounds
- (iv) physically handicapped
- (v) special compassionate grounds

Details of adhoc allotments made during 1988 for different types of accommodation were as under:-

- (i) personal staff of dignitaries
- (ii) dependents of deceased/

type of accommodation	no.of total allotments made in 1988	no.of out-of-turn allotments made	percentage of 3 to 2
1	2	3	4
I	1558	304	20
II	2816	384	14
III	2866	198	7
IV	1093	184	17
V(A&B)	257	123	48
VI(A&B)			
VII	181	31	17
VIII			
		1224	

The percentages of adhoc allotments made in Type V and I out of the total allotments made during 1988 were 48 and 20 respectively.

The number of adhoc allotments made during the three years 1986 to 1988 was 1252, 1153 and 1224 respectively, out of which allotments on special compassionate grounds constituted 23,40 and 37 per cent respectively during these years. However, out-of-turn allotments on special compassionate grounds in Types IV, V and VI were to the extent of 73, 81 and 93 per cent respectively during 1986-88.

19.7 *Delay in allotment.*- Departmental instructions require that (i) the vacant quarters/flats

are allotted within 48 hours of their becoming available for allotment/receipt of vacation reports from the Central Public Works Department (CPWD) and (ii) the newly constructed quarters be allotted promptly without delay as soon as these are placed at the disposal of the Directorate by the CPWD. A test check of the vacancy registers of the Directorate and occupation/vacation registers in a few CPWD service centres revealed that certain quarters/flats shown as vacant in the records of the CPWD service centres were not found entered in the vacancy registers of the Directorate. In the absence of reconciliation of the position with the records of the CPWD service centres, it could not be ensured

that the vacancy position as reflected in the registers of the Directorate was correct.

Scrutiny of vacancy registers of the Directorate and occupation/vacation registers in a few CPWD service centres revealed

that 19 units of Type I, 323 units of Type II and 275 units of Type III accommodation in Iodi Road Complex, M.B.Road, D.I.Z. Area, Netaji Nagar etc. had remained vacant for 1 to 62 months after vacation by the earlier occupants as mentioned below:-

Type of accommodation	One month and above but less than 3 months	3 months and above but less than 6 months	6 months and above but less than 12 months	12 months and above	Total
Type I	-	4	3	12	19
Type II	46	87	99	91	323
Type III	46	104	85	40	275
Total	92	195	187	143	617

Out of 617 units, 209 units continued to be vacant as on 31st March 1989, the vacancy period ranging upto 61 months. Besides, 27 newly constructed Type V(B) quarters at Sardar Patel Marg, handed over to the Directorate during January, April and August 1988 remained vacant upto 11 months.

Delay in allotment of quarters entailed loss of licence fee of Rs.2.68 lakhs and avoidable payment of house rent allowance amounting to Rs. 19.21 lakhs.

One hundred and forty four newly constructed quarters (72 each in Type II and Type III) in Sector VII, M.B.Road which were handed over to the Directorate, in October 1987, were not taken in the records of the Directorate and had remained unallotted (March 1989).

19.8 Delay in cancellation of allotment .- Allotments of

Government residences (General Pool in Delhi) Rules 1963 envisage cancellation of allotments after permissible period of retention in the event of transfer, retirement, death, etc. of the allottees or the allottees otherwise becoming ineligible for retention of accommodation.

With a view to ensure prompt detection of unauthorised retention of Government accommodation and timely cancellation, the departmental instructions envisage that every month, lists of allottees in respect of whom licence fee recoveries had not been received shall be prepared and the details furnished to the respective departments and allotment sections for follow up action. A separate register is also to be maintained in each allotment section in respect of persons becoming ineligible on account of retirement/

death/transfer, etc. for taking action for cancellation of accommodation. Scrutiny of records revealed that the prescribed registers were not maintained properly with the requisite details. As a result, the cancellation of allotments was delayed in several cases. Unauthorised retention of residential accommodation remained undetected for long with consequent delay in initiation of eviction proceedings and allotment of Government accommodation to entitled persons. Some of the instances noticed in Audit are given below:-

(i) An official in occupation of Government accommodation in general pool was transferred to an office in Delhi Cantt, in January 1982, due to which he became ineligible to retain the Government quarter. Unauthorised occupation was noticed by the allotment section of the Directorate, only in March 1987, when the rent section intimated non-receipt of licence fee. Action for cancellation of allotment with retrospective effect was initiated by the Directorate, in July 1988, i.e. after six years of the event necessitating cancellation. The accommodation continued to be under unauthorised occupation (July 1989).

(ii) An official in occupation of Government accommodation in general pool transferred to a station outside Delhi, in October 1982, expired in April 1985. The transfer of the official was noticed by the Directorate only in August 1985 when the deceased official's son applied for regularisation of the said quarter in his name on compassionate grounds.

(iii) An official in occupation of Government accommodation in general pool retired from service on April 1980. The fact of his retirement was noticed by the Directorate only in May 1986. Unauthorised occupation of accommodation thus remained undetected for about six years. Eviction proceedings were initiated in July 1986 and the quarter was vacated in February 1987. Dues of Rs. 0.48 lakh were pending recovery as the whereabouts of the official were stated to be not known to the Directorate.

A test check of the registers for 1987-89 to watch recovery of damages from unauthorised occupants revealed delay in cancellation of allotments in 734 cases as per details given below :-

Type of accommodation	6 months and above and less than 12 months	12 months and above and less than 24 months	24 months and above	Total
	(Number of cases)			
I	93	67	34	194
II	73	56	49	178
III	91	72	41	204
IV	48	24	8	80
V	31	23	10	64
VI, VII & VIII	10	3	1	14
Total	346	245	143	734

In 26 cases, the delay was more than 60 months.

19.9 Unauthorised occupation.- In terms of the Public Premises (Eviction of unauthorised occupants) Act 1971, unauthorised occupants in relation to any public premises means the occupation by any person of the premises without authority and includes the continuance in occupation by any person of the public premises after the authority under which he was allowed to occupy the premises had expired or had been determined for any reason whatsoever. In such cases, where the persons in unauthorised occupation of public premises are to be evicted, the Estate Officer shall issue show cause notice and in the event of an unsatisfactory reply, the show cause is to be followed by eviction order.

In order to have effective control and monitoring of the progress of eviction proceedings, the Directorate introduced a square sheet system, in January 1982 which envisaged maintenance of separate records for each case indicating different stages of the eviction proceedings. It was stipulated that the Litigation Wing of the Directorate should ensure that the physical eviction of unauthorised occupants was carried out within two days from the date of maturity of eviction orders. Test check of registers for 1987-89 revealed that 4292 quarters remained under unauthorised occupation for varying periods, of which 2553 quarters were got vacated during 1987-89 leaving 1739 quarters still under unauthorised occupation as on 31st March 1989 as per details given below:-

Type of accom- modation	Below 12 months	12 months and above but below 24 months	24 months and above	Total
I	98	76	165	339
II	82	139	214	435
III	134	132	144	410
IV	212	67	40	319
V	87	50	49	186
VI,VII,VIII	28	13	9	50
Total	641	477	621	1739

In 116 cases, the period of unauthorised occupation ranged from 60 to 165 months as on 31st March 1989.

In 2553 cases of unauthorised occupation, where the quarters were vacated, the period of unauthorised occupation ranged up to 196 months.

Eviction proceedings are

required to be initiated soon after the effective date of cancellation of allotment of premises/expiry of retention period allowed. Information regarding number of cases in which eviction proceedings had been initiated in respect of 1739 cases of unauthorised occupants as on 31st March 1989, called for from the Directorate, was not furnished.

A scrutiny of records of allotment sections of the Directorate revealed that out of 821 cases of unauthorised occupation in which eviction proceedings were initiated during February 1980 to June 1989, in 75 cases, accommodation was vacated before eviction orders were passed. In 182 cases, where eviction orders had been passed by the Estate Officer during February 1980 to July 1989, accommodation was got vacated only in 18 cases, while in the remaining 164 cases, the accommodation continued to be under unauthorised occupation.

List of pending eviction cases furnished by the legal cell of the Directorate showed that in 205 cases, in which the eviction orders were passed during March 1976 to June 1989, the accommodation was got vacated only in 19 cases, while in the remaining

186 cases, the Directorate was yet (July 1989) to get the accommodation vacated.

The Directorate decided, in September 1984, that immediate steps should be taken to get the quarters vacated in 50 specific cases of unauthorised occupation where eviction orders had been passed by the Estate Officer during 1981-84. Scrutiny of property registers in the Directorate revealed that the relevant quarters were still under unauthorised occupation. Reasons for non implementation of decision taken, in September 1984, were not furnished by the Directorate.

19.10 Arrears of licence fee.- Outstanding licence fee for the last five years as per records of the Directorate are indicated below:-

(In lakhs of rupees)

	Amount outstanding as on 1st April				
	1985	1986	1987	1988	1989
A. Residential accommodation	(1)	(2)	(3)	(4)	(5)
1. Government employees	51.00	63.25	68.79	86.58	86.01
2. Debit of residential units at at the disposal of departments	1.56	1.06	0.75	0.30	0.24
3. Private parties	14.44	7.28	4.89	4.59	9.52
4. Embassies	0.72	0.72	0.72	0.72	0.72
5. Semi-Government organisations	6.59	8.54	10.08	14.78	39.72
6. State-Governments	1.03	0.51	0.79	1.22	2.18
7. Ministers/ Members of Parliament	21.24	29.53	30.70	27.87	26.69
8. Damages	100.73	122.78	144.66	126.87	127.47
Total	197.31	233.67	261.38	262.93	292.55

	(1)	(2)	(3)	(4)	(5)
B. Office accommodation					
9. Private parties and rent paying Government departments	81.29	112.42	138.77	151.60	202.59
C. Markets	8.24	8.40	24.73	30.27	31.74
Grand Total	286.84	354.49	424.88	444.80	526.88

Arrears of licence fee increased from Rs.286.84 lakhs as at the end of March 1985 to Rs.526.88 lakhs as at the end of March 1989. Year-wise break-up of outstanding balances was not available with the Directorate. Figures furnished in the above statement did not depict the correct position of the arrears in view of the following discrepancies seen in test check of records:-

(i) In 35 cases of recovery of Rs.10,000 and above in each case, the recoverable amount from semi-Government organisations worked out to Rs. 44.55 lakhs as on 1st April 1989 as against total dues of Rs.39.72 lakhs shown in the above

table.

(ii) Recoverable amount on account of damages in 884 cases (recovery of Rs. 10,000 and above in each case) worked out to Rs.188.65 lakhs as on 1st April 1989 as against total amount Rs.127.47 lakhs shown in the above table.

(iii) In 1377 cases, damages recoverable at the prescribed rates for the period ranging from one to 108 months had not been assessed at all.

Details of assessments, recoveries and outstanding balances of licence fee during the last five years is given below :-

Period	(in lakhs of rupees)				
	Opening balance	Assessment during the year	Total	Recovery during the year	Percentage of recovery to outstanding dues
1984-85	259.91	891.46	1151.37	864.53	75
1985-86	286.84	904.62	1191.46	836.97	70
1986-87	354.49	893.74	1248.23	823.35	66
1987-88	424.88	879.35	1304.23	859.45	66
1988-89	444.80	1010.98	1455.78	928.90	64

There was a declining trend in the extent of realisation with reference to total outstanding at the end of each year indicating inadequacy of steps taken for realisation of Government dues.

19.10.1 Arrears outstanding against Government employees.- (a) The procedure prescribed for watching recovery of licence fee from the allottees, interalia, envisages

- (i) maintenance of control registers for watching receipt of recovery schedules from Pay and Accounts Officers (PAO)/ Drawing and Disbursing Officers(DDO);
- (ii) posting of recovery schedules in the rent cards of

allottees;

- (iii) preparation of verification memos every quarter in respect of missing items and getting them verified from the concerned departments for adjustment in accounts.

The relevant control records prescribed to be maintained by recovery sections were called for by Audit to verify if effective watch was kept in posting of recoveries in rent cards and identifying the missing recoveries and taking follow up action. The records called for were, however, not furnished to Audit.

- (b) Test check by Audit of 7451 rent cards revealed that recoveries were missing for 6 to 128 months in 1786 cases as indicated below :-

Recoveries missing for	<u>umber of cases</u>
(i) 60 months and above	57
(ii) 24 months and above but less than 60 months	405
(iii) 12 months and above but less than 24 months	579
(iv) 6 months and above but less than 12 months	745
Total	----- 1786 -----

The missing recoveries in rent cards are attributable to one or more of the following factors :-

- (i) non-receipt of recovery schedules from PAOs/DDOs
- (ii) non-posting of recovery schedules
- (iii) non linking of rent cards in case of transfer of the allottees to the payment control of another PAO/DDO.

Reasons for missing recoveries in specific cases called for were not furnished by the Directorate. Amount kept under "Suspense" due to non-linking of recoveries had increased from Rs.28.17 lakhs as at the end of March 1985 to Rs.47.22 lakhs as on March 1989.

19.10.2 Dues from semi-Government organisations/ Government of India undertakings.- Dues from four organisations amounting to Rs.39.87

lakhs constituted 89 per cent of total dues of Rs.44.55 lakhs. Details are given below :-

S.No.	Name of the organisation	Amount due as on 31st March 1989	Remarks
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(Rupees in lakhs)

1.	Council of Scientific and Industrial Research (CSIR)	3.34	arrears from June 1988 to March 1989 accumulated as CSIR disputed the increase in the rate of special licence fee.
2.	Delhi Development Authority (DDA)	11.62	dues from 17.6.1977 to 31.3.1979 relate to 94 quarters in Minto Road area placed at the disposal of DDA in 1977 for use and occupation of evictees of Turkman Gate area.
3.	Indian Council of Agriculture Research (ICAR)	17.22	arrears from August 1986 to March 1989 accumulated as ICAR challenged the increase in the rate of special licence fee.
4.	Municipal Corporation of Delhi(MCD)	7.69	dues from April 1983 to March 1989 related to 28 units placed at the disposal of MCD for opening child welfare/maternity centres and other uses.

19.10.3 Arrears outstanding against ex-Ministers and Members of Parliament.- An amount of Rs.21.38 lakhs (items involving Rs.5,000 and above in each case) was shown as recoverable from 114 Members of Parliament/ ex-Members of Parliament as on 31st March 1989. 102 Members of Parliament had already retired from

Rajya Sabha or ceased to be Members of the Lok Sabha. The premises had been vacated by all except in one. In 28 cases, though the premises were vacated more than five years back, the dues were still outstanding. Recovery proceedings had been initiated in 86 cases under the Public Premises (Eviction of unauthorised occupant) Act 1971, out of which recovery orders involving Rs.6.73 lakhs had been issued to the district collectors in 46 cases. The recoveries, however, had not been remitted (June 1989). Of the remaining 28 cases, in 26 cases (Rs.8.10 lakhs), recovery proceedings had not been initiated (June 1989) while in two cases, the recoveries were being received in instalments.

Further, Rs. 5.59 lakhs on account of hire charges of furniture, electricity and water charges and licence fee was due from 26 ex-Ministers (June 1989).

19.10.4 Damages.- Damages as may be determined by Government are recoverable from the allottees who continue to occupy Government accommodation even after the allotments have been cancelled.

Out of Rs.188.65 lakhs, (items of Rs.10,000/- and above in each case) in 884 cases, Rs.90.63 lakhs were outstanding in 448 cases in which accommodation had been vacated during November 1982 to July 1989.

The accumulation of damages was attributable mainly to the following factors :

(i) Cancellation of allotment of premises in many cases was ordered with retrospective effect much after the event warranting cancellation. The arrears of licence fee were accordingly re-assessed from retrospective dates at penal rates. Recourse to retrospective cancellation and re-assessment increased the amount of licence fee in arrears making it difficult for realisation.

(ii) With the initiation of eviction proceedings by the Litigation Cell of the Directorate in case of unauthorised occupation of premises, rent sections are required to square up the accounts of defaulters and send copies of demands to individual allottees with a copy to their respective departments. In case, no payment is received within one month of issuance of the demand, the case of recovery of dues is to be processed alongwith the eviction proceedings. A test check of records revealed that in several cases, the prescribed procedure was not followed with the result that the demands at penal rates continued to pile up till vacation of the premises.

19.10.5 Dues from private parties and rent paying Government departments for office accommodation.- Out of Rs.195.09 lakhs (items of Rs.10,000 and above in each case) recoverable from 17 parties as on 31st March 1989, Rs.186.99 lakhs (96 per cent of the total recoverable amount) was due from five parties/Government organisations as per details given

below :-

S.No.	Name of party/ organisation	Amount due	Remarks
(Rupees in lakhs)			
1.	Central Cottage Industrial Corpo- ration (CCIC)	116.82	The rates of licence fee revi- sed from February 1982 are under dispute. Final decision was yet to be taken.
2.	Hindustan Samachar	2.66	Eviction proceed- ings initiated.
3.	Indian Oil Corporation (IOC)	21.37	Although the party has vacated the premises, dues are still outstanding.
4.	National Airports Authority (NAA)	36.25	Demand raised at market rates is under dispute. The final decision was yet to be taken.
5.	United News of India (UNI)	9.89	The demand raised at market rates is under dispute. The final decision was yet to be taken.

19.10.6 Markets.- Licence fee (rent) is to be paid by the allottees in advance by 9th of each month at the cash counter in the Directorate or to the authorised Rent Collector, failing which interest at the rate of 12 per cent per annum is charged. In case of

non-payment till end of month, the allotment was liable for cancellation after the month.

Scrutiny of records revealed that an amount of Rs.25.47 lakhs in respect of 103 shops (Rs.5,000 and above in each case) was outstanding

as on 31st March 1989 as per details given below:-

	No. of cases	Amount (Rs. in lakhs)
(i) Evicted/ vacated shops	21	3.24
(ii) Default in payment (shopkeepers still occupying the shops)	80	20.70
(iii) Trespassers (Unauthorised occupation)	2	1.53
Total	103	25.47

Out of 21 cases in category (i) above, six cases involving recovery of Rs.0.57 lakh pertained to 1965-75, ten cases involving recovery of Rs.2.24 lakhs pertained to 1975-85 and five cases involving recovery of Rs.0.47 lakh pertained to 1985 onwards.

Out of 80 cases of default in payment, allotment had been cancelled in 29 cases only. Out of 29 cases, in five cases, allotments were cancelled during 1970-75, two cases during 1976-80, in thirteen cases during 1981-85 and in nine cases from 1986 onwards. Eviction

orders had been passed only in nine cases during January 1981 to February 1989 and even in these cases, the Directorate could not get the shops vacated and recover the dues. Arrears of licence fee in these cases accumulated mainly due to non-payment of licence fee at revised rates from 1st April 1985.

licence fee of shops was fixed in 1964. Though revision of licence fee was taken up in 1969, the revised rates effective from 1st April 1985 were approved, in June 1985 and were notified on 31st March 1986 and 8th May 1986 with a provision to revise the rates of licence fee after every three years. The second revision of licence fee had also become due in April 1988 but the recovery of licence fee at revised rates from April 1985 had not been made (June 1989).

Two cases of trespassers pertained to the years 1978 and 1981. The Directorate could not get these shops vacated and recover the dues so far (June 1989).

19.10.7 Office accommodation.- The position in regard to demand and availability of office accommodation in Delhi for the last three years is as under :-

(in lakh sq.mts.)

	Demand	Availability			Short-fall	Percentage of shortfall
		Gover- nment owned	Requisi- tioned/ leased	Total		
As on 31st December						
1986	9.04	7.16	0.54	7.70	1.34	15
1987	9.09	7.11	0.56	7.67	1.42	16
1988	9.15	7.16	0.55	7.71	1.44	16

Shortfall in office accommodation which was 9 per cent of demand, in December 1982 increased to 16 per cent in December 1988. Rent/compensation paid for leased/ requisitioned properties during 1986-87, 1987-88 and 1988-89 amounted to Rs.179.93 lakhs, Rs. 520.65 lakhs and Rs.506.18 lakhs respectively. The Directorate had no information regarding the expenditure incurred by the other departments for hiring accommodation for meeting shortfall.

19.11 Other points of interest

Flats purchased from DDA

Ministry of Urban Development purchased from DDA 150 flats for Rs. 10.20 crores in Asian Games Village Complex, New Delhi, for special allocation within the general pool accommodation to scientists, artists, journalists, social workers, etc. The flats were taken over by the CPWD in November/December 1986 and handed over to the Directorate in December 1986.

According to the guidelines issued by the Government for the allotment of these flats, licence fee was recoverable (i) at normal rate applicable to Government servants in case of 90 flats earmarked for scientists, technologists, distinguished academicians and administrators and (ii) at rates applicable to allottees other than Government servants for 40 flats earmarked for eminent artists, social workers, etc. Till July 1988, only 73 flats had been allotted. Non-allotment of 77 flats resulted in blocking up of capital amounting to approximately Rs.5.24 crores from December 1986 to July 1988. According to information furnished by the Directorate, in November 1989, 25 flats still remained unallotted.

The matter was referred to the Ministry in October 1989, reply has not been received (December 1989).

20. Loss due to shortages of printing paper

(a) Government Press, Calcutta, keeps in stock different types of paper to meet its requirements for various jobs. It has to prepare at the end of each financial year, a detailed balance sheet and analytical statement showing excesses and deficits of different types of paper after physical verification of stock balances with the respective ledger balances.

The stock report for 1981-82, submitted to Audit in 1987 showed a total shortage of paper worth Rs.47.68 lakhs and a total excess of Rs.10.84 lakhs as on 31st March 1982. In the summary of the statement, the values of total shortage and total excess of papers were, however, shown as Rs.5.62 lakhs and Rs. 10.84 lakhs respectively with a note to the effect that the balances of four ledger folios had been excused from the stores accounts of 1981-82 and the same would be adjusted during 1982-83. No adjustment was, however, made in the stores account of 1982-83. As a result, the shortage of paper amounting to Rs.42.06 lakhs (Rs.47.68 lakhs minus Rs. 5.62 lakhs) was kept out of the stores account for 1981-82 and 1982-83. The result of stock verification of 1981-82 was also not brought to the notice of Director of Printing for obtaining necessary sanction for adjustment of the shortage as required under the provisions of the Government of India Press Manual.

The Assistant Manager of the Press stated, in May 1988, that investigation into the stores accounts subsequent to 1981-82 revealed an excess of 3,874 reams

of paper valued at Rs. 4.03 lakhs. A scrutiny of the aforesaid reply of the press, however, disclosed that deficit of a particular category of paper found in the accounts of 1981-82 had been adjusted against excesses of other categories found in the accounts for 1981-82, 1982-83 and 1983-84. It was also noticed that the press in their investigation report included 4,868 reams of paper in excess of the actual ledger balances resulting in a net deficit of 994 reams of paper valued at Rs.2.28 lakhs.

The stores accounts and proforma accounts of each year were based on stock verification reports. The shortages/ excesses in each year's stock account were required to be explained separately and regularised under orders of competent authority.

The adjustment of shortages of a particular year against the excesses of subsequent years was contrary to the accounting principles.

Even after taking into account the adjustments of shortages against excesses, a net shortage of paper worth Rs. 28.46 lakhs after wiping out the overall excess of Rs. 10.84 lakhs remained during 1981-82. The department did not explain the reasons for shortages.

The matter was referred to the Ministry in February 1989; reply has not been received (November 1989).

(b) Government Press, Santragachi, Howrah had 8752 reams of creamwove paper as opening balance on 1st April 1985. Actual receipts and issues during 1985-86 were 55,265 and 12,289 reams respectively. The closing balance as on 31st March 1986, therefore,

worked out to 51728 reams but in the ledger it was shown as 31,728 reams.

The physical verification conducted by the Press, in April 1986, also revealed a balance of 31,728 reams on 31st March 1986 resulting in shortage of 20,000 reams of paper valued at Rs. 37.68 lakhs.

The matter was reported to the Ministry in May 1989; reply has not been received (November 1989).

21. Abnormal delay in construction of quarters

Administrative approval and expenditure sanction for Rs. 3.04 crores was accorded, in September 1975, by the erstwhile Ministry of Works and Housing for construction of "General pool residential quarters", Salt Lake, Calcutta.

Construction of 128 Type III (Superstructure) residential quarters relating to Phase I, block AF, was awarded, in December 1977 to contractor 'A', at a cost of Rs. 36 lakhs, with the stipulation that the work should be completed by May 1979. Although the notice inviting tenders indicated that the site was available, the department could not hand over the entire site to contractor 'A' before June 1978 as there was delay in getting possession of the site due to non-completion of piling work done by a separate agency. Extension of time to complete the work was granted up to September 1983 but contractor 'A' did not acknowledge it. The contract was rescinded in January 1984. A sum of Rs. 34.25 lakhs had been paid to contractor 'A' up to March 1983.

The balance work was awarded to contractor 'B' in March 1985 for Rs. 12.77 lakhs, to be completed in October 1985. Delay in awarding the

contract was attributed (September 1988) by the department to observance of departmental procedures. Although the work had been completed, in January 1987, final payment of Rs. 11.12 lakhs had been made to contractor B (September 1989) for value of work done. The final bill of contractor 'A' pending settlement (August 1989) was for a minus amount owing to excess consumption of materials issued. Thus extra expenditure of Rs.9.52 lakhs was incurred by the department which is doubtful to be recovered from Contractor 'A'.

The work for construction of 96 nos. type III (Superstructure) residential quarters in general pool at Salt Lake (Phase II, Block AF) was awarded to contractor 'C', in January 1979, for Rs.28.86 lakhs. The work was to be completed by March 1980. The work was held up for two months due to non-availability of drawings and delay in the issue of material. Extension of time for completion of the work was granted suo-moto by the department up to August 1983. After issuing show-cause notices, in October 1982 and August 1983 due to delay in completion of work and breach of contract, the contract was rescinded in September 1983. An amount of Rs. 20.51 lakhs was paid to the contractor up to April 1982 as running payment. The contractor went for arbitration, in May 1983 and the arbitrator held (December 1985) that the work should be treated as closed and the claimant should not be held liable for penal action as the rescission of the contract was not done by the department after proper application of mind and that both the parties had committed some breaches. The arbitrator awarded a sum of Rs. 0.25 lakh in December 1985 in favour of the contractor, besides release of security deposit of Rs.1 lakh. The amount was paid to contractor 'C' in June 1986.

The balance work was awarded, in November 1984, to contractor 'D' for Rs. 17.99 lakhs to be completed by March 1985. The work, however, was completed, in December 1988, at a total cost of Rs. 19.28 lakhs. Final bill of contractor 'D' had not been settled (September 1989). Although the department had incurred an extra expenditure of Rs. 11.09 lakhs, it cannot be recovered from contractor 'C'.

Thus the department had incurred an extra expenditure of Rs. 20.61 lakhs. The quarters so completed in January 1987 and December 1988 could also not be handed over to the Estate Manager, CPWD for allotment (August 1989) owing to non-completion of internal works and external electric supply connection. This has resulted not only in blocking of funds but also payment of house rent allowance in lieu of quarters. Further, the facilities which were planned for the employees in 1975 have not yet been provided (November 1989) after about 14 years.

22. Infructuous expenditure due to idle printing machines

Of two rotary printing machines of the Government of India Press, Calcutta, one remained totally idle from April 1987 to February 1988 and the other for two months in January and February 1988 for want of 43 cms wide reel papers. Demand for supply of such paper, placed with the Stationery Office, Calcutta, in August 1985 was not met even by March 1987. The Press also had no budget provision at its disposal to make local purchase of papers, at times of urgent need to keep the machines running. As a result, 143 lakh impressions constituting 12.76 per cent of total capacity were lost during 1987-88 due to shortage of paper. Consequently, the workers

attached to these two machines remained idle.

Thus failure to provide 43 cms wide reel paper regularly, resulted in an infructuous expenditure of Rs. 21.26 lakhs on idle labour representing 12.76 percent of the total expenditure of Rs. 166.50 lakhs in the Government of India Press, Calcutta during 1987-88.

The matter was referred to the Ministry in June 1989; reply has not been received (November 1989).

23. Disposal of metal dross (residue)

Tenders for the disposal of 1100 qtls. (approx) of metal dross (residue) were invited by the Government of India Press, Minto Road, New Delhi in August 1985. The first three highest offers received from firms 'A' 'B' and 'C' were Rs. 1,893, Rs. 1,600 and Rs. 1,541 per qtl. respectively. The offers of 'A' and 'B' were not recommended as besides being conditional, a case against firm 'A' was pending in a court of law in connection with a previous tender and firm 'B' had not deposited the earnest money. The offer of firm 'C' was recommended in October 1985 to the Directorate of printing for acceptance. The validity period was got extended upto 31st December 1985. The approval of offer of firm 'C' was conveyed to the Government of India Press by the Directorate of Printing, in January 1986 by which time, the extended validity period of offer had expired. Firm 'C', however requested for a longer period of six months for lifting the material as against three months provided in the notice inviting tenders. The request of the firm was not agreed to by the Directorate of Printing.

Tenders were re-invited, in March 1986. Out of 17 firms, only two firms 'C' and 'D' quoted their rates at Rs. 1181 and Rs. 1527 per qtl. respectively. Both the firms had requested that their earnest money deposited, in August 1985, might be adjusted against the present tender. Despite this, earnest money was refunded to both the firms while the tenders were under consideration in the Directorate of Printing. In the absence of tenders supported by earnest money, the Directorate of printing advised the Press in June 1986 to re-invite tenders. Tenders were again invited in January 1987. The highest rate of Rs. 856 per qtl. offered by a firm was accepted by the Ministry in January 1988. The firm was permitted to lift the material by 2nd September 1988 as against 30 days stipulated in the tender enquiry, thereby the firm was allowed 139 days for lifting the material.

Thus, 1076.37 qtls. metal dross residue was finally disposed of, for Rs. 9.21 lakhs at Rs. 856 per qtl. resulting in short realisation of Rs. 7.38 lakhs in the disposal of metal dross residue.

The Ministry stated, in October 1989, that the Press extracted metal to the tune of 8330 kgs from the metal dross after remelting the 64000 kgs and the Government fetched/ gained by Rs. 3.33 lakhs at the rate of Rs. 40 per kg and the metal dross residue to the tune of 1076.37 qtls. was disposed of having a very low quantity of metal contents. It was further stated that the proposal remained under the tender/ retender process as well as under examination in the Press/ Directorate of Printing as well as the Ministry at various levels.

The reply of the Ministry is not tenable as metal valued at Rs. 3.33 lakhs was extracted on remelting of metal dross and not the metal dross residue which was offered for auction and later disposed of.

24. Delay in handing over of site and drawings

Construction of 16 Type I quarters and 8 Type IV quarters (estimated cost Rs. 6.94 lakhs) a part of the main work "construction of 96 residential quarters for the Overseas Communication Service at Salt Lake Calcutta, was awarded to contractor 'A', in November 1978 at a cost of Rs. 6.53 lakhs with the stipulation that the work should be completed by March 1980.

Although the notice inviting tender indicated that the site for the work was available, the department could hand over the entire site only, in September 1979, due to labour dispute of the contractor for the pile foundation work. The drawings for the work were handed over to contractor 'A' between December 1978 and February 1980. The delay in handing over the drawings was attributed by the department to delay in receipt of the drawings from the Senior Architect. Furthermore, contract with contractor 'A' provided T-iron frame would have to be used in the work. Although T-iron frame was not available in the markets, department could not decide on provision of angle-iron frame in place of T-iron frame.

Contractor 'A' could complete only 44.56 per cent of the work within the stipulated date and a payment of Rs. 2.91 lakhs was made to him in June 1980 as running payment. After expiry of the stipulated date of completion of work, the department issued show-cause notices to contractor 'A', in

September 1980 and in January 1981 for delay in execution of work and the contract was rescinded, in April 1981 at the risk and cost of contractor 'A'. Reason for issue of show-cause notices and the rescission order after expiry of stipulated date of completion of work was, however, not on record. Security deposit amounting to Rs.0.28 lakh was also forfeited, in April 1981 and damages of Rs. 0.67 lakh were levied on contractor 'A' as per the agreement.

The balance work valued, at Rs. 3.63 lakhs was retendered and awarded to three other contractors 'B', 'C' and 'D' in February and July 1982 at a total cost of Rs. 6.81 lakhs and the works were completed in May 1988. A total payment of Rs. 6.84 lakhs was made to contractors 'B', 'C' and 'D'. Extra expenditure of Rs. 3.21 lakhs incurred in execution of the balance work which was recoverable from contractor 'A' as per provisions of the contract, could not be recovered as the arbitrator who had examined the claim of the contractor and counter-claim of the department, had held, in November 1984, that breach of contract was committed by the department in not handing over in time the site and drawings for the work and in not taking decision for provision of angle-iron frame when T-iron frame was not available in the market and the rescission of contract was, therefore, held to be untenable. The arbitrator awarded a sum of Rs.0.66 lakh, in November 1984, in favour of contractor 'A', besides granting interest at 10 per cent on the awarded sum (excluding cost incurred by the claimant) with effect from 4th June 1981 till the date of payment or decision of the court whichever was earlier. While publishing the award, the arbitrator rejected the counter claim of the department. On the basis of the advice communicated

by the Ministry of Law in January 1985, the department accepted the award and paid Rs. 0.92 lakh to contractor 'A' in March 1985.

Thus, the department incurred an avoidable expenditure of Rs. 3.21 lakhs in getting the balance work executed through separate contractors besides payment of Rs. 0.92 lakh as a result of an arbitration award.

The matter was reported to the Ministry in June 1989; reply has not been received (October 1989).

25. Loss due to departmental lapse

The work 'Construction of Indian Standards Institution Laboratory Building' at Ghaziabad - SH: Electrical Laboratory Phase-II was awarded by the Central Public Works Department (CPWD), in December 1980, to firm 'A' at 15.70 per cent above the estimated cost of Rs.20.83 lakhs. The work was to be completed in March 1982. As the progress of work was not satisfactory, notices were issued by the CPWD to firm 'A' during July 1981 to February 1982 to accelerate the progress of work. The firm was allowed to execute the work beyond March 1982 without fixing the extended date of completion. After issue of a show cause notice, in September 1982, CPWD rescinded the contract, in October 1982, by which time 67 per cent of work costing Rs.16.15 lakhs had been executed. Balance work was awarded to firm 'B' in January 1983 at, 41.46 per cent above the estimated cost of Rs.7.98 lakhs.

A claim of the department for Rs.2.44 lakhs on account of extra cost paid to firm 'B' by CPWD was disallowed by the arbitrator holding rescission of contract legally invalid on the ground that

the work continued to be done after the stipulated date of completion without making time to be the essence of the contract.

Thus, by not making time to be the essence of the contract and allowing the contractor to continue with the execution of work without grant of extension of time after stipulated date of completion, in contravention of departmental instructions, the CPWD had to suffer a loss of Rs.2.44 lakhs.

The matter was reported to the Ministry in August 1989; reply has not been received (November 1989).

26. Irregular payment of hill compensatory allowance

Government decided, in March 1982, to treat the dearness allowance sanctioned up to 320 points of the consumer price index as pay for the purpose of payment of house rent allowance and compensatory (city) allowance to Central Government employees from February 1982. It was further clarified in June 1982 that the decision did not apply to special compensatory, winter and hill compensatory allowances.

A test check of accounts of the Manager, Government of India Press, Shimla, in December 1986, revealed however, that for the employees posted in the Press, the dearness allowance sanctioned up to 320 points of the consumer price index was treated as pay even for the grant of hill compensatory allowance. This resulted in an irregular payment of Rs. 2.34 lakhs from February 1982 to September 1985.

The Ministry stated, in November 1987, that the Manager, Government of India Press, Shimla had been directed to take

immediate steps to recover the over-payment of hill compensatory allowance from the employees concerned. Instead of recovering the amount, the Manager approached the Directorate of Printing, New Delhi, in May 1989, for writing off the over-payment. Further

development in the matter had not been intimated (November 1989).

The matter was referred to the Ministry in August 1989; reply has not been received (November 1989).

CHAPTER X

Ministry of Water Resources

27. Delay in execution of a work

Government accorded sanction, in November 1973, for construction of an additional bridge at reduced distance (RD) 28.5 of the feeder canal.

The purpose of the construction of the bridge was to restore vehicular traffic as well as pedestrian movements over the bridge in order to substitute a number of road ways that were cut off as a result of excavation of feeder canal.

In order to keep the adjoining villages clear from the approach to the bridge, the location for construction was shifted by the authority, in February 1974, to RD 29.5 of the feeder canal.

After four years from the date of sanction, the General Manager, Farakka Barrage Project, awarded, in September 1977, the work 'Design and construction of two lane road bridge at a cost of Rs. 82.52 lakhs to Mackintosh Burn Limited, a Government of West Bengal Undertaking, with the stipulation that the work should be completed by April 1980. The abnormal delay in awarding the work was attributed by the project to preparation of drawing/ design, sanction of estimates, tender documents and getting their approval from the Farakka Barrage Project Control Board, New Delhi.

The work could not be started before February 1978 partly on account of failure on the part

of the department to supply soil boring data for the canal soil and on the part of the firm to submit the design in time. The firm could complete only 77 per cent of the work by May 1986 and no progress was made thereafter. Non-completion of the work even within the extended date (December 1987) was due to financial constraints of the firm, shortage of departmental materials and law and order situation at site. Although the project authority offered an advance payment of Rs.5 lakhs against bank guarantee at 15-1/2 per cent per annum, the firm expressed inability to accept the proposal due to charging of high rate of interest.

In May 1981, the firm went for arbitration and submitted a claim for Rs. 28.95 lakhs, in February 1984, on account of escalation in prices, loss due to delay in issue of departmental materials, etc. The project authority could submit the counter statement of fact only in January 1985. The first arbitrator appointed, in October 1983, was changed in . The decision of the second arbitrator has not yet been pronounced (August 1989). Till May 1986, Rs. 63.98 lakhs had been paid to the firm.

In January 1988, the contract was rescinded as per provisions of the agreement.

Even after twenty months of rescission of the contract, in January 1988, the balance work had not been awarded (August 1989) to any other agency. A sum of Rs.5.21

lakhs towards cost of materials issued were neither recovered from the firm nor was the claim included in the counter statement of fact. Had the bridge been completed within the scheduled date, the project authority could have discontinued the nearest free ferry services which involved a total expenditure of Rs.36.39 lakhs from April 1980 to July 1989. Thus a work which was sanctioned in 1973 has not yet been completed and 23 per cent of the work was yet to be awarded. A sum of Rs. 63.98 lakhs paid to the firm had remained blocked.

The matter was referred to the Ministry in June 1989; reply has not been received (October 1989).

28. Delay in completion of water treatment plant

The Farakka Barrage Project decided, in April 1979, to instal one water treatment plant (2 MGD capacity) to augment water supply for the residents of the project colony.

The construction of allied civil structure, as per drawings and designs of contractor 'B' who supplied the mechanical equipment, at a cost of Rs. 4.34 lakhs, was awarded to contractor 'A', in May 1983. Although contractor 'B' supplied the drawings, in January 1979, the General Manager, Farakka Barrage Project, took four years in approving the same on account of late receipt of clarifications on drawings and designs from contractor 'B' and the drawings were handed over to contractor 'A' only in June 1983.

Contractor 'A' started the work, in May 1983 but stopped its

execution, in September 1986, without assigning any reason. To keep the contract alive, Executive engineer granted extension of time to contractor 'A' up to 20th October 1988. Due to non-completion of work by contractor 'A', the project authority rescinded the contract, in October 1988, at the risk and cost of the contractor. Rs. 4.49 lakhs were paid in August 1989, to the contractor for completion of 72.19 per cent of the work. The balance 27.81 per cent of the work on civil structure was awarded, in February 1989, to contractor 'C' at a cost of Rs. 0.59 lakh with the stipulation that the work should be completed by March 1989. The work was, however, not completed till August 1989. As a result, mechanical equipment supplied by contractor 'B' during October 1979 to January 1980 at a cost of Rs. 1.61 lakhs remained uninstalled (August 1989).

The project authority stated, in November 1988, that the workability of mechanical equipment could not be ascertained until it was installed in a proper place. The project authority, however, rescinded the contract with contractor 'B' in March 1988. The erection work of mechanical equipment on civil structure had not been taken up (August 1989).

Thus due to a delay of four & a half years in approving the drawings and designs and delay in construction of allied civil structure, the objective of the scheme could not be achieved. The entire expenditure of Rs.6.82 lakhs on the work resulted in blocking of capital.

The matter was referred to the Ministry in June 1989; reply has not been received (October 1989)

29. Infructuous expenditure in execution of a work

Head Works Division of Farakka Barrage Project placed an indent, in January 1985, with the procurement authority for immediate procurement and dumping of 13000 cubic metres of quarry spawls at the site and locations of the work "Dumping of quarry spawls in the scour pocket developed on the upstream of main barrage" before the commencement of monsoon in June 1985.

Although the quarry spawls were required for emergent protection works to be completed by 15th June 1985, the work for supply of 13000 cubic metres of quarry spawls was awarded at a cost of Rs. 10.14 lakhs on 3rd May 1985 to contractor 'A' with the stipulation that the work should be completed by 13th July 1985. The contract, however, did not provide for a schedule of supply. Meanwhile, the Head Works Division obtained supply of 4797.87 cubic

metres of quarry spawls from stacks at feeder canal site on payment of carriage charge of Rs. 1.97 lakhs to contractor 'B' at negotiated rate without inviting tenders and dumping of spawls was completed between 21st May and 22nd June 1985.

The Project authority stated, in March 1989, that as the carriage of spawls was done within the stipulated period of supply by contractor 'A', question of recovery of extra expenditure of Rs. 1.97 lakhs towards carriage of spawls from other site from contractor 'A' did not arise.

Thus, initial delay in finalising procurement action coupled with failure to prescribe a schedule of supply resulted in an infructuous expenditure of Rs. 1.97 lakhs on carriage of quarry spawls from the other site.

The matter was referred to the Ministry in June 1989; reply has not been received (October 1989).

CHAPTER XI

Andaman and Nicobar Administration

30. Injudicious procurement of spares

Two Komatsu bulldozers were purchased in February 1969, for Rs. 8.60 lakhs from a Government of India undertaking for use of road works in Andaman and Nicobar islands. Spares valued at Rs.0.87 lakh were supplied along with the bulldozers.

As per norms prescribed in the Central Water Commission Guide Book, spares could be procured to the extent of 240 per cent of the cost of equipment during the life of the equipment of ten years. Accordingly, it could procure spares worth Rs. 20.64 lakhs during 1969-1978. The department however, procured spares of the value of Rs. 41 lakhs from a supplier without any rationale during June 1970 to August 1977.

In addition, it has been prescribed in the guide book that 180 H.P. bulldozer should work 12,000 hours in a life time of ten years. The bulldozers, however, worked only 7000 and 8000 hours during 1969 to 1981. In 1985, the bulldozers were condemned and auctioned for Rs. 1.28 lakhs in January 1988. As the other divisions in the Andaman and Nicobar Islands were not in possession of Komatsu bulldozers, the spares procured could not be disposed of or transferred to other divisions by the department (April 1989). A detailed survey of spares conducted by the workshop division, in June 1986, revealed that the spares so procured had no scope for further utilisation. Besides, the

model of the machines had been changed.

Thus, the injudicious procurement of spares contrary to the norms prescribed in the guide book resulted in procurement of surplus spares. No action had been taken for the disposal of spares (April 1989).

The matter was referred to the Ministry in March 1988; reply has not been received (October 1989).

31. Delay in fabrication of bus bodies

Andaman and Nicobar Administration purchased 12 bus chassis through Director General of Supplies and Disposals at a total cost of Rs.20.99 lakhs from Telco to augment the road transport service in the Union Territory. A Jamshedpur firm, being the lowest tenderer, was allowed to take delivery of 12 chassis in March 1986 from Telco for fabrication of bus bodies at the rate of Rs. 79,411/- per bus without furnishing any indemnity bond for the value of chassis delivered in violation of the terms of the agreement executed with it. On receipt of information of the firm's involvement in legal proceedings and financial trouble, after the delivery of the chassis, the Director of Transport, Andaman and Nicobar Islands visited Jamshedpur, in March 1986 but could not trace out the chassis or the proprietor of the firm. The matter was reported to Government of Bihar, in May 1986 and the Central Bureau of

Investigation (CBI), in July 1986.

Andaman and Nicobar Administration stated, in October 1989, that out of 12 chassis subsequently traced out, 10 had been lying in the custody of CBI with partial fabrication work done on nine chassis till October 1989 when these were released from the custody of CBI. No objection certificate was also received, in October 1989, from CBI in respect of two chassis which remained in the custody of Administration. Action had been initiated for fabrication of bus bodies on all the twelve chassis. Payment for partial fabrication on nine chassis due to the firm, was held up.

Thus the failure of the Administration to evaluate and assess properly the capacity and financial stability of the firm before placing the work order, not only resulted in blocking of funds to the extent of Rs. 20.99 lakhs but also the objective of putting more buses on the road was not achieved.

32. Abnormal delay in execution of work

Administrative approval and expenditure sanction for Rs. 4.04 lakhs was accorded in May 1970 for construction of a 5 kms long rural road from Millangram to Swarajgram by a Public Works Division.

In March 1971, the sanction was revised to Rs. 9.61 lakhs for

extension of the road up to Radhanagar (distance from Millangram to Radhanagar: 6.65 kms). The work was to be completed within two years. In February 1974, the specifications of the work were revised. The work was completed in March 1986.

A sum of Rs.72.67 lakhs had been incurred up to July 1987 as per detailed completion report. The cost of construction per km. of road worked out to over Rs. 10.90 lakhs against the revised estimated cost of Rs. 1.30 lakhs per km.

Due to non-maintenance of hindrance register and theoretical consumption statement, the extent of utilisation of materials with reference to labour employed could not be ascertained/verified by Audit (December 1987).

The Department stated, in June 1988, that the delay in completion of work and expenditure in excess of sanctioned estimates were due to remoteness of locality, limited working season, payments for idle labour, shortage of construction materials, unsatisfactory soil condition and poor labour out-turn.

The Department, should have been, aware of the above factors when the two years time was estimated. Thus delay in execution of work resulted in an abnormal increase in expenditure (almost seven times over the revised administrative approval and expenditure sanction) and the objective of linking isolated

settlements of the locality remained unfulfilled for 14 years. The excess expenditure had not been regularised (August 1989).

The matter was referred to the Ministry in April 1988; reply has not been received (December 1989).

Dharam Vir

New Delhi
The

11 9 MAR 1990

(DHARAM VIR)
Principal Director of Audit-I,
Central Revenues.

Countersigned

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20 MAR 1990

(T.N. CHATURVEDI)
Comptroller and Auditor General of India

E R R A T A

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