

CHAPTER-III

Performance Reviews

This Chapter presents two performance reviews including review of the regulatory role of the Government of Rajasthan in the implementation of the Drugs and Cosmetics Act and review on Accelerated Irrigation Benefit Programme. This Chapter also includes five long paragraphs on Working of Agriculture Department, Computerisation Projects in State Government implemented through RajCOMP, Stores and Stock of Public Health Engineering Department, Prevention and Control of Fire and Working of Ayurved Department.

Irrigation and Indira Gandhi Nahar Departments

3.1 Accelerated Irrigation Benefit Programme

Highlights

Accelerated Irrigation Benefit Programme (AIBP) was launched (1996-97) with the main objective of accelerating the completion of on-going irrigation/multi-purpose projects on which substantial investment had already been made and which were beyond the resource capability of the State Governments. Ten projects of Rajasthan State were covered under AIBP on which expenditure of Rs 1246.70 crore was incurred upto March 2003 but none of the projects could be completed. Significant points noticed were:

Advance payment of Rs 5.68 crore to executing agencies was irregularly charged finally to works instead of Miscellaneous Public Works Advances.

(Paragraph 3.1.9)

There was diversion of Rs 22.67 crore by incurring expenditure on activities not covered under the programme.

(Paragraph 3.1.10)

Rupees 7.93 crore were blocked for one to six years due to incomplete works.

(Paragraph 3.1.11)

Preparation of unrealistic estimates of earth and lining works led to extra cost of Rs 60.17 lakh and creation of liability of Rs 46.87 lakh.

(Paragraph 3.1.14)

There was avoidable extra expenditure of Rs 4.12 crore due to dispute in strata classification, frequent changes in specifications, delayed decision etc.

(Paragraph 3.1.15)

Irregular payment of price escalation of Rs 1.26 crore was made to contractor.

(Paragraph 3.1.16)

Rupees 3.52 crore was incurred by the Indira Gandhi Nahar Pariyojana authorities on construction of cross drainage works at various lift canals without provision in Revised Project Estimates, 1993.

(Paragraph 3.1.17)

3.1.1 Background

Accelerated Irrigation Benefit Programme (AIBP) was launched during 1996-97 with the main objective of accelerating the completion of on-going irrigation/multi-purpose projects on which substantial investment had already been made and which were beyond the resource capability of the State Governments. The programme was modified in March 1997, March 1999 and February 2002. AIBP in Rajasthan covered 10 projects including IGNP Stage-II.

3.1.2 Scope of the programme

The following major/medium projects (Irrigation-9 : IGNP-1) taken up under the AIBP in Rajasthan were incomplete and under progress as of March 2003.

(Rupees in crore)

S. No.	Name of the projects	Estimated cost		Year of revision	Expenditure before inclusion in AIBP	Year of inclusion under AIBP	Outlay under AIBP	Expenditure under AIBP
		Original	Revised					
1.	Mahi	31.36	834.88	2000	598.57	1999-2000	104.81	85.76
2.	Gang Canal (Modernisation)	445.79	445.79	1999	44.62	2000-2001	72.09	72.59
3.	Panchana	1.03	125.03	2002	40.16	1997-1998	59.57	54.69
4.	Chhapi	5.91	93.96	2002	27.91	1996-1997	54.20	51.81
5.	Gambhiri (Modernisation)	11.76	16.71	1994	12.66	1998-1999	2.44	2.30
6.	Bisalpur	52.00	657.91	2000	205.04	1998-1999	86.59	87.33
7.	Chauli	28.87	95.53	2001	5.50	1998-1999	57.15	57.34
8.	Narmada	467.53	1392.00	1999	125.70	1998-1999	101.40	101.12
9.	Jaisamand (Modernisation)	12.40	24.11	1999	8.66	1996-1997	7.79	7.56
10.	IGNP Stage-II	89.12	2267.44	1993	1330.59	1997-1998	824.66	726.20
	Total	1145.77	5953.36		2399.41		1370.70	1246.70

The estimates of Indira Gandhi Nahar Pariyojana (IGNP) Stage-II were last revised in January 1993 for Rs 3398.87 crore[@] and cleared (March 1998) by Central Water Commission (CWC) to provide irrigation to 13.16 lakh ha (Flow: 8.73 lakh and Lift 4.43 lakh ha). As per Revised Project Estimates (RPE), 1993, Stage-II was to be completed by 2003-04. The project was included (1997-98) under AIBP with the target of creation of irrigation potential of 515 thousand hectare.

3.1.3 Implementation arrangement

The projects covered under AIBP were executed by the Irrigation Department headed by four Chief Engineers (CEs) assisted by four Additional Chief Engineers (ACEs), through 68 divisions headed by Executive Engineers (EEs). The execution of the IGNP was entrusted to two CEs through 30 divisional EEs.

3.1.4 Audit coverage

The records for the period 1996-2003 in the offices of CEs, Irrigation Department, Jaipur, Mahi, Bisalpur and Hanumangarh (North), ACEs Jaipur, Jodhpur, Udaipur and Kota and 19 Divisions¹ (covering nine Major/Medium Irrigation Projects) and in the office of Indira Gandhi Nahar Board (IGNB), Jaipur, CEs Bikaner and Jaisalmer and 17 Divisions² (covering five lifts) were test checked (December 2002 to May 2003). Important audit findings are discussed in the succeeding paragraphs.

Audit findings

3.1.5 Improper selection

Three modernisation projects (Jaisamand, Gambhiri and Gang Canal) were irregularly included under AIBP because these were under the category of Extension, Renovation and Modernisation (ERM). Jaisamand and Gambhiri projects were shown as completed in Annual Progress Report (2001-02) of Irrigation Department but were actually incomplete (March 2003). In Jaisamand project 28 works of distribution system were executed between 25 and 75 *per cent* only. For Gambhiri project, technical sanctions (Rs 14.40 crore) for three rehabilitation works were issued (2002-03) under Rajasthan Water Sector Restructuring Project by the ACE, Udaipur. Thus, the project

[@] Includes Rs 1131.44 crore for construction of lined water courses to be constructed by Command Area Development Department.

1. Karauli, Chauli I & II, Jhalawar, Chhapi Jhalawar, I & II Division, Sanchore, Salumber, Division-I, Chittorgarh, LMC Garhi, RMC Distributary Banswara, Dam Division, Mechanical Division and B&RC Division, Banswara, Construction Division I & III Deoli, Rehabilitation Division, Deoli, Canal I & II Division, Tonk and Link Canal Division, Sriganganagar.
2. 20th Division, 18th Division IGNP Bikaner, 10th Division, Taranagar, S&I Lift Division, Rawatsar, Kolayat Lift Division, Bikaner, 24th Division, Phalodi, 28th Division, Phalodi, Lift Mechanical Division, Bikaner, Field Mechanical Division, Bikaner, Birsalpur Branch Division-II Bajju, 14th Division, Bikampur, Phalodi Division, 29th Division, 15th Division, Water Course Division-II, IGNP, Jaisalmer, SMG Division, Ramgarh, Jaisalmer and Mechanical Division, Phalodi.

cannot be treated as complete.

3.1.6 Selection of Bisalpur and Narmada projects under AIBP was not correct as these projects were not in an advanced stage of completion. Expenditure at the time of selection (1998-99) under AIBP was much lesser (33 per cent and 27 per cent) than the requirement (75 per cent of estimated cost). Further, under the Bisalpur project the targeted potential was less than one lakh hectare which was necessary for selection under AIBP.

3.1.7 Lack of planning

Execution of work of IGNP, Stage-II was being taken-up (1971-72) in two parts (flow and lift). As per Revised Project Estimates (RPE), 1993 Culturable Command Area (CCA) in flow area was 8.73 lakh ha (estimated cost of Rs 1044 crore) and in lift area CCA was 4.43 lakh ha (estimated cost: Rs 1223 crore). Due to execution of works of both the systems at the same time, the works remained incomplete and the required potential (5,15,000 ha) could not be created. It was also observed that though canal works (branches/minors etc.) were completed (1998-2003) by IGNP, the water courses in various systems could not be completed as of March 2003 by CAD[#] due to lack of coordination between the two departments.

Financial mismanagement

3.1.8 Short receipt of Central Loan Assistance (CLA) due to less release of state matching share

Central assistance under AIBP was to be given in the form of loan on matching basis (Central : State upto 1998-99 - 1:1, 1999-2002 - 2:1 and 2002-03 - 4:1). It was observed that during 1996-2003 against the total CLA of Rs 640.56 crore, state-matching share was Rs 606.14 crore. In six projects short release of matching share of Rs 15.93 crore resulted in less receipt of CLA of Rs 57.37 crore* from Government of India.

3.1.9 Advance irregularly charged to final head/rush of expenditure

Advance of Rs 5.68 crore irregularly charged to final head.

In three projects an advance payment of Rs 5.68 crore made upto March 2003 by three divisions³ to the Sub-Divisional Officers, Land Acquisition Officers (LAOs) and other executing agencies for execution of works, disbursement of Land Compensation, etc. was irregularly charged finally to projects instead of Miscellaneous Public Works Advances against the officer concerned. In Gang Canal modernisation project expenditure to the extent of 92.42 per cent was made in the last quarter of 2000-01.

Command Area Development Department.

* Panchana (1998-99 : Rs 2.15 crore), IGNP Stage-II (1999-2000 : Rs 30 crore), Gambhiri (1999-2000 : Rs 0.48 crore), Chauli (2000-01 : Rs 5.14 crore), Gang Canal (2001-02 : Rs 13.02 crore) and Mahi (2002-03 : Rs 6.58 crore).

3. Panchana Irrigation Division, Karauli : Rs 100.26 lakh; Chhapi Irrigation Division, Jhalawar : Rs 390.37 lakh and 24th Division, IGNP, Phalodi : Rs 77.32 lakh.

3.1.10 Diversion of funds

Funds of Rs 22.67 crore diverted.

In eight projects expenditure of Rs 22.67 crore was incurred on other activities not covered under the programme such as purchase of cars, computer, coolers, running and maintenance of buildings, etc. (Rs 21.74 crore), office expenses (Rs 0.32 crore) and the payment of arrear of wages (Rs 0.61 crore) pertaining to the period prior to inclusion under AIBP.

3.1.11 Funds amounting to Rs 7.93 crore remained blocked for a period from one to six years as the works were either incomplete or held up due to execution problems, such as non-acquisition of land, change in strata, non-completion of work of middle reaches of distributaries, non-fixing of delivery pipes, etc.

3.1.12 As per AIBP guidelines the State Government was required to submit audited statements of expenditure within nine months of completion of financial year of the projects to CWC. These were not submitted by any of the test- checked divisions.

Execution**3.1.13 Lack of construction of Jaisamand Dam upto safety level**

The Jaisamand irrigation modernisation project cleared (May 1992) by Planning Commission was selected (1996-97) under AIBP with the aim of raising the height of the dam upto safety level (from 301.10 M to 306.84 M) to accommodate flood water discharge, construction of 39 additional structures for lining of main canal etc. It was observed that expenditure of Rs 7.56 crore was incurred during 1996-2001 on modernisation works, which were still incomplete and height of the dam was not raised, the project was shown as completed in 2000-01 as per published progress report for 2001-02 without raising height of the dam upto safety level.

3.1.14 Extra cost of Rs 60.17 lakh and liability of Rs 46.87 lakh

Non-preparation of detailed estimates of excavation and lining works of Bisalpur project led to extra cost of Rs 60.17 lakh and liability of Rs 46.87 lakh.

As per financial rules no works should be commenced without detailed estimate based on actual survey and investigation. It was observed that the detailed estimates (August 1998) of earth work excavation of cutting reaches in RD 23.50 to 24.50 and RD 25 to 27.50 of Right Main Canal (RMC) of Bisalpur project were prepared on the basis of trial pits upto 3 M depth only. However, on execution of earth work excavation actual depth of these reaches varied from 7.76 M to 12.42 M and strata at lower reaches was different. This resulted in heavy increase/variation in quantities of earth work.

The contractors to whom the works were initially allotted left (March 2000) the work incomplete after execution of excess earth work ranging from 102 to 1341 *per cent* from Schedule 'G'. The higher rate demanded (June 2000) by them under clause 12-A of the agreement was not accepted (July 2000 - January 2001) by the department.

On re-tendering (April-November 2002), the left over works with enhanced quantity of earth work, were got executed at higher tender premium which led to an extra expenditure of Rs 60.17 lakh in RD 23.5 to 24.5 and extra liability of Rs 46.87 lakh in RD 25 to 27.5. The re-tendered rates were higher than those demanded by the contractor in June 2000 but rates were not negotiated with them.

3.1.15 Avoidable extra expenditure

Dispute in strata classification, frequent changes in specifications, delayed decision etc. resulting in avoidable extra expenditure of Rs 4.12 crore.

- Various construction works of three projects (March 1996 to March 1999) were left incomplete by the contractors due to dispute in classification of strata, frequent changes in specifications, etc. The balance works were re-awarded (September 1998 to January 2003) on higher tender premium resulting in avoidable extra expenditure of Rs 1.95 crore.
- Avoidable extra expenditure of Rs 1.20 crore was incurred on (a) removal of silt and shrubs etc. from canal as lining work was not taken up in quick succession with excavation; (b) removal of earth and bentonite material left very near to canal bank by departmental mechanical unit; (c) repairs of Village Road Bridges (VRBs) which were damaged due to late allotment of earth and lining works, after construction of VRBs and (d) increased quantity of earth work due to abnormal delay in taking decision regarding foundation wall and change of source of cohesive non-swelling soil and grit.
- In four divisions⁴ of IGNP (Stage-II) four works were allotted (November 1997 - January 1999) to contractors but they did not commence the work as no agreement was executed by them. The department initiated action late by nine to 15 months against contractors under condition 11 of Notice Inviting Tender (NIT) forfeiting the earnest money. Similarly, eight works allotted (1997-2000) to contractors were not commenced/completed, but action against defaulters to levy compensation under clause 2 and 3 of the agreement was taken late by 11 to 52 months. This resulted in 12 to 57 months delay in re-awarding (between 1999 and 2002) these 12 works. Thus, delayed action of the department, caused higher tender premium resulting in extra expenditure of Rs 97.17 lakh.

3.1.16 Irregular payment of price escalation

The work for construction of overflow portion at RD 1290 to 1690 and non-overflow portion of Chauhi Irrigation Dam was awarded (June 1998) to contractor 'A' for completion by July 2000. Provisional extension upto December 2002 was granted (January 2002) without compensation. It was noticed that irregular payment of Rs 1.26 crore was made (up to September 2002) by EE, Chauhi Irrigation Project to the contractor due to price variation

4. 15th Division, Jaisalmer; WC Division-II, Jaisalmer; Phalodi Division, Jaisalmer; 28th Division, Phalodi.

for the extended period, even though he was not empowered⁵ to sanction escalation beyond stipulated original period of completion.

3.1.17 Irregular expenditure of Rs 3.52 crore on Cross Drainages works without provision

Irregular expenditure of Rs 3.52 crore on CD works without provision in RPE.

Scrutiny of records revealed that an expenditure of Rs 3.52 crore was incurred on construction of Cross Drainages (CD) over Gajner, Kolayat and Phalodi Lift canals without provision in RPE 1993. This resulted in irregular expenditure of Rs 3.52 crore. On enquiry (February to May 2003) the EEs replied that the construction of CD works was done as per construction programme. Deviation was not approved by IGNB (May 2003).

3.1.18 Huge gap in irrigation (1996-2003) potential targeted, potential created and its utilisation

The position of ultimate potential, its creation and utilisation in respect of projects covered under AIBP was as under:

(In thousand hectares)								
S. No.	Name of Project	Irrigation potential before AIBP	Targets under AIBP	Potential created under AIBP	Short-fall (in per cent)	Total potential available	Potential utilised (Maximum)	Per cent
1.	Mahi	56.13	15.07	4.42	71	60.55	2.10*	3
2.	IGNP Stage-II	449.00	515.00	183.00	64	632.00	267.67	42
3.	Panchana	4.50	6.10	5.93	3	10.43	4.30	41
4.	Chhapi	Nil	10.00	6.50	35	6.50	2.43	37
5.	Gambhiri (Modernisation)	2.20	2.58	1.73	33	3.93	1.30	33
6.	Bisalpur	2.50	79.30	15.00	81	17.50	12.00**	69
7.	Chauli	Nil	8.96	0.30	97	0.30	-	-
8.	Narmada	Nil	251.00	Nil	100	Nil	-	-
9.	Jaisamand (Modernisation)	4.61	3.74	2.76	26	7.37	-	-
10.	Gang Canal (Modernisation)	5.65	90.86	13.89	85	19.54	19.54	100
	Total	524.59	982.61	233.53		758.12	309.34	

* Utilisation of potential is out of potential created under AIBP only.

** Bisalpur project shifted to NABARD from 2000-01.

No irrigation potential was created in Narmada Project as the canal works in Gujarat portion were not completed. In other projects, the percentage of shortfall in creation of additional irrigation potential ranged between three and 97.

5. As per note 1 of item 25 of the Schedule of Powers of Public Works Financial and Accounts Rules.

In Chauli irrigation project, 300 ha irrigation potential was shown as created (2002-03) in reports sent to CE, even though water was not available at outlet of the canals as head works were incomplete. In Chhapi Project, only 6500 ha potential was created against targeted potential of 10,000 ha. The position of utilisation of created potential during 1999-2003 (except Gang Canal) ranged from 0 to 69 *per cent*. Thus, there was huge gap between creation and utilisation of targeted and created potential.

In IGNP Stage-II, the overall position of utilisation of irrigation potential created during 1997-2002 fluctuated between 29 to 46 *per cent*. It was observed in 11 test-checked Divisions⁶ that after incurring expenditure of Rs 76.94 crore on construction of canals/systems, 72599 ha area was opened and created upto March 2002 but the same was not utilized. Non-utilisation was due to non-completion/construction of pumping stations (PSs), water courses in lift area and non-allotment of land to the settlers by Colonisation Department. Position of utilisation for the year 2002-03 was not available with the department.

3.1.19 Non-fulfilment of environmental conditions and other irregularities

- Environmental clearance for Bisalpur drinking water cum Irrigation project was granted (2 December 1997) by GOI, subject to fulfilment of conditions which were not fulfilled by the State Government despite repeated instructions by the GOI (September 2000, January 2001 and December 2001).
- The construction works of Bisalpur and Chhapi irrigation projects were started without obtaining clearance of the Forest Department. The GOI, Ministry of Environment and Forests, while sanctioning diversion of forest land in favour of Irrigation Department, held (December 1997 and January 1998) that the State Government violated the Forest (Conservation) Act, 1980. They directed payment of cost of compensatory afforestation and cost of penal afforestation, which was twice (in Bisalpur project) and four times (in Chhapi project) of the original cost respectively. It was observed that due to delay in payment of cost of compensatory afforestation and cost of penal afforestation the department had to pay extra sum of Rs 55.19 lakh on account of revision of wage rates and there was a further liability of Rs 16.19 crore (in Bisalpur Rs 2.96 crore and Chhapi project Rs 13.23 crore).

Other points of interest

3.1.20 Non-mutation of land

Review of records in nine test-checked divisions⁷ revealed that in 1455 cases 1690.86 ha land was acquired for construction of various canals/distributaries

6. 20th Division, Bikaner; 18th Division, Bikaner; Kolayat Lift Canal Division Bikaner; 14th Division, Bikampur; 10th Division, Taranagar; SMG Division, Ramgarh; 15th Division, Jaisalmer; Phalodi Division, Jaisalmer; 29th Division, Jaisalmer; 24th Division, Phalodi and 28th Division, Phalodi.
7. Bisalpur Canal Division-I, Tonk, Bisalpur Canal Division-II, Tonk, Rehabilitation Division, Deoli, B&RC Division, Banswara, Dam Division, Banswara, Mahi Distributary Division, Gadhi (LMC), Chauli Irrigation Project Division, Jhalawar, Panchana Irrigation Division, Karauli and S&I Lift Division, Rawatsar.

Delay in payment of cost of compensatory afforestation/penal cost of compensatory afforestation led to extra payment of Rs 55.19 lakh and a further liability of Rs 16.19 crore.

Mutation of 1690.86 ha land was not done despite payment of compensation.

etc. and compensation amounting to Rs 17.73 crore was paid during the period 1997-2003 but mutation of land in the name of department was not done (March 2003).

3.1.21 Users Associations

No water users associations were formed in nine projects.

Water users associations were to be formed to ensure effective water management, maintenance and cost recovery. It was observed that no water users associations were formed in nine out of 10 projects. Water users associations formed for Gang Canal Modernisation Project was also non-functional. Maintenance work of canals and collection of water revenue was being done by Irrigation Department. From March 2002 the work of collection of water revenue has been assigned to the Revenue Department.

3.1.22 Monitoring

No separate monitoring committees were constituted.

The monitoring of the AIBP was being done by the Director, Central Water Commission (CWC), Jaipur. In IGNP Department, programme of the project was being monitored by SE (P&M) at department level. It was observed that separate monitoring committees were not constituted by the department and only physical and financial progress reports were being furnished to CWC.

3.1.23 Evaluation and impact assessment

No evaluation programme was carried out to assess the benefits in terms of irrigation potential created and actually being utilised.

Evaluation of the impact of the programme is essential to judge its success or failure and for taking remedial measures to eliminate shortcomings/weaknesses in implementation/execution of the projects. It was observed that no evaluation programme was carried out at department's level to assess the benefits in terms of irrigation potential created and actually being utilised.

The study on Impact assessment of AIBP in respect of 20 Major/Medium/ERM projects including Jaisamand Modernisation project of Rajasthan was awarded (March 2001) by Planning Commission, Government of India to Water and Power Consultancy Services (India) Limited (WAPCOS). The above study was required to be completed by December 2001. It was observed that information for study work was called for (September 2001) by WAPCOS but data of the same was not available with the Department (June 2003).

3.1.24 Conclusion

None of the ten projects of Rajasthan State pertaining to Irrigation and IGNP Departments taken under AIBP during 1996-2001 for being completed in two years were not completed (March 2003) within the prescribed time frame despite incurring an expenditure of Rs 1247 core. Only 24 per cent of the targeted irrigation potential was created.

3.1.25 Recommendations

- Accountability of the funding and expenditure process needs to be strengthened by avoiding diversion and blockage of money.

- Inefficiencies/irregularities in execution should be checked by State CWC unit through improved monitoring and by closer coordination.
- The State Government should take the initiative to form water users association for equitable distribution, proper utilisation and maintenance of the resources created at the grass root level.
- State should take up fewer projects and complete them expeditiously rather than spending resources thinly across projects, none of which are complete.

The matter was reported to the Government in July 2003; reply has not been received (November 2003).

Medical and Health and Ayurved Departments

3.2 Implementation of Drugs and Cosmetics Act

Highlights

The Drugs and Cosmetics Act, 1940 (the Act) is a Central Act and is applicable to the whole of India. This Act and the rules made thereunder regulate the manufacture, sale, import, export and clinical research of drugs and cosmetics in India. While the parameters of control are devised by the Central Government, these are required to be actually implemented by the State Government. However, the Act and the Rules were not implemented effectively in the State as was noticed in test-check.

There was delay ranging between two and 34 months in granting/renewal of licences.

(Paragraph 3.2.4)

Shortfall in achievement of targets of drawal of samples and inspections ranged from six to 18 per cent and 39 to 74 per cent respectively. In Ayurved Department, there was shortfall in conducting inspections ranging between 38 and 63 per cent.

(Paragraphs 3.2.5 and 3.2.6)

The delay in sending samples for analysis to laboratories ranged upto 43 months. In 33 cases, test reports were received after expiry of drugs.

(Paragraph 3.2.7)

Sixty seven cases ordered by the Drugs Controller for being filed in the court of law were not filed for periods ranging from six months to more than five years. There was acquittal in 15 cases because of failure of the department.

(Paragraph 3.2.8)

3.2.1 Introduction

The Government of India (GOI) enacted the “Drugs and Cosmetics Act, 1940” (the Act) with a view to regulate the import, manufacture, distribution and sale of drugs and cosmetics. The Drugs and Cosmetics Rules, 1945 (the Rules) were adopted in the State with effect from 16 July 1959. The Act also applies to patent or proprietary medicines, which relate to Ayurvedic and other systems of medicine and cosmetics.

3.2.2 Implementing Agencies

The Drugs Controller (DC) is the Regulatory Authority entrusted with the task

of enforcement of the Act and the Rules. DC is assisted by 11 Assistant Drug Controllers (ADCs) and 45 Drugs Control Officers^{\$} (DCOs). One Drugs Testing Laboratory (DTL) headed by the Government Analyst (GA) is working under the DC. The administrative control of the DC is vested with the Secretary, Medical and Health Department. For Ayurvedic (including *Siddha*) and Unani medicines, Director, Ayurved under the Secretary, Ayurved is the Regulatory Authority. The Director is assisted by one ADC (Ayurved).

3.2.3 Scope of audit

Implementation of the Act/the Rules for the period 1998-2003 was reviewed in audit (January 2003 to June 2003) in the offices of the DC, Rajasthan, Jaipur, 3 ADCs[@], DTL, Jaipur and Director, Ayurved, Rajasthan, Ajmer.

3.2.4 Survey and Licensing Procedure

There was delay in granting/renewal of licence ranging between two and 34 months.

- As per directions (January 1999) of the Secretary, Medical and Health Department, Rajasthan, licences were to be granted within 15 days of the receipt of application. Applications for renewal were to be disposed off the same day. Test-check of records of three ADCs revealed that a time of two to 34 months was taken in granting/renewing licences. The ADCs, Kota and Ajmer attributed the reasons for delay in granting/renewing licences to shortage of staff and workload.

Two to 59 months period was taken for issue/renewal of licence.

- In respect of Ayurvedic medicines, Rules provide for issue of manufacturing licence within a period of three months from the date of receipt of application. However, two to 59 months were taken for issue/renewal of licence. The Director, Ayurved stated (April 2003) that delay was due to non-receipt of Inspection Reports from Drugs Inspectors (DIs), time taken by unit owners to comply with the deficiencies, closure of units, non-supply of information and workload in Licensing Authority (LA) office. The reply is not tenable as three months prescribed time is sufficient to meet the requirements essential for issue of licence.

- The manufacturing of Ayurvedic (including *Siddha*) or Unani drugs was to be carried out in such premises and under such hygienic conditions as specified* under Good Manufacturing Practices (GMP) (revised with effect from 23 June 2000). Existing licensee units were allowed two years buffer time to meet requirements as per revised schedule. However, as of March 2003, out of 447 manufacturing units, only two existing units had been granted certificate of GMP of Ayurved, which indicate that other units did not meet the requirements.

Blood Banks

As of 31 March 2003, there were 60 blood banks (Government sector: 43, Private sector: 17). Of these, 51 licences (Government sector: 42, Private

^{\$} Designation of 'Drugs Inspector' has been changed as 'Drugs Control Officer' by the State Government w.e.f. 5 April 2002 in respect of Allopathic medicines.

[@] Ajmer, Chittorgarh and Kota.

^{*} Schedule 'T' of the Drugs and Cosmetics Rules, 1945.

sector: 9) have not been renewed after expiry of their validity between 1998-2002.

No compliance report was furnished by any of the Government Blood Banks.

The licence for operating the blood banks at 43 Government Hospitals was granted (March 1993 to September 2002) with the condition to comply with the deficiencies pointed out in the Joint Inspection*. However, no compliance report was furnished as of June 2003 by any of the blood banks, even though, the licence was renewed up to 31 December 2002 in 31 cases. Thus, blood banks with deficiencies were working under a licence of Drugs Control Organisation, which may lead to health hazards.

Inadequacy of Sampling and Inspection

3.2.5 Sampling

During 1998-2003, 5079 samples were drawn, and 732 samples** (14 per cent) were declared as not of standard quality of which 54 samples were spurious. Following irregularities were noticed:

There was shortfall in achievement of targets in drawal of samples ranging between six and 18 per cent.

- The shortfall in achievement of targets in drawal of samples during 1998-2003 ranged between six and 18 per cent. Out of 38 to 42 Drugs Control Officers who worked during different periods five to 26 DCOs did not achieve their targets.

No samples of cosmetics and Homoeopathic medicines was drawn from rural as well as urban areas except two DCOs.

A comparison of samples drawn from urban and rural areas and of samples drawn from allopathic drugs, cosmetics, homoeopathic medicines and Government stores is given in the table below:

Year	Number of DCOs	Samples of Drug		Number of DCOs who did not take samples of			
		Rural (Percentage in bracket)	Urban	Allopathic drugs in rural areas	Cosmetics in urban and rural areas	Homoeopathic medicines in urban and rural areas	Government store in rural areas
1998-1999	18	75 (16)	391 (84)	6	16	18	17
1999-2000	18	38 (10)	356 (90)	7	17	18	15
2000-01	19	58 (15)	317 (85)	7	19	19	17
2001-02	19	59 (14)	363 (86)	8	19	19	18
2002-03	19	45 (8)	496 (92)	11	19	19	16

There was a substantial urban bias in taking samples. Further, no samples of homoeopathic medicines were taken over the period 1998-2003 and no samples for cosmetics were taken over the period 2000-03. The DC stated (June 2003) that no targets were fixed for taking of samples, rural and urban area-wise, for proportionate collection of samples of Allopathic and Homoeopathic medicines and cosmetics. In respect of Government stores, target for taking one sample per month per DCO has now been fixed from January 2003.

* Representatives of Central Drugs Standard Control Organisation (North Zone), Ghaziabad, State Drugs Controller, Expert of Blood of the Blood Banks.

** Includes samples drawn before 1998-99 but test reports received during 1998-2003.

- Test reports of 23 samples (taken by DIs of other States) were challenged by concerned manufacturers after issue of show cause notices (September 1998 to July 2002). Thereupon the cases were referred to the concerned DCs. No further action was taken for the last one to four years.

- Transfusion of matching human blood may cause harm to the patients if transferred blood is infected or HIV positive. Not a single sample of human blood/ component/product was taken by any of the DCOs for testing during 1998-2003. On being pointed out in audit ADC, Jaipur stated that amendments have been made (April 2002) in the Rules inserting the name of National Institute of Biologicals, Noida as an additional centre for testing blood samples and action has been initiated at DC level to direct the DCOs for taking the blood samples. The reply was not tenable as the testing facility for blood was already available at three other institutes situated at Delhi, Pune and Vellore and no sample was drawn even after issue of amendments.

Only one sample was drawn even though facility of single component drug was available.

- Though the facility for testing of single component Ayurvedic drug was available, only one sample was drawn during 1998-2003. The Director, Ayurved asked (April 2003) the DIs to explain reasons for non-drawing samples during the last five years.

3.2.6 Inspection

There was shortfall in achievement of targets ranging from 39 to 74 per cent.

There was shortfall in achievement of targets of inspection of DCOs during 1999-2003, which ranged from 39 to 74 *per cent*.

In respect of manufacture of Ayurvedic (including *Siddha*) or Unani medicine, there was shortfall in conducting inspections ranging between 38 and 63 *per cent*. The Director, Ayurved while accepting the facts intimated (April 2003) that inspectors have now been directed to strictly follow the Rules.

3.2.7 Follow up action on samples found not of standard quality or spurious; effectiveness thereof

Test reports of 33 samples were received after expiry of drug.

- Test-check of records revealed that 81 samples were sent to laboratories with a delay from one to 43 months. Test-reports of 33 samples (11 declared as not of standard quality and one spurious) were received after expiry period of drugs and adverse test results were circulated to ADCs/DCOs of the State and DCs of other States with delay ranging from 10 days to four months. Consumption of drugs not of standard quality in the meantime may have led to health hazard to the consumers.

- As the drugs are sold through out the country, there should be proper coordination among the Drug Control Organisations of all the States for prompt communication. Such coordination was lacking which is indicative from the fact that during 1998-2003, information of adverse test results in 14 cases from other States was received in DC office with delays ranging from five to 36 months and in 25 cases test results were received one to 3½ months after the date of expiry of drug. The Rajasthan DC intimated adverse test results of 79 cases to other state Drug Control Organisations with a delay ranging from 10 days to 2½ months. Results of 35 cases declaring the drugs as

not of standard quality were intimated (April 2000 to April 2003) to all Drug Control Organisations after expiry date of the drug.

- Details like date of manufacture and expiry of drug, and reasons for declaring the drug as not of standard quality were not being given in the bulletin issued by the DC from time to time. Consequently, the concerned authorities were not in a position to assess time left, position of stock and gravity of the offence for taking prompt and suitable action.
- Reference to provisions of the Act and the Rules under which accused is to be prosecuted was not found mentioned in the sanctions issued by the DC (Controlling Authority).
- After the declaration of a sample as not of standard quality there was delay of six to 30 months in linking with the manufacturer in 15 cases where no stock was got retrieved from the suppliers/retailers resulting in consumption of drugs not of standard quality exposing the lives of patients to various hazards.

3.2.8 Prosecutions vis-a-vis cases filed

Out of 82 cases decided (1999-2003) by various courts there was acquittal/discharge in 48 (59 *per cent*) cases and out of 23 test checked cases, in 15 cases (65 *per cent*) the acquittal/discharge was due to various departmental failures such as deprivation of right of re-examination of sample because of expiry of drug, not issuing proper prosecution sanction, delay in analysis/reporting, drawal of samples by official not notified etc. In 67 cases where the DC had issued orders for filing the case in the court of law, cases were not filed for periods ranging from six months to five years and more. In 34 cases (out of 180 cases) there was departmental delay of more than 12 months in filing the challan in court of law against the offenders. The main reasons for delay were linking of firms and non-receipt of their constitution.

3.2.9 Working of Drugs Testing Laboratories

Following major deficiencies were noticed in the working of DTL functioning in the State since 1961:

- The sanctioned strength of DTL during 1998-2003 was 24 for technical (13) and administrative (11) work. Of these, six technical posts and one post of Deputy Director were lying vacant since 1998.
- Pharmacology, Micro-Biological Laboratory and Computer room constructed at a cost of Rs 35 lakh and handed over between October 1997 and November 2001 were lying unutilised.
- DTL was having testing facilities for 11 major categories of drugs. Out of 2728 samples received for testing during 1998-2003, 291 samples (11 *per cent*) were returned without analysis mainly due to non-availability of testing facility, testing equipment being out of order or the samples were not sealed properly. While most of the samples received for test related to

Pharmacology lab, Micro-Biological lab and computer room were lying unutilised.

analgesic/antipyretics/anti-inflammatory (30 to 74 *per cent*) and surgical dressing (four to 36 *per cent*) categories, representation of samples of other categories like vitamins, anti-tubercular, anti-malarial, raw material and cosmetics was negligible. In 114 cases test checked, during 1998-2003 time taken in analysis of samples ranged from two to 24 months. In 31 cases samples were declared as not of standard quality which may have resulted in consumption of these drugs in field during such delay.

3.2.10 Manpower

- The State Government sent (November 1998) requirement of 55 additional posts to GOI under capacity building project for strengthening drug enforcement machinery with World Bank assistance. The DC also sent (February 2002) proposals for creation of 55 posts of DCOs based on recommendations of task force committee to the Director for submission to State Government. No decision on the proposals was taken (April 2003).
- No time limit has been laid down for issue of gazette notification for appointment as Drugs Inspector. During 1993-2001, the notifications for appointment of five DCOs were issued with abnormal delay of 86 to 190 days after their joining duty. In absence of notification they were not authorised to perform duties entrusted by the Act.

3.2.11 Inadequacy of financial and administrative powers of Drugs Control Authorities

Though the DC is head of the Drugs Control Organisation and independent for enforcement of the Act and the Rules, he has no financial/administrative powers in respect of transfer and posting of staff essential for effective control over the performance of organisation as a whole.

3.2.12 Training

No training facility existed nor any training programme was conducted.

- No training facility existed nor any training programme was conducted for developing/upgrading the skills of DCOs of Drugs Control Organisation/DIs of Ayurved Department during 1998-2003 to make them efficient in discharging the specialized functions envisaged in the Act and the Rules.
- The Rules envisaged that licensee of a blood bank was responsible to ensure through maintenance of records and other latest techniques used in blood banking system that the personnel involved in blood banking activities for collection, storage, testing and distribution are adequately trained in the current Good Manufacturing Practices/Standard Operating Procedures for the tasks undertaken by each personnel. No such training was found to have been conducted by any blood banks.

3.2.13 Monitoring

There was lack of coordination with other States as is seen by the fact that reports of drugs of not of standard were received or dispatched to the

respective Drug Controllers after considerable lapse of time.

3.2.14 Conclusion

In Rajasthan, the Act has not been implemented effectively. The provisions of the Act regarding inspection of units, drawing/testing/reporting of sample, speedy and effective action against defaulters were not implemented strictly. There was shortfall in conducting inspections of units and action against drug offenders was inadequate. There was no proper coordination among the Drug Control Organisations of various States. There was serious risk, therefore, of fake/spurious/not of standard quality drugs being supplied to consumers in the State. There was delay in sending of samples to laboratories for analysis, delayed reports of analysis even after expiry of drugs, full consumption of stock of “not of standard quality” drugs, and shortfall in sampling of all categories of drugs.

3.2.15 Recommendations

In view of the above shortcomings Audit recommends that:

- The drawal and testing procedures of samples need to be rationalised.
- Drugs Testing Laboratories should be fully equipped with testing equipment and technical staff, for strengthening and ensuring effective enforcement of the Act.
- Time limit for testing of samples should be specified.
- Proper coordination among the Drug Control Organisations of various states should be ensured.

These points were referred to the Government in July 2003; reply had not been received (November 2003).

Agriculture Department

3.3 Working of Agriculture Department

Introduction

The main objective of the department is to improve the production and productivity of food grains/other agriculture products for sustainable growth of the State economy. The Agriculture Department is responsible mainly for dissemination of latest technical know-how besides ensuring timely supply of quality input to the farming community. The Department also performs regulatory functions regarding quality control of seeds, fertilizers, pesticides and agriculture implements.

The Principal Secretary is the administrative Head of the Department. Director of Agriculture (DOA) implements the schemes through Joint Director and Deputy Director at zone/district level and Assistant Directors at the sub-divisional level.

Working of Agriculture Department during 2000-03 was reviewed (December 2002 - June 2003) by test check of records of DOA and his subordinate offices in eight districts¹. The results of test-check are discussed in the succeeding paragraphs:

3.3.1 Finance

- Out of Rs 32.19 crore released by the Government of India (GOI) under Oilseeds Production Programme (OPP) during 2000-03, the State Government did not release Rs 3.50 crore alongwith its proportionate State share of Rs 1.17 crore to implementing agencies.

Delay in releasing CSS funds.

- Period ranging from two to nine months were taken in releasing Centrally sponsored schemes (CSS) funds (amount involved: Rs 52.01 crore) by the State Government to the nodal departments during 2000-03.

Diversion of Rs 4.80 crore.

- Against provision of Rs 48 lakh in the CSS, Work Plan (2002-03) for new component "Special Fodder Minikit distribution for other than demonstration purposes", Rs 5.28 crore were spent by diverting savings of Rs 4.80 crore available under other components without approval of the GOI.

- Under Intensive Cotton Development Programme assistance for the establishment of seed delinting plant at the rate of 50 *per cent* of cost limited to Rs 40 lakh for medium sized plant was admissible and balance 50 *per cent* was to be borne by Rajasthan State Seed Corporation (RSSC). However, the DOA released (January 2002) Rs 40 lakh (100 *per cent* cost) to RSSC for establishment of cotton seed delinting complex, which were lying unutilized (June 2003) depriving the farmers of intended benefits.

1. Ajmer, Bharatpur, Bhilwara, Hanumangarh, Jaipur, Jodhpur, Kota and Tonk.

Blocking of Rs 2.35 crore owing to non-approval of scheme.

- DOA deposited (March 1991) Rs 1.00 crore sanctioned by the State Government for setting up “Rajasthan State Wells Insurance Fund” in interest bearing Personal Deposit (PD) Account. The amount alongwith interest of Rs 1.35 crore was lying unutilised as of March 2003 due to non-approval of scheme by the State Government.

3.3.2 Programme Management

Results of test-check of few components of various programmes and regulatory functions and shortcomings noticed in implementation thereof are discussed below:

3.3.3 Subsidy on sprinkler irrigation system

Higher fixation of rates than prevailing market rates resulted in excess payment of subsidy of Rs 8.14 crore.

Sprinkler irrigation system facilitated better water use efficiency providing 25 to 40 per cent saving over conventional irrigation particularly in sandy soil having high percolation rate, land with undulated topography and areas with limited water availability. During 2000-03, subsidy for one hectare under various CSS was fixed by DOA as (a) 50 per cent of cost of sprinkler sets/unit cost² or Rs 10,000 whichever is less to small/marginal/SC/ST/Woman farmers and (b) 33 per cent of unit cost² or Rs 7,000 whichever is less to other categories of farmers. As per instructions (June 2000) admissible subsidy on plant protection equipment/chemical was to be worked out on the lowest rates offered by manufacturers. The DOA did not apply these instructions in case of sprinkler sets despite the fact that National Bank for Agriculture and Rural Development (NABARD) rates were only indicative and agencies concerned could have adopted unit cost on realistic basis. By adopting NABARD rates instead of lowest rates offered by manufacturers for sprinkler sets subsidy of Rs 8.14 crore was paid in excess by the department as shown in the table:

Year	Lowest rate offered by manufacturer	Unit cost fixed by NABARD	Difference	Difference for each		Number of benefited farmers	Excess subsidy paid (Rs in crore)
				SC/ST/Small/Marginal/ Woman	Other farmer		
(In rupees)							
2000-01	14,930	18,000	3,070	1,535	1,013	13228	3.41
2001-02	17,225	18,000	775	388	256	16395	1.93
2002-03	11,353	15,000	3,647	1,824	1,204	8753	2.80
Total						38376	8.14

A perusal of several reports received during 2001-03 by the DOA from Joint Directors and politicians further revealed that (i) Bureau of Indian Standards (BIS) mark sprinkler sets were available in market at about half the rates fixed by NABARD, (ii) manufacturers were providing the sprinkler sets to the dealer on discounts of up to 56 per cent, (iii) dealers were providing the sets to farmers at lower rates out of their margin with a bill of full amount. State Government also pointed out (June 2002) to DOA that BIS mark sprinkler sets were available in the market for Rs 8,000 to Rs 10,000 in cash. Despite above reports, no changes were made in the procedure. Instead, the matter was

2. Fixed by NABARD.

closed (November 2002) by DOA on Deputy Director's report (October 2002) that the bills received were at NABARD rates i.e. Rs 18,000. Thus, the subsidy provided by the Government was misutilised.

3.3.4 Use of gypsum in reclamation of alkali soil and as micro-nutrient

- Gypsum, a cheap source of sulphur, is used in reclamation of alkali soil developed mostly due to use of brackish ground water and high sodium absorption ratio or residual sodium carbonate in irrigation water. It was observed that as against 10.62 lakh hectare of affected land only 0.41 lakh hectare (four *per cent*) was treated (1997-2003) at a cost of Rs 5.89 crore (March 2003).

Gypsum treatment was given in one per cent of the area sown under OPP/NPDP.

- Use of gypsum is included as one of the components under NPDP and OPP because its use as micronutrient (250 kg per hectare) increases productivity of pulses and oil content in oilseeds by 25 to 30 *per cent* and 10 to 15 *per cent* respectively. It was observed that gypsum treatment during 2000-03 was given only in one *per cent* of the area sown under OPP/NPDP*.

- Indian Standard (IS) Code prescribes that Agriculture Grade Gypsum should contain 70 *per cent* Calcium Sulphate. For quality control, suppliers of gypsum were required to get the supplies tested by a third party (one sample in a lot of 300 MT) and the Department could also test the samples in its own laboratories. However, Gypsum was in general distributed to the farmers before getting the sample analysed. While, only two samples were tested by the departmental laboratories during 2000-01 and found sub-standard, out of 424 samples taken during 2001-03, 320 (75 *per cent*) samples were found sub-standard with reference to purity of gypsum.

Undue benefit of Rs 1.37 crore was provided to suppliers on sub-standard supply of gypsum.

- For supply of sub-standard gypsum subsidy of Rs 89.14 lakh was deducted during 2000-03 on proportionate weight percentage basis for each lot of 300 MT. Subsequently, the DOA revised (March 2003) retrospectively the pattern of deduction for 2002-03, prescribing deduction of full subsidy for only 10 MT for samples taken from dealer's point and 100 MT at mining locations (instead for each lot of 300 MT) and refunded (March 2003) Rs 47.94 lakh to the suppliers giving them undue benefit to that extent. Besides, the farmers who had also contributed 50 *per cent* of the cost of gypsum as matching share were not compensated for such inferior supplies. This resulted in further undue benefit of Rs 89.14 lakh to the suppliers.

Subsidy of Rs 2.18 crore on purchase of tractors under CSS was given to medium/big farmers (69 per cent) defeating the purpose of providing subsidy to small/marginal/semi medium farmers.

3.3.5 Agricultural Mechanisation

Subsidy of Rs 30,000 on purchase of tractor is admissible to farmers under CSS 'Promotion of Agricultural Mechanisation among small farmers', wherein the DOA was expected to (i) identify few districts in view of limited funds, (ii) identify beneficiary farmers and (iii) ensure that maximum benefit under the scheme reached marginal, small and semi-medium farmers in that order by constituting societies etc. It was observed that the scheme was implemented in all districts without identifying beneficiary farmers. Of 1,062

* National Pulses Development Project.

individual farmers who benefited under the scheme during 2000-03 maximum benefit (Rs 2.18 crore) was given to 728 medium/big farmers (69 per cent) defeating the very purpose of the scheme.

3.3.6 Enforcement of the Dangerous Machines (Regulation) Act, 1983

Poor administration of the Dangerous Machines (Regulation) Act, 1983.

The GOI promulgated (December 1983) “The Dangerous Machines (Regulation) Act, 1983” to provide for the regulation of use of the product of any industry producing dangerous machines (i.e. Power-thresher) for security and payment of compensation for the death or body injury suffered by any labourer while operating any such machine.

After 16 years the State Government appointed (October 1999) Additional/Deputy Controllers and Inspectors for implementation of the Act. However, Act has not been actually implemented in the State owing to lack of survey/registration of dangerous machines and users did not take insurance policies for coverage of death/injury. This had resulted in payment of Grant-in-aid of Rs 53.20 lakh by the State Government to Rajasthan State Agriculture Marketing Board/*Krishi Upaj Mandi Samitis* for payment of compensation to 861 farmers/labourers, who sustained injuries under *Krishi Sathi Yojana* (State Plan) during 1998-2003 (upto December 2002).

3.3.7 Impact Assessment

No noticeable impact of schemes on production and productivity of agriculture produce

- During 1998-2002, there was no appreciable increase in total area cultivated, as shown below:

(Hectare in lakh)

Year	Cultivable area	Cultivated area	Percentage of cultivated area to the cultivable area
1998-1999	273.85	160.73	58.69
1999-2000	273.59	155.09	56.69
2000-01	273.39	158.65	58.03
2001-02	273.35	167.65	61.33
2002-03 ³	NA	NA	NA

Steady decline in the production of food grains despite increase in utilisation of fertilisers.

- Further, even while there was no major decline in land use and utilisation of fertilisers increased, there was a steady decline in the production of food grains during 1998-2003 as detailed below:

Item	1998-99	1999-2000	2000-01	2001-02	2002-03 ⁴
Production of food grains (in lakh MT)	129.33	106.85	100.40	139.83	63.25
Productivity (in kg per hectare)	962	975	883	1099	781
Consumption of fertilizers (in kg per hectare)	33.98	42.38	34.57	39.22	53.36

3. Data yet to be collected by the Department (30 July 2003).
4. Figures for the year 2002-03 are provisional.

It would be seen from the above that production of food grains of the State declined from 129.33 lakh MT in 1998-99 to 63.25 lakh MT in 2002-03. It was observed that productivity per hectare has been fluctuating substantially during the period 1998-2003.

3.3.8 Monitoring and evaluation

No follow up action/remedial measures were taken up on the evaluation study of *Kharif* and *rabi* crops.

A "Monitoring and Evaluation Cell" consisting of 87 Statistical Officials and headed by Joint Director was functioning under the direct control of the DOA. The cell had displayed reports of evaluation study on the functioning of recognized agriculture extension system in the State of *kharif* and *rabi* crops; no follow up action/remedial measures were taken up.

The cell was to monitor scheme-wise achievements but neither any monitoring note nor inspection note of any officer on any scheme was made available to audit nor the Joint Director of the cell had any information of the physical and financial progress of the schemes.

Even the evaluation and monitoring of the performance/results achieved against financial assistance released to various autonomous bodies/corporations, viz. Agriculture Colleges, RSSC etc. for various research/agriculture education oriented schemes etc. was not conducted.

3.3.9 Recommendations

- The production and productivity of the State need to be improved by effective implementation of the various Centrally sponsored and State Plan schemes.
- Latest technical know-how and timely supply of quality agricultural inputs such as seeds, fertilizers, pesticides to farming community need to be ensured.
- State Government should make timely release of proportionate shares of funds against Centrally sponsored schemes. The utilisation of funds is required to be monitored and delays in release avoided.

The matter was referred to the State Government in July 2003; reply has not been received (November 2003).

Ayurved Department

3.4 Working of Ayurved Department

3.4.1 Introduction

The Ayurved Department provides medical treatment through *Ayurvedic*, *Unani* and *Homoeopathy* systems of medicines and Naturopathy. The main activities of the Department are to provide medical facilities, prevention of

disease, production/procurement and distribution of medicines, medical education and training and research. The Secretary, Ayurved is the administrative head of the department and the Director, Ayurved is the Head of the Department. *Ayurvedic* medicines are being manufactured by four¹ Pharmacies and *Unani* medicines are manufactured at Ajmer Pharmacy. The Government Ayurved College, Udaipur provides medical education and training to *Chikitsaks* besides research work.

The working of the Department for the period 1998-2003 was reviewed (January 2003 to May 2003) through test check of records in the offices of the Director, Ayurved, four Regional Deputy Directors², eight District Ayurved Officers³ (DAOs), five Ayurved Hospitals⁴, *Unani* Hospital at Jaipur and Homoeopathic hospital at Ajmer, two Pharmacies at Udaipur and Ajmer, Training Centre at Ajmer and Government Ayurved College, Udaipur*. Important points noticed are discussed in the succeeding paragraphs.

3.4.2 Financial Performance

Against the budget provision of Rs 647.89 crore during 1998-2003, Rs 647.19 crore were spent. The expenditure on production and procurement of medicines and on other infrastructure facility was Rs 11.15 crore (two *per cent*) only in comparison to the expenditure of Rs 621.98 crore incurred on establishment (96 *per cent*).

3.4.3 Non-utilisation of grant-in-aid

The position of Central assistance provided by the Government of India (GOI) for various purposes and expenditure thereagainst was as under:

Central assistance of Rs 167.77 lakh remained unutilised.

(Rupees in lakh)					
S. No.	Purpose of grant	When sanctioned	Amount	Expenditure	Unutilised amount
1.	Strengthening of Drugs Testing Laboratory, Ajmer and Pharmacy, Ajmer, Bharatpur and Udaipur	March 2001 and February 2002	325.00	174.62	150.38
2.	Grant-in-aid for Post Graduate (PG) courses	March 1992 and August 1998	2.50 <u>9.41</u> 11.91	-	11.91
3.	Development of Herbal Garden	1996-97 2000-01 2001-02	11.16 5.00 <u>10.00</u> 26.16	20.68	5.48
	Total		363.07	195.30	167.77

Thus, out of total grant of Rs 3.63 crore, Rs 1.68 crore (46 *per cent*) remained unutilised as of March 2003.

1. Ajmer, Udaipur, Jodhpur, Bharatpur
 2. Bikaner, Jaipur, Udaipur and Ajmer
 3. Bikaner, Jaipur, Udaipur, Ajmer, Bharatpur, Alwar, Nagaur and Bhilwara
 4. Ajmer, Bikaner, Bharatpur, Jaipur and Bhilwara
- * Including Research Centre.

- Rupees 3.25 crore released by GOI was kept in Government account and not in bank as per instruction of GOI (March 2001 and February 2002) resulting in loss of interest of Rs 17.44 lakh⁵. Out of the expenditure of Rs 1.95 crore booked, machinery valuing Rs 1.15 crore was awaited (May 2003).
- Funds of Rs 11.91 lakh (March 1992: Rs 2.50 lakh; August 1998: Rs 9.41 lakh) meant for PG courses (*Maulik Siddhant and Kumarbhrithya* respectively) were to be utilised by March 2001 failing which it was to be refunded to GOI alongwith interest thereon. The Principal, Government Madan Mohan Malviya Ayurved College, Udaipur received Rs 9.41 lakh and deposited (March 1999) it in Government account under Government directions. Both the amounts were not released by the State Government upto March 2001. Subsequently, while as admission in PG courses of *Kumarbhrithya* was banned (July 2001) by the Central Council of Indian Medicine, New Delhi, course on *Maulik Siddhant* was also not conducted. Thus, entire amount was retained unauthorisedly by the State Government and not refunded to GOI (May 2003).
- Out of Central assistance of Rs 26.16 lakh shown as expended during 1996-2003, Rs 9.88 lakh were yet (May 2003) to be spent.

3.4.4 Rupees 39.38 lakh was sanctioned during 1997-99 for construction of 30 dispensaries under *Sahbhagita Yojana (State Plan Scheme)*. Test-check of records revealed that Rs 14.23 lakh were lying unutilised with three District Rural Development Agencies (DRDAs)⁶ for more than four years due to closure of the scheme.

3.4.5 Physical targets and achievements

Deprivation of medical facilities to the beneficiaries.

During 1999-2000, 150 new dispensaries were targeted to be opened. However, no financial sanction was issued for opening of new dispensaries because of ban imposed (October/November 1999) on new expenditure. During test-check it was observed that 36 dispensaries were operated without financial sanction by diverting staff from other existing dispensaries. Of these, 26 became non-functional between November 1999 and November 2002 because of withdrawal of diverted staff.

3.4.6 Staff position

Infructuous expenditure of Rs 25.49 lakh on pay and allowances of *chikitsaks*.

Test-check revealed that 49 *chikitsaks* remained idle for a period ranging from one month to 11 months (1998-2003) as they were awaiting posting orders from State Government contrary to Rajasthan Service Rules providing for posting in 30 days only. This resulted in infructuous expenditure of Rs 25.49 lakh on pay and allowances of *chikitsaks*.

5. At minimum interest rate of 4 per cent per annum.

6. Alwar, Bhilwara and Chittorgarh.

3.4.7 Ayurved Pharmacies

Shortfall in manufacturing of medicines ranged between 64 to 71 per cent.

- Ayurved Department manufactures medicines at four pharmacies for distribution to patients through its dispensaries/hospitals. It was observed that only 29 to 36 *per cent* of the target for manufacture of 40 *Ayurvedic* and 18 *Unani* medicines was achieved during 1998-2003. Reasons for shortfall was attributed to non-availability of particular ingredients, non-fixing of targets according to production capacity of pharmacy, machines being old etc. However, no remedial action was taken.

Purchase of medicines of Rs 1.47 crore against the budget of raw material.

In Ajmer Pharmacy medicines worth Rs 1.47 crore were purchased (2000-03) out of the funds available for procurement of raw material and packing material for manufacture of medicines. This resulted in under-utilisation of manpower and infrastructure of the pharmacies.

- Norms for calculation of wastages of raw material by the passage of time and during manufacturing process were fixed in June 1988. However, wastages were not being calculated by the Pharmacies on the ground that these norms were not appropriate. The proposals sent (October 1996) to State Government for revision of norms were yet to be finalized by the Government (March 2003). Further, during physical verification for 1998-2002 done by the department in Udaipur and Ajmer pharmacies, shortage of raw material worth Rs 9.01 lakh was pointed out. Ajmer Pharmacy wrongly adjusted the shortage (Rs 3.80 lakh) without obtaining write off sanction of the competent authority.

Wasteful expenditure of Rs 25.60 lakh on manufacturing of *Sanjeevanivati* of sub-standard quality.

- In Bharatpur Pharmacy raw material was issued for manufacture of 2000 kilogram (kg) *Sanjeevanivati* out of which 1012 kg *Sanjeevanivati* was manufactured during 1996-97 and semi processed 960 kg medicines was lying with the Pharmacy. Of the manufactured medicine 750.500 kg was distributed to different hospitals/dispensaries. On receipt of complaints from the Hospitals/Dispensaries regarding medicines not being of standard quality Director, *Ayurved* directed (May 1998) the Manager, Pharmacy to take back the *Sanjeevanivati* issued and to test its quality before issue. In compliance to above 248.630 kg *Sanjeevanivati* was received back (May 1998 to April 2001). No details regarding balance 501.870 kg was available with the Pharmacy as to whether this was lying unused or had been consumed. The test reports of samples sent (October 2001) to Industrial Toxicology Research Centre, Lucknow for testing were still awaited (August 2003) despite remitting (March 2003) testing charges of Rs 1.20 lakh. Thus, expenditure of Rs. 25.60 lakh on manufacture of sub-standard *Sanjeevanivati* proved wasteful. Two *Chikitsaks* suspended (July 1998) in the case were reinstated (November 2000) without waiting for final outcome of the test reports.

3.4.8 Medical Services

Staff was not reduced according to actual requirement as per bed capacity of hospital.

- As per State Government orders (December 1998) the position of staff of each hospital was to be reviewed every year with reference to bed utilisation. The average per day utilisation of beds in 85 Hospitals of *Ayurved*, *Homoeopathy*, *Unani* and *Naturopathy* during 1998-2003 ranged from 17 to

19 per cent. The staff position was not reviewed to reduce the staff accordingly.

- To provide treatment to patients of backward, interior, scheduled tribal and rural areas where the medical facilities were not freely available, five mobile units were functioning. The Director, Ayurved has not fixed the targets for organising camps by mobile units.

Test-check of records of Mobile Unit, Bikaner revealed that the unit had organised on an average 30 days camps a year only instead of providing regular services through out the year. Further, the unit is also working in hospital premises since 1997-98 defeating the very purpose of providing medical facilities in backward, interior, scheduled tribal and rural areas. The main reason attributed for less number of camps was non-availability of driver for vehicle.

- The manufacture for sale of the Ayurvedic drugs has been brought under the provisions of the Drugs and Cosmetics Act, 1940 and Rules thereunder. It was observed that only one sample for testing of Ayurvedic medicine was drawn during 1998-2003.

3.4.9 Herbal Garden

Ayurved Department was maintaining herbal garden at seven places⁷ for production of herbs. The expenditure of Rs 27.02 lakh (1993-2003) incurred out of Central/State grant⁸ for maintenance of these gardens was rendered unfruitful as no herbs were produced during 1998-03 except one truck of "Gwarpatha" (Kishangarh farm) in 2000-01 and grass at Suwana (Bhilwara) (valued at Rs 0.28 lakh).

3.4.10 Inspection

As per norms fixed (1985 and June 1999) by the department, the DAOs were required to inspect every dispensary once a year where more than 75 dispensaries exist in a district and twice in a year where less than 75 dispensaries exist and Deputy Directors were required to inspect every bedded hospital twice a year and at least one dispensary in each Panchayat/Municipality in a year.

Test-check of records of eight DAOs revealed that there was 18 to 68 per cent shortfall in inspection. Non-fulfillment of targets was attributed to non-availability of vehicles.

3.4.11 Recommendations

- The State Government should ensure proper utilisation of manpower to ensure that benefits reach the public.

7. Kishangarh (Ajmer), Suwana (Bhilwara), Padihara (Churu), Ratangarh (Churu), Hudeel (Nagaur), Lidi (Ajmer), Amberi (Udaipur).
8. Central grant Rs 15.97 lakh State grant Rs 11.05 lakh.

Shortfall in inspection of dispensaries by higher authorities ranged between 18 to 68 per cent.

- The State Government should provide adequate funds and release them in time for production and procurement of Ayurvedic medicines and for other infrastructural facilities.
- Herbal gardens should be developed and maintained so as to produce good quality herbs.

These points were referred to the Government in July 2003; reply had not been received (November 2003).

Department of Information Technology and Communication

3.5 Computerisation Projects in State Government implemented through RajCOMP

3.5.1 Introduction

Department of Computer under the administrative control of Planning Department was created (1987) for providing proper direction to computerisation and information technology projects in Government Departments. It was established as an independent Department of Information Technology in December 1998 and renamed as Department of Information Technology and Communication (DoIT&C) in May 2002. It was to act as a nodal agency for computerisation in Rajasthan.

3.5.2 Irregular funding to RajCOMP

A society "Centre for Electronic Data Processing", registered under Societies Registration Act 1958, was established (March 1989) with the Chief Secretary, Government of Rajasthan and fourteen other Government officers¹ in the Governing Board. None of the members deposited entry fee of Rs 50,000 for membership as decided in the meeting (19 May 1989) of Board of Governors and Memorandum of Association (MoA). Rupees 25,000 each was collected during 1989-91 as membership fee from 24 District Rural Development Agencies (DRDAs) without collecting entry fee of Rs 50,000. Later on, the amount was treated (24 April 2001) as advance and adjusted against office automation software provided to these DRDAs. Further, the name of the society was changed (December 1991) to RajCOMP without authorisation.

The Governing Board was changed (December 1992) and new Board

1. Commissioner and Secretary, Finance Department, Chairman and Managing Director (CMD), Rajasthan Financial Corporation, Secretary, Agriculture Department, Secretary Special Schemes and Integrated Rural Development, Commissioner and Special Secretary to Government, Planning Department, Director, Computer Department, Additional Collector, Development, DRDA, Jaipur, Commissioner and Secretary, Education Department, Managing Director, Rajasthan State Dairy Development Corporation, Jaipur; Director, Harish Chandra Mathur Rajasthan Institute of Public Administration; Special Secretary, Department of Personnel (Training), Additional Collector (Development), Alwar, Ajmer and Udaipur.

constituted, again with Government officers. Subsequently, no elections were held. As against the requirement of Annual General Meeting (AGM) of the General Body before 30th June every year, no AGM was held during January 1993 to March 2001.

RajCOMP did not have infrastructure and technical manpower and expertise, as the building, leased line for communication were provided by DoIT&C and most of the manpower was taken on deputation basis.

In spite of these above aspects, RajCOMP was patronised as indicated below:

Rs 9.80 crore was irregularly advanced to RajCOMP by various departments.

- Computerisation work was awarded without inviting tenders and executing any agreement and a sum of Rs 9.80 crore was irregularly advanced by various departments between April 1997 to October 2002 to RajCOMP. In absence of any working capital RajCOMP executed the projects after getting 90 *per cent* advance. However, in the absence of any agreement between Government departments and RajCOMP, projects were delayed. Meanwhile, money was invested in banks and interest of Rs 35.86 lakh was earned during 1997-2002, which was credited in the income of RajCOMP instead of concerned project account. Project-wise details were also not maintained. RajCOMP accepted the facts (January 2003).

- RajCOMP charged an excess amount of Rs 11.15 lakh for training of staff of various departments during 1999-2003 and did not adhere to the rates agreed (September 1999, July 2000, November 2001 and January 2003) with the State Government.

Equipment worth Rs 11.13 lakh were unauthorisedly issued to various officers.

- Laptop, computer system and other equipment (59 items costing Rs 11.13 lakh) were issued by RajCOMP to various officers during the period March 1991 to June 2002. These were neither received back nor was the cost recovered from them. Besides, telephone, entertainment, air travel and foreign tours expenses for Rs 1.38 lakh of the Secretary, DoIT&C and the Director, DoIT&C incurred during 2000-2002 were paid by RajCOMP without any provision. RajCOMP stated that these expenses were met from its own income. The reply was not acceptable as these officers were not entitled for the recoupment of such expenditure from the RajCOMP.

- The reimbursement of service charges worth Rs 25.80 lakh by various departments to RajCOMP during 1997-2002 for procurement of hardware/software was a loss to Government, as it was not covered under its objectives.

- Contrary to the provisions of the Act, RajCOMP prepared Profit and Loss Account during 1997-2002 instead of Income and Expenditure Accounts. Managing Director stated that this was a practice since 1990-91. Neither rent of office building (Rs 6.4 lakh), electricity charges and leased line and Internet charges (Not available) were paid to Government nor the provisions for payment of above charges were made in the balance sheet. Thus, the Accounts do not depict the true financial position of the agency.

Provisions of RAPSAR Act were not followed.

- Though RajCOMP received grant from the State Government for their infrastructure development and was to follow the provisions of the Regulation of Appointments to Public Services and Rationalisation of Staff (RAPSAR) Act, 1999 for creation of post, recruitment and appointment of staff and revision of pay and allowances it was not following the same and providing benefit to their employees by irregular appointments, upgradation of post, promotion and granting advance increment.
- The Minister of IT&C commented (November 2002) "Objectives of the Government is rapid computerisation of its major activities to bring in higher efficiency, greater transparency and more accountability, for the benefit of its people. If these objectives can be met through the Department of IT, then it serves no purpose by floating an existing small organisation like RajCOMP, which is functioning as a parallel Government at the cost of public exchequer". No action was taken on his observation.

3.5.3 In eight test-checked departments, the position of amount advanced (April 1992 to March 2003) to RajCOMP for computerisation and other related items and expenditure thereagainst is as under:

(Rupees in lakh)					
S. No.	Department/Unit	Amount* advanced to RajCOMP	Expenditure	Balance with RajCOMP	Remarks
1.	Education Department	112.00	97.37	14.63	(i) Without any planning for computerisation and approval of the Committee for Information Technology Project Approval (CITPA), the funds were deposited (June 1996) in the PD account of RajCOMP to avoid lapse of budget grant. Principal and interest were utilised by RajCOMP for their own purposes for more than six years, and (ii) Computer hardware costing Rs 41.09 lakh were purchased without open NIT and hardware worth Rs 8.84 lakh were supplied (December 2001 to January 2003) to the Government Secretariat, Jaipur without any provisions in the estimates.
2.	Rajasthan State Pollution Control Board	149.45	138.87 (upto November 2002)	10.58	(i) Entire amount advanced to RajCOMP remained unadjusted in absence of paid vouchers, (ii) In contravention of World Bank guidelines and MoU for appointment of consultant, RajCOMP was appointed (September 2001) consultant despite non-availability of qualified and desired experienced staff and environment specialist and (iii) Financial and Accounts Information module were not put to use (March 2003) due to non-linking with main software and incomplete database. Software to monitor the recovery of water was not developed while the project has been shown complete.
3.	Department of Information and Public Relations (DIPR)	71.66	63.38	8.28	(i) RajCOMP charged Rs 3.70 lakh in March 2001 for software development on forecast basis instead of actual system study as the basic record of software development was not maintained, and (ii) Computer systems and server costing Rs 14.72 lakh were purchased (October 2000) from M/s HCL Info System Limited, Jaipur without inviting tender, but purchase was shown fictitiously from Kendriya Bhandar, New Delhi.

(Rupees in lakh)

S. No.	Department/Unit	Amount* advanced to RajCOMP	Expenditure	Balance with RajCOMP	Remarks
4.	Mahatma Gandhi (MG) Hospital, Jodhpur Sawai Man Singh (SMS) Hospital, Jaipur and nine district/ public hospitals	59.90	58.71	1.19	Approval of CITPA was not obtained before executing these projects.
5.	Forest Department (i) Chief Conservator of Forests (CCF), IGNP, Bikaner (ii) CCF, Jodhpur	10.80 10.64	11.99 10.57	(-) 1.19 0.07	RajCOMP made purchases (August 2001) of hardware of Rs 5.52 lakh on single tender from a Jaipur based firm without wide publicity of NIT.
6.	DoIT&C	35.00	28.61	6.39	
7.	Public Works Department	20.38	21.58 14.68#	(-) 1.20	The approval of CITPA was not obtained. The Government contention that CITPA's approval was not necessary in view of initial cost of the proposal as Rs 17.30 lakh was not tenable as the cost actually exceeded Rs 20 lakh.
8.	Transport Department	50.46	59.21	(-) 8.75	Computers worth Rs 19.06 lakh were purchased (November 1995) without inviting open tenders.
	Total	520.29	490.29	30.00	

* Except in the case of Rajasthan State Pollution Control Board, Jaipur no agreement was executed with RajCOMP before release of funds.

Out of the total expenditure of Rs 36.26 lakh, Rs 14.68 lakh were incurred by the Chief Engineer, Public Works Department (NH) at its own level.

3.5.4 Test-check of relevant records revealed the following irregularities in execution of the job by RajCOMP:

3.5.5 Unfruitful expenditure

In the following departments expenditure of Rs 1.16 crore rendered unfruitful because of the reasons given below:

Department	Date of installation/ procurement of computer etc.	Unfruitful expenditure (Rupees in lakh)	Remarks
Medical and Health	June 1997 to January 1999	12.00	Computer based counters at the MG Hospital, Jodhpur were not working since January 2000. Computers were dumped in the computer room due to non-maintenance and non-repairing of obsolete hardware.
Forest	August 2001 to January 2002	22.56	The hardware and software developed by RajCOMP was not being utilised by the CCF (IGNP), Bikaner and CCF, Jodhpur due to programme errors, lack of customisation and training.
Public Works Department (NH)	October 2001 to March 2002	36.26	In absence of application software, non-utilisation of the computers for quality control of National Highways rendered the entire expenditure unfruitful.
Transport	August 1993 to March 1999	45.45	(i) Procurement of non-compatible and lower configuration computer system, (ii) delay and deviation in the development of application software, without feasibility report, frequent changes in development tools, and (iii) expenditure on laying of cable at locations where from offices were shifted to other places immediately after laying of cable.

3.5.6 Excess expenditure

In the following departments there was excess expenditure of Rs 88 lakh as detailed below:

There was excess expenditure of Rs 88 lakh in computerisation of four departments.

(Rupees in lakh)

Department	Excess expenditure	Remarks
Director, Secondary Education, Bikaner	25.92	(i) RajCOMP incurred extra expenditure of Rs 1.22 lakh on the purchase of 38 external MODEMS without requirement as internal MODEMS were supplied with the computers, (ii) RajCOMP claimed excess amount of Rs 3.98 lakh from the Government by recovering meagre liquidated demurrage (Rs 0.02 lakh) from the firm and credited the same to its own revenue and (iii) RajCOMP claimed Rs 28.62 lakh (excess Rs 20.72 lakh) for system study, training, data entry and development of application software against actual expenditure of Rs 7.90 lakh.
Rajasthan State Pollution Control Board, Jaipur	32.63	RajCOMP claimed Rs 40.98 lakh for system study against actual expenditure of Rs 8.35 lakh.
Medical and Health	17.27	(i) RajCOMP spent only Rs 2.90 lakh on application software development but charged Rs 17.57 lakh (excess Rs 14.67 lakh), and (ii) the firms installed the hardware with one year warranty but RajCOMP charged Rs. 2.60 lakh for hardware inspection, installation and maintenance.
DoIT&C (Janmitra)	12.21	(i) Difference between booked figure and charged figures - Rs 2.23 lakh, (ii) excess charge for need assessment and software development - Rs 9.46 lakh, and (iii) computer rent - Rs 0.52 lakh.

3.5.7 Conclusion

Implementation of computerisation programme in various departments through RajCOMP did not derive fruitful results. RajCOMP not only violated the provisions of the Act/MoA, but also credited in its own revenue the interest earned on Government money; charged excess amount for training; unauthorisedly and claimed service charges. There was also excess/unfruitful expenditure on computerisation in all the departments test-checked as computer systems purchased through RajCOMP were not/partially utilised in absence of providing support services and non-completion of application softwares.

3.5.8 Recommendations

- Floating of RajCOMP as a society for computerising Government departments was unwarranted and it led to flouting of legislative and other financial controls. The Government may consider closing down the society.
- The advances lying with RajCOMP and excess payments made to it be got recovered.

- Effective steps to be taken for making the idle equipment functional besides ensuring its utilisation.

The matter was referred to the State Government between July and August 2003; reply had not been received from Department of Information Technology and Communication and other related departments except Information and Public Relations and Public Works Departments.

Local Self Government and Home Departments

3.6 Prevention and Control of Fire

3.6.1 Introduction

Fire prevention and related safety measures are integral part of town planning and building construction. The subject "Fire Services" has been included as municipal function in the XII Schedule of the Constitution of India. To combat any odd situation arising out of fire related calamities, fire fighting services are organised as first responder to save life and property. The necessity for strengthening and modernisation of fire services is increasing demands due to rapid growth of population, industrialization, urbanization etc.

3.6.2 Organizational Set up

Secretary, Local Self Government Department is responsible for implementation of the scheme at State level through Director and Deputy Secretary, Local Bodies (DLB). The Urban Local Bodies (ULB), District Collector/District Magistrate/Deputy Commissioner are responsible for overall functioning under the Rajasthan Municipality Act 1959, the fire brigades are maintained by the Municipal Councils/Municipal Boards. The Director General, Civil Defence and Home Guards is also responsible for maintaining the fire brigade through Controller, Civil Defence in 12 notified Civil Defence Districts.

3.6.3 Audit coverage

A review of the prevention and control of fire for the period 1998-2003 was conducted through test check of records in the office of Director, Local Bodies Jaipur, Director General, Civil Defence, Jaipur and their subordinate offices (seven) in eight districts*. Important points noticed are mentioned in succeeding paragraphs.

* *Nagar Nigam:* Jaipur, Jodhpur, Kota
Nagar Parishad: Ajmer, Bikaner, Bharatpur, Beawar, Udaipur
Nagar Palika: Barmer, Balotra, Chomu, Kishangarh, Kotputli

3.6.4 Financial profile

Rs 41.89 lakh was lying un-utilised even after the expiry of time limit.

While expenditure on pay and allowances of staff of fire stations under the control of DLB was being met by concerned ULBs, from their own income the year wise position of budget allotment in respect of fire service stations coming under the control of Director General, Civil Defence in 12 notified districts and grants released by the State Government to ULB for the improvement and strengthening of Fire Services on the recommendations of Tenth and Eleventh Finance Commissions and expenditure incurred thereagainst during the period 1997-2003 are as under:

(Rupees in lakh)

Year	Director General, Civil Defence			Local Self Government Department				
	Budget Allocation	Expenditure incurred	Savings (-)/ Excess (+)	Amount released by Government of India (GOI)	Amount released by State Government by transferring the amount in PD Account of ULBs/DLB	Shortfall in release of funds	Actual expenditure	Unspent balance lying with ULBs/ DLB at the end of the year
Under Tenth Finance Commission								
1997-98	-	-	-	56.25	56.25	-	56.00	0.25
1998-99	109.14	109.66	(+) 0.52	288.00	150.00	138.00 (48 %)	-	
1999-00	111.82	111.79	(-) 0.03	105.75	293.75	-	402.11	41.89
Under Eleventh Finance Commission								
2000-01	114.27	114.28	(+) 0.01	442.42	-	442.42 (100%)	-	-
2001-02	114.21	114.27	(+) 0.06	442.42	780.00	104.84 (12%)	-	780.00
2002-03	116.48	116.51	(+) 0.03	442.42	440.00	107.26 (20 %)	1032.08	187.92
Total	565.92	566.51	(+) 0.59	1777.26	1720.00		1490.19	

Out of Rs 5.00 crore released (1997-2000) to DLB under Tenth Finance Commission (TFC), Rs 41.89 lakh was lying unutilised with various ULBs. Similarly, out of Rs 12.20 crore released (2000-03) to DLB under Eleventh Finance Commission (EFC), Rs 1.88 crore was lying unutilised in Personal Deposit (PD) accounts of Directorate of Local Bodies and Avas Vikas Limited (AVL) for a period ranging between one to three years.

Delay in release of grants by State Government ranged between nine and 17 months.

3.6.5 Out of the total grant of Rs 13.27 crore received by the State Government under EFC, Rs 12.20 crore only was released by it during 2001-03 with delay ranging from nine to 17 months. Reasons for non-release/delay in release of funds were attributed by the Finance Department to delayed finalisation of the action plan by the State Level Empowered Committee (SLEC).

Following irregularities were noticed in the utilisation of grant.

- Out of Rs 6.00 lakh received (March 2000) in two *Nagar Nigams* and one *Nagar Palika* for construction of overhead tanks, Rs 5.85 lakh was diverted for construction of boundary wall of fire station (Rs 1.85 lakh) and purchase of fire vehicle (Rs 4.00 lakh).

- Of Rs 13.50 lakh sanctioned¹ to Nagar Parishad, Udaipur for the construction of over head tanks, fire foam tender and wireless sets, unspent balance of Rs 6.25 lakh (March 2003) has not been deposited in Government account (June 2003).

Programme Management

3.6.6 Infrastructure

Keeping in view the EFC recommendations and taking into account other criteria such as Border districts, cantonment Board, Industrial area and other important places of the State, construction of 35 new fire stations and upgradation of 25 existing fire stations at an estimated cost of Rs 22.00 crore were approved (June 2001) in the Action Plan for modernisation of fire services in Rajasthan which included Rs 10.90 crore² for 60 civil works.

The DLB, Jaipur sanctioned 35 civil works costing Rs 5.78 crore and released Rs 4.30 crore to AVL, Jaipur during 2001-03. The AVL spent Rs 3.85 crore as of March 2003 and constructed 24 fire station buildings, seven works were in progress and one was stopped because of land dispute. Nine buildings were handed over to concerned municipalities. However, construction of overhead tanks/tube well was not completed in any case, in absence of which not a single fire station can be said to be completed in all respects.

3.6.7 Fire Management

Reports of fire incidents occurred, incidents attended, human lives lost, property lost during last five years in the State as a whole (other than Civil Defence) are not available with the DLB, Jaipur revealing lack of monitoring. However, the position of fire incidents occurred, lives and property lost during 1998-2003 in respect of eight test-checked districts³ in case of ULB and 12 notified districts of Civil Defence is as under:

Source of valuation of property lost was not found maintained.

Year	No. of fire accidents occurred and attended		Total	Loss of life			Loss of property (Rs in crore)		
	In Nagar Palikas, Parishads and Nagar Nigam (ULBs)	In Civil defence Fire Stations		ULBs	CD	Total	ULBs	CD	Total
1998-1999	1264	502	1766	54	174	228	6.77	5.42	12.19
1999-2000	1410	644	2054	37	183	220	8.90	4.59	13.49
2000-01	1547	715	2262	5	191	196	16.48	8.15	24.63
2001-02	1515	509	2024	-	44	44	8.46	2.32	10.78
2002-03	1647	334	1981	12	4	16	8.69	1.19	9.88
Total	7383	2704	10087	108	596	704	49.30	21.67	70.97

1. Rs 12.50 lakh in March and Rs 1.00 lakh in November 2000
2. Garrage: Rs 6.93 crore, residential quarters: Rs 1.11 crore, Tube well/over head tank and underground reservoir: Rs 2.86 crore.
3. Ajmer, Barmer, Bharatpur, Bikaner, Jodhpur, Jaipur, Kota and Udaipur.

Source for valuation of the property lost was not found on record. Ajmer and Barmer test-checked districts intimated that valuation was based on the spot witnesses/interviews but the fire services department did not make their own assessments.

3.6.8 Response Time

As per GOI Standing Fire Advisory Committee (SFAC) recommendation fire services should be available within five minutes of the outbreak of fire. In test-checked districts date and departure time of fire vehicle sent to fire incident was found recorded but the fire call time of fire incident was not recorded. Thus, the response time to attend fire incident was not ascertainable*. In Chomu (Jaipur district) where a major fire broke out (October 2002) in a fire works factory, the fire brigade was sent to the spot half an hour after receipt of message of the incident. In the incident a two storeyed building collapsed and 12 lives were lost.

3.6.9 Vehicle and Equipment

- The Executive Officer, *Nagar Parishad*, Udaipur purchased (December 2000) a Tata Chassis for fire vehicles at a cost of Rs 6.53 lakh under TFC. The body on the Chassis was not constructed (May 2003) and as such vehicles could not be put to use.

- Out of 13 fire vehicles of Civil Defence offices, eight fire vehicles and one fire vehicle of *Nagar Palika*, Kotputli were off road for major repair for periods ranging from one year to more than four years. These could not be repaired so far for want of budget (March 2003). This not only reduced the availability of fire vehicles during emergency but also increased dependency on other fire service stations and delay in attending to fire accidents.

3.6.10 Training and Awareness

There is no separate Fire Training Institute in Rajasthan. The Rajasthan Local Self Government Institute, Jaipur is imparting 30 days basic fire course training to fire men. The SFAC recommended (1998) in his 24th meeting for special courses on fire in high rise buildings, hazardous chemical material, and in industrial/factory sheds. No such training was provided to fire men. Test-checked *Nagar Nigams/Nagar Parishads/Nagar Palikas* (except *Nagar Palika*, Balotra), also felt the need to provide such type of training and DLB, Jaipur stated (February 2003) that there was shortage of trainers and training material at the training centre. Neither the fire resistance building material were popularised nor any efforts were made for awareness in public for prevention of fire by any *Nagar Nigams/Nagar Parishads/Nagar Palikas*, test-checked in audit.

Blocking of Rs 6.53 lakh due to non-fabrication of body on chassis.

9 Fire vehicles were off road for want of budget.

* Except *Nagar Palika*, Chomu (Jaipur district).

No legislation had been enacted for the establishment and maintenance of fire brigades in the State.

3.6.11 Prevention against fire

The fire brigades are maintained by the Municipal Councils/Municipal Boards under the Rajasthan Municipalities Act, 1959. Rule 98 of the Rajasthan Municipalities Act, 1959 envisaged that every board shall make reasonable provision for the matters within the municipality under its authority, namely extinguishing fire and protecting life and property when fire occurs. However, no legislation has been enacted so far for the establishment and maintenance of fire brigades in the state. The existing provisions of the Municipal Act are inadequate in the present day context as per recommendations of Mehrotra Fire Advisory Committee report (January 1979). As per the Administrative Report of Director General Civil Defence (2001-02) a Fire Act Bill was prepared and sent to the State Government for approval (August 1988), which was not approved as of March 2003. In test-checked districts it was found that none of the *Nagar Nigams, Nagar Palikas, Nagar Parishads*, had made any bye-laws for the prevention and control of fire or conducted any survey to identify fire risk areas. Licences were also not issued by the Municipal Bodies to the builders/owners/users of the Public Premises/high rise buildings etc. in absence of bye-laws/Fire Act. Except maintaining the fire brigade no measures were taken to improve awareness, lower fire risk in times of heightened risk of fire such as during festivals/marriages/religious ceremonies etc. There was no system of providing training in fire drill for school children, employees/workers of industrial establishments, offices and residents of high rise building in case of fire alarm. Fire service weeks were not organised by *Nagar Palikas, Chomu, Kotputli, Barmer and Balotra*.

3.6.12 Auxiliary Fire Services

Test-check of records of *Nagar Nigams, Nagar Parishads, Nagar Palikas* revealed that the services of Home Guards were not being utilised as Auxiliary Fire Men as per the guidelines (Para - 7) of Government of India.

3.6.13 Conclusion

The existing provisions of Municipal Act were inadequate in the present day context and there was a need for a Fire Service Act for efficient prevention and control of fire incidents. However, no legislation had been enacted so far, for establishment and maintenance of fire brigades in the State. Further, the *Nagar Nigams, Nagar Parishads and Nagar Palikas* had also not made any bye laws for the prevention and control of fire. In most of the fire stations there was shortage of the staff. Source of valuation of property lost was not found maintained.

3.6.14 Recommendations

- Separate workshop and sufficient budget provision should be provided to maintain the Fire Brigade vehicles.
- Adequate infrastructural facilities such as overhead tanks/tube wells for water arrangement, garrage for fire vehicles and adequate staff should be provided on all the fire stations for better fire services.

- Special training course on fire in high rise buildings, hazardous chemical material and in industrial/factory sheds should be provided to Firemen.

These points were referred to the State Government (July 2003); reply had not been received (November 2003).

Public Health Engineering Department

3.7 Stores and Stock

3.7.1 Introduction

In Public Health Engineering Department (PHED) of Rajasthan, stores are purchased on the basis of rate contracts approved by the Director General Supplies and Disposals (DGS&D), Government of India, Central Stores Purchase Organisation (CSPO), Government of Rajasthan and by the Chief Engineer (CE), PHED, Rajasthan, Jaipur. A material management cell under the CE, PHED (Headquarters), Rajasthan, Jaipur manages the procurement of stores required in bulk quantities. Purchases are also being made at zonal, circle and divisional levels.

Following points were noticed during test-check (December 2002 to April 2003) of records of 17 PHED divisions of 13 districts covering the period from 1997-98 to 2002-03 and local inspection of the units:

3.7.2 Reserve stock limit

Reserve Stock Limits not fixed at the beginning of financial year.

The Reserve Stock Limit (RSL) required to be fixed by the CE at the beginning of a financial year was fixed between September and December each year during 1998-99, 2000-01 and 2002-03, which defeated the very purpose of its fixation. In 18 divisions, this limit was not adhered to and excess stock ranging from Rs 2.40 crore to Rs 4.69 crore was held during 1997-2002. No action was initiated to obtain the revised RSL (April 2003).

Purchases

3.7.3 Procurement of stores in excess of requirement

Stock valuing Rs 1.77 crore lying unutilised in 19 divisions/on sites.

Purchases were required to be made in accordance with the requirement of public service, after being properly assessed and not much in advance of actual requirement. Scrutiny of stock ledgers of stores revealed that (i) stock worth Rs 41.64 lakh¹ was not utilised in six divisions for three to 33 years, (ii) in two divisions², 71 monoblock pumping sets and three centrifugal

1. Alwar : Rs 14.08 lakh, Anoopgarh : Rs 0.35 lakh, Banswara : Rs 5.06 lakh, Chittorgarh : Rs 0.32 lakh, Sawaimadhapur : Rs 15.60 lakh and Sikar : Rs 6.23 lakh.

2. Jaipur District-II- 48 monoblock pumping sets (Rs 7.25 lakh) and Sawaimadhapur - 23 monoblock and 3 centrifugal pumping sets (Rs 8.56 lakh).

pumping sets valuing Rs 15.81 lakh procured (1989-2001) were lying in the store unutilised. Of these, 48 monoblock pumping sets (Rs 7.25 lakh) procured (1996-98) and charged to works by the Jaipur division were kept out of store account risking their theft/misappropriation, (iii) in seven divisions stock worth Rs 16.61 lakh³ was lying unused at site of the works for three to 13 years and (iv) stock worth Rs 1.03 crore⁴ procured between 1968 and 2002 was declared surplus in 18 divisions. Besides blockage of funds, the unutilised surplus material may become unserviceable over a period of time but no steps were initiated for its utilisation or disposal.

3.7.4 Irregular petty purchases beyond limit

Irregular purchases in excess of prescribed limit by AENs/EEs.

As per item 54 of Schedule of Powers, the Executive Engineer (EE) and Assistant Engineer (AEN) were empowered to purchase spare parts in emergent cases without inviting tenders up to a limit of Rs 2000 and Rs 1000 in each case subject to annual limit of Rs 50,000 and Rs 10,000 respectively. Scrutiny of records revealed that irregular purchase of Rs 1.30 crore in piece meal (11203 cases) was made during 1999-2003 by 10 divisions⁵ without adhering to the annual limit. It was intimated (January 2003 and April 2003) by the EEs that continuous water supply maintenance had necessitated excess petty purchases. However, neither the limit was enhanced nor the excesses got regularised.

3.7.5 Unadjusted amounts in suspense head 'Purchases'

Non adjustment of amounts in suspense head 'purchases'.

In two PHED divisions⁶, 48 cases of purchases of various store articles of Rs 60.69 lakh were pending from the year 1982 onwards under suspense head 'Purchases' as of January 2003. Of these, Rs 31.40 lakh (20 per cent payment) of firm 'A' was withheld (September 1988) by PHED, Drilling and Hand Pump (D&HP) Division, Kota on account of defective supply (1988) of rigs. The division did not, however, credit Rs 31.40 lakh to the Government revenue even after 15 years.

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3. Ajmer District: Rs 7.99 lakh, Alwar : Rs 0.38 lakh, Chittorgarh : Rs 3.93 lakh, Pali : Rs 2.77 lakh, Rajsamand : Rs 0.62 lakh, Sawaimadhapur : Rs 0.35 lakh and Sikar : Rs 0.57 lakh.
 4. Alwar : Rs 2.98 lakh, Anoopgarh : Rs 0.82 lakh, Banswara : Rs 0.66 lakh, Chittorgarh : Rs 2.98 lakh, Jalore : Rs 1.76 lakh, Jodhpur D&HP : Rs 12.13 lakh, Kota D&HP : Rs 35.41 lakh, Kota P&D : Rs 7.21 lakh, Khetri : Rs 1.51 lakh, Merta : Rs 1.73 lakh, Nagaur : Rs 4.30 lakh, Pali : Rs 0.33 lakh, Pratapgarh : Rs 0.76 lakh, Rajsamand : Rs 7.57 lakh, Sawaimadhapur : Rs 9.10 lakh, Sikar : Rs 8.98 lakh, Sriganganagar : Rs 0.63 lakh and Tonk : Rs 4.08 lakh.
 5. Ajmer District-I : Rs 24.27 lakh, Alwar : Rs 2.42 lakh, Banswara : Rs 9.42 lakh, Jaipur district-I : Rs 30.74 lakh, Jalore : Rs 4.73 lakh, Pratapgarh : Rs 3.01 lakh, Rajsamand : Rs 2.44 lakh, Sawaimadhapur : Rs 12.28 lakh, Sikar : Rs 31.84 lakh and Sriganganagar : Rs 9.22 lakh.
 6. Kota D&HP : 11 cases involving Rs 32.72 lakh and Pali : 37 cases involving Rs 27.97 lakh.

3.7.6 Recoverable amounts from supplying firms/other divisions

Non-recovery of Rs 46.50 lakh from firms.

- Rupees 54.47 lakh were recoverable from various firms in eight divisions⁷ for the period 1967-2003. No details were recorded in Miscellaneous Public Works Advances (MPWA) registers except in PHED division, Bhinmal where Rs 23.66 lakh and Rs 11.46 lakh were shown recoverable against firm 'B' and 'C' respectively due to defective supply of PVC pipes, cost of laying, jointing and digging out defective pipes. Scrutiny of records of CE (Headquarters)/Division revealed that out of this, Rs 27.15 lakh were not recovered (August 2003) despite a lapse of five years.

Recoveries of Rs 47.21 lakh outstanding from 10 divisions.

- Cost of material supplied by one Public Health Engineering Division to another was to be recovered in cash. In 10 divisions⁸, cost of stock material (Rs 47.21 lakh) issued from April 1987 to March 2003 was recoverable from the other divisions. Due to non-receipt of payment, credit to stock could not be given and correct picture of stock held by the division was not depicted in accounts.

3.7.7 Non-deduction of income tax and surcharge at source

Income tax amounting to Rs 21.49 lakh was not deducted from contractors at source.

Section 194-C of Income Tax Act, provides deduction of Income Tax at source from payments made under material contracts. None of the divisions test checked was deducting Income Tax⁹ at source from the bills of suppliers which involved transportation, loading and unloading under the rate contracts executed by the CE. In seven divisions,¹⁰ income tax and surcharge amounting to Rs 21.49 lakh was not deducted at source from firms during 2001-02.

Fictitious booking

Material charged to work was lying in stores indicating fictitious budget utilisation to avoid lapse of budget.

3.7.8 Charged material lying in divisional store

Financial rules strictly prohibit fictitious stock adjustments such as debiting the cost of material not required immediately in order to utilise the budget provision. In 13 divisions¹¹, stock material worth Rs 4.06 crore though charged (March 1978 to March 2003) to various works, was lying in stores unlifted for a period between one to 25 years for which PHED divisions were

7. Alwar : Rs 0.79 lakh, Bhinmal : Rs 42.07 lakh, Jalore : Rs 5.85 lakh, Kota D&HP : Rs 0.13 lakh, Kota P&D : Rs 2.53 lakh, Rajsamand : Rs 0.10 lakh, Sawaimadhopur : Rs 1.90 lakh and Sriganganagar : Rs 1.10 lakh.
8. Ajmer District I : Rs 1.23 lakh, Alwar : Rs 8.63 lakh, Balotra : Rs 1.28 lakh, Banswara : Rs 0.68 lakh, Chittorgarh : Rs 3.57 lakh, Kota D&HP : Rs 10.37 lakh, Rajsamand : Rs 17.10 lakh, Sawaimadhopur : Rs 2.07 lakh, Sikar Rs 0.37 lakh and Sriganganagar : Rs 1.91 lakh.
9. Along with surcharge.
10. Alwar : Rs 2.99 lakh, Banswara : Rs 2.20 lakh, Chittorgarh : Rs 2.94 lakh, Jaipur District-I : Rs 1.93 lakh, Pali : Rs 6.80 lakh, Pratapgarh :Rs 2.34 lakh and Rajsamand: Rs 2.29 lakh.
11. Alwar : Rs 126.56 lakh, Chittorgarh : Rs 41.85 lakh, Nagaur : Rs 10.31 lakh, Jaipur District-II : Rs 8.33 lakh, Jaisalmer District : Rs 39.79 lakh, Jaisalmer City : Rs 29.55 lakh, Jodhpur D&HP : Rs 4.64 lakh, Khetri : Rs 11.52 lakh, Kota P&D : Rs 9.04 lakh, Merta : Rs 44.09 lakh, Pali : Rs 4.87 lakh, Pratapgarh : Rs 6.52 lakh and Sikar : Rs 68.86 lakh.

maintaining a charged material register (without any provision). Valuable material could easily be misappropriated, as the same was treated consumed at site because the Material at site (MAS) accounts was also not maintained. PHED Division, Alwar intimated (February 2003) that charged material lying at stores was reduced from Rs 126.56 lakh to Rs 7.35 lakh (January 2003) by issue to concerned schemes. However, the transactions could not be verified as stock ledgers, gate passes of the division and stock registers of Junior Engineers (JENs) were not produced to Audit (September 2003).

3.7.9 *Withdrawn charged material*

In 10 divisions, material worth Rs 2.61 crore¹² booked to various schemes was withdrawn in the beginning of subsequent financial years and debited against stock. This activity indicated utilisation of budget fictitiously to avoid lapse of budget grant.

Material worth Rs 1.89 crore booked to work in advance of requirement.

3.7.10 In PHED division, Bhinmal, stock material worth Rs. 1.89 crore was issued (March 2001 and March 2002) to “Reorganisation of Urban Water Supply Scheme, Bhinmal” whereas work order for laying and jointing of pipe lines of the scheme was issued late in August 2002. Thus the material worth Rs 1.89 crore was charged in advance of actual requirement to avoid lapse of budget grant of concerned financial years.

3.7.11 *Shortages/losses*

In 11 divisions¹³ pumps/motors/pumping sets costing Rs 17.61 lakh were reported lost during 1985-2003 due to their falling down in the wells. In 11 divisions¹⁴, loss of Rs 21.28 lakh was sustained on account of theft and fire etc. Neither the responsibility for the loss was fixed nor the loss written off.

3.7.12 *Non-disposal of unserviceable stores*

Unserviceable stores worth Rs 2.78 crore lying undisposed off.

Store articles valuing Rs 2.78 crore (approximately) declared unserviceable between December 1984 and January 2003 were lying undisposed off in the stores of 19 divisions¹⁵.

12. Alwar : Rs 15.74 lakh, Chittorgarh : Rs 18.45 lakh, Jalore : Rs 14.42 lakh, Kota P&D: Rs 20.25 lakh, Pali : Rs 11.15 lakh, Pratapgarh : Rs 24.29 lakh, Rajsamand : Rs 12.32 lakh, Sawaimadhopur : Rs 46.73 lakh, Sikar : Rs 43.33 lakh and Sriganganagar : Rs 53.90 lakh.
13. Banswara : Rs 1.40 lakh, Bhinmal : Rs 1.21 lakh, Chittorgarh : Rs 2.32 lakh, Jaipur District-I : Rs 0.43 lakh, Jalore : Rs 3.15 lakh, Kota D&HP : Rs 3.80 lakh, Kota P&D: Rs 0.55 lakh, Pali : Rs 1.71 lakh, Rajsamand : Rs 0.80 lakh, Sawaimadhopur : Rs 0.39 lakh and Sikar : Rs 1.85 lakh.
14. Alwar : Rs 2.56 lakh, Balotra : Rs 0.51 lakh, Banswara : Rs 0.91 lakh, Bhinmal : Rs 0.54 lakh, Jalore : Rs 0.50 lakh, Kota D&HP : Rs 0.41 lakh, Kota P&D : Rs 8.91 lakh, Pali : Rs 1.80 lakh, Rajsamand : Rs 0.24 lakh, Sawaimadhopur : Rs 3.29 lakh and Sikar : Rs 1.61 lakh.
15. Ajmer District-I : Rs 0.18 lakh, Alwar : Rs 7.06 lakh, Anoopgarh : Rs 2.25 lakh, Banswara : Rs 2.46 lakh, Bhinmal : Rs 4.97 lakh, Chittorgarh : Rs 8.98 lakh, Jaipur District-I : Rs 3.69 lakh, Jalore : Rs 4.20 lakh, Jodhpur D&HP : Rs 24.36 lakh, Khetri: Rs 12.37 lakh, Kota D&HP : Rs 87.70 lakh, Merta : Rs 5.69 lakh, Nagaur : Rs 31.15 lakh, Pali : Rs 0.98 lakh, Pratapgarh : Rs 7.55 lakh, Rajsamand : Rs 3.93 lakh, Sawaimadhopur : Rs 4.78 lakh, Sikar : Rs 3.73 lakh and Udaipur D&HP : Rs 61.50 lakh.

3.7.13 Non-maintenance of material at site (MAS) accounts

Despite objection by audit in each inspection report of PHED divisions, MAS accounts were not maintained. Instead a stock register was maintained by JENs at site of work for which no provision existed in rules and which too did not depict the scheme-wise position of the material issued. Thus, actual consumption of material could not be verified. Lack of maintenance of MAS accounts of material received by JENs at site would pose great threat of pilferage/ misappropriation of costly material.

3.7.14 Recommendations

- Reserve stock limit should be fixed in beginning of the year to ensure that the limit is not exceeded.
- The purchases of stores made after proper assessment of the actual requirements so that funds as surplus stores are not blocked.
- Unutilised stores need to be issued or got disposed off under rules and unserviceable stores got disposed of.
- The purchases in excess of financial power may be got regularized and suspense head 'purchases' got cleared.

The matter was reported to Government in June 2003; reply has not been received (November 2003).