



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

FOR THE YEAR ENDED 31 MARCH 2010

(CIVIL)

GOVERNMENT OF WEST BENGAL

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Preface

This Report on the audit of expenditure incurred by the Government of West Bengal has been prepared for submission to the Governor under Article 151 of the Constitution. The Report covers significant matters arising out of the compliance and performance audits of various departments including autonomous bodies. Audit observations on the Annual Accounts of the Government would form part of a Report on State Finances, which is being presented separately.

The Report starts with an introductory Chapter outlining the audit scope, mandate and the key audit findings which emerged during the year-long audit exercise. Chapter 2 of the Report covers performance audits while Chapter 3 discusses material findings emerging from compliance audits. Chapter 4 includes the findings arising out of the Chief Controlling Officer based audit of Animal Resources Development Department.

The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 2009-10 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2009-10 have also been included wherever necessary.

Chapter 1

Introduction

Chapter 1: Introduction

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from three performance reviews, Chief Controlling Officer (CCO) based Audit of one department as well as compliance audit of transactions of the various departments of the Government of West Bengal.

Compliance audit relates to examination of transactions relating to expenditure, receipts, assets and liabilities of the audited entities to ascertain whether the provisions of Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by competent authorities are being complied with.

Performance audit or value for money audit involves comprehensive review of the projects, programmes, schemes, organisations, etc. in terms of their goals and objectives. It aims at ascertaining the extent to which the expected results have been achieved from the available resources of money, men and materials expended. In the process it evaluates the economy, efficiency and effectiveness of development schemes, projects or organisations both financially and socio-economically.

The primary purpose of this Report is to bring to the notice of the Legislature, important results of audit. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective actions as also to frame policies and directives that will lead to improved financial management of the organisations, thus, contributing to better governance.

This chapter, in addition to explaining the authority, planning and extent of audit, provides a synopsis of significant audit observations, a brief analysis of the expenditure of the Government for the last three years, budget and expenditure controls of the Government, response of Government to draft paras/reviews and follow up action on Audit Reports. Chapters 2 and 3 present findings/ observations arising out of the performance review of Public Distribution System, Kolkata Environmental Improvement Project and West Bengal Fire and Emergency Services as well as compliance audit of various departments. The findings of Chief Controlling Officer based audit of Animal Resources Development Department have been highlighted in Chapter 4 of the Report.

1.2 Auditee profile

There are 56 Departments in the State, headed by Additional Chief Secretaries/Principal Secretaries/Secretaries, who are assisted by Directors/Commissioners and subordinate officers. Office of the Principal Accountant General (Audit), West Bengal conducts audit of 2817 units of various levels under those Departments. Besides, this office audits 101 bodies/authorities either substantially financed from the Consolidated fund of the State or audit

of which have been entrusted by the Government under various sections of the CAG's DPC (Duties, Powers and Conditions of Service) Act, 1971.

The Works Audit Wing in the Office of the Accountant General (Receipt, Works and Local Bodies Audit), West Bengal is responsible for audit of 10 Departments and Directorates of the Government of West Bengal and four autonomous bodies (total 635 units spread all over the State).

The comparative position of expenditure incurred by the Government of West Bengal during the year 2009-10 and in the preceding two years is given in **Table 1.1**.

Table 1.1: Comparative position of expenditure for 2007-08 to 2009-10
(Rupees in crore)

Particulars	2007-08			2008-09			2009-10		
	Non-Plan	Plan	Total	Non-Plan	Plan	Total	Non-Plan	Plan	Total
Revenue expenditure									
General services	18794.27	72.31	18866.58	20700.51	74.93	20775.44	26251.04	105.75	26356.79
Social services	9409.30	4053.70	13463.00	10823.92	5560.90	16384.82	17243.86	6752.10	23995.96
Economic services	2947.45	2606.36	5553.81	11637.21	2388.20	14025.41	4637.01	3104.83	7741.84
Grants-in-aid	411.83	19.20	431.03	406.38	21.26	427.64	398.20	7.09	405.29
Total	31562.85	67515.57	38314.42	43568.02	8045.29	51613.31	48530.11	9969.77	58499.88
Capital expenditure									
Capital Outlay	19.25	2668.48	2687.73	(-) 23.68	3728.98	3705.30	128.22	2882.84	3011.06
Loans and Advances disbursed	46.98	1015.14	1062.12	64.40	695.25	759.65	-320.80	1073.24	752.44
Payment of Public Debt	4579.80	-	4579.80	4854.86	-	4854.86	7672.07	-	7672.07
Public Accounts disbursement	49076.77	-	49076.77	54915.45	-	54915.45	65056.63	-	65056.63
Total	53722.80	3683.62	57406.42	59811.03	4424.23	64235.26	72536.12	3956.08	76492.20
Grand Total	85285.65	71199.19	95720.84	103379.05	12469.52	115848.57	121066.23	13925.85	134992.08

Source : Finance Accounts

1.3 Authority for Audit

The Comptroller and Auditor General of India has been empowered to conduct audit in accordance with Articles 149 and 151 of the Constitution of India and C&AG's DPC Act, 1971. C&AG conducts audit of expenditure of State Government departments under Section 13¹ of the C&AG's DPC Act. Besides, there are units audited under Sections 14² (61 units), 19³ (33 units) and 20 (1)⁴ (11 units) of the said Act. The principles and methodology adopted for audit are prescribed in the Regulation of Audit & Accounts, 2007, Auditing Standards and Performance Audit guidelines issued by the Indian Audit & Accounts Department.

¹ Audit of (i) all expenditure from the Consolidated Fund of State (ii) all transactions relating to Contingency Funds and Public accounts and (iii) all trading, manufacturing, profit & loss accounts, balance-sheets & other subsidiary accounts.

² Several non-Commercial Autonomous/ Semi-Autonomous Bodies, established to implement Schemes for employment generation, poverty alleviation, spread of literacy, health for all and prevention of diseases, environment etc. and substantially financed by the Government, are audited under Section 14.

³ Audit of the accounts of Corporations (not being Companies) established by or under law made by the State Legislature in accordance with the provisions of the respective legislations or as per request of the Governor of the State in the public interest.

⁴ Audit of accounts of any body or authority on the request of the Governor, on such terms and conditions as may be agreed up on between the C&AG and the Government

1.4 Organisational Structure/Jurisdiction of Audit Office

The Inspection Civil Wing of the Office of the Pr. Accountant General (Audit), West Bengal conducts audit of all expenditure incurred by Civil Departments (except those covered by the Works Audit wing) of the State Government, Autonomous Bodies and authorities, etc. (total 2918 units spread all over the State). The Works Audit Department under the Accountant General (Receipt Works & Local Bodies Audit), West Bengal is responsible for the audit of 10⁵ Departments/ Directorates of the Government of West Bengal and four Autonomous Bodies comprising 635 units.

1.5 Planning and Conduct of Audit

Compliance audit is conducted as per the annual audit plan. The units are selected on the basis of risk assessment. Areas taken up are selected on the basis of topicality, financial significance, social relevance, internal control system of the units, occurrence of defalcation/misappropriation/embezzlement as well as findings of previous Audit Reports. Apart from the above parameters, all departmental, important directorates and district level units are audited annually so that fund flow to their subordinate formations comes to the notice of Audit.

Inspection Reports are issued to the heads of units after completion of audit. Based on replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed further as draft paragraphs for inclusion in the Audit Report of C&AG.

In case of Performance Audit and CCO based Audit, objectives and criteria are framed and discussed in entry conferences with the concerned organisation. After conducting of audit, the draft report is issued to the concerned Department. Formal replies furnished by the Department as well as views expressed by the Heads of Departments in exit conferences are carefully considered while finalising the material for inclusion in the Audit Report. Audit Reports are laid before the State Legislature under Article 151 of the Constitution of India.

1.6 Significant audit observations

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities through performance audits, which impact the success of programmes. Topics of such performance Audits featuring in the recent years' State Civil Audit Reports included the flagship programmes of immense social relevance, namely, National Rural Health Mission, Sarva Shiksha Abhiyan, Nutritional Support to Primary Education (Mid Day Meal), Accelerated Rural Water Supply Programme, etc. Besides, the deficiencies noticed during assessment of internal control mechanism of some Government departments as well as during compliance audit of the Government departments/ functionaries were also reported.

⁵ Public Works, Public Works (Roads), Public Works (Construction Board), Housing, Irrigation & Waterways, Public Health Engineering, Sunderban Affairs, Urban Development, Water Resource Investigation and Development and Municipal Engineering

1.6.1 Performance audits of programmes/activities/department

The present report contains three performance audits (in Chapter 2) and CCO based audit of Animal Resources Development Department for the years 2005-10 (Chapter 4).

The major observations arising out of the performance audits and CCO based audit are outlined in the following paragraphs.

(i) Public Distribution System (PDS)

Government of India (GoI) introduced the Targeted Public Distribution System (TPDS) in June 1997 for providing foodgrains to BPL families at specially subsidised prices. Subsequently in December 2000, GoI launched Antyodaya Anna Yojana (AAY) for identification of poorest of the poor families amongst BPL families covered under TPDS and provision of foodgrains at highly subsidised rates. Various deficiencies in financial management as well as significant operational deficiencies in operation of the scheme were noticed in audit. Management of cash credit account was deficient, as parking of high cost credit funds in current accounts or with procurement agencies, delayed remittance of GoI subsidy by Finance Department to Food and Supplies Department, failure in preparation of Annual Accounts of PDS leading to non-accrual of full GoI subsidy led to avoidable payment of interest of ₹ 63.27 crore on cash credit account. Due to non-achievement of the target of identification of AAY families, more than three lakh families were denied benefit of AAY, while 1.93 lakh eligible families, though identified, were deprived of benefit of the scheme due to non-issue of AAY ration cards.

On the operational side, in the absence of adequate monitoring over functioning of rice mills in the State, the department could not achieve the target of procurement of rice during 2005-10. The department sustained loss towards distribution of foodgrains due to non-recovery of dues towards additional transport charges and short-delivered food grains from Food Corporation of India and transport contractors. Sample check also disclosed various deficiencies in functioning of Fair Price Shops. Inaction on the part of the Department towards repair of the damaged godowns led to 42 godowns and four food storage depots remaining unutilised for years together.

(ii) Kolkata Environmental Improvement Project (KEIP)

Kolkata Environmental Improvement Project (KEIP), financed by an ADB loan, is being executed by Kolkata Municipal Corporation (KMC) and Government of West Bengal (GoWB) jointly to arrest the environmental degradation and improve the quality of life in the outer boroughs of Kolkata Metropolitan Area.

Audit observed that the main objectives of the project could not be fully realised (June 2010) despite incurring an expenditure of ₹ 967.07 crore (54 per cent of total project cost) due to deficiencies in planning, contract management and ineffective monitoring. The Project Management Units, mandated for overall management of the project, were not mobilised fully till 2005 causing

subsequent delay in planning, tendering and project execution. The Project authority did not prepare any comprehensive plan based on adequate survey and investigation. The survey and investigation required to be carried out by the Design & Supervision Consultant was not done; instead, the same was carried out by the working contractors after finalisation of estimates. Implementation and monitoring of resettlement process was not satisfactory as 24 per cent of the affected families were not resettled till November 2010 causing delay in commencement of Canal Improvement works. Only 14 out of 42 work packages in Sewerage and Drainage component were completed. Augmentation works of two STPs have been suspended due to non assessment of plants and equipments before commencement leading to pollution load on the river Hooghly Functioning of Project Steering Committee to oversee the implementation of the project was not effective as regular meetings were not held. Internal control systems were also weak.

(iii) Performance Audit of West Bengal Fire and Emergency Services (WBFES)

The basic responsibility of West Bengal Fire and Emergency Services (WBFES) encompasses maintenance of fire brigades, licensing of warehouses, inspection of high risk buildings to provide assurance of adherence to fire safety norms, etc. Performance review of WBFES was aimed at assessment of the level of its preparedness keeping pace with the changing scenario of urbanisation, increase in population density etc. Several areas of concern relating to operational and management deficiencies were identified, which may potentially affect the level of preparedness.

Though roadmap for construction and upgradation of new FSs was spelt out repeatedly in the Budget speeches, laxity on the part of WBFES in pursuing with implementing agencies to get the construction of Fire Services buildings completed had rendered the progress of work slow. There were instances of delay in receiving fire tenders even after releasing payments, which had also impacted the preparedness in regard to availability of fire tenders. Moreover, insufficient monitoring and absence of data base on availability of fire tenders/safety appliances at fire stations compromised preparedness.

Manpower management also remains to be a matter of concern, as shortage of operational staff coupled with absence of periodic in-service refresher training affects the operational efficiency of fire personnel.

Though development authorities of new townships had started adopting fire safety clauses in addition to standing Municipal Laws, activities of WBFES as regards fire prevention and protection in high risk buildings was not proactive, rather it was dependent upon initiative of the building owners.

(iv) Chief Controlling Officer based Audit of Animal Resources Development Department

Animal Resources Development (ARD) Department aims to produce quality animal resources and products to usher in sustainable improvement in the quality of life of rural people.

CCO based audit of ARD department disclosed several institutional weaknesses like ineffective monitoring mechanism, inadequate control over the properties, especially land, leading to encroachments, absence of periodical review of departmental manpower and vacancies in key functionaries along with staff of closed units not being gainfully deployed, etc.

Examination of level of compliance to rules and regulations on the part of the department also showed various instances of breach of provisions of West Bengal Treasury Rules and West Bengal Financial Rules as well as inadequacies in store management. This included retention of departmental receipts out of Government account, parking of scheme funds in the deposit account of a Government company etc.

On the service delivery front widening gap was noticed between requirement and production of milk, meat and eggs. Shortcomings in the execution of schemes adversely affected their outcome. Implementation of schemes suffered due to lack of planning and initiative on the part of implementing authorities, and delay in release and diversion of funds. Health services suffered due to non-functional Animal Development Aid Centres (ADACs) and owing to shortage of medicines for prolonged periods in animal health centres.

1.6.2 Compliance audit

Audit has also reported on several significant deficiencies in critical areas which impact the effective functioning of Government departments/organisations. These are broadly categorised and grouped as (i) audit of non-compliance with rules, (ii) audit against propriety/expenditure without justification, (iii) persistent/pervasive irregularities and (iv) failure of oversight/governance.

Some important observations arising out of compliance audit are illustrated below:

Member of Parliament Local Area Development Scheme (MPLADS): MPLADS, a scheme fully funded by the Government of India, (GoI) was introduced in December 1993 enabling Members of Parliament (MPs) to recommend works creating durable community assets. Scrutiny of records of Development and Planning department and district nodal authorities of five selected districts (comprising 30 MPs) including Kolkata relating to 14th Lok Sabha and Rajya Sabha MPs for the period from 2004-05 to 2009-10 disclosed various instances of irregularities and deviation of guidelines. Though MPLADS works were required to be completed within a year of sanction, works were found incomplete ever after five years from the year of recommendation. Works remained incomplete as sanctioned amounts were less than estimated cost. Substantial amounts of scheme funds were spent on inadmissible works, works were executed through beneficiary institutions leading to misappropriation of funds without creation of asset. Implementing Agencies did not maintain separate bank accounts for each MP violating the scheme guidelines. Interests earned on scheme funds were not refunded. Unspent balances of former Rajya Sabha MPs had not been distributed

amongst the successor Rajya Sabha MPs. Oversight by the nodal department was inadequate affecting implementation adversely.

Paragraph 3.1.1

Failure to adhere to technical norms in road construction under Housing and Public Works Department resulted in wasteful expenditure of ₹ 2.24 crore and avoidable expenditure of ₹ 2.94 crore.

Paragraph 3.1.2

West Bengal Industrial Development Corporation Limited unauthorisedly retained ₹ 10.63 crore towards processing fees from subsidy released by the State Government for disbursement to power intensive industries of the State.

Paragraph 3.1.3

The Superintendent, Sub Divisional Hospital, Islampur procured medicines from non-approved firms at higher rates in violation of the guidelines of Director of Health Services incurring an extra expenditure of ₹ 1.21 crore. Expenditure on purchase of medicines exceeded the allotment persistently, highlighting absence of any control by the Directorate of Health Services

Paragraph 3.1.4

Non-collection of administrative cost by Land and Land Reforms Department in violation of revised land acquisition procedure led to loss of Government revenue amounting to ₹ 73.90 lakh

Paragraph 3.1.6

Kolkata Metropolitan Development Authority's (KMDA) decision to revoke cancellation of long term lease of land led to loss of ₹ 3.10 crore

Paragraph 3.2.1

Failure of Public Works Department (PWD) to realise rent on unauthorised hoardings on roadside land coupled with non-realisation of licence fee on hoarding led to loss of revenue of ₹ 3.65 crore.

Paragraph 3.2.2

The Public Health Engineering Department deliberately terminated a valid contract for procurement of pipes leading to undue financial benefit of ₹ 6.63 crore to a supplier.

Paragraph 3.2.3

Failure in taking necessary measures by Hooghly River Bridge Commissioners and KMDA to optimise revenue generation from toll tax, coupled with flawed decision, resulted in loss of ₹ 18 crore.

Paragraph 3.2.4

Procurement of sophisticated medical equipments by the Health and Family Welfare Department without arranging for required infrastructure resulted in equipment worth ₹ 1.98 crore remaining non-operational.

Paragraph 3.4.2

Failure of the Directorate of Health Services to arrange for alternative storage facility and ensure uninterrupted maintenance coverage for the Walk-in-Fridge coupled with inherent system deficiencies, led to damage of 31.92 lakh doses of oral polio vaccine.

Paragraph 3.4.3

1.7 Budget and expenditure controls

A summary of Appropriation Accounts for 2009-10 in respect of the Government of West Bengal is given in **Table 1.2**.

Table 1.2 : Summary of Appropriation Accounts for 2009-10 (₹ in crore)

	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving (-)/Excess (+)
Voted	I Revenue	47003.99	3126.05	50130.04	45730.41	(-) 4399.63
	II Capital	4490.74	523.46	5014.20	3214.92	(-) 1799.28
	III Loans and Advances	911.60	31.82	943.42	752.44	(-) 190.98
	IV. Public Debt	-	-	-	-	-
Total Voted		52406.33	3681.33	56087.66	49697.77	(-) 6389.89
Charged	IV Revenue	14010.57	120.36	14130.93	14129.68	(-) 1.25
	V Capital	-	12.38	12.38	12.04	(-) 0.34
	VI Public Debt-Repayment	14562.39	122.33	14684.72	16996.62	(+) 2311.90
Total Charged		28572.96	255.07	28828.03	31138.34	(+) 2310.31
Grand Total		80979.29	3936.40	84915.69	80836.11	(-) 4079.58

Source : Appropriation Accounts

The overall saving of ₹ 4079.58 crore was the result of saving of ₹ 7572.48 crore in 38 grants and 25 appropriations under Revenue Section and 41 grants and 17 appropriations under Capital Section, offset by excess of ₹ 3492.90 crore in 16 grants under Revenue Section and eight grants under Capital Section.

1.7.1 Excess expenditure over available provisions

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess expenditure over a grant/appropriation regularised by the State Legislature. Regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). Excess expenditure amounting to ₹ 28906.54 crore for the years 2003-2009 was yet to be regularised. Moreover, during 2009-10, excess expenditure amounting to ₹ 3492.90 crore under 18 grants and six appropriations was incurred from the Consolidated Fund of the State over the amounts authorised by the State Legislature during 2009-10 which also requires regularisation.

1.7.2 Unnecessary/excessive/inadequate supplementary provision

Supplementary provision aggregating ₹ 316.29 crore obtained in 18 cases (₹ 10 lakh or more in each case) during 2009-10 proved unnecessary as the expenditure did not come up to the level of original provision. On the other hand, in 14 cases, supplementary provision of ₹ 1855.25 crore made during

the year proved insufficient by more than ₹ one crore in each case leaving an aggregate uncovered excess expenditure of ₹ 3171.95 crore.

1.8 Response of the Ministries/Departments to Draft Audit Paragraphs

Finance (Budget) department issued directions to the departments in June 1982 to send their response to draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within one month.

The Draft paragraphs are forwarded to the Secretaries of the Ministries/ departments concerned drawing their attention to the audit findings and requesting them to send their response within prescribed time frame. It is brought to their personal attention that in view of likely inclusion of such paragraphs in the Audit Reports of the Comptroller and Auditor General of India, which are placed before the Legislature, it would be desirable to include their comments in the matter.

Draft Paragraphs proposed for inclusion in this report were forwarded to the Secretaries concerned between March 2010 and November 2010 through letters addressed to them personally.

The concerned Ministries/Departments did not send replies to 14 out of 22 Paragraphs/ Reviews featured in Chapters 2 to 4. The responses of concerned Ministries/Departments received in respect of 8 paragraphs have been suitably incorporated in the Report.

1.9 Follow up on Audit Reports

Review of outstanding Action Taken Notes (ATNs) on paragraphs included in the Reports of the Comptroller and Auditor General of India, Government of West Bengal upto 2008-2009 revealed that Action Taken Notes on 287 paragraphs (selected: 32 from 1997-1998 to 2008-2009 and not selected: 255 from 1981-1982 to 2008-2009) involving 41 Departments remained outstanding as of September 2010.

Action Taken Notes on 28 Reports of the PAC, presented to the Legislature between 1991-92 and 2009-10 had not been submitted by 16 Departments to the Assembly Secretariat as of September 2010. The matter has been discussed in detail in para 3.3.2 of this Report.

Chapter 2

Performance Audit

2.1	<i>Public Distribution System (PDS)</i>	11
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FOOD AND SUPPLIES DEPARTMENT

2.1 PUBLIC DISTRIBUTION SYSTEM

Executive Summary

Government of India (GoI) introduced the Targeted Public Distribution System (TPDS) in June 1997 for providing foodgrains to Below Poverty Line (BPL) families at specially subsidised prices. Subsequently in December 2000, GoI launched Antyodaya Anna Yojana (AAY) for identification of poorest of the poor families amongst BPL families covered under TPDS and provision of foodgrains at a highly subsidised rate of ₹ 2 per kg for wheat and ₹ 3 per kg for rice. GoI also introduced Annapurna scheme for providing 10 kg of foodgrains per month free of cost to indigent destitutes above 65 years old but not covered under National Old Age Pension Scheme (NOAPS).

In West Bengal, 37.67 lakh BPL families, 14.80 lakh AAY families and 0.77 lakh Annapurna beneficiaries are covered under these schemes. The objective of the scheme of reducing hunger amongst the poorest segment of population by providing foodgrains at substantially subsidised prices was achieved to some extent. These achievements notwithstanding, various deficiencies in financial management as well as significant operational deficiencies were noticed in audit, which had affected the economy and efficiency of the operations.

Management of cash credit account was deficient, as parking of high cost credit funds in current accounts or with procurement agencies, delayed remittance of GoI subsidy by Finance Department to F&S Department, failure in preparation of Annual Accounts of PDS leading to non-accrual of full GoI subsidy led to avoidable payment of interest of ₹ 63.27 crore on cash credit account. Due to non-achievement of the target of identification of AAY families, more than three lakh families were denied benefit of AAY, while 1.93 lakh eligible families, though identified, were deprived of benefit of the scheme due to non-issue of AAY ration cards.

On the operational side, in the absence of adequate monitoring over functioning of rice mills in the State, the department could not achieve the target of procurement of rice during 2005-10. The department sustained a loss of ₹ 15.04 crore towards distribution of foodgrains due to non-recovery of dues towards additional transport charges and short-delivered food grains from Food Corporation of India (FCI), short delivery of foodgrains by transport contractors. Sample check also disclosed various deficiencies in functioning of Fair Price Shops. All these had adversely affected the accessibility of public to food grains. The same was compounded by deficient functioning of inspecting staff with 81 *per cent* shortfall in inspection of FPS. Due to inaction on the part of the department towards repair of damaged godowns, 42 godowns with 0.50 lakh MT capacity and four food storage depots with total capacity of 0.74 lakh MT, remained unutilised for years together. The department also paid idle wages of ₹ 4.68 crore to staff deployed in non-functional godowns during 2005-10.

2.1.1 Introduction

Public Distribution System (PDS), with its focus originally on distribution of foodgrains in urban scarcity areas, had emanated from the critical food shortages of the sixties. Subsequently, the outreach of PDS was extended from time to time during 1970s and 1980s to tribal blocks and areas of high incidence of poverty. Till middle of 1992, PDS was a general entitlement scheme for consumers without any specific target. With the objective of geographical targeting to cover all the people in poor areas, Government of India (GoI) launched Revamped Public Distribution System (RPDS) in June 1992, which was introduced in West Bengal in September 1992 with the following objectives:

- to maintain uninterrupted flow of essential commodities at affordable prices to the common man throughout the year;
- to supply essential commodities to poor and vulnerable sections of society specifically in the far flung hilly, remote and inaccessible areas.

In June 1997, GoI introduced the Targeted Public Distribution System (TPDS) in order to cover all the poor in all the areas by earmarking a fixed quantity (10 kg) of foodgrains¹ to families living Below Poverty Line (BPL) and on a scale² to be determined by State Government based on allocations received from GoI to families Above Poverty Line (APL). The GoI subsequently increased the allocation to BPL families to 20 kg of foodgrains per family per month with effect from April 2000.

In order to make TPDS more focused and targeted towards poorest of the poor, GoI launched (December 2000) Antyodaya Anna Yojana (AAY), which aimed at reducing hunger among the poorest segment of population by making TPDS benefits more substantial in terms of both nutrition and cost. In West Bengal, AAY was introduced in October 2001.

AAY contemplates identification of poorest of the poor families from amongst BPL families covered under TPDS and providing them foodgrains at a highly subsidised rate of ₹ 2 per kg for wheat and ₹ 3 per kg for rice. The State Government was to bear the distribution cost, including margins to dealers and distributors as well as the transportation cost. The scale of issue has been increased from 25 kg to 35 kg per family per month with effect from April 2002.

2.1.2 Organisational Structure

The Food Commissioner cum Principal Secretary to the Government of West Bengal, Food and Supplies Department is overall in-charge of managing PDS in the State and is assisted by seven Directors of District Distribution, Procurement & Supply, Rationing, Consumer Goods, Inspection & Quality

¹ Rice and Wheat

² APL: Rice-1 kg 500 grams per adult per week, Wheat-250 grams per adult per week and Child: 50 per cent of quantity allotted per adult

Control, Statistics, Storage and Finance and District Controllers of Food and Supplies (DCsF&S) in 18 districts.

2.1.3 *Audit objectives*

The main objective of performance audit was to evaluate the effectiveness of PDS in procurement and distribution of foodgrains and particularly in securing availability of foodgrains for BPL people at affordable prices. This involved assessment of whether:

- the financial management of the PDS operation, especially handling of cash credit facility was efficient;
- procurement operations were managed economically and efficiently;
- there was efficiency and economy in storage and movement operations;
- distribution arrangements to ensure accessibility to foodgrains were effective;
- effective vigilance was exercised over various functionaries of PDS operations through suitable monitoring/inspection mechanism.

2.1.4 *Audit coverage and methodology*

Implementation of PDS during 2005-2010 was reviewed between April and July 2010 through test check of records of Food and Supplies Department and its seven Directorates and District Controllers of Food and Supplies (DCFS) of four selected districts viz. Bardhaman, Dakshin Dinajpur, Malda and Paschim Medinipur (out of 18 districts). Records of two Sub-Divisional Controllers of Food and Supplies (SDCsFS) and four Block Development Officers (BDOs) in each selected district³ and one food storage depot (FSD), one rice mill, one distributor and four fair price shops (FPSs) in each selected Block were also test checked.

An entry conference was held with the Food Commissioner *cum* Principal Secretary of Food and Supplies Department on 05 May 2010 in order to understand the detailed organisational network and related operations connected with implementation of PDS. The audit objectives, scope and methodology were explained to the Principal Secretary. Audit findings were discussed in an exit conference held on 7 January 2011 with the Principal Secretary, where the Principal Secretary and the respective Directors gave a presentation in response to the Review. The outcome of the same had been incorporated suitably in the report.

³ In four selected districts:-Bardhaman : SDCsFS:5; BDOs:17; FSDs: 30; Rice Mills: 368; Distributors: 33; and FPSs: 182 : Dakshin Dinajpur : : SDCsFS:2; BDOs:8; FSDs:11; Rice Mills: 47; Distributors: 12; and FPSs: 131 : Malda : SDCsFS:2; BDOs:15; FSDs: 13; Rice Mills: 18; Distributors: 24; and FPSs: 226 : Paschim Medinipur : : SDCsFS:4; BDOs:16; FSDs: 15; Rice Mills: 65; Distributors: 19; and FPSs: 195

Audit Findings

2.1.5 Financial Management

The expenditure⁴ on PDS excluding funds required for procurement of foodgrains was met out of budgetary allocations, while procurement operations were managed through cash credit facilities extended by State Bank of India (SBI) against hypothecation of the stock of foodgrains stored by the department. Such credits were recouped by sale proceeds of foodgrains and food subsidy received from GoI.

The budget provisions and expenditure incurred on PDS during 2005-2010 are indicated below:

Table 2.1.1: Budget Provision vis-à-vis expenditure

Year	Budget provision		Expenditure		Excess (-) / savings (+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
	(R u p e e s i n c r o r e)					
2005-06	347.18	9.00	292.25	Nil	54.93	9.00
2006-07	338.23	9.00	164.81	Nil	173.42	9.00
2007-08	354.35	9.03	457.10	9.03	(-) 102.75	0
2008-09	865.11	14.90	932.43	3.51	(-) 67.32	11.39
2009-10 ⁵	2207.96	17.60	2246.10	4.78	(-) 38.14	12.82
Total	4112.83	59.53	4092.69	17.32	20.14	42.21

(Source: Budget Documents, Expenditure for 2009-10: VLC)

It may be seen from the above table that there were savings of ₹ 228.35 crore in the revenue expenditure during 2005-07. The department failed to spend budgeted funds of ₹ 29.63 crore in 2005-06 and ₹ 141.82 crore in 2006-07 for payment of subsidy on foodgrains, which was the major cause for non-utilisation of budget provisions during these years. On the other hand, the department incurred excess expenditure of ₹ 208.21 crore during 2007-10 over budget provisions.

The department stated (January 2011) that provisions were made in the budget for expenditure towards subsidy on foodgrains based on anticipated quantity to be consumed in the next year and admissibility of subsidy on foodgrains from GoI depends upon the actual off-take quantity in a particular year.

Non-utilisation of funds allotted for construction/renovation of food storage godowns was the main reason attributed for savings in Capital budget.

2.1.5.1 Avoidable payment of interest on cash credit account

The department finances the procurement operations through a cash credit (CC) arrangement extended by SBI. Interest at prevailing rates on the

⁴ Expenditure on Secretariat and General Services, Social Security and Welfare, Food Storage and Warehousing charges, Transportation and Distribution including margin to dealers/retailers

⁵ The revenue budget provision vis-à-vis expenditure increased substantially due to increase in payment of subsidy because the State Government decided in February 2009 to distribute rice to BPL and AAY beneficiaries at ₹2 per kg instead of ₹6.15 and ₹3 respectively.

Improper management of cash credit account leading to payment of avoidable interest

outstanding credit balance is realised by the bank. No interest is paid in case surplus funds are parked in the account. Funds from the CC account are transferred to current accounts, maintained by the District Controllers of Food and Supplies (DCsFS) with local SBI branches for meeting related expenses. The district authorities deposit the sale proceeds into collection accounts, maintained with local SBI branches. The amounts, so deposited, as well as GoI subsidy is to be remitted to the CC account to reduce the outstanding balance.

Transfer of funds from cash credit account to the current accounts of DCsFS in excess of requirement for procurement of rice and consequential parking of unutilised funds in current accounts, delays in remittance of sale proceeds by DCsFS, closure of cash credit accounts and remittance of GoI subsidy by Finance Department to F&S Department resulted in avoidable payment of interest on cash credit account as discussed below:

(i) The Director of Finance (DF), F&S Department, advanced funds in each *Kharif Marketing Season (KMS)* from cash credit account to DCsFS for procurement of rice without assessing their requirements during *KMS* 2005-06 to *KMS* 2009-10. Further, surplus funds (₹ 27.17 crore) were not immediately remitted by DCsFS and Joint Directors of Rationing to the DF for deposit into cash credit accounts during August 2005 to March 2010. Unutilised funds of ₹ 10.76 crore were refunded (April 2005 to April 2009) by DCsFS of four selected districts with delays ranging from 22 days to more than three years while surplus funds of ₹ 9.85 crore remained parked in current accounts of these DCsFS as of March 2010. Similarly, the Joint Director of Rationing refunded surplus funds aggregating to ₹ 6.56 crore after delays ranging from 30 to 165 days. The department had to pay avoidable interest of ₹ 5.61 crore on cash credit account due to delayed refund of surplus funds.

The Principal Secretary, F&S Department, in the exit conference (January 2011) stated that the DCsFS would be directed to minimise the delay in refunding the surplus funds.

(ii) Mention was made in paragraph 3.2.5.2 of the C&AG's Audit Report (Civil) for the year ended 31 March 2006 about non-realisation of advances paid by the department to West Bengal Essential Commodities Supply Corporation Limited (WBECSC) for procurement of paddy during *KMS*⁶ 2002-03 to 2004-05. It was further noticed in audit that out of total advance of ₹ 198.76 crore paid during *KMS* 2002-03 to 2006-07, WBECSC supplied Custom Milled Rice (CMR) costing ₹ 164.52 crore and refunded ₹ 19.09 crore to the department. The balance amount of ₹ 15.15 crore was adjusted by the department during April to September 2008 against the bills of WBECSC for supply of CMR, after delays ranging from 16 months to five years. Since funds were provided to WBECSC out of cash credit account carrying interest of 9.10 to 13.06 *per cent per annum*, the department had to pay avoidable interest of ₹ 4.87 crore on the funds that remained parked with WBECSC due to delayed adjustment of advances.

⁶ *Kharif marketing season which starts from September/October every year*

The department admitted (January 2011) the fact.

(iii) According to the agreement executed by the department with SBI in November 2004 for availing cash credit facilities against hypothecation of the stocks of rice, the department was not entitled to draw any amount from cash credit account in excess of the value of stock hypothecated to SBI and the stock of rice was to be valued at the purchase price or issue price, whichever was less. In the event of shortfall in the value of stock hypothecated to SBI as compared to the amount of cash credits availed by the department, SBI was to charge penal interest at two *per cent per annum* on the amount drawn in excess of the value of stock held by the department.

It was noticed in audit that the department failed to restrict drawal of funds from cash credit account within the value of stock retained from time to time. Due to such mismatch between cash credits availed by the department and value of Stocks hypothecated to bank, SBI charged penal interest of ₹ 2.56 crore during September 2005 to February 2010.

While admitting the fact the department stated that the Reserve Bank of India was requested to review the clause of matching the stock of foodgrains with the outstanding amount in the cash credit account and not to insist on stock at the time of sanctioning cash credit. The decision is awaited (January 2011). Director of DDPS, F&S Department, also intimated that owing to frequent movement of foodgrains from store, the required level of stock could not be maintained. As non-adherence to the conditionalities attracted penal interest, the reply did not fully justify such lacuna. The department, however, assured to monitor this issue.

(iv) The funds received from GoI for Annapurna Scheme are kept in a separate savings bank account maintained by the Director of Finance (DF) and transferred to district authorities from time to time. Scrutiny of records of the DCsFS of Bardhaman and Malda revealed that unutilised funds of previous years were not refunded or adjusted against current year's receipt. Thus, scheme funds aggregating ₹ 57.83 lakh received from DF during 2005-06 to 2008-09 remained unutilised for periods upto four years in current accounts resulting in loss of interest of ₹ 4.88 lakh (at 3.5 *per cent per annum* on savings account) during 2006-10.

The Principal Secretary, F&S Department, stated (January 2011) that the fund was kept with the DCsFS to meet the administrative and contingency expenditure for the scheme. He also stated that the DCsFS would be directed to refund the amounts that had remained parked with them.

**State Finance
Department
retained GoI
subsidy for 13 to
386 days**

(v) Food subsidy received by the State Finance Department from GoI is to be passed on to F&S Department immediately after receipt. During April 2006 to March 2010, Finance Department released GoI subsidies aggregating ₹ 2656.77 crore to F&S Department after a delay of 13 to 386 days, which resulted in avoidable payment of interest of ₹ 50.18 crore on cash credits.

The F&S Department admitted (January 2011) the fact and stated that Finance Department had been requested to expedite the matter.

2.1.5.2 Non-receipt of GoI subsidy

Non-preparation of annual accounts since 2005-06 led to loss of GoI subsidy of ₹ 133.66 crore

Under the decentralised procurement scheme GoI determines State-specific Economic cost⁷ of rice and the difference between the State Economic Cost and Central Issue Price⁸ (CIP) is passed on to the State as food subsidy. In terms of GoI's instruction (April 2003). 95 *per cent* of food subsidy claimed by the State Government in a particular month was to be released by GoI as provisional subsidy and balance five *per cent* was payable on submission of audited Annual Accounts of PDS to GoI not later than six months after close of the respective KMS. However, the following deviations were noticed:

The department did not prepare Annual Accounts of PDS from 2005-06 to 2009-10, due to which it could not claim food subsidy aggregating ₹ 133.66 crore from GoI.

The department admitted (January 2011) the fact of non preparation of PDS accounts. Principal Secretary stated that the accounting system of PDS should be digitised to facilitate timely preparation of accounts but, the system could not be introduced so far due to non-availability of required funds.

2.1.6 Procurement of foodgrains

The GoI's foodgrains management strategy under PDS involves procurement of foodgrains from growers at remunerative prices. While procurement of foodgrains was done centrally through Food Corporation of India (FCI), decentralised procurement of paddy/rice has been permitted in case of eleven States including West Bengal since November 1997.

Under decentralised procurement scheme, F&S Department was to procure levy rice from rice mills. State Government agencies like WBECS⁹, BENFED¹⁰, etc. were engaged for procurement of paddy directly from farmers at Minimum Support Price (MSP) fixed by GoI and supply of CMR to the department after milling paddy in rice mills. The State Government issues West Bengal Rice Mills and Husking Mills (Control and Levy) orders every year in September/October fixing the district-wise target of procurement of levy rice each year based on the milling capacity of the operating rice mills. The department also issues procurement guidelines before commencement of each KMS prescribing procedure for procurement of levy rice by DCsFS and CMR by Government agencies.

2.1.6.1 Inadequate procurement performance

Only 77 per cent of targeted quantity of rice could be procured owing to non-monitoring of working of rice mills

Against the target of procurement of 63.85 lakh MT of rice (levy rice: 35 lakh MT and CMR: 28.85 lakh MT) during 2005-2010, 49.36 lakh MT (77 *per cent*) of rice (levy rice: 28.96 lakh MT and CMR: 20.40 lakh MT) were procured as detailed in **Appendix-2.1.1**. Failure of the department in

⁷ Cost of procurement and distribution of rice under TPDS

⁸ The price at which rice was issued by GoI to State for distribution under TPDS

⁹ West Bengal Essential Commodities Supply Corporation Limited

¹⁰ West Bengal State Co-operative Marketing Federation Limited

monitoring the functioning of rice mills was the main reason for non-achievement of the target of procurement of levy rice.

Despite non-achievement of target of procurement, WBECSC did not take delivery of 876 MT of CMR from two test checked rice mills (796 MT) in Bardhaman and one test checked rice mill (80 MT) in Paschim Medinipur during 2007-08. The company further cancelled (July 2009) the order for 25000 MT of CMR placed on mills in Bardhaman. The reasons for not taking delivery of CMR as well as cancellation of order were not on record.

The department stated (January 2011) that in some years, procurement targets were fixed on the higher side. The reply is not tenable as records show that the WBECSC always fell short of the target. The lack of monitoring over the functioning of rice mills was, however, accepted by the Director, DDPS.

Against the target of procurement of two lakh MT of CMR by BENFED during 2006-07, BENFED procured only 0.72 lakh MT of CMR. Twenty rice mills did not supply 7402 MT of CMR on the ground that the mills could not achieve the out-turn ratio of 68 *per cent* fixed by GoI. Out of ₹ 4.98 crore recoverable from these mills for non-supply of 7402 MT of CMR, an amount of ₹ 0.60 crore only was recovered from two mills and balance ₹ 4.38 crore remained un-recovered as of June 2010.

Department stated (January 2011) that non recovery of CMR by BENFED was due to wrong selection of rice millers.

2.1.6.2 Non-supply of levy rice by rice mills

Ineffective monitoring over rice mills led to short supply of levy rice by rice mills

According to West Bengal Rice Mills and Wholesalers (Control and Levy) Orders read with F&S Department's Procurement guidelines issued for each KMS, every rice mill was to deliver 50 *per cent* of the quantity of rice produced by it during each KMS to the State Government or its designated agencies and Food Corporation of India (FCI) as levy rice in the ratio of 40:60. Millers were allowed to sell remaining 50 *per cent* of rice in the market as levy free rice after obtaining Release Certificate (RC) from the DCFS.

Scrutiny in audit revealed the following:

(i) Records of DCFS, Bardhaman disclosed that against 290956 MT of levy rice to be delivered by rice mills during KMS 2006-07 to 2008-09 as per LDOs issued by DCFS, 272754 MT of rice was supplied resulting in short supply of 18202 MT. Similarly, against 130163 MT of levy rice to be delivered by rice mills in Paschim Medinipur during KMS 2005-06 to 2008-09 as per LDOs issued by DCFS, 127279 MT of rice was supplied resulting in short supply of 2884 MT.

DCFS, Paschim Medinipur stated (September 2010) that LDOs had been issued to the rice mills on the higher side to achieve the target fixed by the Government.

(ii) Test check in audit revealed that 24 rice mills in Bardhaman produced 57987 MT of rice during KMS 2008-09 and accordingly these mills were liable to supply 11597 MT of levy rice to the department. However, the mills

supplied 8503 MT resulting in short supply of 3094 MT. Similarly, against 14005 MT of levy rice to be supplied by eight rice mills in Malda during KMS 2007-08 and 2008-09, the mills supplied 10710 MT leading of short supply of 3295 MT.

(iii) Although levy free rice was to be sold in the market only after obtaining RC from the DCFS, 22 mills in Bardhaman did not obtain RC from DCFS for sale of 7773 MT of levy free rice during KMS 2008-09. Similarly, nine to 27 mills in Paschim Medinipur sold 16260 MT of rice in the market during 2006-09 without obtaining RC from DCFS.

(iv) Scrutiny of records of one rice mill in Bardhaman revealed that out of 1310 MT of rice produced during KMS 2009-10 (upto 30 June 2010), 545 MT (41 *per cent*) was supplied as levy rice and 595 MT of rice was sold in the market as levy free rice where as the mill received RC for 300 MT only. Similarly, out of 2600 MT of rice produced by two test checked rice mills in Malda during KMS 2007-08 and 2008-09, 1270 MT (49 *per cent*) was supplied as levy rice and 1330 MT of rice was sold in the market as levy free rice while the mill received RC for 269 MT only. Thus, these mills sold 1356 MT of rice in the market without obtaining RC from DCFS.

Department stated (January 2011) that it did not accept levy rice and CMR once the quantum of collection exceeded the requirement. The contention of the department was not true as there was shortfall in collection against requirement in each year except KMS 2008-09. The reply was, however, silent about issue of sale of levy free rice by millers without obtaining RCs from DCFS.

2.1.6.3 Undue favour to rice mills

Acquisition cost of levy rice and CMR fixed by GoI for each KMS included, *inter alia*, *mandi* labour charge which was payable to labour in case of procurement of paddy from the *mandi* (paddy market). In West Bengal, there is no system of paddy *mandi* and rice mills received paddy at their doorsteps either from farmers or from traders. Thus, although mills did not pay any *mandi* labour charge for procurement of paddy, the department allowed *mandi* labour charge varying from ₹ 4.64 to ₹ 6.21 per quintal for levy rice and ₹ 4.26 to ₹ 5.70 per quintal for CMR during 2005-06 to 2009-10. Thus, the department made inadmissible payment of ₹ 25.71 crore to the rice mills towards *mandi* labour charges on procurement of 14.86 lakh MT of levy rice and 20.40 lakh MT of CMR during 2005-10.

Department admitted (January 2011) the fact that though *mandis* were not in existence in West Bengal, *mandi* labour charge was allowed to rice millers and CMR agencies to compensate additional expenditure on account of labour charges and transportation cost incurred while bringing paddy bought from farmers directly at camps to mill campus.

The contention of the department was not acceptable as the rice millers received paddy at the mill gates directly either from farmers or from traders. A correspondence (June 2009) from the Bardhaman District Rice Mills Association also corroborates the fact.

Undue benefit of
₹ 25.71 crore
extended to rice
mills on *mandi*
labour charge

Releasing incidental charges without following mandatory requirement

2.1.6.4 Irregular payment of incentive bonus

Acquisition cost of levy rice fixed by GoI for each KMS included a component of incentive bonus, which was payable by rice mills to farmers along with MSP for procurement of paddy. Rice mills were to produce evidence in support of payment of incentive bonus while submitting bills against supply of levy rice to DCsFS.

Further, DCsFS of Dakshin Dinajpur, Malda and Paschim Medinipur purchased 15690 MT of rice during KMS 2007-08 (5586 MT) and KMS 2008-09 (10104 MT) from wholesalers/traders. Although the wholesalers/traders did not produce receipts in support of payment of incentive bonus to farmers with the bills for payment of acquisition cost of rice, DCsFS paid the same¹¹ to wholesalers/traders and thus extended undue benefit of ₹ 89.09 lakh to them.

The DCFS of Paschim Medinipur stated (July 2010) that incentive bonus was not deducted from wholesalers' bills due to non receipt of clear instructions from the Directorate before KMS 2009-10.

The contention of the DCFS was not tenable because it was specifically mentioned in the Government order (December 2007) that original receipt in support of payment of incentive bonus to farmers should be obtained before making payment on that account.

Practice of acceptance of levy rice without weighment fraught with risk of short receipts

2.1.6.5 Acceptance of levy rice from mills without weighing

Rice mills supply levy rice to the department in 50 kg bags. The godowns of Central Warehousing Corporation (CWC), hired by the department, store rice received from mills on actual weighment basis. In case of Government godowns, ten *per cent* of total number of bags of each consignment were stated to have been weighed by the inspectors of godowns and a certificate to the effect that each bag contains 50 kg of rice was furnished by them. Thus, net weight of each of the bags of each consignment was considered as 50 kg even though consignments received by such godowns completely escaped verification of weight of rice supplied by mills through weighment at any weigh bridge.



Delivery of rice from the departmental Food Storage Depot

¹¹ ₹147.06 per quintal in KMS 2007-08 and ₹73.53 per quintal in KMS 2008-09

The Principal Secretary, F&S Department in the exit conference (January 2011) stated that the system of weighing the consignments at Government godowns would be introduced in a phased manner and the necessary steps would be taken to hire the godowns nearer to weighbridges.

2.1.6.6 Undue benefit to procurement agent

Procurement cost of CMR fixed by GoI for KMS 2005-06 to 2009-10 included cost of transportation of paddy (₹ 9.57 to ₹ 11.38 per quintal) from purchase centre to rice mills and also interest charges of ₹ 8.75 to ₹ 18.95 per quintal of paddy since funds required for procurement of paddy would be invested by Government agencies engaged for procurement of paddy and supply of CMR to the department.

Instead of purchasing paddy directly from the farmers, WBECSC engaged rice mills for procurement of paddy and supply of CMR after milling. According to the agreements executed by WBECSC with rice mills, the cost of transportation of paddy from procurement centres to mills was to be borne by the latter. No advance payment was made by WBECSC to rice mills for procurement of paddy on its behalf. Accordingly, cost of such components for which no expenditure had been incurred by WBECSC, was to be deducted from the procurement cost at the time of making payment to WBECSC.

Even though WBECSC did not pay the cost of transportation of paddy to the mills and also did not invest any fund for procurement of paddy, the department paid the procurement cost of CMR to WBECSC including transportation charges varying from ₹ 7.80 to ₹ 11.38 per quintal of paddy and interest charges varying from ₹ 8.75 to ₹ 18.95 per quintal of paddy and thus incurred an extra expenditure of ₹ 26.10¹² crore during 2005-10 by allowing undue benefit to WBECSC.

2.1.7 Distribution of foodgrains

The responsibility for distribution of foodgrains to beneficiaries rests with the State Government. Under Targeted Public Distribution System (TPDS), the State Government is responsible for identification of Below Poverty Line (BPL) families and for distribution of food grains in a transparent and accountable manner through Fair Price Shops (FPSs). The Annapurna scheme was introduced in April 2000 for providing 10 kg of foodgrains per month free of cost to the indigent destitute who are 65 years old but not covered under National Old Age Pension Scheme (NOAPS).

2.1.7.1 Identification of beneficiaries

Against the GoI estimate of 51.79 lakh BPL families, 52.68 lakh families (BPL: 37.67 lakh and AAY: 15.01 lakh) were identified during 1998-99 to

**List of
beneficiaries was
not verified by
inspecting staff**

¹² Transportation cost ₹ 1045.89 lakh for 100292 MT paddy and interest charges ₹ 1563.84 lakh for 45501 MT rice.

2004-05, while members of 37.67 lakh BPL families¹³ were issued individual BPL ration cards. As per laid down procedure, Inspectors/Sub-Inspectors were to verify at least one *per cent* of beneficiaries within their jurisdiction every month to ensure that they have received their entitlements. However, the list of BPL beneficiaries had not been verified and modified subsequently in order to ascertain continued eligibility of identified beneficiaries even after lapse of considerable time.

Against the target of identification of 19.86 lakh AAY families (upto third expansion with effect from April 2005), 16.73 lakh families were identified till January 2008, while members of 14.80 lakh families were issued AAY ration cards. Thus, 1.93 lakh identified families were deprived of benefit of AAY due to non-issue of ration cards and 3.13 lakh families were denied benefit of AAY because the identification process remained incomplete. Against the target of identification of 0.80 lakh Annapurna beneficiaries, 0.77 lakh were identified and issued Annapurna ration cards.

Department admitted the fact and stated (January 2011) that identification of beneficiaries was taken up by the Panchayat and Rural Development and the Municipal Affairs Department, which was under process.

2.1.7.2 Issue of ration cards

Till December 2009 the State Government issued 8.98 crore individual ration cards (APL: 632.52 lakh; BPL: 189.71 lakh; AAY: 74.72 lakh and Annapurna: 0.77 lakh).

Scrutiny revealed that:

(i) According to TPDS guidelines of 1997, family ration cards (FRCs) were to be issued to the identified BPL and AAY families. In violation of guidelines, the department issued Individual Ration Cards (IRCs) to each member of BPL and AAY families. In June 2008, the department decided to issue FRCs in place of existing IRCs to APL, BPL and AAY families. Accordingly, the department got (October-December 2009) 103 lakh light violet (APL), 66 lakh grey (BPL) and 29 lakh orange (AAY) coloured FRCs and 198 lakh declaration forms printed at a total cost of ₹ 1.47 crore. Department also incurred expenditure of ₹ 5.01 crore upto February 2010 for writing the cards manually. But, FRCs could not be distributed to APL, BPL and AAY families due to issuance (February 2010) of an order by Hon'ble Kolkata High Court for maintaining the *status quo* against a writ petition filed by some consumers. In August 2010, the department decided not to issue FRCs and instead, to issue new coloured IRCs (light violet for APL in place of existing white, grey for BPL in place of existing green and orange for AAY in place of existing pink coloured IRCs) to the PDS beneficiaries in all the districts by replacing the existing cards in a phased manner. As a result, the entire expenditure of ₹ 6.48 crore incurred on printing of cards and forms and writing of FRCs proved unfruitful.

¹³ Excluding AAY families and Annapurna beneficiaries

In the exit conference the Director of DDPS, F&S Department stated that the blank FRCs would be utilised as IRCs by pasting IRC format on such cards. However, the same was not tenable as the formats of these two types of cards were different.



Unutilised forms lying in Bardhaman-South Food Storage Depot

(ii) The department placed (May 2002) an order on Basumati Corporation Limited (BCL) for printing of 120.85 lakh white IRCs (APL) at a cost of ₹ 42.36 lakh and paid (June 2002) advance of ₹ 33.65 lakh. BCL supplied 25 lakh cards costing ₹ 9.28 lakh during June 2003 to May 2008. The department did not take any action either for getting delivery of remaining 95.85 lakh cards or for realisation of balance amount of ₹ 24.37 lakh from BCL till June 2010. In the meantime BCL had stopped functioning and decision of closure of the company was taken by Cabinet (March 2008). Thus, inaction on the part of the department resulted in infructuous expenditure of ₹ 24.37 lakh.

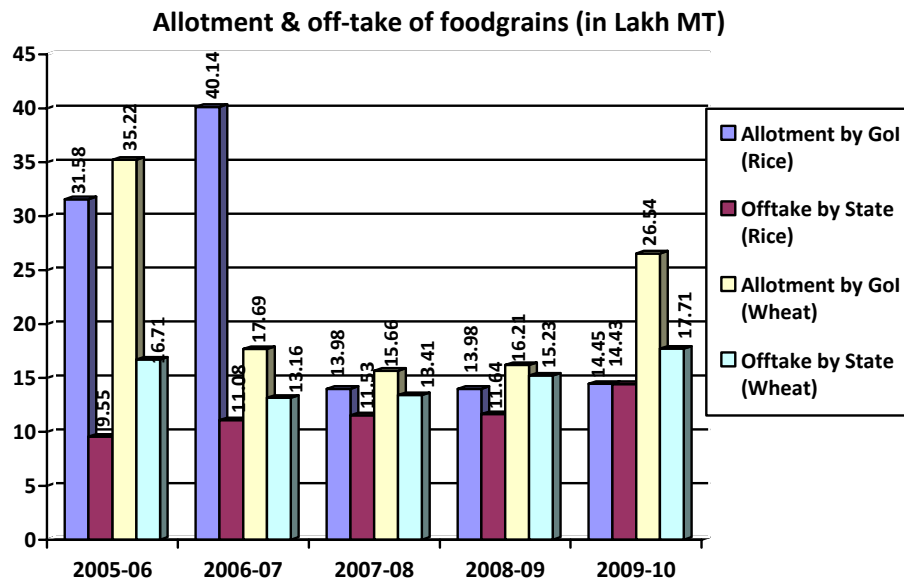
2.1.7.3 Off-take of foodgrains

The allotment of foodgrains by GoI and off-take by State Government during the years from 2005-06 to 2009-10 were as under:

Table 2.1.2: Position of allotment and off take of Food grains under PDS

Year	Allotment made by GoI		Off-take by State Government		Shortfall in off take by State Government (Percentage)	
	Rice	Wheat	Rice	Wheat	Rice	Wheat
	(In lakh MT)					
2005-06	31.58	35.22	9.55	16.71	22.03 (69.7)	18.51 (52.6)
2006-07	40.14	17.69	11.08	13.16	29.06 (72.4)	4.53 (25.6)
2007-08	13.98	15.66	11.53	13.41	2.45 (17.5)	2.25 (14.4)
2008-09	13.98	16.21	11.64	15.23	2.33 (16.7)	0.98 (6.0)
2009-10	14.45	26.54	14.43	17.71	0.02 (0.17)	8.83 (33.3)
Total	114.13	111.32	58.23	76.22	55.80 (49)	35.10 (31.5)

Source: Records of Food and Supplies Department



Off-take of rice during 2005-06 and 2006-07 and wheat during 2005-06 was on the lower side due to non-lifting of APL rice and wheat by the State Government. Accordingly, GoI reduced the allotment of APL wheat (50 per cent) and APL rice (65 per cent) during 2006-07 and 2007-08 respectively. Lack of demand by APL ration card holders during 2005-07 was mainly due to Central Issue Price (CIP) being almost equal to prevailing market price of rice and wheat of same quality. Department admitted (January 2011) the fact and also stated that the same had been brought to the notice of GoI for enhancing APL quota in phases.

2.1.7.4 Non-recovery of additional transport charge from FCI

Foodgrains supplied by FCI to DCsFS for distribution under PDS were to be delivered by FCI from the base godowns in respective districts. In case of failure of FCI to deliver food grains to the DCFS of any district from a godown in the same district, FCI was liable to pay the cost of transportation of foodgrains from a godown in another district.

Scrutiny however, revealed that:

- (i) FCI delivered foodgrains to DCFS, Purba Medinipur from base godown in Paschim Medinipur since May 2002 but, the department did not take any measures for recovery of the cost of transportation of the same from FCI. Test check¹⁴ in audit revealed that the department incurred expenditure of ₹ 8.84 crore for transportation of 3.03 lakh MT of foodgrains from FCI godown at Paschim Medinipur to Purba Medinipur during 2005-09, however, the same was not got reimbursed from FCI till date.

Department did not recover ₹ 8.92 crore from FCI in respect of two test checked districts

¹⁴ Test check of 43 bills of transport contractors engaged for transportation of foodgrains from FCI godown at Paschim Medinipur to Government godown in Purba Medinipur

(ii) Test check of records of DCFS, Bardhaman revealed that 33107 quintals of wheat was delivered by FCI to distributors in Bardhaman from godowns in other districts and accordingly, FCI was liable to pay transportation charge of ₹ 8.17 lakh to the department. The DCFS of Bardhaman did not prefer any claim with FCI for recovery for reasons not available on record. This has resulted in loss of ₹ 8.17 lakh to the Government.

Department admitted the fact (January 2011) and stated that all pending bills would be raised to realise the additional transportation charge from FCI.

2.1.7.5 Extra expenditure on transportation of foodgrains

Extra expenditure of ₹ 1.48 crore on transportation of foodgrains in Paschim Medinipur

According to delivery orders issued by the DCFS of Paschim Medinipur, distributors of Jhargram and Ghatal sub-divisions lifted BPL rice from Government godown at Medinipur town. On the other hand, BPL/APL wheat and APL rice were lifted from the FCI godown at Medinipur town for the Government godowns at Jhargram and Ghatal and then distributors were directed to lift the same from the respective godowns. As a result the DCFS incurred an expenditure of ₹ 6.36 crore towards transportation and handling charges for distribution of 174331 MT of foodgrains lifted from FCI godown to the Government godowns during 2005-06 to 2009-10. Had the same quantity of foodgrains been lifted by distributors directly from FCI godown at Medinipur town, extra expenditure of ₹ 1.48 crore could have been avoided.

The DCFS of Paschim Medinipur stated (July 2010) that the proposal for changing the present system was under active consideration of the department.

2.1.7.6 Loss due to delay in preferring claims with FCI

For distribution of foodgrains under PDS, the DCFS issued delivery orders (DOs) for lifting of foodgrains by distributors from godowns of FCI by making advance payments to FCI. On a number of occasions FCI could not deliver full quantity of foodgrains as mentioned in DOs despite receiving advance payments and in such cases the DCFS lodged claims with FCI for refund of the value of non-delivered quantities of foodgrains.

Delay in preferring claim with FCI led to loss of interest of ₹ 92.87 lakh

The DCsFS of Bardhaman, Malda and Paschim Medinipur lodged 370 claims with FCI during April 2005 to March 2010 after delays ranging from 21 to 1400 days. Due to delayed submission of claims and consequential delay in receipt of payments from FCI, PDS funds aggregating to ₹ 4.38 crore remained parked with FCI resulting in loss of interest of ₹ 44.47 lakh.

Similarly, out of ₹ 4.30 crore receivable from FCI for non-supply of 6713 MT of foodgrains in statutory rationing areas¹⁵ during April 2007 to March 2010, the Director of Rationing lodged 64 claims with FCI for refund of ₹ 3.13 crore after delays ranging from 13 to 783 days while claims (₹ 1.17 crore) for non-delivery of 1805 MT of foodgrains during March 2009 to March 2010 had not

¹⁵ Asansol, Barrakpore, Hooghly, Howrah and Kolkata North and South

been lodged with FCI as of June 2010. Thus, delay in lodging claims for ₹ 3.13 crore coupled with non-preferring claims for ₹ 1.17 crore with FCI resulted in loss of interest of ₹ 48.40 lakh¹⁶.

The DCFS, Bardhaman stated (September 2010) that there was no specified timeframe fixed by the Government for submission of claims to FCI; however, the Inspectors had been asked to submit the executed copies of DOs within a short time to facilitate early submission of claims to FCI.

The contention of the DCFS was not tenable because the claims should have been submitted to FCI immediately after expiry of validity of the respective DOs in order to avoid blockage of high cost PDS fund. Besides, reasonable time limit should have been framed for raising the claims.

The department noted (January 2011) for guidance the audit observation on loss due to delay in preferring claims with FCI.

2.1.7.7 Short delivery of foodgrains by distributors

For distribution of foodgrains under PDS, FPSs received foodgrains from distributors engaged for storing and distribution of foodgrains. Scrutiny of records of DCFS, Bardhaman revealed that against 535367 MT of rice delivered by distributors during the period from April 2005 to March 2010, 534633 MT of rice was received by FPSs resulting in short delivery of 734 MT of rice costing ₹ 1.26 crore. Similarly, against 688461 MT of wheat delivered by distributors, 687543 MT of wheat was received by FPSs resulting in short delivery of 918 MT of wheat costing ₹ 1.12 crore. Further, there was short delivery of 134.84 MT of rice costing ₹ 23 lakh and 226.42 MT of sugar costing ₹ 30.65 lakh by the distributors in Paschim Medinipur during 2006-10.

Department stated (January 2011) that above shortages were within the permissible limit of handling loss allowed to the distributors. The contention of the department is not acceptable as the quantum of loss under audit observation was not the quantity handled by the distributors. Instead this loss was due to the difference in quantity distributed by the distributors and actually received by the dealers.

2.1.7.8 Short delivery of rice by transport contractors

Levy rice procured in one district was sent to other districts for distribution under PDS. According to appointment orders issued by the department, no transit shortage was to be allowed for inter- district transportation of foodgrains. But, the Director of Finance¹⁷ and DCFS did not take action for recovery of the value of shortages from transport contractors at the time of payment of transport charges.

¹⁶ Calculated at the rates of interest charged on cash credit facilities availed by the department for procurement of foodgrains during the same period

¹⁷ Payment of transport charges was made by DF in case of WBECSC which was also engaged as transport contractor and in case of other contractors; the payments were made by DCsFS of respective districts from where rice was lifted.

**Short delivery of rice
worth ₹ 48.70 lakh by
transporters**

Test check in audit revealed that out of 201796 MT of rice transported by WBECSC during 2005-08, 201525 MT was received by respective districts resulting in short delivery of 271 MT of rice costing ₹ 34.47 lakh. Similarly, out of 38921 MT of rice transported by two other contractors from Bardhaman to other districts during 2007-08, 38824 MT was received by the respective districts resulting in short delivery of 97 MT of rice costing ₹ 14.23 lakh. Action was not taken by DF or DCFS of Bardhaman for recovery of the cost of shortages from transport contractors resulting in a loss of ₹ 48.70 lakh.

Department stated (January 2011) that payment had been made to the transport contractors after deducting cost of shortage. The reply was not tenable as the department deducted only transport cost of the shortage quantity while material value of the shortage quantity had not been deducted.

2.1.7.9 Shortage of sugar in transit

**Shortage of sugar
worth ₹ 31 lakh
in transit**

WBECSC, being the nodal agency of the State Government for procurement and distribution of levy sugar under PDS was responsible for transportation of sugar from sugar mills on the basis of allotment orders issued by GoI specifying the sugar mills from which allotted quantity of sugar was to be lifted. Accordingly, WBECSC transported 270136 MT of levy sugar from different sugar mills in Maharashtra during 2007-10. There was transit shortage of 229 MT of sugar valuing ₹ 31 lakh in excess of the admissible shortage of 676 MT (0.25 per cent). The department did not take any action for recovery of the value of shortages from WBECSC.

2.1.7.10 Storage-cum-handling loss in excess of norm

According to the department's order (August 1991), admissible storage-cum-handling loss for stock stored for a period upto three months was 0.25 per cent and that for a period above three months was 0.5 per cent.

Handling loss of rice in excess of norm in three Central Warehousing Corporation (CWC) godowns in Bardhaman during April 2007 to March 2010 stood at 975.94 quintals of rice valuing ₹ 15.25 lakh. Similarly, in one CWC godown in Paschim Medinipur and one Government godown in Dakshin Dinajpur, handling loss in excess of norm was 869.06 quintals valuing ₹ 12.79 lakh during October 2008 to September 2009. Action was not taken for recovery of the value of shortages from CWC.

2.1.7.11 Loss due to damage of food grains

(i) Due to prolonged storage of foodgrains, 990.878 MT of rice valuing ₹ 82.24 lakh was damaged in Darjeeling during 2003-2005. The department disposed of 718.22 MT at ₹ 27.28 lakh resulting in loss of ₹ 54.96 lakh.

(ii) Out of 1741 MT of rice transported from Paschim Medinipur to Purba Medinipur, 48 MT of rice costing ₹ 7.50 lakh was returned (July 2008) by Purba Medinipur district authority due to bad quality, which was received back by the godown-in-charge of CWC, Belda, Paschim Medinipur but was not entered into the stock account. No action was taken for its disposal.

2.1.8 Functioning of departmental godowns

Out of 89 godowns 42 remained unusable

Out of 89 departmental godowns with total capacity of storing 0.98 lakh MT of foodgrains, 42 godowns with 0.50 lakh MT capacity (47 per cent) remained unused due to dilapidated conditions. No action was taken by the department for their renovation/reconstruction. The department hired 128 godowns with total capacity of 3.30 lakh MT during 2005-06 to 2009-10 and paid rental charges of ₹ 10.85 crore.



Dilapidated condition of Bardhaman-North Food Storage Depot

Staff posted to non-functional godowns were not transferred for over five years to other units of the department for fruitful utilisation of their services.

The department paid an amount of ₹ 6.24 crore to Zilla Parishad (ZP) and Public Works Department (PWD) during December 1993 to October 2009 for construction/repair of 46 godowns, of which only seven repair works and six new construction works were completed as of March 2010. Details are shown in **Appendix-2.1.2**.

Audit scrutiny revealed the following:

- (i) Although four works¹⁸ were completed at a cost of ₹ 1.01 crore, unutilised funds of ₹ 14.32 lakh paid by the department in excess of requirement had not been refunded by ZP (₹ 14.12 lakh) and PWD (₹ 0.20 lakh).
- (ii) One 500 MT godown¹⁹ constructed in 1996 at Kumargunj of Dakshin Dinajpur at a cost of ₹ 6.64 lakh, remained unoccupied as the department did not take possession from ZP due to non-availability of approach road. Action was also not taken for construction of approach road (June 2010).
- (iii) 21 works for which ₹ 2.51 crore had been paid by the department to ZP (₹ 1.35 crore) and PWD (₹ 1.16 crore) during March 1996 to February 2009 were not executed by PWD /ZP as per details below:

¹⁸ Serial No. 10, 22, 28 and 38 of Appendix-2I

¹⁹ Serial No. 25 of Appendix-2

- In two cases²⁰, the construction works (fund released: ₹ 27.81 lakh) were not started due to encroachment of land by unauthorised occupants.
- Construction of four 500 MT godowns²¹ for which ₹ 38.28 lakh were paid to PWD during 1992-93, was not started without assigning any reason.
- In four cases²² the estimated costs (₹ 7.43 lakh) required revision due to non-commencement of works for a long period but, revised estimates were not finalised by the department.
- In 11 cases²³, works for which total amount of ₹ 1.77 crore (ZP: ₹ 1.02 crore and PWD: ₹ 0.75 crore) had been paid by the department, were not started without assigning any reason.



Damaged sheds of Bardhaman-South Food Storage Depot which are yet to be repaired by Zilla Parishad

It would be evident from the above that in the absence of monitoring, despite release of substantial funds to ZP/PWD for repair/renovation of Government godowns, works were not executed for years together resulting in blockage of considerable amount of Government funds. Consequently, storage facilities remained inadequate.

In addition to the above, the department had eight²⁴ Food Storage Depots (FSD)²⁵ consisting of 258 sheds with capacity to store 1.45 lakh MT of foodgrains, let out to other authorities²⁶. Of these, 163²⁷ sheds were subsequently dehiired by those authorities from time to time prior to March 2005²⁸ due to dilapidated condition.

²⁰ Serial No. 6 and 13 of Appendix-2

²¹ Serial No. 18, 19, 20 and 21 of Appendix-2

²² Serial No. 27, 39, 40 and 41 of Appendix-2

²³ Serial No. 1, 2, 3, 9, 29, 36, 37, 42, 46, 47 and 49 of Appendix-2

²⁴ Bagrakota (Siliguri) (30), Behala (48), Dharamtala (Howrah) (9), Kashipore (74 sheds), Lake-I (12) and Lake-II (10), New Jalpaiguri (22) and Shalimar (53)

²⁵ Large godowns having number of sheds for storing foodgrains required for statutory rationing areas and also buffer stocks.

²⁶ Education Department, FCI, Housing Board, Irrigation Department, Siliguri Jalpaiguri Development Authority, WBECSC, etc,

²⁷ Behala (48), Dharamtala (9), Kashipore (43 sheds), Lake-II (10), and Shalimar (53)

²⁸ Although these godowns/sheds were stated to have been dehiired prior to March 2005, the dates of dehiiring of the godowns/sheds were not available on record.

Idle wages of
₹ 4.68 crore on
non-functional
FSDs

The department did not take any action for renovation/repair of 115 sheds in four FSDs with storage capacity of 0.74 lakh MT²⁹ of foodgrains for reasons not available on record so that the FSDs remained non-functional as of June 2010. Possession of 48 sheds in Behala was handed over to the land owner in July 2009 in terms of an order of the Kolkata High Court (September 2008). Although FSDs were non-functional for over five years, 50 staff³⁰ of these FSDs were not transferred to other units leading to payment of idle wages aggregating ₹ 4.68 crore during 2005-06 to 2009-10. Further, godown rent of ₹ 3.37 crore in respect of 95 sheds remained unrealised from FCI (₹ 2.53 crore) and WBECSC (₹ 0.84 crore) as of March 2010.

The department stated (January 2011) that the departmental godowns could not be repaired due to non-availability of adequate funds. However, the State is seriously thinking of early repairing of existing godowns and new construction. Finance Department has been moved for placement of funds.

2.1.9 Working of Fair Price Shops (FPSs)

Irregularities in the
working of FPSs

Scrutiny of records of 64 test checked FPSs in four selected districts revealed the following:

- The FPSs were opened for two and half to three days in a week against Government norms of five and half days per week.
- According to the Government order (April 2004) one FPS should not have more than 5000 ration cards. Out of 64 FPSs, 38 FPSs³¹ were allowed to retain 5203 to 9098 ration cards in violation of Government norms.
- None of FPSs in Bardhaman maintained the daily sale register properly. Out of eight test checked FPSs in Bardhaman Sadar-I Sub-division, three could not produce daily sale register while four FPSs produced the daily sale register for the current period (2010-11) only. Similarly, one FPS in Dakshin Dinajpur did not maintain daily sale register.
- Two FPSs in Dakshin Dinajpur did not issue any cash memo for sale of PDS commodities. Thirteen FPSs in Malda did not indicate the amounts payable by the consumers in cash memos issued against commodities delivered to them.
- Doorstep delivery of rice to the Annapurna beneficiaries had not been introduced in Bardhaman, Dakshin Dinajpur and Malda so far.
- Out of 64 test-checked FPSs, the FPS level Monitoring Committees were not formed in 37 shops for monitoring distribution of foodgrains according to scale.

²⁹ Dharamtala (15000 MT), Kashipore (47000 MT), Lake-II (7000 MT) and Shalimar (5000 MT)

³⁰ 16 staff of Behala, 8 staff of Dharamtala, 14 staff of Lake-II and 12 staff of Shalimar

³¹ Nine shops in Bardhaman (5203 to 9098 cards), Nine shops in Dakshin Dinajpur (5226 to 6536), Ten Shops in Malda (5384 to 7286) and Ten shops in Paschim Medinipur (5228 to 6527)

Department stated (January 2011) that the consumers were allowed to lift the backlog quota to prevent deprivation.

2.1.9.1 Monitoring of FPSs

**Deficient
deployment of
inspecting staff:
81 per cent
shortfall in
inspection of FPS
in four test-checked
districts**

For effective implementation of PDS as well as to ensure supply of essential commodities to consumers as per approved quality, scale and prices, the Chief Inspectors (CIs), Inspectors and Sub-Inspectors were required to inspect at least one FPS per week and the SCFS was to inspect two FPSs per month while the DCFS was to inspect one FPS per month. The DCFS was to submit his own inspection report along with copies of reports of CIs/Inspectors/Sub-Inspectors and SCFS to the Director of DDPS within 10th of the following month in a prescribed proforma. Audit observed that in four test checked districts against 377 sanctioned posts of inspecting officials, only 183³² were in position, indicating a vacancy of 51 *per cent*.

(i) In four selected districts, against the target of conducting 13164 inspections by 183 inspectors during October 2008 to March 2010, only 2512 inspections were conducted resulting in a shortfall of 81 *per cent* inspections.

(ii) Out of 64 test checked FPSs in four selected districts, 18 were never visited by Inspectors or Sub-Inspectors during 2008-10. Of the remaining 46 FPSs, 12 were visited by Inspectors/Sub-Inspectors only once, while 34 were visited two to 18 times during 2008-10. None of the 64 FPSs were visited by the Chief Inspector, SCFS or DCFS.

Department stated (January 2011) that in order to strengthen inspection steps have been taken to fill up the vacancies of field staff.

2.1.10 Inadequate monitoring over implementation of the scheme

In terms of the department's order dated 16 November 2007, the State and District level Monitoring Committees were to hold at least one meeting in a month, while the Sub-division, Block Level and Fair Price Shop Level Monitoring Committees were to hold fortnightly meetings to discuss matters to ensure that inspections of FPSs are carried out regularly, stocks at FPSs are verified, grievances are properly attended, and schedule of delivery of PD articles to consumers is strictly followed.

The State level Monitoring Committee held only one meeting during December 2007 to March 2010, while each of the District level Monitoring Committees of four selected districts held two to 25 meetings³³ against requirement of 28 meetings during the same period. Similarly, against requirement of 56 meetings by each Sub-division level Monitoring Committee during December 2007 to March 2010, out of eight, four test checked Sub-Division Level Monitoring/Vigilance Committees held only two to four

³² Chief Inspector : 21 in position against 32 sanctioned posts; Inspector : 82 in position against 119 sanctioned posts; Sub-Inspector : 80 in position against 226 sanctioned posts

³³ Bardhaman: Two meetings, Dakshin Dinajpur: 25 meetings, Malda: Four meetings and Paschim Medinipur: Seven meetings

meetings³⁴, while remaining four³⁵ Sub-Divisions level Committees did not hold any meeting during the aforesaid period.

Against requirement of 56 meetings of each Block Level Monitoring/Vigilance Committee during December 2007 to March 2010, out of 16 test checked Blocks in four selected districts, two Blocks (Bardhaman Sadar and Memari-I) in Bardhaman and one Block (Ratua-I) in Malda held only one meeting each, two Blocks³⁶ in Bardhaman held 16 meetings and two Blocks³⁷ in Dakshin Dinajpur held 20 meetings while nine Blocks³⁸ did not hold any meeting during aforesaid period.

Thus, the Monitoring/Vigilance Committees at all level were ineffective and supervision/ monitoring over functioning of PDS was lax.

2.1.11 Conclusion

Despite the fact that 37.67 lakh BPL families, 14.80 lakh AAY families and 0.77 lakh Annapurna beneficiaries were covered under various schemes, significant operational and financial deficiencies in the existing system had affected the overall distribution and accessibility of foodgrains. More than three lakh families were denied the benefit of AAY due to non- identification, while 1.93 lakh identified families were deprived of benefit of the scheme due to non-issue of AAY ration cards. Lackadaisical management of cash credit facility coupled with drawal of cash credit in excess of requirements, parking of substantial funds in current accounts, non-preparation of Annual Accounts of PDS, delay on the part of the Finance Department in releasing GoI subsidy resulted in avoidable payment of interest of ₹ 63.27 crore on cash credit account. Implementation of the scheme suffered from various operational deficiencies like excess payment of transportation charges to procurement agents, non-realisation of the cost of transit shortages from transport contractors and delay in preferring claims for non-delivery or short delivery of foodgrains by FCI. There were deficiencies in functioning of FPSs, viz. opening of shops only for two and half to three days in a week, non-maintenance of daily sale registers, non-issue of cash memo, existence of ration cards in excess of limit fixed by Government for a shop, non-introduction of doorstep delivery etc. All these adversely affected the accessibility of public to food grains. The problem was compounded by shortfalls in inspections and inadequate monitoring by the inspecting authorities/monitoring/vigilance committees at all levels.

³⁴ Bardhaman Sadar Sub-Division: Four meetings, Paschim Medinipur Sadar and Kharagpur Sub-Divisions: Three meetings each, Balurghat Sub-Division in Dakshin Dinajpur: Two meetings

³⁵ Asansole Sub-Division in Bardhaman, Gangarampur Sub-Division in Dakshin Dinajpur and Malda Sadar and Chanchal-II Sub-Division in Malda

³⁶ Raniganj: Ten meetings and Jamuria: Six meetings

³⁷ Tapan Block: Seven meetings and Hili Block: 13 meetings

³⁸ Banshihari and Gangarampur in Dakshin Dinajpur, Gazol, Kaliachak-I and Chanchal-II in Malda and Paschim Medinipur Sadar, Narayangarh, Garbeta-I and Keshiary in Paschim Medinipur districts

2.1.12 Recommendations

- *Cash credit account should be managed prudently to avoid parking of high cost funds with the procurement agencies; subsidy received from GoI should be deposited into cash credit account immediately to avoid unnecessary payment of interest.*
- *Steps should be taken to expedite the process of identification of AAY beneficiaries and coverage by issue of ration cards in order to ensure that the eligible beneficiaries get the benefit of the scheme; periodical check of ration cards to weed out ineligible and bogus ration cards should be conducted.*
- *The department should strengthen the inspection mechanism over the functioning of the FPSs and also review the performance of Monitoring/Vigilance Committees at all levels in monitoring the distribution of foodgrains.*

URBAN DEVELOPMENT DEPARTMENT

2.2 KOLKATA ENVIRONEMNTAL IMPROVEMENT PROJECT

Executive Summary

Kolkata Environmental Improvement Project (KEIP) financed by an ADB loan is being executed by Kolkata Municipal Corporation and Government of West Bengal jointly to arrest the environmental degradation and improve the quality of life in the outer boroughs of Kolkata Metropolitan Area.

The project attempted to improve sanitation and hygienic living condition to the slum dwellers. There has also been satisfactory progress in construction of bridges and culverts under Canal Improvement component leading to free flow of water in the canals as well as better connectivity.

Performance Audit of KEIP, however, revealed some areas of concern in management of the project which adversely affected the outcome. The project, originally scheduled to be completed by June 2007, overshot the scheduled completion date thrice due to gaps in planning, deficient contract management and ineffective monitoring. Three main components of the project namely, Resettlement, Canal Improvement and Sewerage & Drainage Improvement works remained incomplete. In view of the slow progress the project completion has now been pushed back to June 2012.

Delayed setting up of Project Management Units resulted in subsequent delays in planning, tendering and project execution. Non-preparation of Detailed Project Report based on adequate survey and investigation led to frequent variations in scope of work. The survey and investigation required to be carried out by the Design & Supervision Consultant was not done; instead, the same was carried out by the working contractors after finalisation of estimates necessitating change in drawing and design and scope of work and upward revision of cost and delay in execution.

Implementation and monitoring of resettlement process was not satisfactory as 24 per cent of the affected families were not resettled as of November 2010 causing delay in Canal Improvement works.

Only 14 out of 42 work packages in Sewerage and Drainage component were completed. Augmentation works of two STPs have been suspended due to non assessment of plants and equipments before commencement leading to pollution load to the river Hooghly.

KEIP restricted planned activities of the solid waste management component upto procurement of vehicles only defeating the prime objective of scientific disposal of solid waste.

Functioning of Project Steering Committee to oversee the implementation of the project was not effective and internal control left much to be desired.

Thus, the main objectives of the project namely environmental improvement by up-gradation of Sewerage & Drainage system, de-siltation of the drainage canals choked by silt and construction of Sanitary Land Fill for scientific disposal of waste generated in the city could not be fully realised (June 2010) despite an expenditure of ₹ 967.07 crore.

2.2.1 Introduction

Kolkata Environmental Improvement Project (KEIP) is a joint effort of the Government of India (GoI), Government of West Bengal (GoWB), Kolkata Municipal Corporation (KMC) and Asian Development Bank (ADB) to arrest environmental degradation and improve the sewerage and drainage infrastructure in the outer boroughs³⁹ (**Appendix-2.2.1**) of the Kolkata Metropolitan Area (KMA) through upgradation of the city's sewerage and drainage system, restoration of the drainage canals choked by silt, evolving an efficient solid waste management system, providing basic urban services in slums and improving the facilities in parks and water bodies. The project was started in April 2002 and was scheduled to be completed in June 2007. The completion date has been extended to June 2012.

KMC and Irrigation and Waterways Department (I&WD), GoWB are the executing agencies for the project. There are two Project Management Units (PMUs). The PMU of I&WD reports to the Secretary, I&WD and is responsible for executing the Canal Improvement works, while the PMU of KMC reports to the Municipal Commissioner and is responsible for the remaining project components. PMU, KMC has separate units for project management, accounting, engineering and procurement and is headed by a Project Director (PD) (**Appendix-2.2.2**).

2.2.2 Audit objectives

The objectives of the performance audit were to assess whether:

- there was proper planning before commencement of the work;
- work packages of the project were executed effectively, efficiently and economically;
- monitoring at various levels was effective and the project was successful in arresting environmental degradation in the designated areas.

2.2.3 Audit Criteria

The criteria for the performance audit were:

- ADB's guidelines
- Feasibility Reports and ADB Project Appraisal Report,
- Master Plans.
- Loan Agreements,
- Best practices as applicable,
- Relevant Acts, rules and Government orders,

³⁹ Group of contiguous wards of a corporation.

2.2.4 Audit scope and methodology

Performance Audit of the major components of the project namely Sewerage and Drainage Improvement (S&D), Solid Waste Management (SWM), Slum Improvement (SI), Canal Improvement (CI), Resettlement and Implementation Assistance (IA) with a total outlay of ₹ 1806.18 crore was conducted between April and July 2010 for the period up to March 2010. An entry conference was held in March 2010 with the Secretary, Municipal Affairs Department and the KEIP authorities wherein the audit objectives, criteria and methodology were explained. The audit findings were discussed in an Exit Conference held in November 2010 and the views of the Department have been suitably incorporated in the report. Audit acknowledges the co operation extended by the KEIP Authorities during the course of the Performance Audit.

Audit sample of 32⁴⁰ contract packages (34 *per cent*) covering 52 *per cent* of the total contract value was selected for detailed scrutiny by ‘Simple Random Sampling without Replacement’ method from the 95 contract packages awarded under KEIP till March 2010 (**Appendix-2.2.3**).

Audit findings

2.2.5 Financial Performance

2.2.5.1 Financial outlay and expenditure

The project was financed by an ADB loan along with contributions from the GoWB and the KMC. The initial estimated cost of the project was ₹ 1294.98 crore. The cost of the project at present (March 2010) stands at ₹ 1806.18 crore which includes a supplementary ADB loan of ₹ 360 crore. The total project cost and funding sources are shown below.

Table: 2.2.1-Total project cost and funding sources

₹ in crore			
Funding agency	Original Loan	Supplementary Loan	Total
ADB	799.98	360.00	1159.98
GoWB	245.70	87.75	333.45
KMC	249.30	63.45	312.75
	1294.98	511.20	1806.18

Source: QPR March 2010

An expenditure of ₹ 967.08 crore has been incurred till March 2010. Year wise expenditure on the project is shown in **Appendix-2.2.4**.

2.2.5.2 Loan repayment

The GoI is passing the loan from the ADB in the form of 70 *per cent* debt and 30 *per cent* grant to the GoWB. The GoWB lends it on to KMC on similar terms. The loan with GoI is repayable over a period of 25 years commencing from July 2007. The loan agreement between KMC and GoWB stipulated that KMC would pay interest on the principal sum withdrawn and outstanding

⁴⁰ S7D-13 packages, CI-7 packages, SI-5 packages, Resettlement \$ packages and SWM-3 packages.

from time to time, at 14.5 *per cent* per annum, with a rebate of 2.5 *per cent* for timely payment of principal and interest.

The repayment of interest and principal was to commence from April 2004 and April 2009 respectively in terms of loan agreement. But as of June 2010 no repayment of principal and interest liability of ₹ 113.07 crore was made by the KMC which included an additional interest liability of ₹ 19.50 crore for non-adherence to the loan repayment schedule.

As per the loan agreement, a commitment charge at the rate of 0.75 *per cent* per annum on the amount of loan remaining undrawn against the amount stipulated as per drawal schedule during the project period was payable. The final withdrawal of the original loan (\$177.77 million) was required to be completed by December 2007. As only \$116.54 million (66 *per cent*) loan could be drawn till March 2010, the liability towards commitment charges works out to ₹ 25.75⁴¹ crore (March 2010).

KEIP stated (November 2010) that there is an apparent contradiction between the provisions (Section 3.08 and 3.10) of on-lending agreement regarding repayment of loan and sought clarification (July 2010) from the Department which was awaited (November 2010).

2.2.6 Project Status

The completion of the project was rescheduled to June 2010 and subsequently to December 2011 due to inclusion of new contract packages under the supplementary loan and slow progress of work. The physical progress of the project was only 59 *per cent* as of March 2010 (**Appendix-2.2.5**). However, extension of time has been granted (December 2010) till June 2012 in view of the slippages in S&D and CI components. The SWM and SI components were, however, completed in May and September 2009 respectively. The engagement of consultants and procurement of office equipment under IA were also completed. As the resettlement process has been delayed its completion within the stipulated time frame appears to be uncertain.

Test check of 32 contract packages indicated that the project could not adhere to the implementation schedule due to gaps in planning, frequent changes in scope of work due to inadequate survey and design, poor contract management and ineffective monitoring. Till March 2010, only 54 out of total 106 work packages were completed, 41 packages were in progress and 11 packages were yet to be taken up (**Appendix-2.2.3**). Thus, despite incurring an expenditure of ₹ 967.08 crore over a period of eight years, the project had no significant impact on arresting environmental degradation in the outer boroughs of Kolkata as discussed in the subsequent paragraphs.

⁴¹ Conversion factor is taken as \$1 = ₹45.00 (\$ 5721144.91 X ₹45) = ₹25.75 crore

2.2.7 Planning

2.2.7.1 Mobilisation of resources

The loan agreement (December 2001) with ADB provided for systematic and timely execution of the project through two PMUs with personnel experienced in Project Management, Accounting, Engineering and Procurement.

The PMU, KMC started functioning from November 2002 but it was not fully mobilised and could not create dedicated units for management of contract, maintenance of accounts and co-ordination even after three years from the date of start of the project. The PMU, I&WD started functioning only in July 2003 after a delay of 18 months. In the span of eight years there have been nine Project Directors in PMU, KMC and seven Project Directors in the PMU, I&W. Such frequent changes in management affected the quality of decision making and monitoring of the project. KEIP stated that due to procedural formalities there was delay in formation of PMU indicating lack of effective planning.

The same lack of seriousness was also observed in the appointment of consultants for project management (PMC), design and construction supervision (DSC)⁴², stakeholder consultation process and resettlement (NGO) and media management (PRC) as brought out in subsequent paragraphs.

The entire process of appointment of consultants was to be completed by March 2002. However, four consultants were engaged between July 2002 and January 2003 after an average delay of 186 days. KEIP assigned an NGO and two Social Sector Specialists from PMC and DSC for stakeholder consultation process and resettlement. This led to problems in coordination as well as failures in service delivery by the consultants. Critical start-up activities like benefit evaluation and monitoring the implementation of resettlement plan therefore got delayed. Hence contracts entered into for a period of five years for professional media management and stakeholder consultation were terminated within two to three years after payments of ₹ 2.14 crore. These works were re-assigned to the Social Development Unit setup (2005) for the purpose under the PMU of KEIP and consisted of KMC officials assisted by consultants.

2.2.7.2 Master plans and Detailed Project Reports

The terms of reference of engagement of DSC stipulated that Sewerage and Drainage Master Plan (S&DMP), Solid Waste Management Master Plan (SWMMP) and Slum Improvement Master Plan (SIMP) were to be completed by July 2004. SIMP and S&DMP were approved in June 2006 and February 2008 after a delay of 24 and 44 months respectively. SWMMP prepared in May 2005 has not yet been approved. Consequently there was a huge gap between the recommendations in the Master Plans and the contract packages taken up under various project components (**Appendix-2.2.6**). KEIP stated (November 2010) that Master Plans were to be prepared for future use.

⁴² Design and Supervision Consultant

The reply was not tenable as the project envisaged preparation of a Sewerage and Drainage Master Plan (S&DMP) for the entire city which would form the basis for finalising detailed engineering design and help in prioritising the works within the budget.

It was also seen that no Detailed Project Report (DPR) incorporating implementation schedule of different components of the project and layouts had been prepared. The loan was approved on the basis of feasibility study report prepared in January 2000. This resulted in frequent variations in scope of work (*paragraph 2.2.7.3*) and affected the planning issues as interface between various components were not factored while executing the works (*paragraph 2.2.9.3.1*).

2.2.7.3 Deficiencies in Preliminary Reports

The Design and Supervision Consultant (DSC) was engaged (August 2002) to conduct surveys and investigations for preparing Preliminary Design Reports (PDRs) of all components. After approval of PDRs the consultant had to carry out Topographical & Level Survey (T&LS) prior to preparation of Detailed Engineering Drawings (DEDs). PDRs and DEDs had to be prepared within four and 12 months respectively from the date of engagement. Audit observed that there were delays of 26 months on an average in the preparation of PDRs and DEDs (**Appendix-2.2.7**).

T&LS as well as Geotechnical Investigation (GI) are pre-requisites for commencement of S&D and CI work since detailed estimates were to be prepared and tenders finalised on the basis of these inputs. Scrutiny of work packages related to S&D and CI components revealed that without conducting detailed survey and investigation work estimates were finalised and contracts awarded. The surveys were later carried out through the working contractors (**Appendix-2.2.8**) at a cost of ₹ 1.37 crore in 17 packages.

Detailed analysis of the CI and S&D packages revealed following deficiencies in initial survey and design:

- In CI packages the consultant had carried out topographical surveys at intervals of 100 metres against the required interval of 30 metres. As a result, in three⁴³ packages assessment of actual section and silt level of the canal could not be made. Consequently, there were wide variations between estimated and executed quantities. Analysis of four⁴⁴ other contract packages covering two canal systems indicated major design changes leading to substantial variations in scope of work and cost overrun. In Keorapukur canal there was design failure as site conditions were not correctly gauged at the Preliminary Design Report stage. Hence earthen channels had to be replaced by RCC trough. Similarly, in one canal of TP Basin, RCC trough had to be provided to cope with the additional discharge from augmented pumping station which was not considered at the design stage.

⁴³ CW-5, CW-8 and CW-10.

⁴⁴ CW-9, CW-12A, CW12CR-1 and CW-12CR-2.

- In five S&D works the design reports did not take soil conditions and location of public utilities into accounts, detailed assessment of existing equipment was also not made. As a result the alignment of sewer lines, methodology of work and technical specifications underwent changes during execution.

KEIP stated (November 2010) that scope of work could not be finalised before awarding of contract due to non-availability of underground utility maps, time gap in preparation of estimates and commencement of work and ground realities. The reply is not acceptable as PMU held DSC responsible for frequent variations at very early stages of the contracts as well as planning and design mistakes. This resulted in delays of up to 19 months and increase in cost by ₹ 63.76 crore in the two components of S&D and CI (**Appendix 2.2.9**).

2.2.8 Contract Management

The PMU, KMC has a separate Contract Management Unit (CMU) under the supervision of a Chief Engineer, whereas Project Implementation Committee (PIC) is the nodal agency of PMU, I&WD. For timely completion of the project, an effective and responsive contract management is required. The KEIP with the assistance of consultants was to ensure timely finalisation of bids, availability of free and clear sites, proper co-ordination between different agencies and monitor the performance of the contractor. Review of selected packages indicated slippages in contract management as discussed in paragraphs 2.2.9.2, 2.2.9.3 and 2.2.9.4 dealing with the implementation of CI, S&D and SWM components of the project.

Audit scrutiny further revealed that poor progress of work delayed recovery of interest free advance in 12 contract packages. Advance amounting to ₹ 11.15 crore remained unadjusted for 19 months on an average with consequential loss of interest of ₹ 1.41 crore⁴⁵ as of March 2010 which could have been avoided through proper planning and timely execution of the work (**Appendix-2.2.10**). Moreover in three packages⁴⁶ mobilisation advance of ₹ 1.61 crore was released two to four months prior to handing over of sites (November 2006 to December 2007) to the contractor.

The Department stated (November 2010) that Mobilisation Advances were made to the contractors in accordance with the provisions of the contract. The reply was not tenable as the adjustment of the advances was made after considerable delay. The reply was silent on the issue of release of Mobilisation Advance before handing over of sites.

2.2.8.1 Delays in bid evaluation

Tenders for the work packages SDC and SDD under S&D component were invited in January 2006 at an estimated cost of ₹ 102.76 and ₹ 103.80 crore for completion by June and December 2009 respectively. The bidding process

⁴⁵ Calculated at the rate of 8 percent per annum

⁴⁶ RSA 4, RSA 5 and RSF

was to be completed by August 2006. Scrutiny revealed that during evaluation (April 2006) of technical bids the committee lowered the financial criteria of cash flow requirement without informing the bidders. As ADB sought clarifications (July 2006) a second technical evaluation was made (July 2006) and sent to ADB for approval. The revised evaluation was not in accordance with the financial criteria mentioned in the bid document. Therefore a fresh evaluation (August 2006) had to be made. After this evaluation in case of SDC, tenderer 'A' previously not found technically qualified became qualified as a post balance-sheet event was taken into consideration.

Tenderer 'B' who was technically qualified for both the packages had not extended the validity period of the bids. KEIP, however, obtained ADB's approval by stating (July 2006 and August 2006) that all the bidders had extended the bid validity period for both the packages. Thereafter though, B's bid for SDC was the lowest, this could not be considered as its validity had expired. Similarly in SDD package B's bid was rendered invalid during financial evaluation; and tenderer 'C' previously found to be technically unresponsive was awarded the contract.

KEIP admitted that ADB's approval was obtained by furnishing incorrect facts relating to extension of bid validity. They also stated that the lowest tenderer 'B' did not extend the validity period. The reply is not tenable as the bid of lowest bidder could not be evaluated due to delay in finalising the bids by KEIP.

Thus, frequent changes in the technical parameters and non-communication of correct facts to ADB resulted in non selection of lowest bidder and avoidable financial burden of ₹35.30 crore.

2.2.9 Project Implementation

2.2.9.1 Resettlement

Drainage canals in Kolkata are heavily silted and fully encroached upon obstructing the flow of water. Loan agreement as well as Resettlement Policy of ADB stipulated that CI work should start after resettlement of all the affected canal bank dwellers. The resettlement work was to be taken up in January 2003 and completed by November 2007. 3141 flats have been constructed/purchased till March 2010 and work on 224 flats was in progress. The resettlement of 24 *per cent* (797) of the 3365 identified families was yet (March 2010) to be completed. The reasons for delays were delay in conducting survey (six years), delay in land acquisition and unwillingness of beneficiaries to relocate.

2.2.9.1.1 Survey and allotment

The Resettlement Plan for 3507 affected families prepared in November 2000 on the basis of survey conducted by KMC was updated in 2005, as the PMU, I&WD could not finalise the actual length of the canals to be rehabilitated till 2005. The delay in decision held up the resettlement of Canal bank dwellers. This had a cascading effect on canal improvement works and sewerage and drainage works as discussed in paragraphs 2.2.9.2.1 and 2.2.9.3.1.

The revised list of 3626 families identified after verification survey conducted by consultants in November 2005 was neither vetted nor approved by the KEIP authority. Photographs were also not affixed beside the names of the householders. Scrutiny revealed that thumb impressions or signatures of the heads of 288 families were not taken. Further, identity cards issued did not have unique numbers as test check revealed that 18 cards with the same identity numbers were issued to 36 individuals. The department stated that alternative *ID* card number was recorded for the 18 additional individuals in the allotment register. However, corrected cards were not issued.

The KEIP authority again revised the list in January 2009. The number of families to be resettled came down to 3365 as the works could be carried out without shifting the remaining 261 families.

In view of the above it could not be ascertained as to whether the list of displaced families was complete and correct. This is borne out by the fact that 44 flats (out of 2568) at different relocation sites were handed over to persons whose names and *ID* card numbers were different from those shown in the list.

KEIP stated that the names were misprinted. 20 flats at different relocation sites were handed over without taking any signature/left-hand thumb impression (LTI) in the allotment register. The acknowledgement was subsequently obtained at the instance of Audit. This indicates lapses in identification of beneficiaries and allotment of flats.

The Loan agreement stipulated that relocation sites for affected persons should be located within two kilometers of their existing dwelling places and such relocation sites were to be confirmed in consultation with the affected persons. Due to non availability of land, most of the relocation sites were three to four kilometers away from the canal banks. As a result 573 affected families refused to move to the new flats constructed at a cost of ₹ 8.19 crore for fear of loosing their livelihood. From the available records it could not be ascertained as to whether written confirmations as required were taken from the affected persons before construction of the flats or otherwise.

The Department stated (November 2010) that efforts were on to persuade the unwilling families to relocate and were now showing positive results. However, no records regarding positive results were furnished to audit.

2.2.9.1.2 *Monitoring of resettlement process*

The Social Development Unit (SDU) of KEIP, responsible for monitoring of the resettlement process was required to prepare monthly reports and submit to the external monitoring agency for resettlement for onward submission to the PMU and ADB. Records regarding preparation and submission of monthly reports were not maintained. In addition a Social Safeguards Compliance Monitoring Report was required to be prepared by the KEIP authority but no such report had been prepared as of March 2010. In the absence of the desired reports, the grievances of the affected families could not be ascertained and suitable redressal measures could not be taken.

The External Monitoring Agency reported (December 2009) that flats meant for canal bank dwellers were being let out to outsiders and recommended necessary action. KEIP has not investigated the matter (March 2010).

The Department stated (November 2010) that the monthly report was not prepared by SDU as the same was reported and discussed in the Project Monthly Review Meeting. The reply was not tenable because as per the Resettlement Plan, the preparation and submission of the monthly report was required for project monitoring by the PMU and ADB. In regard to non-investigation the Department replied that the report of the external monitoring agency was not specific but indicative.

2.2.9.2 Canal Improvement (CI)

The Canal Improvement component of KEIP was revised in 2005 and 2008 resulting in increase in the length to be desilted from 53 km to 104 km. This included four drainage canal systems⁴⁷ which are the major outfalls of the S&D network and the canals of the East Kolkata Wetlands (EKW). It also envisaged augmentation/construction of three pumping stations at outfall locations to arrest water logging particularly during heavy rainfall and high tide. 53 culverts and bridges were to be replaced/upgraded to eliminate drainage constrictions in canals.

The improvements in the canals were to be completed by June 2007. The scheduled completion date considering the modified scope of work and slow progress was revised to June 2010. Scrutiny of records revealed that only 54 *per cent* of the length of the four drainage canal systems was complete (March 2010). The work on the three pumping stations had also not been completed. However, there was satisfactory progress in respect of culverts and bridges as 87 *per cent* of the work was complete. In addition to allowing free flow of water in the canals, these provide better connectivity between canal banks and adjoining areas.

The slow progress of Canal work was due to changes in the design of canals (*paragraph 2.2.7.3*), delay in resettlement of canal bank dwellers and inadequate monitoring of the performance of the contractors as discussed below:

2.2.9.2.1 Delay in resettlement of canal bank dwellers

The canal work scheduled to begin in January 2003 actually commenced in February 2006 due to non-finalisation of the canal stretch to be rehabilitated. In six test checked contract packages it was seen that there was an average delay



Fig. 1: Encroached Canal Bank

⁴⁷ Churial Canal System, Keorapukur Canal System, , New Monikhali-Begore Canal System, Tollygunge-Panchnnangram Basin

of 12 months till March 2010 due to non availability of continuous encroachment free canal stretch (**Appendix-2.2.11**). The de-siltation work was thus done intermittently in four contract packages⁴⁸ related to three canal systems⁴⁹. As these canals have been partially excavated, the possibility of re-siltation in the completed portions and consequent flooding cannot be ruled out.

2.2.9.2.2 Sub-optimal progress of work

Construction of three canal pumping stations was undertaken (March 2007) under a turnkey contract (CW-01) at a bid price of ₹ 52 crore for completion by September 2009. The objective was to provide relief from water logging in six boroughs. Due to poor performance (15 per cent) the contract package was terminated in July 2009 after payment of ₹1.40 crore. The balance work was awarded



Fig. 2: Incomplete Pumping Station at Chowbhaga

(July 2010) to another agency at a cost of ₹ 69.82 crore resulting in cost escalation of at least ₹ 14.02⁵⁰ crore. In addition, KEIP had already made advance payment of ₹ 4.61 crore to CESC Ltd. in March 2007 for bulk power supply for the proposed pumping stations. As the pumping stations were not ready the money had remained blocked for more than three years.

The department stated (November 2010) that during checking of design and drawing submitted by the agency, it was noticed that many of the design parameters were not proper and the agency failed to submit correct drawings which resulted in delay. The Design and Supervision Consultant was engaged to prepare the detailed design and drawing of all components of the project. Therefore, the decision to award this particular work on turn-key basis including preparation of drawing and design by the working contractor turned out to be injudicious. This is also borne out by the fact that the department awarded the balance work on item rate basis to avoid further delay.

2.2.9.3 Sewerage & Drainage

The S&D component of the project covered seven boroughs (I, VII & XI to XV) in the added areas of the city. Underground trunk networking pipelines were to be laid along with house connections with proper arrangement of interception and diversion of Dry Weather Flow (DWF) to Sewage Treatment Plant (STP) through pumping stations. Storm Weather Flow (SWF) was to be

⁴⁸ CW-08, CW-09, CW-11 and CW-13

⁴⁹ Churial, New Monikhali and TP Basin

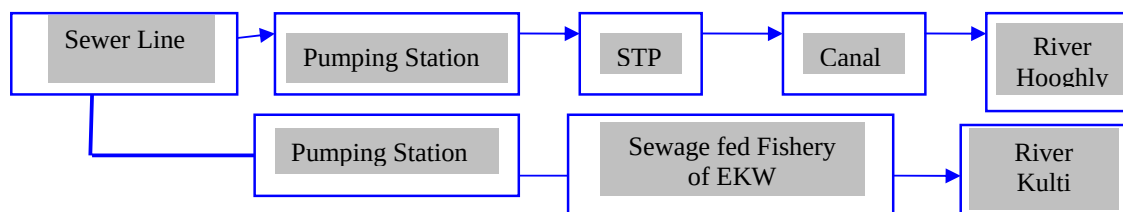
⁵⁰ ₹14.02 crore = ₹69.82 (contract value of balance work)+ ₹1.40(up-to-date payment)- ₹52 (original contract value)- ₹5.20(performance security)

discharged to outfall canal networks through gravity flow. The work was to be taken up in July 2002 and was to be completed by June 2007. Of the 42 work packages taken up under S&D only 14 packages were completed at a cost of ₹ 155.68 crore and the rest were at various stages of execution as of March 2010 (**Appendix-2.2.12**).

2.2.9.3.1 Interlinking of various work packages

The Central Public Health and Environmental Engineering Organisation (CPHEEO) manual stipulates that in designing waste water collection, treatment and disposal system, planning generally starts from the final disposal point and goes backwards to produce an integrated design to suit the topography and the available hydraulic head to be supplemented by pumping, if essential. Though the different components of S&D and canal works were interrelated, these interfaces were not considered while concluding the individual contracts.

Flow chart of a sewer system under KEIP



Scrutiny of the four completed packages⁵¹ on networking pipelines in boroughs XIII and XIV and part of XI revealed the following deficiencies in planning:

The sewerage of the boroughs was to be pumped into the South Suburban East and Gardenreach STPs for final disposal into river Ganga through canals. Audit scrutiny revealed that the works of networking pipelines were taken up between May 2005 and February 2008. The contract packages⁵² for pumping stations related to the networking system were however, taken up two years later, in February 2007 and May 2007. The networking lines were completed between April 2009 and January 2010 at a cost of ₹ 135.67 crore; but the work on pumping stations was ongoing while the augmentation work of Gardenreach STP had been suspended. On the other hand, none of the improvement works of related canals taken up between March 2007 and March 2008 were completed (March 2010). So, networking pipelines completed at a cost of ₹ 135.67 crore could not be fully utilised in absence of corresponding treatment and disposal capacity downstream.

The KEIP admitted that related packages were not sequenced due to non-availability of sites.

⁵¹ SDA1, SDA2, SDB1 and SDB1-TW

⁵² SD23 and SD24R1

2.2.9.3.2 Net working Pipeline

The work of laying sewer lines was scheduled to be completed by June 2010. As of March 2010 only four out of the 16 packages were completed. Six of the 12 incomplete packages were delayed upto 27 months. Delay was mainly attributable to poor performance monitoring by KEIP and inaccurate assessment of site conditions necessitating changes in scope of work as discussed in paragraph 2.2.7.3 and below:

The Sewerage & Drainage network package (SDD2) awarded (November 2006) at a cost of ₹ 55.23 crore was to be completed in June 2009. The contractor failed to achieve the physical targets from the outset and was not responsive to repeated directions to expedite the work. KEIP, however, allowed him to continue the work and paid ₹ 13.16 crore including escalation. The tender was terminated, invoking performance guarantee, in July 2009 when only 8794 metre of pipeline had been laid against the target of 20051 metre. The balance work was approved (July 2010) at a cost of ₹ 53.14 crore resulting in additional burden of ₹ 9.95⁵³ crore.

In SDBI and SDA2 packages the methodology had to be changed to the trench less method from open cut method during execution, as site conditions had not been assessed during survey and preparation of design reports. The existing contractor not being technically competent the works had to be sub-contracted. This led to delay upto 23 months and extra financial liability of ₹ 2.38 crore. The department stated (November 2010) that due to non-availability of underground utility maps, methodology of trenching was changed during execution. The reply was not tenable as the work was supposed to commence after finalisation of the drawings, design and layout.

2.2.9.3.3 Pumping Stations.

Seven contract packages consisting of upgradation/construction of 40 pumping stations taken up to improve the flow of DWF and SWF were to be completed by December 2009. The work is still ongoing. There was on an average delay of 17 months as of March 2010 due to the following reasons.

- The progress of work in five packages⁵⁴ suffered due to delay in finalisation of site before commencement of work. The work (SD 32) of construction of new Pumping Station for Borough-XV covering two worksites was to be completed by October 2008. One work site was handed over to the contractor after nine months. The site for the other pumping station was changed a year after award of work. The alternative site has not yet been handed over to the contractor.
- In three packages⁵⁵ 27 drainage pumps for installation in nine⁵⁶ pumping stations were procured at a cost of ₹ 3.86 crore. Soon after

⁵³ ₹53.14 crore + ₹13.16 crore – ₹1.12 crore- ₹55.23 crore – ₹5.52 crore

⁵⁴ SD 23, 26, 27, 28 and 32

⁵⁵ SD 26, 27 & 28

⁵⁶ SD 26: Datta Bagan, Beerpara; SD 27: PS 2 Ambwdkar Bridge, PS 3 EE 1 Minor Channel, PS 4 Kasba drainage; SD 28: Topsia A, Kuliatangra, Pagladanga, Chingrihata.

installation, four pumps started malfunctioning. Apprehending similar problems in basic design the remaining 23 pumps were not installed at the other seven pumping stations. This could not be detected during performance testing since pumps were not tested simulating the ground conditions as required.

The department did not offer any comments in respect of delay in finalisation of sites. Regarding non-installation of pumps the department stated that it was due to non-completion of civil works. However, the contention of the department was not convincing as it was evident from the records that the Jadavpur University had been engaged to review the basic design aspects of all the supplied pumps. Pending receipt of the report (July 2010) the pumps could not be installed.

Thus, failure to complete the work in time affected the interlinking with the sewerage network and defeated one of the prime objectives of the project.

2.2.9.3.4 Sewerage Treatment Plants-Discharge of untreated sewage

The S&D Master Plan had laid particular emphasis on the environmental improvement of two major recipients of waste waters of the city, the Hooghly and Kulti Rivers and lay down the standards for discharge of waste water into the rivers. The Ganga Action Plan (GAP) also recommended that no untreated dry weather flow (DWF) from the city should be allowed to discharge into the river. Central Pollution Control Board (CPCB) in their report (2009-10) emphasised on 100 *per cent* secondary treatment of sewage before discharge into the canals.

Under KEIP, three existing STPs (Bangur, Gardenreach and South Suburban) were to be augmented for treatment of a total of 154 Million Litre Day (MLD) of sewage prior to discharge and two new STPs (for Borough VII and Borough XII) were to be constructed. Two of the three existing STPs were not working while two new STPs proposed were dropped from the project on the consideration that the sewage would get naturally treated while passing through the fishery channels of EKW area.

Functioning of Sewerage Treatment Plants

The augmentation work of Bangur and Gardenreach was taken up (May 2008) to increase their capacity from 47.5 to 57 MLD and from 45 to 52 MLD respectively. The work was awarded to an agency at a cost of ₹ 9.59 crore in May 2008 for completion by May 2010. KEIP did not assess the condition of the plants prior to finalisation of the scope of work. Consequently when the equipment malfunctioned during execution and needed replacement, the augmentation work was held up (November 2010).

Scrutiny revealed that in South Suburban East STP one drainage channel was connected to the pump sump without any screening arrangement which runs the risk of clogging the existing pumps. The additional flow of storm runoff might also affect the functioning of the STP.

The Department (November 2010) accepted that the work was awarded without assessing the actual condition of the existing plants.

Untreated sewage into river Hooghly

KEIP had stated (June 2010) that out of 226 MLD of sewage from Kolkata discharged into Hooghly only 92 MLD was being treated. Actually, only 45 MLD of sewage was being treated at South Suburban East STP as the Garden Reach STP was non-functional since December 2009. Thus, 181 MLD of untreated sewage was being discharged into Hooghly resulting in increase in pollution load. Monthly analysis report of the effluent ⁵⁷(April and May 2010) indicated that the level of Faecal Coliform (FC) was 15000 MPN/100 ML against the CPCB norm of 500 MPN/100 ml.

Discharge into river Kulti

The sewage (1100 MLD) from Kolkata discharged into the river Kulti receives partial treatment as it passes through EKW (an extensive fishery occupying 5000 hectares of land). The effluent has high FC level of 7333 MPN/100 ML against the norm of 500 MPN/100 ML. Analysis of FC of the effluent discharged into Kulti is not being done. An additional 110 MLD of sewage would be discharged into the river after implementation of KEIP. Epidemiological study of the health of the EKW fishermen as proposed in the Master Plan to assess whether secondary treatment of wastewater was required to reduce exposure of the fishermen to the toxic elements was not included in the scope of work of the project.

KEIP stated (November 2010) that all environmental and epidemiological issues in respect of the treatment of waste water through fishery of EKW and final discharge into Kulti River did not fall under their purview. The reply is not acceptable because as per the recommendation of the S&D Master Plan, the PMU, KMC was mandated to conduct the epidemiological study of the health of fisherman.

2.2.9.4 Solid Waste Management (SWM)

2.2.9.4.1 Scope of work vis-à-vis Actual execution

The SWM component of KEIP was planned to improve the management of municipal, hazardous and bio-medical solid waste generated in the city. It was to focus on extending door-to-door collection service, segregation of recyclable and non-recyclable wastes at source, improvement of solid waste transportation through replacement of open containers by closed ones, use of bulldozers and mechanical sweepers. This component further consisted of disposal of municipal solid wastes in an environmentally safe manner to land fill sites.

⁵⁷ Sewage treated in STP

Adequate primary collection, treatment and management of solid waste are crucial in ensuring the sustainability and functioning of the improved S&D and canal system of Kolkata. Most of the sub-projects in the SWM component were dropped on KMC's assurance that these would be carried out from their own funds. KEIP therefore procured only 83 vehicles at a cost of ₹ 25.29 crore between November 2003 and March 2009.

The Department stated (November 2010) that the project only covered partial and tangential aspects of SWM and accordingly KEIP authority restricted its activities under SWM.

2.2.9.4.2 Collection and transportation of waste

The process of segregation of municipal waste to lessen the burden on the existing dumping site at Dhapa was yet to be introduced in 134 wards out of 141 wards of KMC. Even basic collection equipment like litter bins, hand carts and tricycles with buckets had not been purchased as their design was not finalised in four years.

Domestic waste was not collected regularly and 388⁵⁸ out of 662 collection points were open spaces. As a result, the surrounding areas and roads were littered with garbage and sewer lines got choked leading to flooding during the monsoons.

67 vehicles received from the manufacturers during February 2006 and October 2007 did not comply with the BS-III emission norms effective from April 2005. The Feasibility Report (2000) and the SWM Master Plan had assessed (May 2005) the need for a maximum of four mechanical sweepers. Against this requirement KEIP procured 12 mechanical sweepers between January 2004 and November 2008 at a cost of ₹ 12.57 crore from a single foreign supplier. All the 12 mechanical sweepers were handed over to KMC between September 2004 and December 2008 for utilisation. Records indicate that three mechanical sweepers were purchased only for utilisation of fund of ₹ 2.20 crore meant for purchase of collection equipments.

The supplier of the mechanical sweepers did not provide any servicing facility till May 2008 in violation of the contract. As a result the sweepers⁵⁹ were in-operative upto 24 months due to lack of timely maintenance. There was no monitoring of the utilisation of the Sweepers as log books were not maintained.

The Department stated (November 2010) that the mechanical sweepers were procured as per decision of KMC due to delay in finalising design of the collection equipments. Regarding non-servicing of vehicles the department stated that they were not aware as to why the users (KMC) of vehicles could not approach the agency in time.

⁵⁸ As per Master Plan 2005

⁵⁹ WB 03B 5718 and WB 03B 9172

2.2.9.4.3 Sanitary Land Fill

The present method of disposal of solid wastes at Dhapa is not scientific because the waste is neither placed systematically nor covered with earth and compacted. Alarming levels of heavy metals have been detected in the surrounding areas and the leachate (biochemical decomposition of waste by bacteria) generated at Dhapa has very high Biological Oxygen Demand (BOD).



Fig. 3: Unscientific Land fill at Dhapa

To address the problem, the Feasibility report (January 2000) and Loan Agreement⁶⁰, provided for construction of a Sanitary Land Fill (SLF). The KEIP authority proposed (December 2004) to construct a SLF adjacent to the existing land fill at Dhapa in East Kolkata Wetland (EKW) area at an estimated cost of ₹ 36 crore. This was done despite the fact that the site was in an ecologically fragile zone which had been declared a Ramsar site in August 2002. ADB therefore excluded the package (December 2007) from its financing scope. KEIP, however, replied that the Ramsar site can be used for such work. Till date (July 2010) no alternative site for the proposed SLF has been identified by KMC.

As a result, 95 *per cent* of the collected solid waste from Kolkata is being dumped unscientifically with a high probability of contamination of surface and ground water and consequent health hazards to the populace.

The Department stated that as construction of Sanitary Landfill Site was a policy matter, the KMC would resolve this issue in due course. However, no site had been identified for construction of proposed SLF by KMC till November 2010.

2.2.9.5 Slum Improvement

One of the objectives of KEIP was to provide improved living condition in the slums of Kolkata by providing basic civic amenities like supply of water, construction of sanitary latrines, washing/bathing platforms, light posts and concrete pavements. Under KEIP, slum improvements in 85 slums located in the core areas of KMC (Ward 1 to 100) was completed at a cost of ₹ 41.32 crore.

Kolkata has more than 2500 slum zones with a population of 14.75 lakh⁶¹ occupying 13 *per cent* of the KMC area and forming 40 *per cent* of the total population of the city. Hence, prioritisation of the slums on the basis of poverty level and existing civic conditions was necessary before taking up improvement activities. Instead of using survey data prepared by KMC in

⁶⁰ Supplementary Loan Agreement Sch-I para C

⁶¹ Source SI Master Plan

2000-01 KEIP chose to select slums on the basis of recommendations of respective ward councilors.

Though the condition of the slums in the added areas (Ward 100 to 141) was more adverse than of those in core areas of the city these were left out of the purview of KEIP. The PD stated (July 2010) that the scope of work was restricted as per policy decision. The relevant records were, however, not made available to audit.

It was seen in audit that in 37 water deficit slums out of 85 covered under this project water supply was not augmented due to inadequacies in the supply system. KEIP instead of addressing this critical issue dropped the sub-component from the purview of the project.

Apart from this, the scope of Slum Improvement works provided for implementation of long term measures like establishment of land titles for slum dwellers, registration of dwellings, recognition of tenancy rights and introduction of municipal tax to enhance the security and creditworthiness of the slum dwellers. No such measure has been implemented so far. The slum improvement work of KEIP has, however, succeeded in providing access to improved sanitation and hygienic living conditions to the slum dwellers.

The Department stated (November 2010) that the Project could not extend the facility because of inadequacy in the supply system. The Department did not furnish any comment on non-implementation of long term measures.

2.2.10 Monitoring

For effective monitoring and quality control the project envisaged four levels of reporting. Initially the contractor was to prepare a Monthly Progress Report (CMPR) depicting progress of work and quality adhered to in execution of each work package and to furnish it to the Consultant (DSC). On the basis of CMPR, the DSC was to prepare Engineer's Monthly Progress Report (EMPR) recommending suitable action against any hindrance to the progress of work and to report to PMU. PMC was to prepare a consolidated Monthly Progress Report for the project as a whole on the basis of which Quarterly Progress Report is prepared by CMU for onward transmission to the ADB.

The Contractor's Monthly Progress Report and Engineer's Monthly Progress Report for 24 of the 32 selected contract packages could not be made available to audit. Analysis of these reports for three S&D networking packages⁶² indicated that DSC commented on the poor quality and slow progress of work, however, remedial measures and follow up actions were not adequately documented. In respect of Bangur and Gardenreach STPs the contractor did not submit CMPR since commencement of the work in May 2008. As a result failure of the equipment could be detected only during site visit by PMC in January 2009. KEIP admitted the fact and stated that no tangible action could be taken against the defaulting contractor due to absence of any penal clause

⁶² SDC, SDD-1, SDD-2

in the contract. KEIP assured that these issues would be taken care of by the project in future packages.

As per Loan Agreement, the State was to constitute a Steering Committee to oversee the implementation of the project under the Chairmanship of the Minister of Municipal Affairs and Urban Development of the State consisting of 15 members from different government agencies and local bodies. It was also stipulated that the Committee would meet quarterly. Records revealed that the Committee was constituted in July 2002 and remained non functional for four years as no meeting was held till August 2006.

As of May 2010, only 6 meetings were held against the required 30 meetings. Similarly, the Project Review Committee (constituted in December 2005) had also not met regularly as only 13 meetings were held against 53 required during this period. Moreover, the recommendations of the Committees like finalisation of the SWM Master Plan at the earliest, immediate cleaning and desiltation of the Churial Canal to provide relief from water logging and expediting the relocation of unwilling canal bank dwellers to the constructed flats were not complied with.

The Department stated (November 2010) that meetings of the committee were held as and when considered necessary.

2.2.10.1 *Non-maintenance of basic records*

Scrutiny of records of PMU, KMC revealed that payments through respective Running Account Bills were not based on the departmental measurement books. The measurements were taken and compiled by the contractor and checked by the DSC. The project authority replied that CPWD manual was not applicable for the project because construction under this project was guided by FIDIC conditions of contract. The reply was not tenable as PMU, I&WD maintained departmental measurement books and the modalities of working of PMU KMC also provided that departmental measurement books would be issued to DSC for recording measurement.

As per terms⁶³ of contract, a 'Site order Book' is required to be maintained by the contractor for recording the day to day instructions issued to the contractor and compliances thereto. Besides, statement of cost of Plant and Materials to arrive at actual cost of procuring and delivering these were to be kept ready for inspection at any point of time. The KEIP did not furnish any Site Order Book and stated that statements of cost were not maintained as those were not mandatory. In absence of such vital records it could not be ascertained as to how KEIP monitors proper execution of works.

2.2.10.2 *Monitoring by ADB and GoI*

ADB missions from time to time reviewed overall implementation of the project and compliance with the loan covenants. They identified major

⁶³ Clause 14.5 of the general condition of contract of part-II

bottlenecks and suggested time bound action plan to expedite project implementation. ADB and GoI had also introduced Tripartite Portfolio Review Meeting (TPRM) for reviewing the progress of ADB funded projects. Scrutiny of findings of the Review Missions and TPRM indicated that their recommendations like preparation of S&DMP Master Plan, Resettlement of affected canal bank dwellers were not done within stipulated time. ADB commented on the frequent variations in the scope of work at an early stage of contract due to inadequate planning and design. Though PMU had assured that DSC would be penalised for such lapses, no document in support of such compliance was available on record. Furthermore there was no enabling contract provision in this regard. Thus, it is evident that despite the existence of an elaborate infrastructure for project monitoring KEIP did not always analyse deviations or attempted course corrections.

2.2.11 Conclusion

The objective of the project to arrest the environmental degradation of designated areas of Kolkata by upgrading sewerage and drainage system and rehabilitating the outfall canal system was yet to be fulfilled, eight years after commencement of the project. Due to non-adherence to time schedule of repayment of ADB loan, KEIP had to shoulder liability towards commitment charges. The planning was inadequate and implementation of various components widely deviated from the schedule. The consultants engaged failed to render proper assistance to KEIP authorities in implementing the project effectively and economically. The Canal Improvement works were affected due to delays in resettlement of canal bank dwellers. Though the different components of S&D and canal works were interrelated, these interfaces were not considered at the tendering stage. This defeated one of the basic objectives of the project. The Solid Waste Management component was totally overlooked as the proposal for Sanitary Land fill for scientific disposal of garbage in Kolkata has been dropped. As all the STPs were not fully functional untreated sewage was being discharged into the river.

Recommendations

- ***Time schedule of repayment of loan should be strictly maintained to avoid liability on account of commitment charges.***
- ***A holistic approach needs to be adopted for dovetailing the work of Sewerage and Drainage, Canal Improvement and Resettlement components.***
- ***KEIP should have a re-look on contract management for ensuring timely completion of works and optimum utilisation of resources.***
- ***For better co-ordination and effective monitoring regular meetings of Steering Committee and Project Review Committee may be ensured.***

West Bengal Fire and Emergency Services Department

2.3 West Bengal Fire and Emergency Services

Executive Summary

In order to provide protection against fire to the people of the State, West Bengal Fire and Emergency Services (WBFES) was constituted under West Bengal Fire Services Act 1950 (Act). The basic responsibility of the department encompasses maintenance of fire brigades, licensing of warehouses, inspection of high risk buildings to provide assurance of adherence to fire safety norms, dissemination of information regarding preventive measures and protection drills and related matters. WBFES has a network of 106 fire stations. It attended to 21810 fire incidents including 148 major cases during 2005-10. However, in the light of rising trend of major fire incidences during the past two years, taking a toll of both life and property, the issues of fire prevention initiative as well as preparedness and fire-fighting capability gained significance. In view of the growing concern as well as in recognition to the social importance of the issue a Performance review on Fire Services activities of the department was taken up covering a period of 2005-10. The basic aim of the review was to assess the level of preparedness on the part of WBFES keeping pace with the changing scenario of urbanisation, increase in population density, etc.

In course of audit, several areas of concern relating to operational and management deficiencies were identified, which may potentially affect the level of preparedness and call for attention.

Though roadmap for construction and upgradation of new FSs was spelt out repeatedly in the Budget speeches, laxity on the part of WBFES in pursuing with implementing agencies to get the construction of Fire Services buildings completed had rendered the progress in work slow. There were instances of delay in receiving fire tenders even after releasing payments, which had also impacted the preparedness in regard to availability of fire tenders. Moreover, insufficient monitoring and absence of data base on availability of fire tenders/safety appliances at fire stations, coupled with inordinate delays in repair and commissioning of out of service vehicles, potentially compromised preparedness of fire stations. Manpower management also remains to be a matter of concern, as shortage of operational staff coupled with absence of periodic in-service refresher training as well as regular drills affects the operational efficiency of fire personnel. Absence of effective communication system and computerised management information system and decision support system adversely affected the performance of WBFES.

Though development authorities of new townships had started adopting fire safety clauses in addition to standing Municipal Laws, activities of WBFES as regards fire prevention and protection in high risk buildings was not proactive, rather it was dependent upon initiative of the building owners.

2.3.1 Introduction

In order to provide protection against fire to people and property of the State, the West Bengal Fire Services (WBFS) was constituted under West Bengal Fire Services Act 1950 (Act) and was under the administrative control of the Municipal Affairs Department till March 2004. Thereafter it was renamed as West Bengal Fire and Emergency Services (WBFES) and placed under a newly constituted department namely 'Fire and Emergency Services Department'. Activities of the department *inter alia* included:

- all matters connected with development, utilisation and control of fire prevention, fire protection and fire fighting;
- administration of the West Bengal Fire Services Act 1950;
- issue of fire licences.

2.3.2 Organisational Structure

Director General (DG), West Bengal Fire and Emergency Services, is the Executive-in-Charge of WBFES functioning under the administrative control of Principal Secretary, Fire and Emergency Services Department. The DG is assisted by Additional Director General (ADG) and a Director. WBFES has Protection and Prevention Wings, a Central Workshop, three centralised stores and one Institute for Fire Training. Besides, there is a divisional workshop at Siliguri under North Zone. WBFES has a network of 106 fire stations (FS) under 10 divisions⁶⁴; each division being controlled by a Divisional Officer (DO). In February 2010, six zones⁶⁵, each headed by a Deputy Director were formed in the State. The department also notified (March 2010) reorganisation of 10 existing divisions into 18. However, no dateline for completion of reorganisation was specified in the order, work for which is presently in process.

2.3.3. Audit Objectives

Performance audit aimed to assess whether:

- preparedness of Fire Services in terms of availability and maintenance of fire tenders, equipment and safety appliances; and, access to water sources was satisfactory to ensure quick response to disasters;
- system of procurement of fire engines and appliances was effective, communication network to meet the requirement of quick dissemination of information was efficient;

⁶⁴ A (Kolkata/ part of South 24 Parganas), B (Kolkata / Part of North 24 Parganas), C (South 24 Parganas / part of Kolkata), D (North 24 Parganas), D2 (Murshidabad, Birbhum, Nadia), E(Howrah, Purba and Paschim Medinipur), F (Hooghly), G (Bardhaman, Bankura, Purulia), H (Darjeeling, Malda, Uttar Dinajpur, Dakshin Dinajpur) and H2 (Jalpaiguri and Coochbehar)

⁶⁵North zone: Coochbehar , Dakshin Dinajpur, Darjeeling, Jalpaiguri and Uttar Dinajpur

Central zone: Birbhum, Malda, Murshidabad, and Nadia

South zone: Bankura, Bardhaman, Paschim Medinipur, and Purulia

West zone: Hooghly, Howrah and Purba Medinipur

Headquarters zone: 24 Parganas (North and South) and Kolkata

Fire Prevention Wing: Fire prevention wing and material management

- overall manpower management including conduct of training /drills was efficient to ensure operational efficiency;
- activities of WBFES in regard to fire prevention including issue of NOC and fire licences, generation of awareness was adequate and in conformity with rules.

2.3.4 Scope of audit

Performance review of the functioning of WBFES for the period from 2005-06 to 2009-10 was conducted during April-July 2010 through test check of records of the following offices:

- West Bengal Fire and Emergency Services Department;
- Office of the DG, WBFES including Central workshop;
- Institute of Fire Services, Behala;
- Four Divisional headquarters⁶⁶ (covering nine districts and Kolkata) out of ten divisions in the State on the basis of population density, remoteness and differing terrain conditions.
- Out of 41 Fire Stations (FSs) under four test checked divisions, 27 were selected for detailed checking.

An entry conference was held with the DGFES on 28 May 2010, wherein the objectives, methodology and modalities of the Performance audit were discussed. Replies of the Government on the audit observations had been received (February 2011) and suitably incorporated in the report.

Audit Findings

2.3.5 Financial Management

2.3.5.1 Budget and expenditure

The details of budget allocation and actual expenditure incurred by the department during 2005-06 to 2009-10 are given below:

Table No.2.3.1: Budget allocation and actual expenditure during 2005-10

(₹ in crore)

Year	Allocation		Expenditure		Percentage of utilisation	
	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
2005-06	78.34	11.20	74.59	5.64	95	50
2006-07	81.81	11.50	75.80	6.75	93	59
2007-08	88.45	17.00	84.23	9.87	95	58
2008-09	94.65	26.10	92.79	18.99	98	73
2009-10	138.63	31.24	149.23	22.09	108	71
Total	481.88	97.04	476.64	63.34	99	65

Source: Appropriation Accounts from 2005-06 to 2008-09 and VLC figures for 2009-10

It is seen from the above table that though most of the non-plan expenditure had been utilised there was on an average 35 per cent saving under plan

⁶⁶ Division A, Division B, Division G, Division H

expenditure during 2005-10. The department did not give any reason for savings.

2.3.6 Preparedness to respond

The capability of Fire Services to respond timely to disasters is dependent upon many factors namely, existence of adequate number of fire stations in relation to coverage area, availability and maintenance of fire tenders, equipment and safety appliances in fire stations as well as access to water sources etc. An effective communication system and network for quick dissemination of information is essential to avert disasters and minimise loss. Operational efficiency of fire fighting personnel is a key requirement, which depends upon regular conduct of rigorous training/drills, health check ups and prudent manpower management. Audit of all these aspects revealed lapses of serious nature which had the potential of compromising preparedness, as discussed in subsequent paragraphs.

2.3.7 Fire Stations

In the budget speech (March 2005), the Minister-in-Charge of FES department outlined a roadmap for construction of fire stations in each district and sub-divisional headquarters and also in municipal towns. The decision was reiterated in the subsequent budget speeches (2006 to 2010). In March 2007, the scope of the work was extended covering arrangements of fire fighting in urban agglomerations, new townships, industrial growth centres, high risk buildings and chemical disaster and fire prone places. As part of reorganisation of the FSs and based on the proposals contained in the budget speeches from 2005 to 2010, the department declared (March 2010) names of proposed 15 new FSs through a notification. The status of availability of land and progress in work are shown in **Appendix 2.3.1**. The status revealed that in spite of budgetary commitments, construction work of one⁶⁷ FS proposed before 2005 and five⁶⁸ FSs proposed in 2006-07 were not complete till March 2010, even after lapse of more than three to seven years. Out of these in three⁶⁹ cases ₹ 2.09 crore was released and UC for ₹ 0.7 crore was received.

No centralised report on progress of construction works was produced to Audit, though called for. However, scrutiny of the files as made available to audit in respect of nine construction/upgradation works of fire station building of new and old stations (**Appendix-2.3.2**) revealed that seven works (six taken up between October 2005 and March 2008 and while one way back in June 1987) have been incomplete as of June 2010. The department released ₹ 4.56 crore (UC received for ₹ 2.41 crore) between March 2004 and March 2010.

Further scrutiny revealed that target dates for completion were not fixed by the department for the construction works, nor were physical and financial progress of construction monitored. This had resulted in inordinate delay in

⁶⁷ Ghatal FS

⁶⁸ Dankuni, Egra, Ghatal, Gobardanga, Lalbagh and Rajarhat FSs

⁶⁹ Egra, Ghatal and Gobardanga FSs proposed in 2006-07

execution and consequential upward revision of estimates. In eight cases, the total cost increased by ₹ 2.47 crore as of March 2010.

Scrutiny further revealed various factors which had led to such delays namely, delay on the part of Executive Agency (EA) for preparation of estimate and construction works, phase-wise preparation of estimate, non-preparation of complete Detailed Project Report (DPR) by EAs, multiple sanction formality against phase-wise estimate resulting in delay in progress and cost escalation.

It transpired that the department could not overcome these difficulties, which indicated lack of preparedness on the part of the department in construction of fire stations.

The department in its reply (July 2010 and February 2011), accepted that these Government agencies have their own schedule and it had little control over them. Further, target dates for completion of projects were not fixed out of the consideration that all these EAs were Government organisations. The reply is not acceptable as it was the responsibility of the department to ensure completion of construction works by liaising with the executing agencies. The department, however, stated that it would intimate the audit observations to the agencies for future compliance.

2.3.8 Fire Tenders

Audit observed that no database of State wide position of availability of fire tenders and equipment was maintained at the Directorate level. In reply to an audit query the Directorate collected the data from different divisions. As complete data from the divisions were not made available, data in respect of four selected divisions revealed the following:

Table No.2.3.2: Availability of fire tenders and portable pumps in respect of four selected divisions

Division	No. of Fire Stations	Total strength of Fire Tenders	Working	
			Fire Tenders	Portable Pumps
A	7	22	22	8
B	9	31	21	6
G	13	33	27	17
H	12	27	30	13

Source: Data from four divisions

Test check of 27 fire stations under these divisions revealed:

- shortfall of six pumps in five⁷⁰ FSs of 'A' and 'B' divisions against sanctioned pump strength.
- in G division, though most of the FSs had portable pumps, eight⁷¹ FSs had a shortage of one fire engine each. In reply (June 2010) DO, 'G' division confirmed this shortage and admitted that it hampered fire fighting work.

⁷⁰ 'A' division: Gariahat, Tollygunge and Kolkata Leather Complex, 'B' division: Nimtola and Dum Dum

⁷¹ Raniganj, Panagarh, Asansol, Bhatar, Kalna, Katwa, Bishnupur and Pandua

The Standing Fire Advisory Council (SFAC)⁷² recommended (2004) that there should be one fire tender per 50000 population. As per these norms

- in 'G' and 'H' divisions, there should be 250 and 175 fire tenders, which had only 33 and 27 respectively.
- in 14 stations of Kolkata⁷³, 48 fire tenders were sanctioned against requirement of 90 fire tenders leaving a big gap.

In Divisions B and G the actual number of fire tenders were less than the initial sanctioned strength which was much lower than SFAC norms.

2.3.8.1 Purchase of fire tenders

The Department did not have a Perspective and Annual Plan for procurement of Fire Tenders.

In reply (June 2010) Director General (DG) stated that proposals for procurement of fire fighting vehicles were initiated from the station level or divisional level routed through the Equipment Officer. Sometimes vehicles were also procured against replacement of condemned vehicles.

To procure a chassis DG selected the make of a particular company against which WBFES Department issued administrative and financial approval along with the authority to draw the full amount in advance. Orders for procurement were placed with the manufacturer by an order slip issued by Directorate indicating the Government Order. For procurement of chassis, Department did not enter into any Agreement with the companies, terms and conditions of supply were not specified, security or guarantee was not obtained from the manufacturers and time frame for delivery of chassis was also not fixed. Only a copy of the order slip was forwarded to the State Vigilance Commission.

During the period of Audit, DGFES paid ₹ 16.46 crore in advance to three⁷⁴ manufacturers for supply of 167 chassis (₹ 13.96 crore) and 58 Jeeps (₹ 2.50 crore). Out of this, ₹ 14.05 crore was released at the fag end of the respective financial years to avoid lapse of budget. Relevant records revealed that 56 chassis valuing ₹ 4.78 crore were not received as of July 2010, after three months to over two years from the dates of payment as under:

⁷² Standing Fire Advisory Committee was constituted by GOI (Ministry of Home Affairs) in 1955 with representatives from each State. SFAC was mandated to examine technical problems relating to fire services and to advise the GOI on matters concerning the organisation and its speedy development. The committee was renamed as Standing Fire Advisory Council in the year 1980. Chairman, SFAC during 1998 requested heads of fire services in each state to vigorously pursue the implementation of the recommendations of SFAC in their jurisdiction to develop efficient fire services.

⁷³ Considering population of 46 lakh as per Census 2001

⁷⁴ M/S Ashoke Leyland Ltd:86 (₹ 8.83 crore), M/S Mahindra and Mahindra Ltd: 58 (₹ 2.50 crore) and TATA Motors Ltd 81 (₹ 5.13 crore)

Table No.2.3.3 : Non-receipt of chassis after payment

	Companies to whom advances paid	Date of payment	Amount (₹ in crore)	For procurement of
1	Ashoke Leyland Ltd.	10-04-2008	0.49	6 no Gold 1613 BS-II
2	Ashoke Leyland Ltd.	31-03-2009	2.75	30 no Comet Gold- 1616
3	TATA Motors Ltd.	23-03-2010	0.55	10 no 410 BS-III
4	TATA Motors Ltd.	01-04-2010	0.98	10 no LPT 1615/42 BS-III
	Total		4.78	

Source: Procurement records of stores of the Directorate

After procurement of chassis it was handed over to fabricators for conversion into fire tenders. Time frame for completion was not indicated in the agreements made for fabrication. Scrutiny revealed that, in six cases, after advance payment of ₹ 7.72 crore to the manufacturers of chassis, between March 2006 and 2008, there were time gaps between 14 and 37 months in receipt of finished products after fabrication. (**Appendix 2.3.3**)

In reply (February 2011) Government contended that there was no inordinate delay as a minimum of seven months time was necessary for manufacturing of chassis and its fabrication to fire tenders, etc. Time is also required for complying with other formalities and inspection. The reply is not acceptable as in some cases delay of more than three years were noticed. This indicated lackadaisical approach of the department to complete the formalities impacting the preparedness in regard to availability of fire tenders.

To access narrow hilly areas, 15 Mid Size Water Tender (MSWT) having only 2.2 KL water containing capacity were specially prepared in July 2009 by fabricating TATA SFC407 chassis (cost of chassis ₹ 5.12 lakh, cost of fabrication ₹ 14.26 lakh per vehicle). These MSWTs were to be procured on the request of Darjeeling Chamber of Commerce, a registered society of Darjeeling, for utilisation in narrow and congested areas of Darjeeling. However, five MSWTs were issued to hilly areas of Darjeeling and Jalpaiguri district, while remaining ten were placed at FSs situated in urban areas including Kolkata⁷⁵ on the ground that these areas had narrow lanes. An analysis of performance reports of MSWT revealed⁷⁶ that there was no system (i) to produce foam for electric fire, (ii) to refill water tank by pressure pump, (iii) to extend the built in hose; and (iv) the vehicles were not equipped with four wheel drive necessary for hilly areas, which limited the effectiveness of MSWT in narrow lanes. The reply of the department was silent on this issue.

2.3.9 Safety appliances and equipment

2.3.9.1 Safety appliances

During 2005-10, for modernisation and up-gradation of fire fighting system, WBFES procured 4000 pairs of Fire Retardant Gumboot (FRG) for ₹ 43.24

⁷⁵ Lalbazar FS-1(Division B), Alifnagar FS-1(Division C), Lalkuthi FS-1(Division D), Ranaghat FS-1 & Nabadwip FS-1(Division D2), Howrah FS-2,(Division E), Rishra FS-1(Division F), Durgapur FS-1(Division G) and Siliguri FS-1(Division H). Total 15

⁷⁶ for Darjeeling, Kalimpong and Kursiang FSs

lakh and 250 pieces of Fire Retardant Helmet (FRH) for ₹ 32.34 lakh in 2007. Besides, 15 Breathing Apparatus (BA) sets were procured (June 2005) at a total cost of ₹ 6.55 lakh. It was, however, observed in Audit that appliances were not distributed proportionate to the staff strength of different FSs.

- 3986 pairs of FRG were distributed to FSs of 10 divisions having 5828 field staff from Station Officer to Fire Operator. Scrutiny revealed that number of FRG supplied to different FSs covered 35 to 100 *per cent* of the operational staff strength.
- Each division was supplied 24 FRH irrespective of strength. All 48 FRH of 'A' and 'B' divisions, received during July 2007, were lying in stores of two⁷⁷ FSs at Kolkata and not issued to other FSs.
- 15 BA sets were procured in 2005. 'B' and 'C' divisions having 16 FSs, were issued three BA sets each, 'G' division having 13 FSs, was issued two sets, while other five divisions including 'A' division having 10 to 13 FSs were issued only one set each. The remaining two were kept in the Institute of Fire Services for training purposes. 'H' and 'H2' division of north zone did not receive BA sets. The only BA set of 'A' division was issued to Kalighat FS. Test check of selected FSs revealed that 11 sets were in working condition in three⁷⁸ FSs. Thus, procurement of less than optimum number of BA sets indicated inadequate planning, which would ultimately impact preparedness of the Fire Stations.

In reply (June 2010) DD, North Zone confirmed that at least two BA Sets were essential for each Fire Station.

2.3.9.1.1 Proximity Suit⁷⁹

As per recommendations of SFAC, two sets of heat/flame resistant protective clothing (proximity suit) should be carried on each fire fighting and rescue vehicle and four sets should be provided for each emergency tender. Audit observed that the WBFES did not procure any proximity suit during 2005-10; the position of availability of the same at various FSs/ divisions was also not available with the Headquarters. Out of four test checked divisions, only B division received one proximity suit before 2000, which was lying unutilised in Gariahat FS. Two proximity suits were issued to Headquarters FS of 'A' division between 1991 and 1993.

In reply (May 2010) to an audit query DO, Division A intimated that these had been re-issued to Institute of Fire Service during February 2006 as per orders of DG, WBFES (February 2006).

Thus, non-procurement and supply of an important item of fire-fighting gear indicated lack of professional approach to this important function.

⁷⁷ Headquarters and Central Avenue

⁷⁸ Division A: Gariahat, Kalighat; Division B: Central Avenue

⁷⁹ suit which allows fire fighters to reach close to flames

2.3.9.2 Jumping Cushion

Administrative approval of ₹ 0.34 crore was accorded by the department in March 2007 for procurement of four jumping cushions, meant to escape from fire affected buildings by jumping on the cushion. Though cushions were supplied in November 2007 and received by the Equipment Officer, along with test results from National Fire Equipment Quality Supervision Centre of the country manufacturing the product and live demo jumping was also stated to have been conducted in May 2008⁸⁰, no payment was made to the supplier and the same was not entered in the stock account in spite of availability of funds. The procurement process thus remained incomplete as of July 2010 and the jumping cushion received during November 2007 could not be put to use.

Government had not furnished any reply in this regard.

2.3.10 Repair and maintenance of vehicles

2.3.10.1 Workshop

WBFES has its own Central Workshop (CWS) under the control of DGFES for repair and maintenance of vehicles. Out of a sanctioned strength of 84 technical staff, only 23 were in position. Neither the installed capacity of CWS nor basis of sanctioned strength could be ascertained from available records. On account of incapability of CWS due to inadequate equipment, shortage of staff and non-supply of required spare parts by the mechanical stores, Divisions/fire stations had to undertake major repairing jobs on their own under the orders of Maintenance Superintendent.

Since comprehensive procurement was not made at mechanical stores at Headquarters, piece meal purchase of spare parts was made locally. Three test checked divisions of South Bengal incurred an expenditure of ₹ 82.65 lakh for maintenance of vehicles and procurement of equipment from outside agencies during 2005-10.



Vehicles and pumps lying in CWS



Due to incapability of its divisional workshop of 'H' division at Siliguri, maintenance work under the division was mostly outsourced and ₹ 27.64 lakh was incurred including procurement of spare parts during 2005-10.

⁸⁰ As intimated by the supplier in its reminder for payment

DO, 'A' Division confirmed (May 2010) that on account of incapability of CWS viz. inadequate equipment and shortage of staff, and non-supply of required spare parts by mechanical stores, repair of vehicles/appliances had to be outsourced.

At least 24 vehicles and portable pumps which were out of order for periods varying from one to 20 years were lying unutilised for want of repair at the CWS (June 2010).

2.3.10.2 Unserviceable vehicles

WBFES did not maintain database and was unable to furnish a centralised report to audit on number and particulars of off road vehicles lying in different divisions/Central Workshop (CWS) for repair or were Beyond Economic Repair (BER). Against an audit requisition, seven⁸¹ divisions had submitted their records and an analysis of these records revealed that 110 vehicles and pumps of different categories went out of order between 2004 and 2010. Of the same the divisional heads showed 69 vehicles as unserviceable.

In the reply (February 2011), Department stated that one Monitoring Committee headed by Maintenance Superintendent, WBFES looked after the servicing of vehicles. Non availability of sufficient specialised technical staff resulted in delay in repair and maintenance of vehicles/appliances. But that did not hamper efficiency as stand by fire tenders/safety appliances were requisitioned and deployed.

The reply is not tenable as in case of emergency getting the fire tenders/safety appliances from nearby station is not a permanent solution and reflects lack of preparedness. Further, delay in disposal of unserviceable vehicles would further deteriorate their condition, thereby fetching less revenue to Government.

2.3.11 Manpower management

2.3.11.1 Sanctioned strength vis-a-vis men-in-position

Out of sanctioned strength of 23, there were six Divisional Officers (DOs) in position as on date. Since 2005, Public Service Commission (PSC) could appoint eight DOs by promotion from Station Officers. During Entry Conference (May 2010) DG, WBFES stated that PSC had not been able to recruit DOs directly during last ten years due to non-availability of qualified persons. Efforts were being made to appoint DOs by direct recruitment. Consequently, two DOs and four DDs were holding additional charges.

The sanctioned strength vis-à-vis men-in-position in respect of various categories of operational staff in WBFES as on March 2010 was as under:

⁸¹ Divisions A,B,D,D2,E,H and H2

Table No.2.3.4: Sanctioned strength vis-à-vis men-in-position

Sl. No	Category	Sanctioned strength	Men-in-position	Vacant post	Percentage of vacant post
1	Station Officer	217	200	17	8
2	Sub-Officer ⁸²	416	169	247	59
3	Leading fire operator (Leader)	1695	1580	115	7
4	Fire Engine Operator cum Driver (FEOD)	1150	834	316	27
4	Fire Operator (FO)	4685	3045	1640	35
5	Staff car Driver	34	21	13	38
6	Cleaner cum Attendant	107	81	26	24
7	Sweeper	111	55	56	50
	Total	8415	5985	2430	29

Source: Data of DG, WBFES

Availability of adequate field staff is imperative for the operational efficiency of the WBFES. DO, 'B' division stated (July 2010) that for the purpose of keeping turnout as per scale, the personnel had to perform duty beyond their normal shift. DD, North Zone stated (June 2010) that no major fire could be managed effectively at the initial stage due to scarcity of manpower.

2.3.11.2 Physical fitness

Sub-committee on medical standards for firemen under SFAC had opined that personnel of fire services including officers should have high degree of physical efficiency and fitness in view of their arduous duties under adverse conditions. Senior officers who are normally non-operational should also be physically active to set a good example to firemen. To this extent all fire personnel should be subjected to an annual medical examination.

According to the result of studies by the Defence Institute of Fire Research (1976) mentioned in the Compendium of recommendation of the SFAC (2004), crews up to the age-group of 40 years are able to perform fire-drills efficiently. Three *per cent* in the age group above 40 years attain clinical abnormalities. This increases to 13 *per cent* for age group between 51-55 years and 33 *per cent* beyond 55 years.

Considering the above facts, physical assessment tests are recommended by Sub-committee on Medical Standards of Fireman formed by SFAC, to be held every six months to ensure fitness of fire-fighting personnel.

Test check of age group of Leaders, FEODs and FOs of 12 FSs revealed that in 11 FSs, 15 to 56 *per cent* belonged to the age group of 40 to 50 years, six to 48 *per cent* were in the age group of 51 to 55 years and six to 22 *per cent* in the age bracket of above 55 years. Overall, 50 to 97 *per cent* were in the age bracket above 40 years.

Despite this, there was no regular medical check-up except for particular ailments of fire staff and no evaluation of physical fitness of field staff was done throughout their service. Neither did the Act nor the service rules provide for such evaluation or check-up.

⁸² Sub-officer assists Station officer. In absence of station officer he acts as head of the station

In reply (June 2010) the DD North Zone confirmed the audit finding and accepted the limited ability of aged employees to function effectively during operations.

2.3.12 Training and drills

2.3.12.1 In-service training

WBFES maintains a training school viz Institute of Fire Services (IFS) in Behala, Kolkata since January 1996. The department also acquired 28 acres of land at Kalyani in September 2009 to establish a modern Fire Service Academy.

As per SFAC recommendations six months training is to be imparted before deployment of Firemen, Assistant Station Officers and Drivers; and three months for leading firemen at the time of promotion. Further, the training bureau should also carry out assessment of technical proficiency and physical efficiency of all operational personnel up to the level of Station Officer. In practice, however, two, three and six months training was being conducted before deployment of FOs, FEODs and Station Officers respectively. Training to firemen at the time of first promotion to leading firemen was not being imparted. The performance report of IFS, Behala for last five years also did not indicate as to whether such assessment was being carried out or not.

No annual schedule of fire training programmes was made for IFS. Training was imparted as per necessity, requisition or convenience of the department and for other organisations requiring fire training. During 2005-10, 1928 persons were imparted training out of which 618⁸³ were from WBFES. DD IFS stated (May 2010) that under the direction of Government, teaching and non-teaching staff of schools, staff of office of Director of Inspection of school, non-Government organisation amalgamated with KMC were imparted elementary fire fighting and extinguisher operation training. Every year, organising bodies of different puja festivals were given fire awareness and fire extinguisher operation training.

Though, the IFS had a departmental refresher course of 10 days for FO/ Leader/ FEOD, no such training could be conducted during last five years owing to acute shortage in operational strength of FSs.

The IFS had shortage of training staff. The posts of Principal and Chief Instructor were lying vacant since February 2008 and October 2009 respectively and out of 19 posts of other training staff, 14 men were in position as on March 2010. There were also shortages of requisite appliances. It had only one hydraulic cutter and two BA sets in working condition. Two thermal cameras and 15 BA sets were out of order.

The DG, in his reply stated (January 2011) that for smooth functioning of the department and for providing uninterrupted public service, the Director and

⁸³ Station Officer:8, Sub-Officer:31,FEOD:110, FO:469

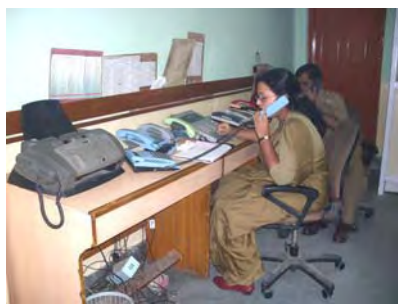
Deputy Director of Headquarters were holding additional charges of the Principal and Chief Instructor respectively.

2.3.12.2 Drills

As per norms in the Drill Manual, regular fire drills are to be performed by fire staff for efficient and prompt response in combating fire and fire related disasters. No such drill was, however, conducted in any fire station including Headquarters. Test check revealed that no fire stations had drill grounds of their own and Siliguri FS attended a mock drill arranged privately with one fire tender.

Thus, absence of periodic in-service refresher training as well as regular drills had the potential to compromise the efficiency of fire personnel.

In reply (February 2011) Government intimated that, routine drills and exercises are conducted at all fire stations. The reply does not appear to be correct as drill grounds are not available with all of the FSs.



Control Room at WBFES Hd.Qrs

administrative staff from different FSs.

2.3.12.3 Professional Duty Meet

Traditionally WBFES organised a 'Professional Duty Meet' at IFS, Behala during February each year till 2009. This generally included march past, marching/squad-drills, six-men pump drills, four-men ladder and rescue drills, put-on gears; quiz contest for operational, communication, workshop and

DG, WBFES informed (March 2010) that this meet could not be organised in 2010 due to acute shortage of DO, Station Officers, Sub-Officers, FEODs and FOs.

2.3.13 Fire/rescue calls

Headquarters Control Room (HQCR) at DG's office has a sanctioned strength of five Chief Mobilising Officer (CMO), 10 Mobilising Officers (MO) and 20 Assistant Mobilising Officers (AMO). Audit observed that there was a shortage of 12 AMOs. Records of fire, rescue and other calls attended, loss/saving of lives and property after fire accidents were reported by all divisions to the HQCR. It was the duty of HQCR to generate an annual compiled report of the state in this regard. As state-wide network connectivity to facilitate generation and transmission of data was not introduced by WBFES till date, total process of reporting from divisions and compilation thereof at HQCR was done manually.

The position of number of calls attended, lives and property lost and property saved by the fire services during 2005-06 to 2009-10 is as under:

Table No.2.3.5: Year-wise position of number of calls attended, lives and property lost and property saved

Year	No. of calls received and attended			Loss of lives	Property loss	Property saved
	Major fire	Minor fire	Total		(₹ in crore)	
2005-06	30	7168	7198	72	146.37	237.18
2006-07	29	3245	3274	19	35.21	120.70
2007-08	28	3133	3161	27	61.81	104.03
2008-09	30	3337	3367	31	56.84	132.33
2009-10	31	4779	4810	88	46.72	233.93
Total	148	21662	21810	237	346.95	828.17

Source: Data furnished by 'A' Division

It would be seen from the above that during 2005-06 to 2009-10 department would save property to the extent of ₹ 828.17 crore.

2.3.13.1 Response time

As per norms fixed by SFAC, the first fire engine should reach the place of incidence within five minutes after the receipt of call in urban areas. Test check of records revealed that no data for response time was maintained by WBFES during the period of audit. Test check of different fire reports also revealed that fire officer of the first fire engine neither noted time of arrival at the place of incidence, nor communicated the same to the concerned fire station.

DD, North Zone, attributed (June 2010) the same to weak communication network provided by the department, failure of network due to long distance etc. Thus, due to non-recording of the same, there was no watch over response time taken, which is an important indicator of efficiency and preparedness of fire services. DO, A division, however, stated (September 2010) that first vehicle could not reach within of five minutes in each case as FSs were not situated as closely as envisaged by SFAC.

2.3.14. Wireless communication system and computerisation

2.3.14.1 Communication system

Requirement of communication facilities as per communication Sub-Committee of SFAC included Radio Communication between the FSs and its fire fighting vehicles and between vehicles and the crew.

In 2005, in replacement of the old ones, VHF radio links were installed by West Bengal Electronics Industry Deveopment Corporation Limited (WEBEL) at 29 sites under four⁸⁴ divisions of WBFES at a cost of ₹ 37.36 lakh. In March 2007, for supply, installation and commissioning of wireless system (VHF radio link (static and mobile)) in 69 FSs of nine divisions except 'A' division, ₹ 115.28 lakh was sanctioned. Work order was issued to WEBEL in April 2007. However, time frame for completion was not fixed. The payments were to be released subject to the approval of the Equipment Officer against satisfactory installation, verification and commissioning of the

⁸⁴ A,B,C and D divisions

system. In violation of this condition, ₹ 64.67 lakh was paid to WEBEL in December 2007 for supply of SMF batteries, Walkie-Talkies and related items. Till July 2010 the system had not been commissioned. Nothing was on record to show whether an attempt was made to insist WEBEL Limited to complete the system.

In April 2010 a survey of communication system of all the FSs was conducted by CMO, WBFES, which concluded that most of the VHF radio links including those installed in 2005 were inactive. Besides, no database was maintained in this regard and the department did not make any effort to ascertain reasons for breakdown of the system. Thus nonfunctioning of most of the systems within five years indicated lack of monitoring by the department, which would ultimately adversely affect the efficiency of the department.

Further Audit observed that in two⁸⁵ FSs of Bardhaman district, new sets received in 2008 were lying in stock owing to non-installation, while in three⁸⁶ FSs of Darjeeling district, sets were installed but not commissioned. In Matigara FS installed set was damaged by thunder storm as it had no earthing.

Thus, even after incurring expenditure of ₹ 1.02 crore between 2005 and 2007, the WBFES could not install an effective communication system among fire stations, control rooms and fire vehicles. Inter station communication was mainly through BSNL telephones and personal mobile phones.

In the reply (February 2011) Government stated that communication systems in the shape of Radio Telephones and basic telephone services are available. Also the Directorate is initiating steps to modernise the communication system to upgrade the efficiency of the services for which various Government formalities are to be compiled with. The reply is not acceptable as there has been undue delay which has the potential of compromising the preparedness of Fire Services.

2.3.14.2 Computerisation project

In September 2002 a proposal for computerisation of WBFES with LAN connectivity in Headquarters along with WAN connectivity between Headquarters and all divisions in two phases at a cost of ₹ 1.30 crore (Phase I: ₹ 86.67 lakh; Phase II: ₹ 43.68 lakh) was mooted. The project aimed at creating a decision support system for emergency situations, integrated management information system, recording system of all fire incidents, identification of fire stations/vehicles for availability to fire calls, special routing instruction to take care of road blockade and human resources development via scheduling of training programmes.

The department sanctioned ₹ 17 lakh in January 2004 for procurement of hardware/software. WBFES procured (June 2004) hardware and software

⁸⁵ Asansol and Bhatar

⁸⁶ Darjeeling, Kalimpong and Matigara

through an agency and developed accounting module including pay roll etc. at a cost of ₹ 17 lakh which was working. For second phase, during 2005, an estimate of ₹ 50.43 lakh was obtained from WEBEL Ltd. in a project report and the job was offered to them under a policy adopted by State Finance Department in May 2005 on procurement of IT products. The estimate included ₹ 34.84 lakh towards cost of hardware and ₹ 15.59 lakh for application software for Materials Management System, Vehicle Management System and Fire License Information System. In March 2007 procurement of hardware was made from WEBEL at a cost of ₹ 28.88 lakh.

The Department did not confirm whether the server was working and whether the LAN/WAN and information system were installed. However, from the budget speech of March 2010 it transpired that neither the Management Information System nor the computerisation of fire license has been introduced as of March 2010.

2.3.15 Water sources of WBFES

Adequate supply of water and reserve is absolutely essential for fire fighting. WBFES was responsible to ensure adequate supply of water and in particular, as per SFAC norms, ensure provision of reserve water of one gallon per head in a town/city having a population of two lakh and above. For this purpose, it was necessary to provide Static Storage Tanks at various locations in the locality.

Test check of different fire stations of Bardhaman, Darjeeling and Kolkata districts revealed grossly inadequate provision of water sources as detailed under:

- During September 1984 a list of sources of water (Semi underground water reservoir: 11; underground reservoir: 25; open water source:46; hydrants and deep tube wells:9 and water sources available at various buildings:53) in Kolkata area under 'A' division was prepared and circulated. No log book was maintained to indicate present status of usability of these sources.
- Out of five test checked FSs of Kolkata in 'A' division, two⁸⁷ had no water sources of their own. Test checked FSs had no information regarding other water sources either private or public within their jurisdiction which could be tapped in emergency.
- In Kolkata under 'B' Division, all the underground reservoirs and fire hydrants except for two (which were available in 1999) had become defunct due to non-maintenance.
- In Kolkata and Bardhaman districts six⁸⁸ out of 13 test checked FSs had no water source of their own. Keeping in view the dense and thickly populated areas in Kolkata and around, the non-availability of

⁸⁷ Kalighat FS and Tollygunj FS

⁸⁸ Asansol, Bhatar, C.R. Avenue, Dum Dum, Nimtala, and Panagarh

water reservoirs /resources is a cause of worry calling for immediate attention.

- In Darjeeling district, 80 KL capacity water reservoir of Darjeeling FS dependent on natural hill stream remained dry from October to May. One 40 KL municipal tank and collection of water from natural sources served as alternative arrangement. An under ground water tank of 20000 gallon capacity at Kurseong FS was defunct since 2003. The present source of water was only 3KL municipal water tank. During November 2009, 10 new points for Hydrants was selected by Kalimpong FS jointly with PWD. No progress has been reported in the matter.

2.3.16 Fire Prevention

2.3.16.1 Fire Safety Certificate and No Objection Certificate

Under Section 11C of the West Bengal Fire Services Act 1950 (Act) and Rule 15 of the Fire Prevention and Safety Rule 2003 (Prevention Rules), a 'Fire Safety Certificate' (FSC) to be issued by a licensed agency appointed by WBFES for a high risk building. Director would endorse this FSC against proper fire safety measures. Further, under Section 11D of the Act and Rule 17 of the Prevention Rules, 'no objection certificate' (NOC) is to be obtained for construction of a high risk building from WBFES in support of its fire safety system. Buildings constructed prior to enforcement of the section 11C of the Act in 1996, were also to be covered under this section.

WBFES has not appointed any licensed agency to issue the FSC. Though there was no provision in the rule, provisional NOCs were issued along with recommendations of safety against payment of fees. The compliance to the recommendations was not inspected unless final NOC was applied for.

In the Fire Prevention Wing, headed by one Deputy Director, there were seven Fire Prevention Officers (FPOs). They are to inspect high rise residential buildings, educational institutions, places of public entertainment, hospitals and commercial places etc. to see whether fire prevention measures were followed and to periodically test the fire extinguishing system and other fire appliances installed therein under Section 3AA of the Act. Nothing was on the record to show whether such inspections were conducted *suo moto* or only as and when applications for obtaining provisional NOCs were received.

DD, North Zone accepted (June 2010) the above observation regarding absence of a proactive mechanism.

DD, Prevention and Protection intimated (May 2010) that as against 3693 applications received during January 2005 to March 2010, provisional NOCs as well as final NOCs had been issued in 2496 cases. However, in the absence of records the position could not be verified. Test check revealed the following irregularities:

- DG, WBFES authorised (April 2005) DOs of G and other three⁸⁹ divisions to issue NOC within their jurisdictions. During the period of audit, out of 412 applications, provisional NOCs were issued in 408 cases in G Division against collection of ₹ 76.96 lakh. Scrutiny revealed that in 67 cases after completion of construction, final NOCs were issued without inspection by relying on declaration of the owners to the effect that recommendations of WBFES had been duly complied with.
- To overcome loss of Government revenue and prevent occurrence of fire in fire prone establishments at Siliguri Municipal area and Siliguri Jalpaiguri Development Authority (SJDA) area, the department formed a Task Force (TF) for fifteen days during April 2008 for random survey. TF identified 80 business houses running without NOC at Siliguri area and served notices to them. Till June 2010 only 23 obtained provisional NOCs after remitting requisite fees (₹ 3.56 lakh). Further initiative was not taken to ensure fire safety compliance by those 23 business houses. No action was taken against the remaining 57 business houses. Thus, even after identification, 80 defaulting fire prone business houses could not be covered under fire prevention measures over a period of more than two years.

In reply (July 2010) DD, North Zone stated that tenure of task force was only 10 days and follow-up action could not be taken by regular administration due to inadequate infrastructure.

Test check of records of FSs in Kolkata and Darjeeling districts revealed that NOCs under Section 11C of the Act issued at divisional headquarters were not intimated to local FSs. As such, Station officers, at the time of any fire in any building under its jurisdiction, remained unaware of fire extinguishing arrangements available in that building.

In the reply (February 2011) Government had accepted their shortcoming to check fire prevention and protection in high risk buildings and stated that Directorate of WBFES did not have adequate strength of inspecting officers. Government approval for proposal for augmentation of the inspecting workforce was awaited.

2.3.16.2 Issue of Notice under section 35 to undertake fire safety measure

Section 35 of the Act, provides that it is the responsibility of the owners to take action to rectify the deviations from safety measures noticed during inspections. Audit observed that neither regular inspections were carried out nor notices were issued by the prevention wing of the Directorate. After occurrence of some severe fire incidences at market places and commercial houses at Kolkata due to lack of fire safety system, WBFES took some positive steps and along with Kolkata Police, Kolkata Municipal Corporation and CESC, inspected 28 hazardous market complexes and 15 commercial

⁸⁹ Divisions D2, H and H2

buildings and as per minutes of meeting held on May 2010 issued notices under section 35 of the Act. FIRs were also lodged against five market building authorities.

After being authorised by WBFES during November 2009, H Division issued notices during 2009-10 under section 35 of the Act to 22 high risk buildings/commercial houses/owners after inspection.

2.3.17 Fire safety awareness campaign

From 2009-10 the department started a publicity campaign on fire prevention and protection awareness. From September to October 2009, out of provision of ₹ 2 crore, an expenditure of ₹ 51.36 lakh was incurred on display of hoardings, banners, flex prints at different locations in Durgapur, Kolkata and Siliguri and broadcasts through FM radio, private television channels through an advertising agency recognised by Information and Cultural Affairs Department.

FSs under Kolkata observe 'Fire Prevention Week' annually in establishments like schools, high-rise buildings, markets, slum areas etc.

In Darjeeling, 'Fire Prevention Week 2010' was carried out by division and FSs during 2010 by demonstration in oil refineries, airport, tea gardens, schools, gram Panchayat offices; through distribution of leaflets; circulation of fire prevention bulletin through local news paper and local cable channel.

Department stated (July 2010) that since long it was felt necessary to create awareness on the prevention and fire safety among people at large but due to meagre budgetary support the same could not be organised on a large scale. The reply, however, did not address the issue of non-utilisation of allotted funds during 2009-10.

2.3.18 Approach of municipal developmental authorities regarding fire safety of new constructions

Authorities involved with development of new townships had taken a positive approach by adopting fire safety clauses in addition to standing Municipal Laws.

- Rajarhat New Town Authority, during August 2009, adopted a Rule, according to which while approving a building plan, concerned architects and engineers were required to ensure receipt of no objection certificate from WBFES and also that approved plans are in conformity with stipulations of Para 4 of the National Building Code having detailed rules, norms and methods of fire safety.
- Kolkata Municipal Corporation adopted a new building rule in September 2009, which *inter alia* stipulated (para 12.9) consultation with Director of Fire Services before grant of permission to erect a building.

- Siliguri Jalpaiguri Development Authority had framed its regulation against Planning and Development Act, 1979, wherein detailed rules on fire and exit requirements had been included.

2.3.19 Fees payable for extinguishing fire

Under Section 4A of the Act, DG was responsible to raise demand and realise 'Fire Service Charges' from commercial houses or premises requiring 'Fire Safety Certificate' for sending fire brigade in order to extinguish fire. Divisional Officers were responsible for collection of those charges. As per the record on demand and collection of such charges maintained by DG's office, ₹ 1.03 crore pertaining to the period July 2003 to March 2010 stood realisable in 10 divisions as shown below:

Table No.2.3.6: Outstanding fire service charges

(₹ in lakh)

Name of Division*	Amounts outstanding as of March 2010	No. of cases	Remarks
A Division	19.51	174	Public demand issued on February and March 2009 for total amount of ₹ 17.04 lakh
B Division	57.80	122	Public demand issued on April and May 2010.
C Division	6.97	137	
D Division	3.14	27	
E Division	6.80	71	Second reminder issued to 71 defaulters
F Division	0.43	7	
G Division	8.28	32	Demand of ₹ 0.28 lakh to the concerned commercial houses yet to be made.
Total	102.93		
*There was no outstanding FSC in D2, H and H2 Divisions			

Source: Replies from 10 Divisions

Scrutiny revealed that statement of demand as submitted by FSs in two⁹⁰ divisions did not indicate whether the affected building was covered by 'no objection certificate'. However, at the instance of Audit all FSs under 'A' division had been instructed to mention in the working statement whether NOC/Fire Licence was issued to the affected building.

Government's reply was silent on this issue.

2.3.20 Fire Licence

Under Section 12 of Act and Fire Licence Rule 2004, storing or processing of hazardous substances in houses/godowns is allowed subject to grant of fire licences by the collector⁹¹ appointed by the department. Issue of this license should be made against application by the owner of the premises along with a copy of requisition of fire safety duly endorsed by DG's office or a copy of FSC duly endorsed under Section 11C and other relevant documents. In practice, applications were forwarded to Fire Protection Wing headed by one Deputy Director, for necessary inspection and fire licence was issued after remittance of amount as assessed by assessor of DG. Licences remained valid

⁹⁰ Division A and B

⁹¹ at present, Jt. Secretary, WBFES department is the collector for fire license. For North Zone, Dy. Director North Zone was appointed as collector.

for one year and were required to be renewed. During 2005-10, out of 12386 new applications and 60398 renewal cases, total 48051 licence had been issued. Break-up of the cases of new applications and renewals were not maintained by DGFES. During the said period 7173 fire licences were also issued for manufacturers/vendors of fire works. The reasons as ascertained by Audit for shortfall of 24733 cases were as under:

- After application and inspection, vendors of the hazardous items were unable to install safety measures as asked for,
- Storage of hazardous item was not permissible as per rule, and;
- Amount of licence fee as assessed by assessing authority could not be remitted by the vendors.

However, no mechanism was in place or nothing was on record to show initiative by WBFES to prevent hoarding of hazardous items in premises for which licence had been denied.

2.3.21 Conclusion

Given the large scale urbanisation through development of new townships and change in population density, it is imperative that WBFES keeps pace with the change through expansion of its coverage by setting up new FSs and procurement of new fire tenders and other appliances. However, though road map for construction and upgradation of new FSs were spelt out repeatedly in the Budget speeches, the progress in work was slow. There was laxity on the part of WBFES in pursuing with implementing agencies to get the construction of Fire Services buildings completed. Lackadaisical approach of the department to complete the formalities of procurement was also apparent from instances of delay of more than three years in receiving fire tenders even after releasing payments. This had also impacted the preparedness in regard to availability of fire tenders.

Moreover, insufficient monitoring and absence of data base on availability of fire tenders/safety appliances at fire stations, shortage of fire tenders as per SFAC norms coupled with inordinate delays in repair and commissioning of out of service vehicles, potentially compromised preparedness of fire stations.

Manpower management also remains to be a matter of concern, as shortage of operational staff coupled with absence of periodic in-service refresher training as well as regular drills affects the operational efficiency of fire personnel. Besides, absence of evaluation of physical fitness of aged staff as per SFAC norms may compromise efficiency.

Absence of effective communication system and computerised management information system and decision support system adversely affected the performance of WBFES.

Activities of WBFES as regards fire prevention and protection in high risk buildings was not proactive, rather it was dependent upon initiative of the building owners.

Recommendations

- *WBFES should prepare a suitable Perspective Plan for setting up new FSs and upgradation of existing ones and identify prospective sources of funds to keep pace with the large scale urbanisation and increasing population density;*
- *WBFES should maintain centralised database of availability of various items of safety appliances and draw up annual procurement plan after obtaining specific requirements from the divisions and consider revamping the workshop infrastructure.*
- *Water source on the basis of SFAC norms to be established throughout the State especially in Kolkata (being thickly populated).*
- *The practice of issuing temporary NOC to high risk buildings needs to be reviewed.*

Chapter 3

Compliance Audit

- 3.1 *Audit of non-compliance with rules and regulations*
- 3.2 *Audit against propriety/ expenditure without justification*
- 3.3 *Persistent/pervasive irregularities*
- 3.4 *Failure of oversight/governance*

3.1 Audit of non-compliance with rules and regulations

For sound financial administration and financial control it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authorities. This not only prevents irregularities, misappropriation and frauds, but also helps in maintaining financial discipline.

In the course of audit of State Government Departments and their functionaries, various cases of non-compliance with departmental codes and manuals, Government orders/rules as well as non-adherence to the stipulations imposed by various scheme guidelines etc. were noticed. Some major cases of deviations from norms/rules are discussed in the succeeding paragraphs. As these were arising only out of test-check of some offices, the Government should ascertain occurrence of similar cases in other departments/districts and evolve adequate mechanism to arrest these irregularities.

DEVELOPMENT AND PLANNING DEPARTMENT

3.1.1 Member of Parliament Local Area Development Scheme (MPLADS)

3.1.1.1 Introduction

Member of Parliament Local Area Development Scheme (MPLADS) was introduced in December 1993 enabling Members of Parliament (MPs) to recommend works for provision of certain basic facilities with emphasis on the creation of durable community assets. The scheme was fully funded by the Government of India (GoI). The annual entitlement of an MP is ₹ Two crore. Under MPLADS, Lok Sabha MPs can recommend works for their constituencies, whereas elected members of Rajya Sabha can do so in the State of their election. Nominated members, however, can recommend works anywhere in the country. The Development and Planning department is the nodal department in the State for supervision, monitoring and co-ordination of MPLADS. District Magistrate (DM) is the district nodal authority and works are executed through different State Government agencies like municipalities, corporations, zilla parisads and panchayat samitis etc.

A long paragraph on MPLAD scheme for the period 1997-2000 featured (para No. 3.8) in the Report of the Comptroller and Auditor General of India (Civil), Volume I for the year ended March 2000. Some major irregularities highlighted in the previous report were as under:

- Non-completion of works recommended by MPs.
- Execution of inadmissible works
- Non-furnishing of Utilisation Certificate (UC)
- Non-maintenance of Asset Registers
- Lack of monitoring

3.1.1.2 Audit Objectives

Objectives of Audit were to assess whether:

- the works sanctioned under MPLADS were completed within the stipulated timeframe.
- Works executed were admissible.
- works undertaken by the district authorities were in accordance with the scheme guidelines and whether funds were managed effectively.
- monitoring mechanism was effective.

3.1.1.3 Scope and coverage of audit

Audit was carried out by examining the records of Development and Planning department and district nodal authorities of five selected districts¹ (comprising 30 MPs) including Kolkata relating to transactions of MPLAD Scheme of 14th Lok Sabha and Rajya Sabha MPs for the period from 2004-05 to 2009-10. Records of 446 selected implementing agencies (IAs)² were also examined. The districts were selected by applying simple random sampling without replacement method.

3.1.1.4 Audit Findings

The major Audit findings of the current Audit are enumerated below:

3.1.1.4.1 Incomplete works

As per the scheme guidelines the work taken up should be completed within a year of sanction. Since inception of the scheme, out of 68421 works recommended in the State, 64907 works valued ₹ 1450.98 crore were sanctioned, of which 7294 works (11 *per cent*) valued ₹ 143.14 crore remained incomplete as of March 2010.

In five selected districts, out of 6921 works estimated to cost ₹ 226.65 crore sanctioned between 2004-05 and 2009-10, 4590 works valued at ₹ 124.52 crore were completed. Balance 2331 works (34 *per cent*) valued ₹ 102.13 crore remained incomplete as of March 2010, which included 392 works valued at ₹ 11.50 crore taken up five years ago. Expenditure incurred on incomplete works amounted to ₹ 57.31 crore (**Appendix 3.1**).

Moreover, 520 works valued at ₹ 17.64 crore sanctioned from 1994-95 to 2003-04 in these five districts remained incomplete after incurring ₹ 11.73 crore.

The district authority did not maintain records regarding non-commencement or abandonment of sanctioned works nor did the implementing agencies (IAs) report the same to the district authorities. In the absence of any information, the abandoned works were treated by the nodal authorities as incomplete works.

¹Hooghly, Kolkata, Paschim Medinipur, Purulia and South 24 Parganas districts. Commissioner, Kolkata Municipal Corporation (KMC) was the nodal authority for MPLADS in case of Kolkata

²127 in Hooghly, 130 in Kolkata, 89 in Paschim Medinipur, 32 in Purulia and 68 in South 24 Parganas districts

The department replied (December 2010), that Kolkata Municipal Corporation and the District Magistrates must be provided with separate manpower by Ministry of Statistics and Programme Implementation, (MOSPI), Government of India for looking after MPLADS works exclusively. However, whether this proposal was taken up with MOSPI was not stated.

3.1.1.4.2 Sanction of funds less than estimated cost of works

The scheme guidelines stipulated that in case the amount recommended by the MP is less than the estimated value of work and no other sources were identified to make good the deficit, the work should not be sanctioned.

In violation of this stipulation, authorities of four test checked districts released ₹ 2.41 crore (between 2004-05 and 2008-09) for 26 such works (**Appendix 3.2**) with a total estimated cost of ₹ 11.64 crore without identifying sufficient sources of additional funds to complete the works. While additional funds of ₹ 1.41 crore had been mobilised in three cases, it was not sufficient to complete the works. Resultantly, all the 26 works remained incomplete after spending funds ranging between six to 83 *per cent* of the estimated cost. Audit observed that such works were shown as completed in the records of four district authorities, as utilisation certificates had been received for amount of the entire funds sanctioned.

In reply (December 2010) department stated that sometimes MPs recommend funds less than the estimated cost with the supposition that the residual funds would be made available from other sources. The reply is, however, to be viewed in light of the fact that it was the responsibility of the district authorities to ensure that MPLAD funds were used only to supplement other funds, where necessary. Thus, expected outcome of these 26 works remained unachieved even after utilisation of ₹ 2.41 crore of MPLADS funds.

3.1.1.4.3 Execution of inadmissible works

It was the duty of the DM to bring to notice of MPs any inadmissible works being recommended by them so that MPs could recommend alternative works. However, forty four inadmissible works valued ₹ 1.84 crore *viz.* constructions of Government buildings, renovation works and purchase of movable items, prohibited under the scheme, were sanctioned in five selected districts (**Appendix-3.3**).

In reply (December 2010) department stated that it had cautioned the district authorities from not sanctioning inadmissible works under MPLADS guidelines and the concerned MPs to be apprised forthwith, preferably within 45 days from the day of recommendation. Department also circulated (August 2010) a recent clarification regarding purchase of movable items issued by MOSPI to the District Authorities.

3.1.1.4.4 Delayed sanction of recommended works

The MPs recommended works based on estimates proposed by the communities. It was the responsibility of the DM to verify admissibility and technical feasibility of those estimates before sanctioning the works. The sanctions were to be accorded within 45 days from the date of receipt of

recommendations. In case of delay due to genuine reasons, a clarification for delay should be incorporated in the sanction letter in terms of para 3.12 of the guidelines.

In five selected districts, out of 5379 works valued ₹ 169.30 crore, for which dates of sanction were available, 2925 works valued ₹ 78.90 crore were sanctioned after 45 days but within one year, 525 works valued ₹ 14.34 crore were sanctioned within two years and 135 works valued ₹ 7.33 crore were sanctioned after 2 years of obtaining recommendations (**Appendix 3.4**).

In reply (December 2010), the department accepted that recommendations of schemes were not made available to district authority (DA) along with plan and estimates which led to loss of time in verification of land clearance and technical viability and admissibility of the schemes and in many cases time limit of 45 days could not be maintained by the DA. Further, absence of separate complement of technical manpower for MPLAD scheme compounded the problem.

3.1.1.4.5 Works executed through user institutions

As per guidelines, concerned Panchayati Raj Institutions (PRIs) would preferably be identified by nodal districts as Implementing Agencies in rural areas. However, in five selected districts, out of 6921 works sanctioned during 2004-10, 1450 works (21 per cent) worth ₹ 50.03 crore were executed directly through user institutions. Of the said works, UCs of only 881 works valued ₹ 25.78 crore were obtained till July 2010. The district-wise break-up is shown below:

Table No.3.1 Works executed by beneficiary institutions

District	Works executed by beneficiary institutions		UC obtained	
	No of works	Amount (₹ in Crore)	No of works	Amount (₹ in Crore)
KMC	342	12.38	77	2.55
South 24 Parganas	284	8.02	253	6.97
Hooghly	475	13.84	295	8.76
Paschim Medinipur	206	10.40	130	2.90
Purulia	143	5.39	126	4.60
Total	1450	50.03	881	25.78

(Source: Data base of district authorities)

Audit observed that such a practice was prone to serious risks. In the test checked districts, the execution of works were neither monitored by district authorities nor any physical verification of works carried out. Thus the nodal districts did not ensure whether expenditure of which UCs have been received has actually been incurred for creation of community assets of durable nature. Scrutiny of records in five selected districts where MPLADS works were implemented directly by user institutions revealed the following:

- Procedures relating to preparation of bid document, tendering, etc, were not followed for civil works. Generally labour was engaged

locally and materials were procured from local market against spot quotations.

- In South 24 Parganas district:
 - One college procured one diesel generator set, an inadmissible item at a cost of ₹ 3.54 lakh against funds of ₹ three lakh sanctioned for development purposes.
 - One school spent ₹ 8.50lakh against sanctioned funds of ₹ 10 lakh for fixing of false ceiling and wall lining of the Auditorium and submitted the utilisation certificate (UC) for the full amount of ₹ 10 lakh in December 2008 despite the fact that the balance amount of ₹ 1.50 lakh remained unutilised with the school.
 - DM, South 24 Parganas released ₹ 5.09 lakh in May 2008 to the Village Education Committee for construction of classroom of Rajapur Free Primary School at Taldi-I under Canning-I block. During Physical inspection (9 July 2009) of the work by Audit, the constructed class room was not found, however, UC for the entire amount of ₹ 5.09 lakh was received by the DM. The misappropriation had been confirmed after investigation by Block authority and FIR was lodged by district authority. The Superintendent of Police, South 24 Parganas reported (November 2010) that the person was absconding.

3.1.1.4.6 Maintenance of bank account for scheme funds

According to scheme guidelines, district authorities and IAs should deposit scheme funds in Nationalised Banks and separate accounts should be opened for each MP for the purpose. Interest accrued on these accounts was to be used for permissible works recommended by the MP concerned. District authorities of test checked districts maintained separate bank accounts for each MP but, IAs of test checked districts maintained a single savings bank account for transactions of MPLADS funds. As a result, the interest accrued against each work was not ascertainable. IAs did not refund the interest to the district authorities and thus it could not be gainfully utilised.

3.1.1.4.7 Unspent balances of former Rajya Sabha MPs

Guidelines stipulate that balance funds, not committed for works left by the predecessor Rajya Sabha MP in a particular State should be equally distributed by the State Government among the successor elected Rajya Sabha MPs in that State. Unspent balances aggregating ₹ 7.84 crore of former Rajya Sabha MPs were not returned to nodal department for distribution among successor Rajya Sabha MPs and the entire amount remained parked with the nodal district authorities. Thus, the present MPs could not recommend works to that extent, depriving the constituencies.

In reply (December 2010), department stated that while it had distributed the unspent balance of nine Ex-MPs, necessary action is being taken to distribute expeditiously the unspent balance of remaining Ex-MPs.

3.1.1.5 Monitoring

A Monitoring Committee mandated to review the progress of implementation of work with district authorities and MPs at least once a year was not formed as of March 2010. The department stated (May 2009) that the monitoring committee had not been constituted due to limitations on the number of committees in the State.

In contravention to the scheme guidelines, system of inspection of works by officers of nodal departments was not put in place. The department stated (May 2009) that such provision was not complied with due to acute shortage of officers in the rank of Deputy Secretary. Thus, the nodal department was not in a position to follow guidelines on monitoring. Further, guidelines stipulated that the district authorities shall inspect at least 10 *per cent* of the works under implementation every year. While four test checked district authorities could not furnish any record in support of inspections conducted, DM, South 24 Parganas inspected 59 works during August to December 2007 against 982 works sanctioned during 2004-09. DMs, Hooghly and South 24 Parganas stated (June/July 2009) that monitoring of such a large number of works and maintenance of records of inspections were not possible due to shortage of staff on MPLADS works.

Thus, due to inadequate monitoring, instances of irregularities in execution of works were noticed, which included non-existence of assets stated to have been created indicating misappropriation of funds despite UCs having been furnished.

In reply (December 2010), the department stated that the Chief Secretary, Government of West Bengal conducts annual meeting to review the progress of MPLADS. The Additional Chief Secretary, Government of West Bengal conducts video Conference annually with the District and Divisional heads. During November 2010, department held one meeting with District Planning Officers and another with representatives of Hon'ble MPs. In the reply department also expressed the inability of District Authorities to conduct annual inspection of at least 10 *per cent* of MPLADS work as they have no separate set up for the same. However, in April 2010 department issued instructions to District Authorities to make regular field visits.

3.1.1.6 Conclusion

Though MPLADS works were required to be completed within a year of sanction, works were found incomplete ever after five years from the year of recommendation. Works remained incomplete as sanctioned amounts were less than estimated cost. Substantial amounts of scheme funds were spent on inadmissible works. On a number of occasions, works were executed through beneficiary institutions leading to misappropriation of funds without creation of asset. Instances of execution of works without following tendering procedures and expenditure on inadmissible items were also noticed.

IAS did not maintain separate bank accounts for each MP violating the scheme guidelines. Interests earned on scheme funds were not refunded.

Unspent balances of former Rajya Sabha MPs had not been distributed amongst the successor Rajya Sabha MPs.

Oversight by the nodal department was inadequate as the monitoring committee required to be constituted under scheme guidelines was not formed. District authorities, in turn, did not conduct stipulated inspection.

3.1.1.7 Recommendations

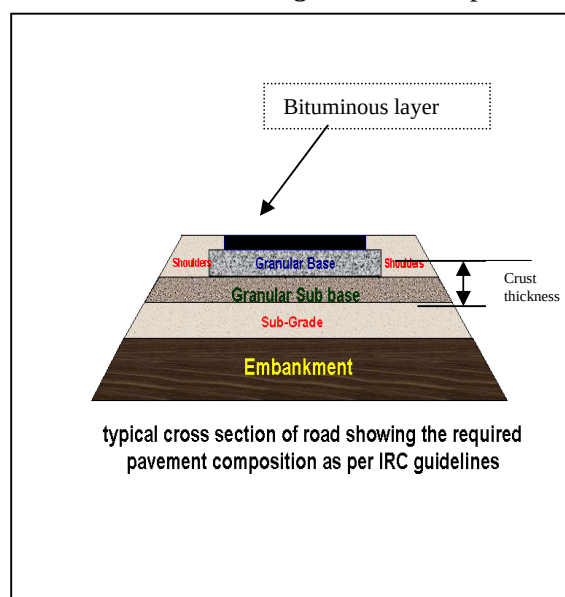
- *District authorities should strictly adhere to the provisions of the scheme guidelines while sanctioning scheme funds for works recommended under the MPLADS.*
- *The district authorities should select Panchayati Raj Institutions (PRIs), Urban Local Bodies (ULBs) and Government Departments or agencies only as IAs for execution of works.*
- *The State Government should constitute review committee as required under scheme guidelines and ensure supervision of works by the nodal department and authority in order to optimise the benefits of the scheme.*

HOUSING AND PUBLIC WORKS DEPARTMENT

3.1.2 Wasteful and avoidable expenditure

Failure to adhere to technical norms in road construction resulted in wasteful expenditure of ₹ 2.24 crore and avoidable expenditure of ₹ 2.94 crore

Guidelines for the design of flexible pavements of the Indian Road Congress stipulate that the crust thickness of a road should be designed on the basis of CBR³ value of the sub-grade and projected traffic volume during the design life of the road. The required crust thickness of non-bituminous and bituminous surfacing has also been specified in the IRC guidelines, as deviation from the norms may affect stability and the life span of the road.



Records of two divisions of Housing department and ten divisions of Public Works department responsible for

³ California Bearing Ratio is a unit to measure the strength and plasticity of the sub-grade/soil

execution of road works were examined between March 2010 and May 2010 to see whether these design norms were adhered to. The results of audit are enumerated below:

3.1.2.1 Extra expenditure of ₹1.27 crore and avoidable expenditure of ₹0.53 crore on construction and repairs of road

Superintending Engineer, New Town Construction Circle (SE, NTCC) of Housing department awarded (June 2005) the work of construction of East-West Corridor (0.00 Km to 6.13 Km) in New Town to an agency for ₹16.60 crore. The work was scheduled to be completed by December 2005. The proposed crust thickness included laying of 300 mm granular sub-base, 250 mm granular base with Wet Mix Macadam and bituminous wearing course⁴ of 20 mm thick Premix Carpet (PC) with 6 mm thick seal coat on the top. The sanctioned estimate (September 2004) indicated that strengthening of the pavement with 113 mm of bituminous layers would be taken up later. The work was delayed as the department failed to hand over layout of road alignment in some stretches to the agency. The construction of the road upto 4.95 km was completed by June 2008 at a cost of ₹ 13.95 crore including expenditure of ₹ 1.27 crore on wearing courses. Finally, SE, NTCC rescinded the contract (December 2008) accepting the agency's plea of cost escalation.

Considering the CBR value and design traffic of the road the required crust thickness as per IRC specifications was 660 mm with 110 mm of bituminous layers. As evident from above, the strengthening with bituminous layers as per IRC specifications was not done. Consequently the road was completely damaged by October 2009 as the existing bituminous layers could not sustain the load of traffic and gave way. As a result, the department had to repair the underlying layers of Wet Mix Macadam at a cost of ₹0.53 crore prior to taking up the strengthening work on the completed portion of the road. Further, the department awarded (October 2009) the balance work of the road (4.95 Km to 6.00 Km) and strengthening of the completed section of the road with bituminous layers at a cost of ₹ 23.01 crore. The work due to be completed by April 2010 was in progress, as of December 2010.

Thus, the department's failure to adhere to IRC specifications in respect of crust thickness resulted in wasteful expenditure of ₹ 1.27 crore on wearing course and avoidable expenditure of ₹ 0.53 crore on repairs.

3.1.2.2 Avoidable expenditure of ₹2.41 crore due to insufficient provision of crust thickness

Superintending Engineer, Southern Circle, PWD awarded (April 2005) the work of Improvement and Strengthening of Budge Budge Trunk (BBT) Road from 8 km to 21 km under Central Road Fund (CRF) to an agency at a cost of ₹ 14.35 crore for completion by June 2006. The work was completed in February 2007 after incurring an expenditure of ₹ 14.25 crore. The work consisted of widening the carriage width of the road from 5.5m to 7m and strengthening the existing road surface with a designed life of five years.

⁴ Topmost Bituminous layer of the road which protects the underlying bituminous layers

Scrutiny of records revealed (April 2010)) that the crust composition of the pavement after execution of the work was 675 mm (400 mm sub-base/base and 275 mm of bituminous layers) in the original width of 4.5m of the road surface and 685 mm (460 mm of sub-base/base and 225 mm of bituminous layers) over the widened portion of the road surface. IRC guidelines provide for 750 mm (580 mm of sub-base/base and 170 mm of bituminous layers) of crust thickness considering the CBR value and design traffic. The designed life of the road was five years. Scrutiny revealed that the stretch of the road where improvement work had been undertaken at a cost of ₹ 14.25 crore was totally damaged within two years. Consequently, the department had to incur (December 2008 to March 2010) ₹ 2.41 crore on patch repairs.

The concerned Executive Engineer admitted (April 2010) that the crust thickness of the road needed to be increased. Thus, due to non adherence to IRC specification, the department had to incur avoidable expenditure of ₹ 2.41 crore.

3.1.2.3 Wasteful Expenditure of ₹0.97 crore due to non-adherence to IRC specifications

Superintending Engineer, Western Circle-I (SE/WC-I) awarded (November 2006) the strengthening work of Wilcox Road (5.4 km) to an agency at a cost of ₹ 0.94 crore for completion by March 2007. The work *inter alia* included Bituminous Macadam as profile corrective course and 20 mm thick Mix Seal Surfacing (MSS) as wearing course. The work was completed in August 2007 at a cost of ₹ 0.97 crore.

The department did not conduct any traffic survey to assess the expected traffic of the road which along with the CBR value determined the crust thickness. The strengthening work failed to cater to the heavy traffic and the road was damaged (by January 2008) after execution. The agency responsible for the work refused to rectify the defects during the contractual maintenance period of three years attributing the damage to failure of the sub-grade. As a result the division had to expend (during 2007-08 and 2008-09) ₹ 26.63 lakh on repair and maintenance through other agencies. To assess the reasons for frequent failure of the road the division conducted (March 2009) soil investigation through quality control division of Public Works (Roads) department. The results revealed very low CBR value (three *per cent*). Accordingly, an estimate of ₹ six crore was prepared for strengthening the road to provide the required crust thickness of 825 mm. The same was yet to be approved as of January 2011.

Audit observed that the existing crust thickness was not sufficient (400 mm) to bear the traffic load considering the condition of sub-grade. Thus, the department in disregard of the IRC specification executed the strengthening work without traffic survey and insufficient provision of crust thickness which resulted in wasteful expenditure of ₹ 0.97 crore.

The matter was reported to the Government in June 2010; reply had not been received till February 2011.

COMMERCE AND INDUSTRIES DEPARTMENT

3.1.3 Unauthorised retention of subsidy by a Government company

West Bengal Industrial Development Corporation Limited unauthorisedly retained ₹ 10.63 crore towards processing fees from subsidy released by the State Government for disbursement to power intensive industries of the State

In order to attract entrepreneurs to establish industries in the State, State Government introduced 'West Bengal Incentive to Power Intensive Industries Scheme 2005' in May 2005. The scheme, effective from April 2004, was valid up to March 2009 and provided for payment of incentives to new and expanding industries⁵. West Bengal Industrial Development Corporation Limited (Company) was the authorised agent for operation of the scheme. The incentive was payable quarterly by way of re-imbursement of part of net energy charges⁶ paid by the industries.

The units were to periodically claim the incentive after obtaining admissibility certificates from the designated power utilities⁷. On receipt of the same, the Company disbursed the incentive from the funds placed with it by the State Government.

There was no provision for payment of any fee to the company for operation of the scheme. Audit observed that the Company unauthorisedly deducted and retained ₹ 10.63 crore towards processing fees while releasing incentives⁸ to 154 companies (December 2005 to March 2009) despite reservations of the beneficiaries.

The Company replied (September 2008) that it had charged processing fees to meet its administrative costs. The Company requested (March 2007) the Government to bear the processing fee of five *per cent*. The Government had yet to respond to the proposal (January 2011).

The Management stated (June 2009) that the State Government had neither approved nor rejected the Company's proposal for collection of processing fees. In case of rejection, the company would refund the fees so collected. The reply is not acceptable, as the fact remains that the Company has unauthorisedly retained ₹ 10.63 crore (as of January 2011) from the subsidy without specific approval of Government, depriving the beneficiary industries of full benefits of the incentive. The department has also failed to resolve the issue after a lapse of more than 21 months since the closure of the scheme.

The matter was referred to Government in September 2010; reply had not been received (February 2011).

⁵ Those drawing power through high tension and extra high tension connection having actual monthly maximum demand of 1500 KVA and above.

⁶ Energy charges computed after allowing rebate on energy charges as approved by the West Bengal Electricity Regularity Commission

⁷ West Bengal State Electricity Board (now West Bengal State Electricity Distribution Company Limited) or the Durgapur Projects Limited

⁸ Company disbursed incentive amounting to ₹ 437.78 crore to 154 units

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1.4 Extra expenditure due to purchase of medicines at higher rates

The Superintendent, Sub Divisional Hospital, Islampur procured medicines from non-approved firms at higher rates in violation of the guidelines of Director of Health Services incurring an extra expenditure of ₹ 1.21 crore. Expenditure on purchase of medicines exceeded the allotment persistently, highlighting absence of any control by the Directorate of Health Services.

With a view to restrict purchase of drugs / equipment within the limit of allotted funds, Director of Health Services (DHS) issued (February 2003) guidelines for strengthening the system of purchase of medicines effective from April 2003. The guidelines *inter alia* stipulated that purchases should be made only from firms approved by Central Medical Store (CMS) under DHS and expenditure on this account should not exceed the allotment. These instructions reiterated by the DHS in April 2007, also prohibited purchase of medicines at rates higher than those approved by the CMS. Superintendents of hospitals were responsible for obtaining the lists of approved firms and rates from CMS.

Scrutiny (December 2009) of the records of the Superintendent, Sub Divisional Hospital, Islampur, revealed that in violation of the said orders, medicines were procured in excess of the budgeted expenditure during 2004-05 to 2006-07 and also in 2008-09 at an average of 495 *per cent* each year. An expenditure of ₹ 3.54 crore was incurred on procurement of medicines for the years 2004-09 against allotment of ₹ 0.67 crore only, leading to an excess expenditure of ₹ 2.87 crore as indicated in the table below.

Table No.3.2 Year-wise allotment over expenditure

Year	Allotment	Expenditure	Excess expenditure	Percentage of excess
2004-05	₹ 14 lakh	₹ 87.29 lakh	₹ 73.29 lakh	524 <i>per cent</i>
2005-06	₹ 11 lakh	₹ 95.87 lakh	₹ 84.87 lakh	772 <i>per cent</i>
2006-07	₹ 10 lakh	₹ 64.09 lakh	₹ 54.09 lakh	541 <i>per cent</i>
2007-08	₹ 21 lakh	₹ 30.54 lakh	₹ 9.54 lakh	45 <i>per cent</i>
2008-09	₹ 11 lakh	₹ 76.50 lakh	₹ 65.50 lakh	595 <i>per cent</i>
Total	₹ 67 lakh	₹ 354.29 lakh	₹ 287.29 lakh	

(Source: DDO-wise treasury accounts)

Such persistent excesses in expenditure were indicative of lack of budgetary control. The excess expenditure has not yet been regularised by the department as of July 2010 resulting in negative balances in treasury account under respective Heads of account.

Further scrutiny disclosed that during 2004-05 to 2008-09, purchases were made from firms not approved by CMS at rates higher than those approved by CMS leading to extra expenditure of ₹ 1.21 crore during this period as under:

Table No.3.3 Year-wise purchases at higher rates

(₹ in lakh)

Names of non-approved suppliers	Illustrative items of medicines and surgical instruments procured at rates higher than CMS rates	Excess expenditure incurred due to purchase at higher rate				
		2004-05	2005-06	2006-07	2007-08	2008-09
Dinajpur Wholesale Consumers' Co-op Society Ltd	Inj. Dextrose (5%), Inj. Ringer lactate, Inj. Decadram, Inj. Deriphylin, Tab. Norfloxacin, Inj. Ampicillin, Tab. Erythromycin, normal saline, IV Set, Jelco (adult and child), disposable syringes, etc.	34.06	15.52	21.81	-	-
M/s Aparna	Inj. Ampicillin, Inj. Diazepm, IV Dextrose (5%), IV Ringer lactate, Tissue forceps, Glucostic one touch ultra, Disp. ET Tube, Surgical gloves etc.	0.45	-	12.79	0.16	7.39
Khetwat MS Agency	Inj. Oxytocin, Inj. Mag Sulph, Cap Amoxycillin, IV Metogyl, IV Mannitol etc.	-	-	-	2.24	19.82
Deep Enterprise	Jelco (24G), Jelco (26G), IV Set, Surgical gloves, Nebuliser etc.	-	-	-	-	4.59
Nilkanta MA	Inj. Diazepam, Inj. Ampicillin, Cap Amoxycillin, IV Dextrose (5%), IV Ringer lactate etc.	-	-	-	1.74	-
Total		34.51	15.52	34.60	4.14	31.80
Grand total		120.57 i.e. 1.21 crore				

Source: Records of Islampur SD Hospital

In the absence of monitoring by DHS, Islampur SD Hospital authorities continued this malpractice over the years.

Deputy Director of Health Services stated (May 2010) that under decentralised purchase system, the Heads of institutions were solely responsible for procurement of medicines from CMS approved firms at prescribed rates and there is no internal checking system in CMS for procurement activities by the decentralised hospitals as a routine procedure. The department also failed to exercise internal control in spite of excess expenditure over allotment being incurred by the Superintendent for five consecutive years.

Thus, there was no monitoring and control by the DHS to ensure compliance with its directives leading to persistent excess expenditure on purchase of medicines in SD Hospital, Islampur. Out of ₹ 2.87 crore incurred in excess of allotment during 2004-09, ₹ 1.21 crore pertains to procurement of medicines from non-approved firms at rates higher than those approved by CMS in clear violation of the guidelines of DHS.

The Finance (Internal Audit) department instructed the Health and Family Welfare (H&FW) department to look into the matter. The matter was referred to Government in July 2010. No reply has been received (February 2011).

LAND & LAND REFORMS AND TECHNICAL EDUCATION & TRAINING DEPARTMENTS

3.1.5 Non-fulfilment of objectives and inadmissible expenditure under RSVY

Implementation of a project at a cost of ₹ 29.78 lakh under RSVY scheme without providing for manpower supplement and operational expenditure led to non-fulfilment of its basic objectives, while inadmissible expenditure of ₹ 64.59 lakh was incurred in two districts out of RSVY funds in violation of stipulations.

Rastriya Sam Vikas Yojana (RSVY) was introduced by the Government of India (GoI) in 2004-05 for three years, with the objective of reducing imbalances and speeding up development through focussed programmes for backward areas. RSVY was launched in eight districts⁹ of West Bengal with effect from the year 2004-05. District Magistrates of the districts were to be allotted ₹ 15 crore every year for implementation of programmes aimed at filling up critical gaps in social and physical infrastructure. RSVY guidelines stipulated special attention for the sustainability of projects so that they were useful even after the scheme was over. The expenditure on staff/establishment was not to be met from RSVY funds.

Test check of records of three District Magistrates¹⁰, however, revealed cases of non-compliance to RSVY guidelines. In Uttar Dinajpur district, the objectives of a project taken up under RSVY was not fulfilled owing to deficient planning and non-provisioning for recurring expenses, while in other two districts inadmissible expenditure was incurred in violation of stipulations imposed under the scheme guidelines.

(i) With a view to imparting training¹¹ among unskilled automobile mechanics in the unorganised sector to sustain their livelihood, DM, Uttar Dinajpur approved (April 2007) a project titled “Auto Feel” under RSVY (2005-06). The project envisaged setting up a motor vehicle maintenance plant under the management, supervision and monitoring of Raiganj Polytechnic¹² at an estimated cost of ₹ 32.03 lakh. The installation of the plant was completed in December 2007 at a cost of ₹ 29.78 lakh¹³.

Audit scrutiny (November 2009) of the records of the DM, Uttar Dinajpur along with the records of the Principal, Raiganj Polytechnic revealed that though the equipment was demonstrated to the students of the Polytechnic, training programmes for unskilled automobile mechanics as envisaged were

⁹ Bankura, Birbhum, Dakshin Dinajpur, Jalpaiguri, Paschim Medinipur, Purulia, South 24 Parganas and Uttar Dinajpur.

¹⁰ Bankura, South 24 Parganas and Uttar Dinajpur.

¹¹ On working mechanism of motor vehicle engine, safety precaution, tools and equipments in automotive workshop, etc.

¹² A technical college under the department of Technical education and Training, Government of West Bengal

¹³ ₹ 22.07 lakh for equipments and machinery, ₹ 7.50 lakh for construction work and ₹ 0.30 lakh for stationeries and others

not organised since the inception of Auto Feel project. The Principal attributed (November 2009 and January 2011) the same to shortage of trainers and non-availability of funds for meeting running expenses. The Principal proposed (December 2007 and January 2008) to the DM as well as the Directorate of Technical Education and Training for sanction of ₹ 0.69 lakh for every six months as running expenses on remuneration of trainers and other staff and cost of maintenance. However, sanction was not accorded as of January 2011. In the meantime the warranty period of all the machines installed, whose estimated life was nine to 12 years, expired. Thus, lack of foresight in making provision of manpower and running expenses resulted in non-accrual of benefits to the unskilled automobile mechanics in the unorganised sector despite procurement and installation of plant and machinery in 2007.

(ii) The RSVY guidelines *inter alia* stipulated that RSVY funds should be used for projects and programmes and not for meeting establishment and staff costs.

Test check (November 2009) of the records of the DMs, Bankura and South 24 Parganas, however, revealed that in violation of the above mentioned stipulation, expenditure of ₹64.59 lakh¹⁴ was incurred from RSVY funds towards administrative/ establishment costs, including cost of purchase of computers. While DM, Bankura attributed (June 2010) this expenditure to payment to contractual employees due to acute shortage of staff at the District Headquarters and block level, the DM, South 24 Parganas did not furnish any explanation.

Thus, implementation of “Auto Feel” project without provision of required manpower and funds led to the non-achievement of objective after more than two years from the date of creation of assets at a cost of ₹29.78 lakh. Moreover, two DMs incurred inadmissible expenditure of ₹64.59 lakh out of RSVY funds in violation of scheme guidelines.

The matter was referred to Government in June 2010; reply had not been received (February 2011).

LAND AND LAND REFORMS DEPARTMENT

3.1.6 Loss of revenue owing to non-adherence to Government order

Non-collection of administrative cost in violation of revised land acquisition procedure led to loss of Government revenue amounting to ₹ 73.90 lakh

Land Acquisition (LA) Collector, Burdwan initiated (May 1989) eight LA cases for acquisition of 305.05 acres of land in Hirapur, Burdwan on a

¹⁴ District	Inadmissible expenditure	Purpose of expenditure
DM, Bankura	₹37.67 lakh	Payment to 22 contractual employees between January 2005 and February 2009
DM, South 24 Parganas	₹26.92 lakh	Purchase of computers and accessories for use in Irrigation divisions and DM's office between April 2008 and August 2009

proposal of Company “X”¹⁵. The company deposited ₹ 0.89 crore in 1989 as advance and the possession of the land was handed over to the Company in August 1989. The LA cases could not materialise due to pendency of Hon’ble High Court cases¹⁶. Based on the prayer of the Company (October 2005) for speedy disposal of the acquisition cases, the LA Collector estimated the cost of acquisition at ₹ 40.07 crore in February 2006 and started the land acquisition proceedings afresh.

Meanwhile, the State Government issued (June 2006) an order enumerating a revised procedure for effective and efficient disposal of LA cases. The order *inter alia* provided that administrative cost at the rate of 10 per cent on LA cost was to be collected from the body for which the land was being acquired in all cases of land acquisition. Accordingly, the final award of ₹ 37.38 crore¹⁷, declared between November 2006 and December 2006, included *inter alia* an administrative cost of ₹ 3.04 crore (10 per cent of LA cost of ₹ 30.37 crore).

However, based on a court order (June 2008) on a petition¹⁸ filed in 2007 for higher valuation of land, the LA Collector enhanced the LA cost by ₹ 7.39 crore.

Audit scrutiny (November 2009) of the records of the Special Land Acquisition Officer (SLAO), Burdwan revealed that though it was mandatory to collect 10 per cent of the LA cost from the requiring body, the LA Collector did not claim the additional administrative cost of ₹ 73.90 lakh¹⁹ on the enhanced land value of ₹ 7.39 crore. Against a total amount of ₹ 44.76 crore²⁰ claimed by the SLAO, the Company deposited ₹ 43.85 crore up to November 2009.

Thus, there was a loss of Government revenue amounting to ₹ 73.90 lakh owing to non-collection of administrative charges from the company in violation of revised land acquisition procedure.

The matter was referred to Government in June 2010; Reply had not been received (February 2011).

¹⁵ IISCO Steel Plant, Burnpur

¹⁶ Being aggrieved with the award for acquisition of land, some of the affected land losers filed four writ petitions in Kolkata High Court in 1989 *inter alia* for the following.

1) Prohibiting the management from disturbing and interfering with peaceful possession of land.

2) To provide service to one member of each family of the petitioners.

3) Restraining the Government from implementing acquisition order passed by the LAO Burdwan. The Hon’ble High Court, however, disposed all the writ cases by directing the LAO to proceed for acquisition in April 1999.

¹⁷ LA cost: ₹ 30.37 crore **plus** administrative cost ₹ 3.04 crore **plus** capitalised value of land: ₹ 3.96 crore

¹⁸ By one of the land losers

¹⁹ 10 percent of ₹ 7.39 crore

²⁰ Out of total receivable amount of ₹ 45.50 crore, ₹ 44.76 crore (Enhanced LA cost: ₹ 37.76 crore **plus** administrative cost: ₹ 3.04 crore **plus** capitalised value of land: ₹ 3.96 crore) was claimed

3.2 Audit against propriety/ expenditure without justification

Audit against propriety/ expenditure without justification endeavours to bring to light every matter which appears to involve improper expenditure or waste of public money or stores even though the accounts themselves may be in order and no obvious irregularity has been committed. The objective is to support a reasonably high standard of public financial morality and sound financial administration and devotion to Government's financial interests.

However, in many occasions instances came to notice where decision of the Department or functionaries was questionable from the point of view of propriety. In the succeeding paragraphs some major instances of Government expenditure becoming either unfruitful or wasteful or were tantamount to undue benefit to some outside agencies are discussed.

URBAN DEVELOPMENT DEPARTMENT

3.2.1 KMDA's decision to revoke cancellation of long term lease leading to loss of ₹3.10 crore

Kolkata Metropolitan Development Authority (KMDA) has been disposing plots of land, flats and commercial spaces created in organised townships, housing and commercial complex schemes at different locations in Kolkata and Howrah. Test check of 13 such allotment cases between 2000 and 2009 revealed the following irregularities:

KMDA leased out three plots of bulk land²¹ for 99 years in East Kolkata Area Development Project (EKADP) to three private parties for commercial purposes. Possession was handed over to the three parties in March 2000, June and October 2002 on receipt of full lease premium of ₹ 1.72 crore without entering into any lease/license deed. The lease deeds in respect of the first two cases executed in May 2001 and October 2003 stipulated that the projects had to be completed within three years from the date of execution of lease deed. In case of non-completion of the project without sufficient justification, KMDA could take back possession of the land. In respect of the other allotment only a license deed was executed in November 2002 stipulating that the proposed project was to be completed within three years.

In all the cases the lessees/ licensee had neither started construction within the stipulated period nor requested KMDA for extension of time. As a result, all allotments were cancelled (April and July 2008). The writ petition filed in the Honorable High Court by one lessee, against the cancellation of allotment was dismissed in April 2008 on the grounds that the power exercised by the KMDA was as per terms and the conditions of the lease deed. Subsequently,

²¹ 18.16 cottah allotted to D.C. Industrial plant Services Ltd. for the purpose of construction of office building, 10 cottah allotted to M/s Dolly distributors for the purpose of construction of hotel cum restaurant and 12.04 cottah allotted to M/s Vishnupriya Projects Pvt. Ltd. for the purpose of carrying hotel business.

considering the representations (April 2008 and July 2008) by the lessees, KMDA revoked (July 2008 and May 2009) the cancellation of all the allotments and allowed an extension of another three years (from the date of revocation) for completion of the projects.

The cancellation orders had been issued following the laid down procedures and in accordance with the conditions of the lease agreement. Hence the revocation of the cancellation orders was not justified. The Honorable High Court also dismissed the writ petition filed by one of the allottees against the cancellation order.

In the meantime, the lease rate of land in the area has increased from ₹ 3.53 lakh (between May 2001 and October 2003) to ₹ 10 lakh (in November 2006) and ₹ 15 lakh in February 2009. Thus, KMDA could have re-allotted the plots at the enhanced rates to augment the generation of revenue. Therefore, KMDA's decisions to favour the lessees was injudicious and cost the State exchequer ₹ 3.10 crore²².

The department while accepting (September 2010) the Audit contention stated that henceforth in case of revocation of cancellation order, current land rate along with penalty for extension of time would be applicable as per decision taken in November 2009. The fact remains that Government had already been put to loss of revenue worth ₹ 3.10 crore.

PUBLIC WORKS AND PUBLIC WORKS (ROADS) DEPARTMENTS

3.2.2 Loss of ₹3.65 crore due to non-realisation of license fee on hoarding

Public Works department (PWD), issued (September 2002) guidelines for installing of hoardings on the road side land of PWD by private agency/ individual/ municipality/ panchayat/ local bodies etc. and a schedule of reserve charges for display of advertisements thereon stipulated that a contract would be entered into for three years. In case of any breach of contract the department would have the power to terminate the agreement and unrealised rent, if any, would be recovered under Bengal Public Demand Recovery Act, 1913. In November 2002 the department ordered that contracts in force could not be extended on expiry. Audit of three PW divisions²³ in and around Kolkata where majority of the hoardings existed was conducted to examine whether:-

- the guidelines have been strictly adhered to and
- the department realised the licensee fee as per the agreements and took effective steps against unauthorised hoardings.

Audit scrutiny of the test checked divisions revealed the following:-

²² $[18.16 \text{ cottah} \times (\text{₹}10.00 \text{ lakh} - 3.53 \text{ lakh})] + [10 \text{ cottah} \times (\text{₹}15.00 \text{ lakh} - 3.53 \text{ lakh})] + [12.04 \text{ cottah} \times (\text{₹}10.00 \text{ lakh} - 3.53 \text{ lakh})] \times 1 \text{ cottah} = 0.0837 \text{ acre} / 0.0339 \text{ hectre.}$

²³ (1) Barasat Highway Division-I, PW&D, (2). City Division, PWD (3) Howrah Division, PWD

3.2.2.1 Loss of ₹1.51 crore due to non-realisation of license fee on hoarding

The Executive Engineer (EE), Barasat Highway Division-I, Public Works (Roads) Department (PWRD) entered into a license agreement for three years (November 2001) at an annual license fee of ₹ 6.12 lakh with a private agency for display of advertisements covering an area of 520 square metres (sqm.). As per the agreement, the licensee had to beautify and maintain a theme park at the site and to bear the cost of Government advertisements in the space above the display during the period of agreement.

Audit noticed that the agency deposited (May 2002) ₹ 1.53 lakh only. As per agreement the license fee for each quarter was payable within thirty days of commencement of the following quarter. The agreement also provided for termination of the license agreement in case of any violation of the payment schedule. Audit observed that the agency did not deposit the fee and the department neither took any initiative to realise the outstanding dues of license fee from February 2002 to November 2004 nor terminated the agreement for breach of contract.

Subsequently, the annual license fee had been enhanced to ₹ 8000 per sqm per annum w.e.f. September 2002 for the Kolkata Municipal Area. In spite of default in payment, the department allowed (July 2003) the agency additional display area of 557 sqm. above the existing hoardings at the old rate. The department also offered (November 2004) renewal of contract for 520 sqm. of display space subject to payment at prevailing rate of ₹ 41.99 lakh²⁴ per annum. This was also in contravention to the Government order that agreement for advertisement on hoarding should not be renewed after expiry. But the agency filed a writ petition in the Honorable High Court at Kolkata (January 2005) challenging the proposed enhancement of annual license fee.

The Honorable High Court (May 2005) directed the Government to renew the license agreement either on the same financial terms or at a rate not more than double the existing rate. The department neither appealed against the judgment nor acted up on the directions of the Honorable High Court, but allowed the agency to use the entire 1078 sqm. area without a valid agreement and realising any dues.

The EE, Barasat Highway Division (August 2008) admitted and confirmed the facts and figures. Thus, inaction on the part of the department led to loss of ₹ 1.51 crore²⁵.

3.2.2.2 Loss of ₹1.32 crore due to non realisation of license fee on hoarding

Executive Engineer (EE) City Division, PWD entered into agreements between July 2004 and April 2007 with 10 advertisement agencies for erection

²⁴ 524.84 M²(5600 sqft) X ₹8000/annum

²⁵ 15th February 2002 to 14th November 2004 i.e 33 months @ ₹51000 per months= ₹16,83,000 and 15th November 2004 to 31st January 2010 i.e. 62 months @ ₹1,02,000 per month = ₹63,24,000 for uppermost portion:- from 4th July 2003 to 14th November 2004 i.e. 16 months @ ₹51,000 per month = ₹8,16,000 and from 15th November 2004 to 31st January 2010 i.e. 62 months @ ₹1,02,000 per month = ₹63,24,000

of hoardings on 1150 sqm area at different locations at ₹83.08 lakh per annum. As per the agreements license was granted for three years. The fee was to be paid in advance annually and the agreements were liable to be terminated in case of breach of any terms and conditions.

Audit noticed that the agencies did not deposit the license fee regularly as per the agreement. As a result outstanding dues from the agencies accumulated to ₹ 1.32 crore as of April 2010. Nine of the ten agreements had expired between June 2007 and February 2008. The agencies, however, continued to use the space unauthorisedly. The EE issued demand notices to all agencies for payment of outstanding license fee only in November 2008.

Thus, department's failure to stop/ restrict the unauthorised use of public space resulted in non-realisation of outstanding dues of ₹ 1.32 crore.

3.2.2.3 Loss of revenue of ₹0.82 crore due to failure of the department to realise rent from the unauthorised hoardings

Section 8 of the West Bengal Highways Act, 1964 provides that any person may use or occupy temporarily any land appertaining to or adjoining a highway after obtaining permission of PWD subject to such conditions and on payment of such fee as may be prescribed. Accordingly, PWD was required to identify spots at vantage points and select agencies to display hoardings on payment of rent/ charges as specified in the guidelines to augment the revenue.

In Howrah division of PWD, Audit observed (April 2010) that there were 40 unauthorised hoardings occupying 504 sqm. area on three roads. The hoardings were installed prior to January 2002 and were still (April 2010) in use commercially. The concerned municipalities (Howrah Municipal Corporation and Bally Municipality) were also collecting advertisement tax from the agencies as per the West Bengal Municipal Act 1993. Despite being aware of their existence, the department had not taken any effective steps to remove the hoardings till April 2010.

Thus, failure of the department to take action on unauthorised hoardings resulted in a loss of revenue of ₹ 0.82 crore till March 2010.

3.2.2.4 Conclusion

Considering the potential for generating revenue through levy of license fee from hoardings, the department awarded contracts for installing hoardings but did not take affirmative steps for recovery of license fee. Though the guidelines for advertisements provided for upfront payment of annual license fee, the department has been causing losses due to inaction in enforcing relevant clauses of the agreement for recovery of license fee.

The matter was reported to the Government in May 2010; reply had not been received as of February 2011.

PUBLIC HEALTH ENGINEERING DEPARTMENT

3.2.3 Undue favour to a supplier

The department deliberately terminated a valid contract to extend undue financial benefit of ₹ 6.63 crore to a supplier.

The West Bengal Financial Rules provide that every officer incurring or authorising expenditure from public funds should be guided by high standards of financial propriety. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

The Resource Division (RD) procures pipes centrally as per indents received from various divisions for use in different water supply schemes in Public Health Engineering department (PHED). Audit scrutiny of procurement of Ductile Iron (DI) pipes during the years 2007-08 and 2008-09 revealed that Superintending Engineer, Mechanical Circle-II invited bids from reputed manufacturers/authorised dealers for the scheduled quantity of different diameter of pipes. The offered bids were evaluated in the Tender Selection Committee and the lowest offer of ₹48.43 crore was accepted (March 2008). As per terms of contract the rates offered by the agency would be valid for one year. Three work orders valuing ₹ 30.03 crore were issued between March and May 2008 for delivery of pipes as per previous requirement of consignee Divisions. The work order included materials under excise duty exempted category valuing ₹ 24.79 crore, supply of which was subject to submission of Project Authority Certificate (PAC) by the district administration for valid Excise Duty exemption within sixty days from the date of issue of PAC.

After supplying pipes worth ₹ 17.56 crore (till August 2008) to the consignee divisions the agency prayed (September 2008) for termination of the contract due to non-furnishing of PAC by the consignee divisions and abnormal price hike. Accordingly, the SE immediately terminated (9 September 2008) the tender despite the contract being valid for one year upto January 2009.

Subsequently, SE accepted (23 September 2008) another supply order for DI pipes valuing ₹ 43.36 crore at the enhanced rate and placed three work orders on the same agency for ₹ 37.58 crore. This included undelivered materials of the previous supply order. The agency completed the supply of pipes by June 2009 against payment of ₹ 37.46 crore.

The Executive Engineer (RD, PHED) replied (January 2010) that pipes worth ₹ 12.47 crore could not be supplied by the agency due to non-furnishing of PAC by the respective consignee divisions in spite of issue of repeated reminders. The reply is not tenable. Scrutiny revealed that two out of three test checked consignee divisions²⁶ did not receive the copy of the work orders of May 2008. After receiving the revised work order of September 2008 at the enhanced rate, the concerned consignee divisions submitted PAC within one month and received the materials. The other division received the work order

²⁶ Siliguri Water Supply Division, Purulia Division, New Town Kolkata Water Supply Division-I

(May 2008) but did not submit PAC. The same was, however, obtained in October 2008 as per work order of September 2008 and materials received by the division accordingly.

Thus it is evident that instead of insisting for PAC from the consignee divisions, the SE terminated the contract during the period of its validity and procured the undelivered pipes at a much higher rate by inviting fresh tender from the same agency. This resulted in undue financial benefit of ₹ 6.63 crore to the agency and calls for investigation.

The matter was reported to the Government in March 2010; reply had not been received.

TRANSPORT AND URBAN DEVELOPMENT DEPARTMENTS

3.2.4 Loss of ₹ 18 crore on account of toll collection.

Hoogly River Bridge Commissioners (HRBC) and Kolkata Metropolitan Development Authority (KMDA) collect toll tax from Vidyasagar Setu and Barrackpore Kalyani Expressway respectively. Paras 4.1.5 and 4.1.9 of the Comptroller and Auditor General's Audit Report (Civil) for the years 2002-03 and 2003-04 had highlighted loss of revenue due to poor administrative control and short/non-collection of toll tax in HRBC and KMDA respectively. Audit noticed that the autonomous bodies had not taken necessary measures to optimise revenue generation from toll tax resulting in loss of ₹ 16.68 crore as brought out in the following paras.

3.2.4.1 Undue benefit resulted in loss of ₹12.69 crore.

To maximise the generation of revenue from toll tax on Vidyasagar Setu, HRBC entered into an agreement (April 2006) with an agency for a period of five years for a consideration of ₹ 20.07 crore per annum. This was 87.60 per cent of the reserve price (₹ 22.91 crore) fixed on the basis of traffic survey report conducted by Rail India Technical and Economic Services (RITES) in July 2004.

The agreement (March 2006) stipulated that during its currency, if the rates of toll levied on the vehicles were revised there would be a corresponding revision of agreed consideration amount. The decision of the Vice Chairman would be final and binding on the contractor. Audit, however, noticed that the agreement did not provide for periodic revision of the consideration amount on the basis of the annual traffic growth as projected in the survey reports.

In August 2008, the rates of toll tax were revised in respect of three²⁷ out of five categories of vehicles. Consequently, the Transport department enhanced the consideration amount by ₹ 7.20 crore annually for the rest of the validity period of the agreement. The basis of enhancement was the traffic survey data of February 2008 only for those three categories of vehicles. If the traffic

²⁷ 1. Heavy goods truck with trailer, 2. Lorry and Trekker without trailer, 3. Matador, Tempo-truck,, pick-up Van.

survey data of February 2008 had been considered uniformly for all categories of vehicles by the Government, the annual toll collection would have been ₹ 40.28 crore. Thus, the consideration amount as per the agreement would have been ₹ 35.29²⁸ crore against the consideration amount of ₹ 27.27 crore per annum as determined by the Transport department.

In view of the above, the department's failure to include a suitable clause in the agreement to enhance the consideration amount taking into account the annual growth of traffic is inexplicable. The undue favour thus extended to the toll operator resulted in loss of revenue to the extent of ₹ 12.69 crore²⁹ till March 2010.

The department (September 2010) accepted the audit contention that there was no provision in the agreement to enhance the premium amount taking into consideration the annual growth of traffic.

3.2.4.2 Flawed decision of KMDA resulted in loss of ₹5.31 crore to the department

KMDA entered into (September 2006) an agreement with an agency to collect toll tax from Barrackpore Kalyani Expressway for a period of two years. The agreement stipulated that the agency was liable to pay ₹ 4.88 lakh per week in advance. In case of default, KMDA could take over the vacant and peaceful possession of the toll plaza within 24 hours from the specified day of the week and forfeit the security deposit.

Audit observed that the agency, from the very beginning of contractual period, delayed in depositing the toll tax collection. KMDA (16 January 2009) extended the validity of agreement upto March 2009 despite outstanding dues of ₹ 2.45 crore and also filed (18 January 2009) a money suit to realise the outstanding amount. The case is still pending as of July 2010.

However, KMDA did not engage any other agency for collection of toll tax after the expiry of the extended period of agreement in March 2009 and allowed the existing agency to collect toll from the road unauthorisedly. KMDA demolished the toll booths in January 2010 and recovered ₹ 1.19 crore as part realisation of outstanding dues during this period leaving ₹ 1.26 crore unrealised till August 2010. In February 2011 in response to an audit query Executive Engineer intimated that KMDA had entered into a Licence Agreement (August 2010) with another agency for collection of toll tax from the Expressway for a period of two years with effect from November 2010 (month of handing over the site). Thus, KMDA sustained loss of revenue of minimum ₹ 4.05 crore³⁰ between April 2009 and October 2010 due to delay in engagement of agency for collection of toll tax.

The department replied that the time extension was granted to minimise the outstanding dues during the period of extension. The decision does not seem

²⁸ 87.60 per cent of ₹ 40.28 crore

²⁹ (₹35.29 crore - ₹27.27 crore) i.e. ₹8.02 crore for 19 months from September 2008 to March 2010

³⁰ At the rate of ₹4.88 lakh per week for 83 weeks (April 2009 to October 2010)

to be correct as KMDA had already filed a money suit (January 2009) for recovery of outstanding dues.

Thus, the flawed decision of KMDA to allow extension of the contract period and delay in engagement of new agency to collect toll tax resulted in loss of ₹ 4.05 crore, besides ₹ 1.26 crore remaining unrealised (August 2010).

In view of the above the department may include a suitable clause in such agreements to revise the consideration amount taking the annual growth of traffic in to account in future.

IRRIGATION AND WATERWAYS DEPARTMENT

3.2.5 Avoidable expenditure on work that was not technically feasible.

Irrigation and Waterways department incurred avoidable expenditure of ₹ One crore on precast concrete blocks for canal lining despite the work not being technically feasible.

The Irrigation and Waterways department (I&WD) was entrusted with the improvement of the drainage channels³¹ to improve their design drainage capacity under Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The scheme was administratively approved (April 2007) by the Kolkata Metropolitan Development Authority, at an estimated cost of ₹ 21.50 crore for completion by April 2010. The scope of work *inter alia* included de-siltation, improvement of existing lining and providing new lining and ancillary works.

I&WD entrusted Phase-I of the work in different reaches to 20 agencies in January 2008 at a tendered amount of ₹ 11.04 crore. The work due to be completed by May 2008 mainly consisted of de-siltation and lining of the canals with precast cement concrete blocks. In 2000-01, the department had attempted improvement work in Branch VI of the canal by dry method, however, the work had to be abandoned due to heavy dry weather flow. The department again, faced the same difficulty during execution of the present work; the canals, except Mahishadhara, could not be dried up by construction of cross bundh as dry weather flow was very heavy. Consequently, the department decided (July 2009) to drop the lining component and adopted wet excavation method for de-siltation of canals. Meanwhile, the agencies had cast (between January and July 2008) 221,074 blocks at a cost of ₹ 1.77 crore for canal lining. Only 87851 blocks could be laid successfully in some stretches of Mahisdhara Khal.

Audit scrutiny (May 2010) revealed that the tenders for the works provided for payment at composite rate of ₹ 3644 *per* cubic metre both for casting and laying of blocks on the canal bank. The department, without assessing the feasibility of the work methodology in view of the previous experience, paid ₹ One crore to the agencies only for casting of 133,223³² blocks. This violated

³¹ Howrah Drainage Channel (HDC), Branch-I-VI and Mahisdhara Khal

³² (221,074 blocks cast – 87851 blocks laid) = 133,223

the tender provision regarding payment at composite rate. The agreement also had no provision for recovery from the agencies in case of loss or shortages.

Physical verification of the blocks conducted (January 2010) by the department revealed shortage of 70074 blocks valuing ₹ 52.64 lakh. The department did not take any action for recovery of the shortages from the agencies responsible. The department also failed to utilise the remaining 63185 blocks valuing ₹ 47.46 lakh for more than two years. As the scheme was technically not feasible, the contracts were terminated between March and April 2010.

In reply (August 2010), the department stated that recovery would be made in case of short receipt of blocks from the agencies and provision had been made in the revised DPR for utilisation of all the blocks. The reply is however, not tenable as the tenders were terminated without taking over the custody of the blocks and in the absence of any enabling contract provision, there was no scope for recovery of shortages. Besides, the utilisation of the blocks in the proposed work is an afterthought as the department failed to utilise those earlier.

Thus, the department's decision to improve the drainage canals using a method which was not technically feasible resulted in avoidable expenditure of ₹ One crore including loss of ₹ 52.64 lakh due to pilferage of 70074 blocks.

3.3 Persistent/Pervasive irregularities

An irregularity is considered persistent if it is of continuing nature and occurs year after year. On the other hand, it becomes pervasive when it is prevailing in the entire system. The scope of this section is to bring to light certain irregularities of recurrent nature which have been noticed on several occasions during earlier audits as well as in many departments. Recurrence of such irregularities is not only indicative of lack of responsiveness of the Government, but also testifies absence of effective monitoring. Such lack of seriousness on the part of the Executive leads to deviations from the rules and regulations culminating in weakening of the quality of administration.

GENERAL

3.3.1 Cash management in Government Departments

Non-adherence to the provisions of Treasury Rules by 21 DDOs in nine districts resulted in mis-management of public money to the tune of ₹ 3.21 crore.

As per West Bengal Treasury Rules (WBTR), no money is to be drawn from the treasury unless it is required for immediate disbursement³³. All financial transactions are to be recorded in the Cash Book of respective units as soon as they occur under proper attestation by the Drawing and Disbursing Officer (DDO). The cash book is required to be closed every day, while the head of the office is required to physically verify the cash balance at the end of each month and record a certificate to that effect. Bill-wise and date-wise analysis in respect of closing balance is also to be recorded³⁴.

Scrutiny of the records of 21 DDOs in nine³⁵ districts including Kolkata disclosed financial irregularities due to non-compliance with the above provisions. In the course of physical verification of cash conducted by 21 DDOs at the instance of Audit during April 2009 to June 2010, against the aggregate closing balance of ₹ 28.19 crore as per cash book, ₹ 24.98 crore was physically found, indicating a shortage of ₹ 3.21 crore³⁶ (**Appendix 3.5**). Further, cash verification was not conducted at the end of each month by the DDOs of nine units for periods varying from three to 101 months

Cases of misappropriation and misutilisation of cash due to non-adherence to the provisions of financial rules by DDOs were mentioned repeatedly in the reports of the Comptroller and Auditor General of India for the years ended March 1997 to 2002, 2004 and 2006 to 2009. Nevertheless, such irregularities

³³ *Subsidiary Rules 229 under Treasury Rule 16*

³⁴ *Subsidiary Rules 31 under Treasury Rule 10*

³⁵ *Bardhaman, Cooch Behar, Howrah, Kolkata, Nadia, North 24 Parganas, Purulia, South 24 Parganas and Uttar Dinajpur.*

³⁶ *Unexplained cash shortage/theft constituted ₹0.07 crore, ₹2 crore was shown as unauthorised advance from undisbursed cash for various purposes, Unadjusted vouchers accounted for ₹0.24 crore and lapsed cheques aggregated to ₹0.90 crore.*

continued due to inaction on the part of Government departments. In response to the para, the Finance department intimated (August 2010) that it has requested the concerned departments to look into the matter.

Thus, non-adherence to the provisions of Treasury and Financial Rules and inadequate internal control over drawal and disbursement of cash by DDOs led to serious financial irregularities and exposed the departments concerned to the risk of misappropriation of public money.

3.3.2 Follow up action on earlier Audit Reports

Review of outstanding Action Taken Notes (ATNs) on paragraphs included in the Reports of the Comptroller and Auditor General of India, Government of West Bengal upto 2008-2009 revealed that Action Taken Notes on 287 paragraphs (selected:32 from 1997-1998 to 2008-2009 and not selected: 255 from 1981-1982 to 2008-2009) involving 41 Departments remained outstanding as of September 2010. The names of the Departments are given in **Appendix 3.6**.

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

It was observed that the Action Taken Notes on 28 Reports of the PAC, presented to the Legislature between 1991-92 and 2009-10 had not been submitted by 16 Departments³⁷ to the Assembly Secretariat as of September 2010. Out of these, 15³⁸ Reports of the PAC had suggested recovery, disciplinary action, etc. A few significant cases are elaborated below:

Table No.3.4 Significant recommendations of PAC

Year of Audit Report with para number	PAC Report number and year	Name of the department(s)	Gist of the Audit Para	Recommendation of PAC
4.3.3 of AR 2003-2004	48 th PAC Report 2005-2006	PWD and PWD (Roads)	Payment of price escalation by the Executive Engineers ignoring contract provision led to inadmissible payment of ₹ 5.47 crore to contractors	The department should make due efforts to recover the excess payments on account of price escalation from the contractors as quickly as possible and report to the Committee within six months positively

³⁷ Agriculture, Commerce and Industries, Finance, Fisheries, Home, Housing, Irrigation and Waterways, Municipal Affairs, Panchayats and Rural Development, Public Health Engineering, Public Works, Public Works (Roads), School Education, Social Welfare, Transport and Urban Development.

³⁸ 36th PAC Report 1999-2000, 3rd PAC Report 2001-02, 29th PAC Report 2004-05, 48th PAC Report 2005-06, 9th PAC Report 2006-07, 1st PAC Report 2007-08, 10th PAC Report 2007-08, 12th PAC Report 2007-08, 4th PAC Report 2006-07, 15th PAC Report 2007-2008, 19th PAC Report 2008-09, 21st PAC Report 2008-09 and 27th PAC Report 2008-09, 28th PAC Report 2009-10, 30th PAC Report 2009-10

Year of Audit Report with para number	PAC Report number and year	Name of the department(s)	Gist of the Audit Para	Recommendation of PAC
4.9 of AR 2001-2001 Vol-I	10 th PAC Report 2007-2008	Public Works (Roads)	Though initial technical bid of March 1995 was cancelled and fresh technical bid was opened in August 1996, the EE, 24 Parganas Highway Division paid price escalation with reference to March 1995 (Base month) resulting in excess payment of ₹ 62.29 lakh to the contractor	The Committee recommended that the department should investigate the matter thoroughly in order to find out the person/persons responsible for excess payment of ₹ 62.29 lakh and recover the same from the contractor
2.16 of AR 2000-2001 Vol-2	4 th PAC Report 2006-2007	Municipal Affairs	Lack of accountability in Kolkata Municipal Corporation	The Committee recommended that Municipal Affairs department and KMC should undertake a joint enquiry about the financial mismanagement of KMC to identify the persons responsible for the situation and to take punitive actions against them as per the extant rules. The Committee further desired that the department should inform the Committee about the actions taken against the identified persons both in service and/or retired from service.
3.13 of AR 2000-2001 Vol I	9 th PAC Report 2006-2007	Finance (Taxation)	Unjustified printing of ungummed and unperforated Entertainment Tax Stamps without considering the willingness of the exhibitors to use such stamps resulted in a loss of ₹ 73.14 lakh towards cost of production and their disposal	It was recommended that the department should investigate as to why the order for printing of ungummed and unperforated Entertainment Tax Stamps was placed in such a large quantity at a time without recording the reasons behind it and should take actions against the person/persons who would be found responsible in this regard. The Committee also instructed the department to be more careful and rational in dealing with such situations in future.
4.3.3 of AR 2002-2003	15 th PAC Report 2007-2008	Public Works (Roads)	Arbitrary recommendation made by the Chief Engineer, Public Works (Roads) Directorate for acceptance of abnormally higher rates than that quoted by the agency in the work of widening and strengthening of Calcutta-Basanti road at 53 KMP to 86 KMP (length 33 Kms) of South 24 Parganas district resulted in undue benefit of ₹ 1.53 crore to the agency	Considering the gravity of the matter, the Committee recommended that the matter be referred without delay to the Vigilance Commissioner for thorough investigation. The Committee also desired that the Commission should be requested to leave no stone unturned to divulge the facts and thereby submit the report within three months.
4.4.13 of AR 2002-2003	28th Report of PAC 2009-2010 in respect of recommendations made in the 3rd Report of PAC 2006-2007.	Urban Development	Maintenance cost (Rs79.38 lakh) as well as electricity charges (₹ 1.63 crore) required to be borne by the flat owners as per agreement was borne by Howrah Improvement Trust.	The Committee recommended that Howrah Improvement trust (HIT)/Urban Development department (UDD) should pursue vigorously two long pending court cases involving 20 flats to get settled those cases in order to take subsequent actions thereon and

Year of Audit Report with para number	PAC Report number and year	Name of the department(s)	Gist of the Audit Para	Recommendation of PAC
				should intimate the Committee about the position in this regard within 6 months from the date of presentation of this Report. Committee further recommended that HIT/UDD should intimate the Committee about the current status of the leaning building within 6 months from the date of presentation of this Report. The Committee desired that HIT/UDD should prepare individual ledger account of each allottee of flat to get proper figures of monthly instalments outstanding from each of the defaulting allottees and should take firm actions including legal actions against the defaulting dwellers/allottees who have not been paying their monthly instalments for long since. It was also stipulated by the Committee that HIT/UDD should inform the Committee within 6 months from the date of presentation of this Report whether all other flats, which were ready for disposal, have been disposed of or not and if not, reasons thereof and also the current position of sale proceeds.
4.4.14 or AR 2002-2003	28th Report of PAC 2009-2010 in respect of recommendations made in the 3rd Report of PAC 2006-2007.	Urban Development	Flats constructed by Howrah Improvement Trust at a cost of ₹ 86.60 lakh remained unallotted due to non-fixation of price of flats. Shops constructed at a cost of ₹ 30.60 lakh at a different place in violation of agreement also remained vacant for refusal of traders to move there	The Committee recommended that the Urban Development department (UDD) should take appropriate actions against persons responsible for this unfruitful investment on rehabilitation project. The Committee also suggested that UDD should prepare a timeframe for completion of the rehabilitation project. As recommended by the Committee, UDD should submit their Action Taken Reports to the Committee within three months from the date of submission of the Report.

Source: PAC Reports

Thus, the follow up on the recommendations of the PAC and action taken by the administrative Departments could not be ascertained in audit.

The matter was referred to Government in July 2010; reply had not been received (February 2011).

3.4 Failure of oversight/governance

The Government has an obligation to improve the quality of life of the people. Proper oversight on the part of Government would ensure that public money is put to good use and the desired outcome of the same is derived.

The objective of this section is to bring to light cases of failure of oversight and governance at various levels of administration. Resultantly, funds released by Government for creation of assets for benefit of public remained unutilised / blocked or expenditure incurred thereon became unfruitful/unproductive/infructuous.

Some major cases of laxity in governance resulting in avoidable/ unfruitful/ additional expenditure from the Government exchequer are discussed in this section.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.4.1 Lack of co-ordinated efforts leading to non-commissioning of Cath-Lab system

Lack of planning and co-ordination between Bardhaman Medical College Authorities, WBSEDCL and Zilla Parishad in ensuring requisite infrastructure for commissioning of sophisticated Cath-Lab system worth ₹ 2.70 crore resulted in non-commissioning of the machine for 29 months and non-accrual of the intended benefit in patient care.

For providing better patient care services in Cardiology, the Health & Family Welfare (H&FW) department accorded (January 2008) administrative approval and financial sanction for purchase and installation of a Cath-Lab System³⁹ in the Super-speciality wing (department of Cardiothoracic and Vascular Surgery) of Bardhaman Medical College (BMC). The same was to be purchased from Company “X”⁴⁰ (Company) at a cost of ₹ 2.70 crore for which the Principal, BMC placed the order in February 2008. As per the order, the company was required to supply the machine within 90 days from the date of opening of the letter of credit (March 2008). The machine was to be installed in the Anamay buildings⁴¹ of the BMC. The Company, before delivery of the system, had requested (July 2008) the Principal to arrange for requisite power supply⁴², a prerequisite for installation of the Cath-Lab

³⁹ A catheterisation Laboratory or Cath-Lab is an examination room with diagnostic equipment used to support the catheterisation procedure. In the present case the system comprised of one AXIOM Artis detector system- ₹2.60 crore, plus Turnkey Systems- ₹0.09 crore

⁴⁰ M/s Siemens Ltd, the Indian agent of the manufacturer

⁴¹ The building was under the control of the Bardhaman Zilla Parishad, which was running an Out Patient Dispensary with Medical and Paramedical staff of a nearby Primary Health centre. The No Objection Certificate had been given by the ZP in October 2007 to the BMC authorities for setting up its super speciality wing.

⁴² Power line of three phase, 410 Volt, 50 Hz, 150 KVA power line (125 KVA exclusively for Cath-Lab and 25 KVA for Air conditioning and light load)

system. The Company delivered the system to BMC in July 2008 and completed the mechanical installation in August 2008.

Scrutiny (December 2009) of the records of BMC revealed that the Principal, BMC moved the West Bengal State Electricity Distribution Company Limited (WBSEDCL) in September 2007 for arranging uninterrupted power supply in that building. The Zilla Parishad, in response, intimated (December 2007) requirement of a 250 KVA power line. After a joint inspection of site (April 2008), the WBSEDCL asked the BMC to deposit a sum of ₹ 6.35 lakh. The Principal, BMC deposited ₹ 6.80 lakh (inclusive of price escalation) after 10 months in February and March 2009. The delay was attributed to time taken to arrive at the exact amount payable by the BMC to the WBSEDCL. Audit observed lack of co-ordination between BMC and WBSEDCL on various issues like suitable site for installation of high voltage transformer, completion of requisite work, approval of Chief Electrical Inspector, etc. with each party blaming the other. The department, being the user of the machine, should have intervened in the matter to clear the bottlenecks and expedite the process.

Resultantly, even after 29 months from its mechanical installation, the Cath-Lab could not be commissioned as of January 2011 owing to non availability of requisite power supply. Meanwhile the Company reported (August 2009) that the interior of the Cath-Lab had been damaged by water seepage from the roof. Moreover, it apprehended that high humidity and extreme environmental condition to which the Cath-Lab was exposed was potentially damaging for the machine. Further, the damages could only be ascertained after availability of electric power.

In March 2010, WBSEDCL installed the high voltage power line. Zilla Parishad completed the internal electrical connection in June 2010. However, date of commissioning of the Cath-Lab machine after demonstration by the supplier was not yet fixed by BMC authorities (January 2011).

The Principal stated (September 2010) that the system was not commissioned and handed over by the company. Further, no record about fixing of responsibility for such lapse could be produced by the Principal, BMC.

Thus, lack of proper planning before procurement of sophisticated Cath-Lab system coupled with lack of co-ordination among the parties involved in ensuring requisite infrastructure for the commissioning of such sophisticated system worth ₹ 2.70 crore not only resulted in non-commissioning of the same for 29 months and non-accrual of the intended benefit in patient care, but also led to substantial possibility of damage to the machine.

The matter was referred to Government in July 2010; reply had not been received (February 2011).

3.4.2 Medical equipments lying idle

Procurement of sophisticated medical equipments without arranging for basic infrastructure resulted in equipments worth ₹ 1.98 crore remaining non-operational

Mention was made in paragraph 3.1.11 of the Civil Audit Report for the year ended 31 March 2007 that owing to infrastructural deficiencies equipment costing ₹ 2.25 crore procured during March 1999 to March 2006 remained uninstalled in some test checked urban hospitals as of March 2007. The department intimated (September 2009) that those equipments were being utilised in other hospitals where required and where necessary infrastructure was available.

Subsequent audit of Burdwan Medical College (BMC), however, revealed that the practice of procurement of medical equipment without arranging for necessary infrastructure continued to be a matter of concern as would be evident from below.

Health and Family Welfare department accorded financial sanction between December 2007 and September 2008 for purchase of surgical and cardiovascular equipments for use in BMC. Consequently, sophisticated equipments worth ₹ 8.19 crore were procured by BMC during 2006-09.

Records of the Principal, BMC revealed that machines worth ₹ 1.98 crore (**Appendix 3.7**) received between February 2008 and March 2009 remained in-operative as of January 2011 due to non-installation or lack of infrastructure required for functioning. It was noticed that most of the uninstalled machines were procured for use in a super specialty unit of the hospital, the infrastructure of which was inadequate (January 2011).

Thus, procurement of sophisticated medical equipments without creating basic infrastructure resulted in equipments worth ₹ 1.98 crore lying unused in the medical college depriving patients of adequate medical care.

The matter was referred to Government in June 2010; Reply had not been received (February 2011).

3.4.3 Deficient system of storage leading to wastage of polio vaccines

Failure of the Directorate of Health Services to arrange for alternative storage facility and ensure uninterrupted maintenance coverage for the Walk-in-Fridge coupled with inherent deficiencies, led to damage of 31.92 lakh doses of oral polio vaccine.

Ministry of Health and Family Welfare, Immunisation wing, Government of India (GoI) supplies Oral Polio Vaccines (OPV) to the State Government for the Universal Immunisation Programme and Intensified Pulse Polio Immunisation. The vaccines, being extremely heat sensitive, are to be preserved at a temperature between *minus* 18 and *minus* 20 degree Celsius. The OPV received by the State Government are centrally stored and preserved in the Walk-in-Fridge (WIF), installed at Central Family Welfare Store

(CFWS), Bagbazar, Kolkata, under the Directorate of Health Services (DHS), for onward distribution to districts.

Guidelines issued by the Ministry of H&FW for handling the storage units stipulated that as the hold-over time in WIF is only few hours, minor repairs were to be arranged within two hours. Moreover, smooth functioning of the cold storage units required regular maintenance. Besides, monitoring of temperature maintained by the WIF was essential. Further, alternative storage arrangements had to be identified in advance to take care of any contingency arising out of breakdown of equipment.

Scrutiny (December 2008) of the records of the CFWS, Kolkata revealed that no alternative storage arrangement was made by the DHS. Moreover, there was no system of monitoring of temperature maintained by the WIF beyond office hours and during holidays, since the CFWS remained inaccessible. Scrutiny further revealed that instead of entering into fresh Annual Maintenance Contract (AMC)⁴³ for the year 2008-09, the State Family Welfare Officer (SFWO) extended (May 2008) the validity of the earlier AMC up to June 2008 only in case of breakdowns. The fresh AMC for 2008-09, was, however, entered into on 5 August 2008. Thus, the WIF was under breakdown coverage rather than regular maintenance coverage from April 2008 onwards, whereas there was no coverage at all during July 2008.

On 21 July 2008 it was reported by the staff of CFWS that the WIF had not been maintaining requisite temperature for a few days. On 3 August 2008 it was detected that the WIF had stopped functioning and the temperature escalated to 40 degree Celsius resulting in damage of 31.92 lakh doses of OPV worth more than ₹ 1.05 crore⁴⁴. Thus due to lack of adequate preparedness, neither effective efforts could be made to prevent the breakdown, nor the vaccines could be shifted to any alternative place having requisite storage facility. An enquiry was conducted by the Deputy Director of Health Services regarding the cause of such breakdown without fixing any responsibility for such loss. The damaged vaccines were lying in the godown of CWFS for want of destruction order (August 2010).

SFWO stated (August 2010) that presently the WIF is under maintenance contract with “Voltas Limited” and an agency was also engaged to supply back-up power to the WIF. One WIF also has been provided by the GoI in 2009-10. Besides, arrangements have been made for availability of the keys at all times at CFWS, Bagbazar for monitoring and recording of temperature of the storage facilities.

⁴³ AMC of WIF as well as coolers and generators installed in the districts for the year 2007-08 had been given to M/s Steel Wing International, through tender. Though the Agency tendered the lowest bid twice in March 2008 and June 2008, the fresh AMC for 2008-09 was, however, not awarded to it in view of adverse reports from district authorities

⁴⁴ 22.78 lakh doses of Oral Polio Vaccine (Routine) at expiry date : January 2010

the rate of ₹4.62 per dose = ₹105.24 lakh

9.14 lakh doses of mOPV (price not available)

expiry date : December 2009

Thus, failure of the DHS to arrange for alternative storage facility and ensure uninterrupted maintenance coverage to the WIF led to wastage of 31.92 lakh doses of polio vaccines worth more than ₹ 1.05 crore.

URBAN DEVELOPMENT DEPARTMENT

3.4.4 Avoidable expenditure due to absence of co-ordination and inadequate planning

The decision to continue with SDBC work coupled with failure to lay protective wearing course before the rainy season resulted in an avoidable expenditure of ₹ 50.24.lakh

Superintending Engineer, Traffic and Transport Circle-III (S.E, TTC-III), Kolkata Metropolitan Development Authority (KMDA) awarded (October 2006) the face lifting work of Park Circus Connector from P.C.Rotary to Bridge No-4 to an agency for ₹ 1.79 crore for completion by June 2007. The work consisted of laying of 50 mm Lean Bituminous Macadam (LBM) as profile corrective course and 25 mm Semi Dense Bituminous Concrete (SDBC) as wearing course over the entire surface of the road. The contract stipulated three years' maintenance warranty from the date of completion of the work.

Scrutiny of records revealed that laying of LBM was completed by May 2007 but SDBC could not be laid before monsoon due to delay in finalising the design mix. The work was completed in December 2007 at a cost of ₹ 1.49 crore including an expenditure of ₹ 33.93 lakh on SDBC.

Clause 501.8.3.5 of Specifications for Road and Bridge Works of Indian Road Congress (IRC) guidelines stipulates that profile corrective course should be covered by base/ wearing course at the earliest opportunity. The LBM laid in May 2007 remained uncovered without any wearing course during the monsoon. As a result, the newly laid LBM surface got damaged (July 2007) and the department had to incur an additional expenditure of ₹ 16.81 lakh on relaying LBM (between October and November 2007) through the same contractor to correct the profile of the road stretch before laying of SDBC.

Meanwhile, in order to minimise the inconvenience of regular maintenance, KMDA decided (July 2007) to provide another layer of wearing course of 25 mm thick Bituminous Mastic Asphalt (BMA) on the above stretch of the road through a separate tender. The work of laying BMA commenced in April 2008 was completed in September 2008 at a cost of ₹ 1.62 crore. There was thus no need to continue with the work of laying the wearing course of SDBC.

In reply (December 2010), the department stated that a wearing course of SDBC was required to ensure a uniform surface before laying of mastic asphalt. The reply is not tenable as the profile of the road had already been corrected by LBM.

Thus, absence of coordination and inadequate planning resulted in avoidable expenditure of ₹ 50.24 lakh⁴⁵.

⁴⁵ ₹ 16.81 lakh LBM + ₹ 33.43 lakh on SDBC

GENERAL

3.4.5 Response of Government to audit

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

Important irregularities and other points detected during inspection, which are not settled on the spot, find place in IRs. These IRs are issued to the heads of offices inspected with copies to the next higher authorities. Government of West Bengal, Finance department Memo No 5703(72)/FB dated 29 June 1982 provided for prompt response by the executive to the IRs issued by the PAG to ensure rectificatory action in compliance with the prescribed rules and procedures and secure accountability for the deficiencies, lapses, etc. noticed during inspection.

The heads of offices and next higher authorities are required to comply with observations contained in the IRs and rectify defects and omissions promptly and report compliance to PAG. Serious irregularities are also brought to the notice of the Government by the office of the PAG. A six monthly report showing the pendency of IRs is sent to the Principal Secretary/Secretary of the department to facilitate monitoring over settlement of outstanding audit observations in the pending IRs.

Inspection Reports issued up to June 2010 relating to 371 offices of Health and Family Welfare, Food and Supplies, Higher Education, Backward Classes Welfare, Public Works, Waster Resources Investigation and Development Departments and four commercial undertakings⁴⁶ disclosed that 2304 paragraphs relating to 722 IRs remained outstanding at the end of June 2010. Of these, 101 IRs containing 142 paragraphs had been lying unsettled for more than 10 years.

Department-wise and year-wise break-ups of the outstanding IRs and Paragraphs are detailed in **Appendix 3.8**.

Initial replies, which were required to be received from the respective heads of offices within six weeks from the date of issue of the IRs, were not received upto June 2010 in respect of 173 IRs.

These unsettled IRs contain 207 paragraphs involving serious irregularities like, theft/defalcation/misappropriation of Government money, loss of revenue and shortage/losses not recovered/written off amounting to ₹ 35.22 crore. department-wise and nature-wise analysis of the outstanding paragraphs of serious nature showed the following position:

⁴⁶ Under Food and Supplies, Food Processing Industries & Horticulture, Animal Resources Development Departments.

Table No.3.5 Analysis of outstanding paragraphs

(₹ in lakh)

Name of the department	Cases of theft/defalcation/misappropriation		Loss of revenue		Shortage losses not recovered/written off		Total	
	Para	Amount	Para	Amount	Para	Amount	Para	Amount
Health and Family Welfare	54	463.20	59	1206.69	49	414.54	162	2084.43
Food and Supplies	02	0.16	01	27.82	03	11.14	06	39.12
Higher Education	05	7.56	02	186.99	02	0.32	09	194.87
Backward Classes Welfare	01	0.90	01	0.81	05	1.69	07	3.40
Public Works	-	-	-	-	16	1140.00	16	1140.00
Water Resources Investigation and Development	-	-	-	-	07	60.00	07	60.00
Total							207	3521.82

Audit committees, comprising of the Principal Secretary/Secretary of the administrative department and representatives of the Finance department and the PAG, were formed in 51 out of 56 Departments of Government for expeditious settlement of the outstanding Inspection Reports. Of the 51 Departments where audit committees were formed, meetings were held only by twelve Departments on 44 occasions from July 2009 to June 2010. As a result of the meetings of these committees, it was possible to settle 413 paragraphs. Meetings were not held by the other 39 Departments, including Health and Family Welfare department, inspite having the highest number of outstanding paras, with money value being more than ₹ 22 crore. The matter has been taken up with the Government for formation of audit committees in the remaining Departments, and with the Health and Family Welfare department to convene meetings expeditiously.

It is recommended that Government should ensure that a procedure is in place for (i) action against the officials failing to send replies to IRs/paras as per the prescribed time schedule, (ii) recovery of loss/outstanding advances/overpayments in a time-bound manner and (iii) holding at least one meeting of each audit committee every quarter.

The matter was referred to Government in July 2010; reply had not been received (February 2011).

Chapter 4

Chief Controlling Officer Based Audit of Government Department

CHAPTER IV

Chief Controlling Officer based Audit

ANIMAL RESOURCES DEVELOPMENT DEPARTMENT

4 Report on the Chief Controlling Officer based Audit of Animal Resources Development Department

Executive Summary

Animal Resources Development (ARD) Department aims to produce quality animal resources and products to usher in sustainable improvement in the quality of life of rural people. The objective is to progressively reduce the gap between demand and supply of milk, meat and eggs through introduction of production improvement schemes, animal health care and improved management practices.

The department largely succeeded in achieving the yearly targets of production of milk, meat and eggs. The yearly targets set for Artificial insemination were also achieved by the department.

However, there were some institutional weaknesses like outdated departmental manual further compounded by a largely ineffective monitoring mechanism, absence of periodical review of departmental manpower and vacancies in key functionaries along with staff of closed units not being gainfully deployed, inadequate control over the properties, especially land, leading to encroachments, etc.

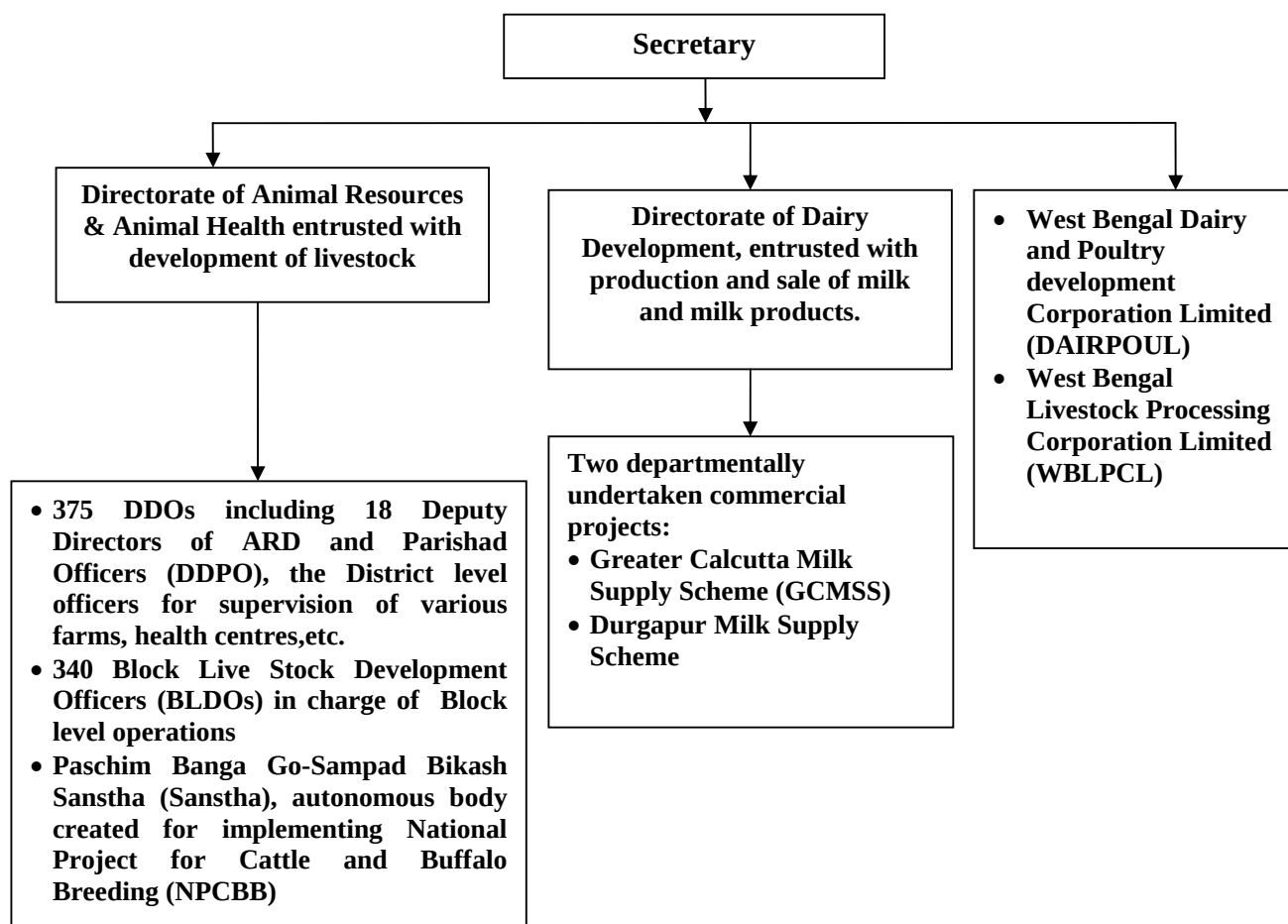
Examination of level of compliance to rules and regulations on the part of the department also showed various instances of breach of provisions of West Bengal Treasury Rules (WBTR) and West Bengal Financial Rules (WBFR) as well as inadequacies in store management. This included retention of departmental receipts out of Government account, parking of scheme funds in the deposit account of a Government company, etc.

On the service delivery front widening gap was noticed between requirement and production of milk, meat and eggs. Shortcomings in the execution of schemes adversely affected their outcome. Implementation of schemes suffered due to lack of planning and initiative on the part of implementing authorities, and delay in release and diversion of funds. The schemes did not bring about sustainable improvement in quality of life of rural people adequately. Health services suffered due to non-functional Animal Development Aid Centres (ADACs) and owing to shortage of medicines for prolonged periods in animal health centres.

4.1 Introduction

Animal Resources Development (ARD) Department aims to produce quality animal resources and products to usher in sustainable improvement in the quality of life of rural people. The objective is to progressively reduce the gap between demand and supply of milk, meat and eggs through production improvement schemes, animal health care and improved management practices. The department has established an extensive network throughout the state to provide animal health care and training facilities, encourage genetic upgradation of breeds of different livestock and poultry birds with the aid of modern scientific techniques and set up co-operative establishments for promotion of processing and marketing of milk and livestock products and employment generation through livestock and poultry farming.

4.2 Organisational Structure



4.3 *Audit objectives*

Audit objectives of the CCO based audit is to assess whether:

- financial management of the department was prudent;
- operations/project management including material management was done economically as well as effectively;
- utilisation of human resource in the department was optimal;
- there was an effective monitoring mechanism with adequate internal controls.

4.4 *Audit scope, methodology and sampling procedure*

CCO based audit of Animal Resources Development Department for the period 2005-06 to 2009-10 was conducted between April and August 2010 through test check of records of the Department, Directorate and Sanstha. DDPOs of four selected districts viz. Bardhaman, Birbhum, Jalpaiguri and Nadia were test checked including at least one-third of Block Livestock Development officers (BLDOs), State Animal Health Centres (SAHCs), Block Animal Health Centres (BAHCs), Additional Block Animal Health Centres (ABAHCs), Animal Development Aid Centres (ADACs), various farms and laboratories in these districts (**Appendix-4.1**). Further, records of Central Dairy Belgachia and Haringhata Dairy under GCMSS, Durgapur Milk Supply Scheme, DAIRPOUL and WBLPCL were test checked. Interviews of Self Help Groups (SHGs) were also conducted to assess the impact of various schemes. The districts were selected on the basis of expenditure levels with a view to cover North and South regions.

An entry conference was held with the Secretary of the department in May 2010. Observations arising out of field audit were discussed with the department in a mid-term meeting in August 2010 and the results are incorporated in the Report. The audit findings have also been discussed with the Secretary and other officers of the Department and Directorates in February 2011 in an Exit Conference. The views of the department have been taken into consideration while finalising the report.

Audit findings

Institutional weaknesses

4.5 *Perspective Plan*

With the objective of increasing productivity of milk, eggs and meat, the Department had set a long term target for Five Year Plan Period. The same was split into Annual targets mainly based on past trends of production.

The department, however, did not have a long term plan to mobilise resources so as to fully bridge the gap between requirement and production of milk, egg

and meat. Moreover, as discussed in succeeding paragraphs, available resources were not fully utilised.

4.6 Departmental Manual

Every organisation should have a comprehensive manual prescribing the procedure of work, responsibility structures and control mechanisms. However, during exit conference (January 2011), on an audit query, the department clarified that there existed a manual which was very old and needed to be updated and a new version is to be framed.

4.7 Human Resource Management

The performance of an organisation depends on optimal utilisation of its manpower resources. This requires the organisation to undertake a periodical review of its available man power to determine that adequate manpower is available and that available manpower is optimally utilised. Audit observed that the department did not undertake any such review during 2005-10. There were vacancies in key posts and in para veterinary cadres (**Table 4.1**) which affected the performance and service delivery of the department.

Table: 4.1: Position of man power in key posts

Post	Sanctioned Strength	Men-in-position	Vacancy
Deputy Director	46	35	11
Joint Director	12	7	5
Additional Director	5	3	2
Assistant Director/Veterinary Officer/ BLDO	1433	1327	106
Para Veterinary Staff			
Veterinary Pharmacist	487	269	218
Veterinary Field Supervisor	341	183	158
Livestock Development Assistant (LDA)	3362	2628	734

(Source:- Animal Resources Development Department)

As of March 2010, in test checked districts there were vacancies in key posts like Deputy Director (1), Assistant Director (11), Project Officer (1), BLDO (7), Veterinary Officer (16) and para veterinary posts like Veterinary Pharmacist (44), Veterinary Field Supervisor (37), Laboratory technician (6) and Livestock Development Assistants (302). The department intimated that (January 2011) rationalisation of manpower is on the anvil.

The department provides village level animal health care services through LDAs posted at ADACs in each Gram Panchayat. In addition LDAs are also posted at Block level in BAHCs and ABAHCs where their role is to assist veterinary doctors. In July 2007, the department decided to create 319 posts of Veterinary Field Supervisors by abolishing equal number of vacant posts of LDAs at Block level. It, however, transpired that implementation of this decision, which is in progress, would eventually render 199 ADACs in 15 districts non-functional, affecting village level animal health care services

adversely as the posts which are proposed to be abolished included LDAs of 199 ADACs instead of vacant posts of LDAs at Block level. This gained significance in view of the fact that a substantial number of ADACs were non-functional due to shortage of LDAs as mentioned in para 4.15.

The Department stated (January 2011) that there was more than one sanctioned post of LDA in ADACs and abolition of posts of LDA would not render the ADACs non-functional. This, however, could not be verified in audit.

4.7.1 Payment of idle wages

The assets of the State Dairy, Krishnanagar were handed over (March 2006) to the West Bengal Co-operative Milk Producers' Federation Limited without transfer of staff. Out of 98 staff, 37 were redeployed to other offices of the ARD Department, while the remaining 61 were paid idle salary and wages worth ₹ 4.50 crore during 2006-2009. Thus, the department paid ₹ 4.50 crore as idle wages during 2006-2009 without redeploying these employees to offices where their services could have been gainfully utilised.

The department stated (January 2011) that out of 61 staff only 13 remained as others had retired.

4.8 Internal Control

4.8.1 Asset Register

The Department did not have a record of all immovable Government property including land and buildings as no asset register was maintained in the Directorate. Asset Registers were also not available with any of the test checked district ARD offices and at five¹ farms out of nine test checked.

Test check revealed that in Katwa (Bardhaman) fodder farm, the entire area of 11.12 ha was unauthorisedly occupied by local people since 2000 and encroachers were not evicted as of May 2010. Similarly, a dispute regarding the boundary of SPF, Golapbag has been going on with the neighbouring NCC unit prior to September 2005. Thus, in absence of asset registers, the directorate could not exercise control over the assets owned by it.

4.8.2 Internal Audit

Internal audit is an important management tool of a department to examine and evaluate the level of compliance with departmental rules and procedures. The Internal Audit wing of the Directorate of Animal Resources and Animal Health consisting of three auditors, and one head clerk (Audit) was functioning under a Joint Director. The Department had no internal audit manual nor did it prepare any audit plan. Register to monitor number of auditable units and periodicity of audit was also not maintained. No action was also taken to impart training to audit personnel.

¹ DCF, Suri; Jotiakali Forage Research, Development and Training Centre; SPF, Durgapur; SPF, Mohitnagar; SPF, Tollygunje

The Directorate did not fix targets of conducting audit for the years 2006-10. For the year 2005-06, targets were fixed in terms of districts to be covered. Against the target of covering nine districts, only five districts were covered in 2005-06. Two districts were covered in 2006-07 and one district each was covered in 2008-09 and 2009-10. Moreover, audit was not conducted in the year 2007-08. Out of 375 units of the Directorate of Animal Resources and Animal Health, only 55 units were audited during 2005-2010.

Joint Director (Internal Audit) stated that as the number of posts of Internal Wing of the Directorate was much less in comparison with the total number of units to be audited, no plan could be prepared for covering all the units under the Directorate. The fact, however remains that the Directorate did not consider auditing important units to achieve some degree of assurance.

4.9 Monitoring

According to the norms of the Directorate, the Joint Director of each Division was required to inspect two districts each month to cover all districts under his administrative jurisdiction in rotation. Similarly, the DDPO was required to inspect Block level offices at least three days in a month. The Block Livestock Development Officer (BLDO) was to visit Block Animal Health Centres (BAHCs) and Additional Block Animal Health Centres (ABAHCs) under his jurisdiction periodically while he must inspect every Animal Development Aid Centres (ADACs) in the Block at least once within two months. Each inspecting officer was to record his observation in the Inspection Book kept with the officer-in-charge of each office/unit. The Joint Directors and DDPOs were to submit a report of inspections conducted in a particular month to the Directorate within the 10th of the following month.

Out of 39 test checked units, (DDPO -4, BLDOs-26, farms-9) inspection books were not available in 23² units. None of the test checked BLDOs produced records of inspection of ADACs. Scrutiny of Inspection Books relating to inspection of BLDOs revealed that during 2005-2010, inspections conducted ranged from one to three.

Scrutiny of records at the Directorate revealed that

- Out of three Joint Directors of three divisions, no inspection was conducted by Joint Director, Jalpaiguri during 2005-10.
- Joint Director, Bardhaman Division inspected only one to three districts in a year instead of all the five districts under his jurisdiction during 2005-10. Similarly, Joint Director, Presidency Division inspected only two to four districts in a year instead of eight districts under his jurisdiction during 2005-10.
- Inspections were not conducted by Joint Director, Bardhaman Division during 2006-07 and 2008-09 and during 6 months in 2005-06, 11 months in 2007-08 and 9 months in 2009-10. Similarly, inspections were not

² DDPO Bardhaman, DDPO Birbhum, 17 BLDOs and 4 farms.

conducted by Joint Director, Presidency Division during 2006-07, 2008-09 and 2009-10 and during six months in 2005-06 and 10 months in 2007-08.

- Out of 18 DDPOs, inspections were conducted by one officer in 2005-06, one in 2006-07, three in 2007-08 and three in 2009-10. Inspections were not conducted by any of the DDPOs during 2008-09.

Such shortfall in inspections has the potential of rendering the monitoring system ineffective.

Compliance Issues

4.10 Compliances to Financial regulations

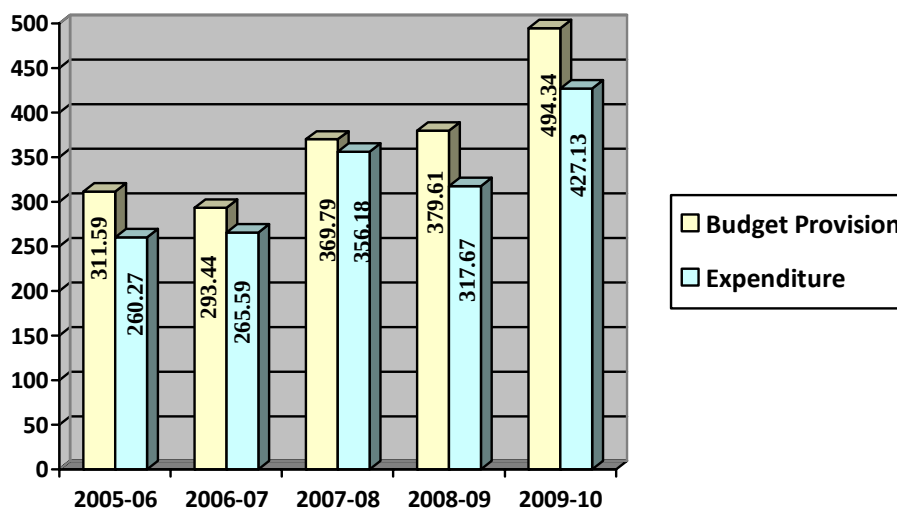
4.10.1 Budget outlay and expenditure

Budget provisions vis-à-vis actual expenditure and savings during 2005-10 were as under:

Table: 4.2: Position of Budget allotment and actual expenditure during last five years
(₹ in crore)

Year	Budget provision		Expenditure		Savings(-)/Excess (+)		Percentage of savings(-)/excess(+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
2005-2006	306.50	5.09	223.11	37.16	(-) 83.39	(+) 32.07	(-) 27.21	(+) 630.06
2006-2007	285.54	7.90	230.34	35.25	(-) 55.20	(+) 27.35	(-) 19.33	(+) 346.20
2007-2008	355.51	14.28	321.54	34.64	(-) 33.97	(+) 20.36	(-) 9.56	(+) 142.58
2008-2009	367.59	12.02	315.31	2.36	(-) 52.28	(-) 9.66	(-) 14.22	(-) 80.37
2009-2010	451.48	42.86	418.91	8.22	(-)32.57	(-)34.64	(-) 7.21	(-)80.82
Total	1766.62	82.15	1509.21	117.63				

(Source: Appropriation Accounts of respective years)



It is evident from the above table that savings under revenue heads ranged

between seven to 27 per cent during the period, while excess expenditure ranged between 630 and 142 per cent under Capital heads during 2005-06 to 2007-08, indicating poor correlation between activities of the department and budget projection. In 2008-09 and 2009-10, under Capital, 80 per cent of the provisions could not be utilised.

During exit conference (January 2011) the department attributed the savings to receipt of GoI funds at the fag end of the year.

Audit analysis revealed that supplementary provisions aggregating to ₹ 7.07 crore obtained during 2008-10 proved unnecessary as the department did not fully utilise the original provision which in turn resulted in savings. During 2009-10, ₹ 5.80 crore was incurred without any budget provision. Further, accounts were reconciled with that of Accountant General (A&E) till March 2008. Excess expenditure over grant/appropriation amounting to ₹ 125.48 crore pertaining to years 2004-08 was not regularised as required under Article 205 of the Constitution of India.

4.10.2 Parking of funds

**Parking of
scheme funds in
Deposit
Account of
DAIRPOUL**

In order to avoid surrender of GoI grants, funds were drawn and transferred along with the state share to the deposit account of DAIRPOUL. Due to failure in utilisation of fund in respective financial years (2005-10), scheme funds aggregating to ₹ 5.49 crore³ out of ₹ 28.64 crore were parked in the deposit account⁴ of DAIRPOUL as of March 2010. Moreover, DAIRPOUL withdrew funds from this account from time to time and earned interest amounting to ₹ 2.24 crore by investing in short-term deposits during 2005-10, which was not taken into the scheme account. Thus substantial amount of scheme funds were lying outside the Government account.

While accepting the facts, Secretary informed (January 2011) that this was resorted to in order to avoid lapse and consequent revalidation of central funds.

4.10.3 Departmental receipts lying outside Government account.

In contravention to Rule 3.01 (3) of WBTR, departmental receipts on account of charges collected against Foot and Mouth Disease (FMD) vaccination amounting to ₹ 1.32 crore was kept in the Saving Bank Account of Paschim Banga Go-Sampad Bikash Sanstha (Sanstha) as of March 2010. The receipts were not taken into account while preparing the budget of the Department.

The Department stated (January 2011) that it had kept the receipts with the intention of spending it, but could not produce any order in this regard.

³ It included funds meant for ASCAD (₹2.16 crore), Chicks/Ducklings Distribution Scheme (₹84.27 lakh), Assistance to State Poultry Farms (₹1.95 crore) etc.

⁴ Under the head of account 8449-Other Deposits-00-120-Miscellaneous Deposit-001-Deposit to Government Companies and Corporations-DAIRPOUL

4.10.4 Non-reconciliation of remittances to treasury

According to SR 31 (V) of WBTR, at the end of each month a consolidated statement of all remittances made during the month is to be obtained from the treasury and the same should be reconciled with the cash book. None of the test checked DDOs collected the statements from the treasury and reconciled them with cash books during 2005-2010. Therefore, correctness of entries in cash books could not be ensured.

4.10.5 Non-closure of inoperative Personal Ledger accounts

Rule 6.09(5) of WBTR provides that Personal Ledger (PL) accounts not operated for two consecutive years should be closed and the balance amount be transferred to Government account. Two PL accounts of Joint Director, Animal Husbandry (Poultry) remained inoperative for more than five and three years respectively but the balance of ₹ 37.68 lakh was not transferred to Government account till March 2010.

Joint Director stated (May 2010) that the two PL accounts could not be closed due to non-reconciliation of balances. During exit conference the Department informed (January 2011) that reconciliation of PL account balance was underway.

4.10.6 Rush of expenditure

Rule 389A of WBFR provides that rush of expenditure particularly in the closing month of the financial year will be regarded as a breach of financial regularity. A review of VLC data for the years from 2005-06 to 2009-10 revealed that 37 to 52 *per cent* of the expenditure was incurred by the Department in the last quarter of the respective financial years, while expenditure in March during this period ranged from 19 to 30 *per cent* as evident from the following table.

The Department incurred 19 to 30 *per cent* of expenditure in the month of March.

Table: 4.3 : Expenditure during the last quarter and in March during 2005-2010
(₹ in crore)

Year	Total expenditure	Expenditure during last quarter	Percentage of expenditure during last quarter	Expenditure in March	Percentage of expenditure in March
2005-2006	260.27	107.13	41	73.24	28
2006-2007	265.59	97.76	37	67.97	26
2007-2008	356.18	184.92	52	105.87	30
2008-2009	317.67	134.61	42	79.73	25
2009-2010	427.13	165.3	39	80.57	19

(Source: VLC Data of respective years)

The tendency to undertake expenditure at the end of the financial year was indicative of weak internal controls and lax financial management in the Department.

4.10.7 Incurring of liability for expenses

According to Rule 389 of WBFR, all charges incurred must be paid and drawn at once and under no circumstances may be allowed to spill over to be paid from the grant of another year. State Poultry Farms (SPF), Golapbag, Bardhaman and Durgapur incurred liability of ₹ 54.57 lakh on purchase of poultry feed during 2007-2010. Out of this, liability of ₹ 23.36 lakh incurred in 2007-09 was paid from the allotment of 2009-10 and ₹ 31.21 lakh was outstanding as of March 2010.

The department did not furnish any reply.

4.10.8 Cash management

It was noticed from the records of test checked districts that the authority maintained bank accounts⁵ for scheme funds. Though there were substantial differences⁶ between cash book balance and bank pass book balance, reconciliation was not done by the Bardhaman district authority. In Birbhum district, funds kept in bank account were not reflected either in the main Cash Book or in the Subsidiary Cash Book till 10 April 2010.

Audit scrutiny further revealed the following

**Defalcation of
Government
receipts in
Ganganagar**

- Project Administrator & Co-ordinator and Ex-Officio Joint Secretary (WFP) did not deposit the shed rent/electricity charges from the Cattle Resettlement Project, Ganganagar in time into Government Account. In February 2008, Audit detected shortage of cash of ₹ 143205 and the Cashier and Accounts Officer were suspended in April 2008 and June 2008 respectively after an enquiry, which reported the defalcated amount as ₹ 109247. The matter is pending with the Vigilance Commission. During physical verification of cash on 23 April 2010 in presence of Audit team, cash shortage was found to be ₹ 57612.

The above facts and figures were confirmed by the unit.

- Rule 3.01 of WBTR provides that all moneys received for deposit into Government account should be deposited into treasury linked bank within next working day and in no case there should be delay of over three days in depositing the money. Six out of 45 test checked DDOs had instances⁷ of delays ranging between six days and 118 days in depositing Government receipts rendering it vulnerable to possible defalcation.

⁵ One Current and one Savings account in Bardhaman and one Savings account each in Birbhum, Jalpaiguri and Nadia

⁶As on 31.03. 2010, savings account balance as per pass book was ₹ 206967 more than the Cash Book balance while the current account pass book balance was ₹ 6103859 less than the Cash Book Balance

⁷ 47 instances involving ₹ 1426540

4.11 Store Management

4.11.1. Non-maintenance/Improper maintenance of Stock Register.

Flock register of a poultry farm shows up-to-date position of poultry maintained in a farm. In SPF, Durgapur, Flock Register for Rhode Island Red (RIR), ducks and guinea fowl was not maintained prior to October 2006 and September 2006 respectively. The entries in the flock register were overwritten and date-wise disposal of birds was not shown during May to October 2008. In one instance, 3194 RIR birds/chicks worth ₹ 0.76 lakh was not carried forward to the opening balance in October 2007. The mortality rate ranged between 11 and 50 *per cent* during July to October 2008 against the permissible five *per cent*. Similarly, in DCF, Bardhaman, during August 2009 to February 2010 mortality rate ranged between nine and 55 *per cent* in case of Khaki Campbell Duck against the permissible mortality rate of five *per cent*. Instances of significant loss of birds were not investigated and written off as mandated in WBFR 134. Moreover, in the absence of egg register in SPF, Durgapur during 2005-07, production and utilisation of eggs could not be ascertained.

Similarly, no details/records were available in respect of consumption of 361.60 MT of poultry feed costing ₹ 73.49 lakh during March 2005 to October 2008 as feed consumption register showing the daily consumption of feed was not maintained at SPF, Durgapur. Consumption per layer per day during November 2008 to March 2010 varied from 91 to 348.57 gm indicating inconsistency. In the absence of any benchmark for feed consumption, over-consumption of feed could not be ascertained and analysed. Considering maximum probable consumption as 140 gm⁸ per layer per day, excess of 11.12 MT of feed worth ₹ 1.56 lakh was consumed at SPF, Durgapur.

The department informed (January 2011) that these issues would be investigated.

4.11.2 Physical verification of stock

As per WBFR 108, Stock balance should be examined half-yearly to see whether the balance in hand represents the actual quantities as well as the value borne on the account books. None of the test checked units carried out stock verification as mandated.

4.11.3 Short supply of medicines

DDPO of each district was to obtain indent of medicines from each SAHC/BAHC/ABAHC to assess actual quantity required for procurement. In all the test checked districts, medicines were procured by the authorities on *ad-hoc* basis without considering indents which resulted in short supply of medicines. Some of the medicines were not in stock for one to 38 months

⁸ 140 gm per layer per day being the maximum feed consumption in test checked farms as per annual reports.

during 2005-10. The department attributed (January 2011) this to shortage of funds.

The reply is not tenable as substantial savings were noticed under revenue head during 2005-10.

Service Delivery

4.12 Requirements, targets and achievement

Though the Annual targets were by and large achieved, the department failed to reduce the gap between demand and supply as would be evident from the table below:

Table: 4.4: Position of requirement, target and achievement in production

Year	Milk Production (in thousand MT)				Egg Production (in million nos.)				Meat Production (in thousand MT)			
	R*	T*	A*	percentage of A to R	R	T	A	percentage of A to R	R	T	A	percentage of A to R
2005-06	5596	3900	3891	70	8517	3000	2964	35	933	525	487	52
2006-07	5672	4000	3982	70	8633	3100	3039	35	945	501	501	53
2007-08	5747	4100	4077	71	8747	3117	3057	35	958	515	505	53
2008-09	5819	4225	4176	72	8857	3193	3145	35	970	528	517	53
2009-10#	5889	4360	4279	72	8964	3269	3223	36	982	540	536	54
*R-Requirement, T-Target, A-Achievement #Provisional figures												

(Source: ARD Department)

The Department stated (January 2011) that feasible targets were set taking into account the trend of past production, whereas incremental increase in population resulted in the widening gap between requirement and production. Further, production of private firms will be taken into account to get the true picture.

4.13 Programme implementation

In order to examine whether the programme management of the department is efficient and effective, six schemes were studied in detail and audit findings are discussed in succeeding paragraphs.

4.13.1 Assistance to States for Control of Animal Diseases (ASCAD)

The scheme 'Assistance to States for Control of Animal Diseases (ASCAD)' envisaged activities viz. control/eradication of one identifiable disease – *Peste des Petits Ruminants* (PPR), immunisation against other diseases affecting

rural economy, training programme for veterinarians and para-veterinarians, awareness camps, surveillance and monitoring etc. with the fund sharing ratio of 75:25 between Centre and State. During 2005-10, Government of India (GoI) released ₹ 24.95 crore, of which the State Government could draw ₹ 22.89 crore. Out of total fund of ₹ 29.86 crore (Central share: ₹ 22.89 crore, State share: ₹ 6.97 crore), ₹ 15.91 crore was allotted to districts during 2006-10. Records showed that out of ₹ 4.15 crore allotted to the test checked districts⁹, ₹ 2.52 crore¹⁰ was utilised leaving unspent funds of ₹ 1.63 crore.

Detailed scrutiny revealed the following:

- The department did not draw funds amounting to ₹ 2.06 crore released by GoI during the year 2008-09 (₹ 56.28 lakh) and 2009-10 (₹ 150 lakh). The amount was not revalidated further by GoI resulting in lapse of funds to that extent.
- As of April 2010, ASCAD funds amounting to ₹ 2.16 crore remained parked in the deposit account of DAIRPOUL. There were delays ranging from four to 17 months in release of funds to districts after receipt of GoI share, affecting implementation of the programme.
- A sum of ₹ 8.96 lakh (Bardhaman district- ₹ 7.46 lakh and Jalpaiguri district- ₹ 1.50 lakh) meant for training, seminar/workshops, vaccination, control of emergent diseases was diverted for purchase of computers, accessories, instrument cabinet, galvanized bucket, repair and replacement work, etc. defeating the purpose for which the funds were allocated under ASCAD.

In reply DDPO, Bardhaman, stated that the funds were utilised to strengthen reporting system. The fact, however, remains that the funds were not utilised for the intended purpose.

- Equipment worth ₹ 2.62 lakh purchased for 'Modernisation and strengthening of Regional/District Laboratories' during 2006-07 could not be installed in the laboratories till June 2010 either for lack of space (Bardhaman) or for want of electrical connectivity (Durgapur and Katwa).
- Target for training of veterinarians and para-veterinarians was not fixed in the test checked districts except in Nadia, where training was imparted as targeted during 2007-09. Training was not conducted in Birbhum during 2007-08 and 2009-10 and in Nadia during 2009-10. In Bardhaman, training for veterinarians was not imparted during 2007-08 and 2009-10 and for para-veterinarians during 2008-10.
- Financial as well as component-wise physical progress of the scheme could not be assessed as records were not available with the

⁹ Bardhaman- ₹ 1.48 crore, Birbhum- ₹ 98.65 lakh, Jalpaiguri- ₹ 89.23 lakh and Nadia- 79 lakh,

¹⁰ Bardhaman- ₹ 80.92 lakh, Birbhum- ₹ 36.11 lakh, Jalpaiguri- ₹ 67.98 lakh and Nadia- ₹ 67.38 lakh,

Directorate which indicated tenuous monitoring over the implementation of the scheme.

Delayed release and diversion of scheme funds coupled with lack of initiative at the implementing stage resulted in benefits largely not having accrued under various components of the scheme.

4.13.2 Assistance to farmers affected by outbreak of Avian Influenza

West Bengal was severely affected by *Avian Influenza* (Bird-flu) on three occasions (January/December 2008 and January 2010) and birds had to be culled to contain the disease. The expenses for control and containment of bird flu were to be shared at 50:50 ratio between the GoI and GoWB. This also included compensation on the basis of number and type of birds culled and quantity of feed destroyed. During 2007-10, ₹ 41.21 crore (Central share: ₹ 12.73 crore, State share: ₹ 28.48 crore) was placed with various District Magistrates, DDPOs, etc for culling operation and compensation. In addition, GoI provided an Additional Central Assistance (ACA) with cost sharing ratio of 30:70 between the GoI and GoWB for (a) Interim relief to families affected by bird flu at the rate of ₹ 500 per family and (b) introduction of Alternative Animal Husbandry Scheme at the rate of ₹ 1500 per family for families affected by bird flu whose monthly income was upto ₹ 5000. Between January 2008 and March 2010, ₹ 55.81 crore (Central share: ₹ 15.30 crore, State share: ₹ 40.51 crore) was released to various DMs. Out of total allotted funds of ₹ 40.98 crore to the test checked districts¹¹, the districts utilised ₹ 22.26 crore¹² (54 per cent) leaving unspent funds of ₹ 15.86 crore¹³ (39 per cent).

Audit scrutiny revealed the following:

- Out of ₹ 97.02 crore released to District Magistrates, DDPOs, etc, UCs amounting to ₹ 47.69 crore were pending while out of GoI share of ₹ 28.03 crore, UCs for ₹ 15.03 crore is yet to be sent to GoI. In Bardhaman, Nadia and Jalpaiguri, out of ₹ 1.49 crore, ₹ 4.80 crore and ₹ 67.95 lakh placed with the respective BDOs, the Block authority sent UCs for ₹ 13.36 lakh (eight per cent), ₹ 2.57 crore (53 per cent) and ₹ 56.81 lakh (83 per cent) respectively. Further, UC sent by DM, Nadia was inflated to the tune of ₹ 71.78 lakh.
- Audit observed misuse of funds of ₹ 25.46 lakh in four test checked blocks of two test checked districts. In three¹⁴ of the above blocks, the number of cases in which interim relief paid exceeded the number of families whose birds were culled and in one block¹⁵ the number of birds against which compensation paid exceeded number of birds culled.

¹¹ Bardhaman- ₹ 4.87 crore, , Birbhum- ₹ 27.71 crore, Jalpaiguri- ₹ 1.50 crore and Nadia- ₹ 6.90 crore

¹² Bardhaman- ₹ 1.88 crore, Birbhum- ₹ 16.91 crore and Jalpaiguri- ₹ 0.75 crore Nadia- ₹ 2.72 crore

¹³ ₹ 15.57 lakh, ₹ 2.15 crore, ₹ 55 lakh was deposited to the treasury by DMs, Jalpaiguri, Birbhum and Bardhaman respectively

¹⁴ Purbasthali-II (₹ 11.30 lakh) and Galsi-I (₹ 0.26 lakh) in Bardhaman and Sadar block (₹ 10.43 lakh) in Jalapiguri

¹⁵ Mangalkote-I in Bardhaman

**Excess payment
of ₹ 1.07 crore
on culling
operation in
Birbhum**

During the interim meeting (August 2010) Department stated that there was difference between the list of farmers whose birds were culled and the list of beneficiaries of interim relief as the interim relief was paid after a gap of two months. The reply is not tenable as interim relief was meant only for the farmers whose birds were culled.

- In Birbhum district, ₹ 4.80 crore was paid instead of ₹ 3.73 crore for 1342346 birds culled in 17 blocks resulting in excess payment of ₹ 1.07 crore. On the other hand, against 213688 affected families in the district, interim relief was paid to 212066 families depriving 1622 families.

DDPO, Birbhum stated (August 2010) that compensation was paid treating broiler chicks as adult birds. Secretary stated that GoI's order in this regard was wrongly interpreted by DDPO, Birbhum.

- For implementation of Alternative Animal Husbandry Programme for 'rearing of sheep/ goat involving single family' a sum of ₹ 12.64 crore¹⁶ was allotted to the DMs of test checked districts. However, implementation was grossly inadequate in all districts. In Nadia district, the entire amount of ₹ 1.50 crore was not utilised since receipt in October 2009 while in Birbhum the amount was sub-allotted to BDOs (March 2010), but UCs were yet to be received (May 2010). In Bardhaman and Jalpaiguri districts, ₹ 20.11 lakh and ₹ 1.28 lakh was spent by the district authority and balance funds of ₹ 2.32 crore and ₹ 58.72 lakh respectively were lying in the DM's PL account. The DDPO, Bardhaman stated that non-receipt of beneficiary list from concerned Panchayat Samities was responsible for non-implementation of the scheme. No reply in this regard was furnished by DM, Jalpaiguri.

Lack of coordination between ARD department and block administrative authorities resulted in excess payment of culling compensation and interim relief of ₹ 1.32 crore and delayed implementation of Alternative Animal Husbandry Programme.

4.13.3 National Project for Cattle and Buffalo Breeding

National Project for Cattle and Buffalo Breeding (NPCBB) was introduced by GoI in October 2000 with the objective of covering the entire population of breedable cattle under organised breeding through artificial insemination within a period of 10 years i.e. by 2011-12 The project envisaged 100 per cent Grant-in-Aid to the implementing agency, the Paschim Banga Go-Sampad Bikash Sanstha (Sanstha), a State autonomous body. The Sanstha received non-recurring part of the project cost directly from Central Government and the recurring component from the State Government.

¹⁶ Bardhaman- ₹2.52 crore, Birbhum- ₹8.02 crore, Jalpaiguri- ₹60 lakh and Nadia- ₹1.50 crore

Out of total available funds of ₹ 82.37¹⁷ crore during 2005-10, ₹ 15.24 crore remained unspent as of March 2010 mainly due to delay in execution of different components of NPCBB. Out of sanctioned funds of ₹ 38.74 crore during 2005-10 by the GoI, ₹ 36.20 crore was released and the Sanstha furnished utilisation certificates of ₹ 21.13 crore. Out of this, UC amounting to ₹ 11.17 crore sub-allotted to districts were furnished without ascertaining actual utilisation in the districts.

The Sanstha stated that funds meant for 2009-10 (₹ 13 crore) was received in December 2009 and hence could not be utilised.

4.13.3.1 Non-acceptance of lowest tender in procurement of medicines

The Sanstha purchased medicines from time to time through district units for organising fertility camps at block level. The authority did not consider lowest offers while selecting rates in some cases. At the time of issue of tender notices (during 2005-06 and 2007-08), the rates of the generic name of the medicine were called for; but selection was made on the basis of trade name. Though samples produced by suppliers were not sent to the State Drugs Control Laboratory for quality tests, drugs at higher rates were selected on grounds of 'quality, usefulness and higher efficacy rate' of medicines. Thus, due to selection of tenders at higher rates, the department incurred extra expenditure of ₹ 73.90 lakh (**Appendix 4.2**). The Department stated (January 2011) that the efficacy of these medicines were judged from the experience of veterinarians. The reply is not tenable as such pre-judgement pre-empts the need for tender and leaves the system without any checks and balances to ensure prudence in purchase.

4.13.3.2 Coverage of breedable cattle under AI

There were 69.20 lakh breedable cattle (pedigree- 11.52 lakh, breed- 55.85 lakh and buffalo- 1.83 lakh) in the State according to livestock census of 2008; of which 57.68 lakh were poor yielders (300 litre per lactation) as compared to 1500 kg per lactation among descriptive breeds in other states. For augmentation of milk production, NPCBB envisaged bringing the entire population of breedable cattle under comprehensive Artificial Insemination (AI) programme. Targets and achievement during 2005-10 are indicated in the following table.

¹⁷ Opening Balance: ₹ 2.02 crore, GoI funds: ₹ 36.20 crore, GoWB funds: ₹ 29.67 crore and other receipts: ₹ 14.47 crore

Table: 4.5: Target and achievement of AI

(Figures in lakh)

SI No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1	Number of breedable cattle in the State	68.28	68.75	69.20	69.69	70.16
2	Target for A.I.	18.00	20.00	22.00	22.00	25.00
3	Target of coverage of breedable cattle under AI programme	12.00	13.33	14.67	14.67	16.67
4	Coverage of cattle under AI (percentage to target)	10.38 (86.50)	12.17 (91.30)	12.91 (88)	14.67 (100)	18.51 (111.03)
5	Percentage of coverage to total breedable cattle	15.20	17.70	18.66	21.06	26.38
6	Shortfall in coverage of cattle against target fixed (percentage)	1.62 (13.50)	1.16 (8.70)	1.76 (12)	-	-
7	Number of AI done	15.57	18.25	19.37	22.02	27.76
8	Number of calves born	4.88	5.96	6.71	6.88	8.24
9	Percentage of calves born to					
	(a) AI done	31.34	32.66	34.64	31.26	29.68
	(b) Cattle covered	47.01	48.97	51.98	46.90	44.52

(Source: Annual Reports of Sanstha of respective years)

It is seen from the above that the target set for AI was largely achieved. However, only 15 to 26 per cent of breedable cattle were covered during 2005-2010 under AI indicating that the scheme was way behind the target of 100 per cent coverage in ten years. Thus, the targets set were low and unrealistic. This coupled with non-creation of adequate number of AI centres and poor performance of AI centres resulted in lower coverage of cattle.

4.13.3.3 Performance of AI centres

AI was done through Government AI centres, Pranibandhus¹⁸ and others including Co-operatives. According to GoI norms, each AI centre/Pranibandhu was required to inseminate 800 cattle per year. During the years 2005-10, number of cattle inseminated ranged far below the capacity as would be evident from the table below:

Table: 4.6: Performance of AI centres

		2005-06	2006-07	2007-08	2008-09	2009-10
Number of Government AI centre		2352	2131	2088	2081	2059
Number of Pranibandhu		2697	2776	2816	2940	2990
Others		546	604	625	681	695
Total A.I. Centres		5595	5511	5529	5702	5744
Capacity of AI as per norm (Number of cattle in lakh)		44.76	44.09	44.23	45.62	45.95
Number of cattle (in lakh) inseminated by	Government. centres	3.84	3.89	3.73	3.82	4.24
	Pranibandhus	5.02	6.55	7.39	8.92	12.03
	Others	1.52	1.73	1.79	1.94	2.23
	Total	10.38	12.17	12.91	14.68	18.50
	(Per cent)	(23)	(28)	(29)	(32)	(40)
Shortfall (in lakh)		34.38	31.92	31.32	30.94	27.45

(Source: Annual Reports of Sanstha of respective years)

¹⁸ Private AI workers engaged by the Sanstha

Against a requirement of 8650 AI units to cover the existing population of 69.20 lakh bovines¹⁹, only 5744 AI units exist in the State (2009-10).

A comparison of the performance of Government AI Centre and Pranibandhus indicated that performance of Government AI centres lagged behind Pranibandhus. The average number of cattle inseminated by each Government AI Centre was only 183 each year vis-à-vis 278 (52 *per cent* more in comparison to Government AI centres) inseminated by each Pranibandhu during 2005-2010.

The Department was of the view that (January 2011) cent *per cent* insemination is not possible to achieve. However, it was informed that the target of insemination had been enhanced to 1000 cattle per AI centre per year. The department also informed that West Bengal became the first state in India to successfully breed a calf of desired gender by segregating the X/Y chromosome sperm.

4.13.4 Fodder Development Programme

West Bengal is a fodder deficit state as only 110.81 lakh MT green fodder is produced annually against a requirement of 439.15 lakh MT. The GoI released ₹ 40 lakh (February 2006) and ₹ 1.36 crore (December 2007) under 'Assistance to States for implementation of Fodder Development Programme' as 100 *per cent* central assistance. The Department, however, could not initiate proposals in 2006-07, 2008-09 and 2009-10 to avail of central assistance.

The Department intimated (January 2011) that owing to difficulty in finding beneficiaries with land holding of 10 ha in the State, which was a pre-requisite for the scheme, proposals could not be initiated. However, the Department took up the matter with GoI and the norm was relaxed from 2010-11, enabling it to send more proposals.

4.13.5 Rashtriya Krishi Vikas Yojana

Rashtriya Krishi Vikas Yojana (RKVY) administered by the Ministry of Agriculture and Co-operation, GoI is a 100 *per cent* ACA scheme introduced in 2007-2008 to incentivise States to draw up plans for their Agriculture sector. Department of ARD is responsible for implementing projects undertaken in Animal Husbandry sector.

During 2007-08 to 2009-10, ARD department released ₹ 84.66 crore to six implementing agencies²⁰ for implementation of different schemes under RKVY of which implementation of schemes by the Directorate (in four test checked districts) and DAIRPOUL were scrutinised.

¹⁹ As per 2008 census

²⁰ Directorate of AR&AH, DAIRPOUL, Sanstha, West Bengal Co-operative Milk Producers Federation Ltd. West Bengal University of Animal and Fishery Sciences and West Bengal Livestock Processing Corporation Ltd.

Scrutiny revealed the following:

- The Directorate furnished utilisation certificates (in January 2009 for 2007-08 and in July 2009 for 2008-09) to the department showing utilisation of the entire fund of ₹ 22.26 crore²¹ in the years 2007-2009 while progress reports from implementing authorities showed 85 *per cent* and 42 *per cent* utilisation for 2007-08 and 2008-09 respectively.

The Directorate stated that UCs indicating entire fund as utilised were submitted as the funds were committed for expenditure.

- Out of ₹ 7.88 crore received during 2007-10 by the test checked DDPOs, the district authorities utilised 54 *per cent* of the allotted fund as of March 2010. Again, out of ₹ 1.01 crore sub-allotted to the Block authorities, 65 *per cent* was utilised during the period.
- Under the rearing of day old chicks scheme, SHGs were to be supplied brooder units. SHGs were to receive day old chicks/ducks (DOC/DOD) from Government farms and rear in the brooder units for 28 days for further sale. Out of 244 brooder units worth ₹ 23.68 lakh purchased (between July 2008 and March 2009) in 61 blocks of three²² test checked districts, 199 units costing ₹ 19.69 lakh remained unutilised for non-supply of DOCs/DODs, apathy of SHGs in rearing, non-completion of brooder houses, etc.

The Department accepted (January 2011) that the scheme was conceptually faulty as supply of chicks could not be ensured. It was further added by the Department that the SHGs were selected carelessly by PRIs and outbreak of bird flu also discouraged people from taking up poultry farming.

- In order to derive maximum price advantage by procuring the entire years' consumption of maize during the harvesting season (May-June), ARD department sanctioned (March 2008) ₹ 52.95 lakh (90 *per cent* of project cost) for installation of two silos²³ to augment the storage capacity in Kalyani Feed Milling Plant at a cost of ₹ 58.83 lakh as per proposal (November 2007) of DAIRPOUL. The proposal was incomplete since it indicated the cost of silos without the cost of requisite allied infrastructure. The silos procured (November 2008) at a cost of ₹ 97.72 lakh (including DAIRPOUL's fund of ₹ 44.77 lakh) and erected in January 2010 after completion of requisite civil works, could not be commissioned in the absence of allied infrastructure as of July 2010. Thus due to an incomplete proposal, the entire investment of ₹ 97.72 lakh was rendered unfruitful. Further, owing to non-commissioning of the project, the company continues to lose ₹ 28 lakh per year on account of failure to avail of the price advantage in procurement of maize during harvest seasons, as planned.

²¹ ₹ 4.05 crore in 2007-08 and ₹ 18.21 crore 2008-09

²² Bardhaman, Jalpaiguri and Nadia

²³ With storage capacity of 500 MT each

No reply was furnished by DAIRPOUL in this respect. However, during exit conference (January 2011) department accepted that silos could not be operationalised till date.

Thus, defective planning coupled with ineffective project implementation resulted in non-achievement of desired benefits of the Yojana.

4.13.6 Conservation of threatened breeds

Under 'Conservation of Threatened Breeds', a 100 *per cent* centrally sponsored scheme, GoI released ₹ 125.29 lakh (between March 2006 and March 2007) for conservation of Garole Sheep (₹ 60.79 lakh) at Nimpith Village, South 24 Paraganas, a saline zone, the original breeding tract of Garole sheep and Black Bengal goat (₹ 64.50 lakh) at Composite Animal Husbandry Farm, Salboni, Paschim Midnapore through rearing and experiments on 520 animals each in proven agro-environmental conditions. The scheme involved training of farmers, distribution of reared animals to them and providing breeding services.

Audit observed that the project of conservation of Garole sheep taken up (January 2008) at a saline zone, Machranga Dwip, South 24 Parganas, (instead of Nimpith) with a delay of 23 months. It was further shifted (November 2008) on grounds of soil erosion to State Livestock Farm (SLF), Kalyani, a non-saline zone after expending ₹ 2.82 lakh, thus, losing its main thrust. Similarly, the project of conservation of Black Bengal goat was taken up with a delay of 15 months at Kotulpur farm, Bankura (instead of Salboni farm) clubbing the project with the State's scheme of establishment of Goat Farm at Kotulpur on the ground of economy and better technical supervision.

Against the target of purchase of breeding stock of 520 animals for starting the scheme, only 95 Garole sheep (18 *per cent*) and 258 Black Bengal goat (50 *per cent*) were purchased as of March 2010 despite availability of adequate funds. Despite training of 400 (40 *per cent*) and 388 (39 *per cent*) breeders, as against target of 1000 in each case of Garole sheep and Black Bengal goat respectively, a progeny of 148 Garole sheep and 168 Black Bengal goats produced as of March 2010, were not distributed to farmers.

Thus, the objectives of the programme remained unachieved due to poor planning and lackadaisical implementation.

The Directorate stated (April 2010) that the department has made every endeavour to implement the projects in accordance with the GoI instructions but due to unavoidable circumstances the department had to shift the project and this led to some delay in implementation and the department hoped to achieve the objectives of establishing both the farms.

4.14 Performance of Government Farms

4.14.1 Cattle farms

Performance of four cattle farms viz, Bull Mother Farm (under Sanstha) at Haringhata, District Composite Farm, (DCF) Birbhum, Haringhata Farm and

State Livestock Farm (SLF), Kalyani was reviewed. Revenue earned, expenditure and operational loss of Haringhata Cattle Farm, DCF Birbhum and SLF Kalyani during the period 2005-10 is shown in the table below:

Table: 4.7: Expenditure incurred and revenue earned thereagainst by the test checked Cattle Farms

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Total revenue earned including sale of animals(₹ in Lakh)	59.33	NA	37.82	34.72	32.62
Expenditure towards fodder and feed (₹ in lakh)	NA	NA	106.34	98.53	121.34
Operational Loss(₹ in Lakh)	NA	NA	68.52	63.81	88.72
No of milch animals(average)	361	NA	131	111	111

(Source: Annual reports of respective farms)

The farms suffered operational loss of ₹ 2.21 crore during the period 2007-10. Production of milk per milch cattle being lower than the average norm of lactation of different varieties of cattle was one of the factors that contributed to the loss. Production as per norms would have reduced the quantum of loss by ₹ 71.47 lakh through production of 510.209 MT of milk during 2007-10.

On the other hand, in the case of the farm maintained by Sanstha, the production of milk was more than the average lactation of both Gir and Sahiwal varieties (except in 2008-09 when production was 96 *per cent* of average lactation).

Thus, performance of the Government cattle farms was far below the performance of bull mother farm.

Assistant Director, Haringhata Farm (June 2010) and Joint Director, SLF, Kalyani (August 2010) stated that the farms were functioning mainly for different research work since their inception and not as profit making commercial dairy farms.

The reply is not tenable as all the research work has been shifted to Sanstha after introduction of NPCBB.

4.14.2. State Poultry Farms.

There are 26 State Poultry Farms. The farms sell hatching eggs and chicks of different age groups. According to incubation and hatchery management, there are two indicators viz. fertility (egg production/layer) and hatchability, which affect the production of chicks and consequently, economic returns. As per 'A text book of Animal Husbandry'²⁴, commercial layers' egg production was 300 eggs per layer and as per 'Poultry Production'²⁵, hatchability was 86.06 *per cent*. Further, according to project proposal prepared by the State Government for central assistance to farms, 240 eggs per layer and 80 *per cent* hatchability were indicated. Further, interviews with SHGs indicated that production of 240 eggs per layer had been achieved in backyards of village

²⁴ Authored by G.C. Banerjee (1964)

²⁵ A book authored by R.A. Singh (1990)

homes. The department, however, lowered the norms to 180 eggs per layer and 70 *per cent* hatchability, for assessing performance of farms.

Analysis of performance of 19 poultry farms out of 26 during 2006-10 disclosed that none of the farms achieved the norm of 240 eggs per layer. Eggs per layer ranged between 120 and 230. On the other hand, against the hatchability norms of 80 *per cent*, the hatchability performance ranged between 43 and 83. Only five farms achieved hatchability of 80 *per cent* or above, that in one out of four years²⁶. 14 farms suffered operational losses amounting to ₹ 88.65 lakh. Had the norms indicated in the project proposal for central assistance been followed, these farms should have produced an additional quantity of 13.80 lakh eggs and 2.58 lakh day old chicks. This would have eliminated the operational losses.

The department stated (January 2011) that norms of egg production and hatchability would be looked into to fix norms specifically for each variety of bird.

4.14.3 Fodder Farms.

The department maintains 13 fodder farms for production of fodder and fodder seed, of which two farms (Katwa and Rosulpur,) remained defunct due to encroachment and staff shortage respectively. The farms were not utilised optimally as 53 *per cent* of cultivable area of 3891.652 ha was brought under cultivation while 25 *per cent* out of the total cultivable area was irrigated.

Test check of records of Haringhata Fodder Farm in Nadia district and Jotiali Forage Research, Development and Training Centre (FRDTC) in Jalpaiguri disclosed the following:

The main objectives of Haringhata farm was to produce various types of green forage for feeding livestock housed at Haringhata and Bull mother farms (under Sanstha), and to act as a model farm for efficient fodder production activities. Haringhata farm had two fodder farms viz. Haringhata Farm Main (457.59 ha) and North (133.436 ha) whose net cultivable areas were 46 *per cent* and 67 *per cent* respectively. Irrigated areas of the Main and North farms were 30 and 32 *per cent* of the net cultivable areas respectively. The FRDTC produced various types of seeds for distribution among farmers of North Bengal districts and 95 *per cent* of the cultivable area (9.25 ha) was irrigated.

During 2008-10, crops were not cultivated in the North farm. Besides, 19 to 35 *per cent* of the effective cultivable area of the farms (775.43 ha in Haringhata and 26.75 ha in FRTDC) was cultivated during 2005-06 to 2009-10. Besides,

²⁶ The hatchability/productivity range of these farms is indicated below.

Productivity Range	No. of farms*	Hatchability Range	No. of farms*
120-150	7	43-60	8
151-179	14	61-70	13
180-200	13	71-79	14
201-230	6	80-83	5

*This was achieved at least in one year during 2006-10.

targets were fixed lower than norms. Non-availability of irrigation facilities, etc. contributed to shortfall in production.

Had the entire 'net cultivable area' under the farm been utilised, 2.03 lakh MT of fodder could have been produced during 2005-10, against 0.22 lakh MT of fodder produced resulting in shortfall in production of 1.81 lakh MT worth ₹ 13.05 crore. Similarly, in FRDTC, shortfall of seed production during 2005-10 was 10.29 MT (vis-à-vis target of 44.30 MT) valuing ₹ 6.03 lakh.

As per ICAR hand book of Animal Husbandry 'if 32 to 40 Kgs of green fodder is available per animal, it is possible to produce more than 5 kg of milk even without concentrated mixture'. Short production of green fodder led to purchase of 3120 MT of paddy straw and 3234 MT of concentrated feed at a cost of ₹ 42.92 lakh and ₹ 3.15 crore respectively during 2007-10 by Haringhata Farm and Sanstha authorities.

Accepting the fact Deputy Director of Haringhata Farm stated (June 2010) that minimum infrastructure, inadequate irrigation facility, security, etc. led to short- coverage of land and consequent shortfall in production of fodder.

4.15 Coverage of Health services

Animal Development Aid Centers (ADAC) were established to augment health care services at Gram Panchayat level by engaging Livestock Development Assistants (LDA). Out of 3000 ADACs in the state, 1100 (37 per cent) remained non-operational owing to shortage of LDAs indicating non-extension of health services to 1100 Gram Panchayats (GP). In test checked districts, health care facilities were not extended to 260 GPs as 260²⁷ ADACs (36 per cent) out of 713 were non-functional due to shortage of LDAs.

Accepting the fact in the exit conference, department stated (January 2011) that steps were being taken to recruit LDAs

4.16 Performance of Regional Laboratories

Though Regional Laboratory, Bardhaman had jurisdiction over seven districts²⁸, its activities like conducting camps for collection of samples for various tests, examination of infertility cases, etc, were largely limited to Bardhaman. One camp was conducted in Bankura in 2007-08 and two camps in West Midnapore in 2009-10. Four kinds of tests could not be done in laboratory, as the reagents required for conducting these tests were not supplied for 18 to 26 months as of May 2010. Further, a Microplate Photometer (ELISA Reader) costing ₹ 3.64 lakh could not be put to use (since August 2006) for want of accessories like microplate, washer, test kits, etc depriving the beneficiaries of early detection of antibody / antigen tests for

²⁷ Bardhaman- 103 out of 277, Birbhum- 39 out of 129, Jalpaiguri- 37 out of 120 and Nadia- 81 out of 187

²⁸ Bankura, Bardhaman, Birbhum,, Hooghly, Paschim Midnapore, Purba midnapore and Purulia

animal diseases. Similarly, activities of Regional Laboratory, Nadia having jurisdiction over three²⁹ districts were limited to Nadia district.

The Deputy Directors (Microbiology) of both laboratories stated that other districts could not be covered due to non-availability of vehicles. The Deputy Director (Microbiology), Bardhaman attributed this to poor response by the concerned district authorities also.

4.17 Economically Unviable Milk Scheme

Greater Calcutta Milk Supply Scheme (GCMSS) was economically unviable as operating losses during 2005-09 ranged from ₹ 47.53 crore to ₹ 52.43 crore. Operating loss was between 166 and 242 *per cent* of the operating income. This was attributable to high cost of salary and wages (ranging from 153 to 219 *per cent* of the operating income) and higher cost of consumption of raw materials (ranging from 86 to 99 *per cent* of the operating income). Further, a comparison of expenditure under various heads as percentage of sales with that of industry norms³⁰ indicated that expenses of GCMSS under all the heads were substantially higher.

The department agreed that (January 2011) the milk scheme was not commercially viable and they were not running on commercial lines. The reply, however, did not justify shouldering of containable losses on account of low capacity utilisation, non-accountal of stock of milk, non-adherence to the norms of contents of fat and Solid but Not Fat (SNF) etc. as discussed in the subsequent paragraphs.

4.17.1 Non-adherence to norms resulting in higher cost of production

Fat and Solid but Not Fat (SNF) content in milk is one of the factors which affects the cost of production of various types of milk. To ensure quality of milk, the Prevention of Food Adulteration Act, 1954 and the Prevention of Food Adulteration Rules, 1955 as amended in 2006, has stipulated minimum fat and SNF content of various categories of milk. The minimum stipulation for fat and SNF content and that achieved by Central Dairy, Belgachia under Greater Calcutta Milk Supply Scheme (GCMSS) and some leading brands are indicated in the table below:

Table: 4.8: Fat and SNF content in various brands of milk vis-a-vis minimum stipulation

	Minimum Stipulation	GCMSS	Amul	Mother Dairy
	(Per cent)			
<u>(i) Pasteurised cow milk</u>				
Fat	3.5	4.02	NA	3.5
SNF	8.5	8.61	NA	8.5
<u>(ii) Double Toned Milk</u>				
Fat	1.5	1.63	1.5	1.5
SNF	9	9.15	9	9

(Source:- Dairy's records and websites of Amul and Mother Dairy)

²⁹ Malda, Murshidabad and Nadia

³⁰ As indicated in the report on Restructuring Central Dairy prepared by Deloitte & Touche Consulting India Pvt. Ltd.

Consequently, during 2005-10, Central Dairy, Belgachia consumed an excess of 202³¹ MT of fat (154 MT in cow milk and 48 MT in double toned milk) and 87 MT of SNF (32 MT in cow milk and 55 MT in double toned milk) vis-à-vis minimum norms in production of 29350 MT of cow milk and 36852 MT of double toned milk resulting in higher cost of production to the extent of ₹ 3.32 crore.

The Department (January 2011) stated that the matter would be looked into to amend the existing orders in this regard.

4.17.2 Excess consumption of raw materials

Due to inadequate availability of raw milk, Central dairy, Belgachia had to resort to production of different varieties of milk by mixing SNF and fat in required proportion for which Skimmed Milk Powder (SMP) and white butter were purchased through open tender. As per tender specification, SNF content of SMP should be 96.5 *per cent* of the weight of the SMP while fat content of the white butter should be 82 *per cent* of the weight of the butter. The dairy did not conduct quality test to ensure that the purchased raw materials conform to the standards as specified in the tender. During 2005-10, the dairy recovered 3642 MT (an average 94.82 *per cent* recovery) SNF out of total purchase of 3841 MT of SMP against the Standard Minimum Recovery of 3707 MT of SNF. As a result, 68.22 MT of extra SMP worth ₹ 58.57 lakh was consumed by the dairy. Similarly, during 2005-10, 5913 kg of extra butter valuing ₹ 7.59 lakh was consumed by the dairy as the fat recovery from 237 MT of butter was 189 MT (an average 79.75 *per cent* recovery) *vis-a-vis* the Standard Minimum Recovery of 194 MT of fat. Thus, failure to adhere to the Standard Minimum Recovery of fat and SNF from white butter and SMP respectively as per specifications, resulted in loss of ₹ 66.16 lakh by way of excess consumption of white butter and SMP.

The department did not furnish reply in this regard.

4.17.3 Low capacity utilisation leading to idling of man power

Central Dairy, Belgachia has an annual installed capacity of 1095 lakh litres (3 lakh litres per day) from operation of three process lines for which it has a sanctioned strength of 1363 dairy process and Boiler department staff. GCMSS could utilise only one process line out of three with the capacity utilisation in each year during 2005-2010 ranging from 13 *per cent* (144 lakh litres) to 17 *per cent* (183 lakh litres) due to low demand of milk. Against the requirement of 455 employees for running one process line, the dairy had 680 employees leading to payment of idle wages of ₹ 19.76³² crore during 2005-10 to 225 employees. Similarly, low capacity utilisation of Haringhata dairy

³¹ 1181 MT of fat (4.02 *per cent*) and 2527 MT of SNF (8.61 *per cent*) for production 29350 MT of cow milk against 1027 MT of fat and 2495 MT of SNF as per norms and 601 MT of fat (1.63 *per cent*) and 3372 MT of SNF (9.15 *per cent*) for production of 36852 MT of double toned milk against 553 MT of fat and 3317 MT of SNF as per norms.

³² Calculated on the basis of average pay plus grade pay in different applicable time scales.

during 2005-2010 ranging from four to 10 *per cent* led to payment of idle wages of ₹ 11.46 crore.

The department did not furnish reply in this regard.

4.17.4 Non-accountal of stock of milk

The net quantity of milk supplied (after adjusting the cold store return³³ and route return³⁴) to the Indent & Despatch Wing by the Production Department of the Dairy should be equal to the net sales effected. At Central Dairy, Belgachia, there were differences in the net quantity of milk handed over to the Indent & Despatch Wing by the Production Department and net sales effected. During 2005-10, the Central Dairy, Belgachia handed over net quantity of 789.34 lakh litres of different variety of milk against which actual sales effected was 776.37 lakh litres indicating non-accountal of 12.97 lakh litres of milk. Pilferage of 12.97 lakh litres of milk worth ₹ 2.04 crore could not be ruled out. There was no system to reconcile the difference to check such pilferage.

The department stated (January 2011) that the process of reconciliation of figures was underway.

4.17.5 Excess wastage of poly-film

Central Dairy, Belgachia and Haringhata Dairy under GCMSS use polyfilms of thickness 49 micron to 55 micron and length of 155 mm (plus-minus 5 mm) for 500 ml and 250 ml pouches. Guaranteed yield per kg of film should be minimum 375 packets of 500 ml and 750 packets for 250 ml and admissible maximum wastage was two *per cent* of the weight of the film. During 2005-10, wastage of poly-film ranged between five *per cent* and 52 *per cent* and as against normative consumption of 461.67 MT of polyfilm for 2155.03 lakh of poly-pouches, actual consumption was 570.62 MT of poly-film resulting in excess consumption of film to the extent of 99.72 MT³⁵ valuing ₹ 1.07 crore. The management did not analyse the reasons for such huge wastage and did not take action to ascertain and control the extent of loss.

The department did not furnish reply in this regard.

4.18 Benefits extended to Self Help Groups (SHG)

With a view to improving the income of rural people and to increase the availability of milk, meat and eggs, ARD Department distributed animals/birds to SHGs under various schemes implemented by the department. The selection of SHGs is done by the Panchayat Samities (PS). Out of 26 test checked blocks, BLDOs of 12 blocks in three districts³⁶ stated that there was

³³ Milk returned to the cold store for reasons such as leakage of crates, defective packaging, etc.

³⁴ Milk returned by delivery vans after distribution and sent to production department for reprocessing.

³⁵ After allowing two *per cent* normal wastage

³⁶ Bardhaman, Birbhum and Nadia

delay in selection of beneficiaries by the PSs resulting in protracted execution of schemes.

There is no mechanism in place in the department to monitor actual utilisation of livestock distributed among SHGs and measure the impact of schemes in alleviating poverty of rural population.

Interviews of 124 Self Help Groups (SHGs) out of 5194 in 26 blocks which received benefit from the ARD Department were undertaken by Audit for impact assessment. Analysis of data collected through interviews revealed the following.

- 52 SHGs received benefit without forwarding application to the authorities concerned.
- All birds received by 43 SHGs, died before the SHGs could derive any benefit therefrom.
- The percentage of survivability of goats ranged from 21 to 100 *per cent* and in case of birds, the same was between 10 to 100 *per cent*.
- 77 SHGs (62 *per cent*) stated that BLDOs did not conduct any inspection to ascertain the status of animals/birds provided to them.
- 58 SHGs (47 *per cent*) stated that they successfully sold eggs, birds and animals for income generation.
- 97 SHGs (78 *per cent*) stated that they got their animals vaccinated. 74 (60 *per cent*) availed of government facilities while 19 (15 *per cent*) utilised the services of pranibandhus, 4 made self arrangements for vaccination.
- Nine SHGs (43 *per cent*) out of 21 whose birds were affected by bird flu did not receive any compensation. Nine (43 *per cent*) received only interim relief and three SHGs (14 *per cent*) received both culling compensation and interim relief.
- There was no additional income generated by 26 SHGs after receipt of benefit (Pigs/Goats/Ducklings/DoC).
- In respect of 21 SHGs (17 *per cent*), additional income generated after getting benefits (receipt of Pigs/Goats/Ducklings/DoC) ranged between 20 and 233 *per cent*. Income generation was registered in 16 SHGs who did not have any income prior to receiving the benefit.
- 85 SHGs (69 *per cent*) stated that they were satisfied with the scheme

The department expressed (January 2011) reservations on the results of interviews of beneficiaries as the statements of the beneficiaries were not verifiable. However, the fact remains that the statements of beneficiaries were recorded in presence of Block Livestock Development Officer/Gram Pradhan.

4.19. Conclusion

Though the department largely succeeded in achieving the yearly targets of production of milk, meat and eggs as well as targets set for Artificial insemination, there were certain areas of institutional weaknesses as well as some concerns over compliance to rules and regulations by the departmental functionaries.

Deficient financial management was apparent from instances of non-compliance to various provisions of WBTR and WBFR, retention of Government receipts outside Government account, parking of scheme funds in deposit accounts of a Government company, etc.

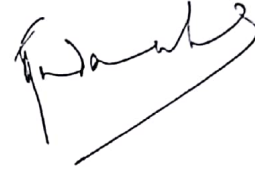
On the service delivery front, implementation of schemes suffered due to lack of planning and initiative on the part of implementing authorities, and delay in release and diversion of funds. The gap between demand and supply of milk, meat and eggs indicated a marginally increasing trend despite annual targets for production being largely achieved. Impact of schemes on sustainable improvement in quality of life of rural people was not adequate. Health services were adversely affected due to non-functional ADACs and owing to shortage of medicines for prolonged periods in animal health centres.

Operational control of the department was also compromised by institutional weaknesses like, outdated departmental manual, deficient manpower management leading to key posts remaining vacant while staff of closed units not being gainfully deployed, ineffective monitoring mechanism, weak Internal Audit Wing of the department etc. Government farms were also not functioning to their full potential.

4.20 Recommendations

- *The department should review the performance of farms and commercial undertakings vis-à-vis comparable profitable organisations to identify good business practices followed by the latter and take suitable measures to adopt those practices;*
- *The department should review its strategy for setting targets for production of milk, meat and eggs to effectively and progressively reduce gaps between demand and production. The department should also review the norms set for fertility and hatchability for the state poultry farms.*

- *The department should ensure that monitoring system put in place functions efficiently to get assurance that the funds are utilised effectively for better implementation of schemes.*



(SUDARSHANA TALAPATRA)
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- 5 MAY 2011

Countersigned



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23 MAY 2011

Appendices

Appendix – 2.1.1
(Refer paragraph 2.1.6.1, Page 17)

Statement showing the target and achievement in respect of procurement of levy rice and custom milling rice (CMR) during the years from 2005-06 to 2009-10 (up to June 2010)

Year	Target for procurement of rice as fixed by the State Government for (Quantity in lakh MT)								Achievement against target for procurement of rice (Quantity in lakh MT)							
	Levy rice		CMR					Total	Levy rice		CMR					Total
	F&S Deptt	FCI	WBECSC	BENFED	NAFED	CONFED	SHGS (ZP)		F&S Deptt	FCI	WBECSC	BENFED	NAFED	CONFED	SHG	
KMS			(\$)	(\$)	(\$)	(\$)										
2005-06	1.00	4.50	0.50	2.50	0.50	0.50	0.00	9.50	0.97	2.64	0.32	2.14	0.31	0.42	0.00	6.79
2006-07	2.00	4.50	2.00	2.00	0.50	0.50	0.50	12.00	2.00	1.64	1.06	0.72	0.37	0.31	0.01	6.11
2007-08	2.50	4.00	3.00	1.00	0.50	1.26	0.00	12.26	3.09	2.98	1.82	1.15	0.70	1.10	0.00	10.85
2008-09	3.00	3.50	3.25	1.50	0.78	1.16	0.50	13.69	4.78	4.29	2.48	1.60	0.78	1.25	0.02	15.18
2009-10 (upto June 2010)	5.25	4.75	2.90	1.55	0.80	1.10	0.05	16.40	4.03	2.55	1.29	0.90	0.64	0.98	0.04	10.43
Total	13.75	21.25	11.65	8.55	3.08	4.52	1.05	63.85	14.86	14.10	6.97	6.51	2.80	4.06	0.06	49.36

WBECSC -West Bengal Essential Commodities Supplies Corporation Limited, BENFED - West Bengal State Co-operative Marketing Federation Limited,
NAFED - National Agricultural Co-operative Marketing Federation of India Limited, CONFED - West Bengal State Consumers Co-operative Federation Limited
SHG – Self Help Groups

(Source: Departmental records)

Appendix – 2.1.2
(Refer paragraph 2.1.8, Page 28)

Statement showing position of works of construction/repairing of government godowns

Sl. No.	Name of District	Location of godown	Nature of Work	Estimated cost (in ₹.)	Amount released (₹)	G.O. No. & date	Executing Agency	Remarks
1	Bardhaman	Ramjibanpur 1100 MT (F)	Repairing	697000	697000	140-FS dt.09.10.09	Z.P.	Work has not been started as yet
2	Bardhaman	Seharabazar 1000 MT (F)	Repairing	1572000	1572000	140-FS dt.09.10.09	Z.P.	Work has not been started as yet
3	Bardhaman	Burdwan (South) 2000 MT (F)	Repairing	735000	735000	140-FS dt.09.10.09	Z.P.	Work has not been started as yet
4	Bardhaman	Kalna 1800 MT (F)	New proposal for construction of the office of the SCF&S	260000			Z.P.	Fund not yet sanctioned
5	Bardhaman	Asansol 600 MT (NF)	Occupied by ADM, Burdwan & CONFED for office use	Estimate for repairing not prepared			Z.P.	ADM and CEO, CONFED was requested (March 2010) to vacate the godown occupied by them so that the same can be used by Department for PDS purpose
6	Howrah	Amta (I&II) 600 MT (NF)	Reconstruction	2612000	2612000	931-FS dt. 05.03.01	Z.P.	Process of acquisition of land has not been completed due to court case.
7	Hooghly	Khanakul 840 MT (F)	Repairing of ground, wall, roof etc.	432513	432513	329-FS dt. 25.02.09	PWD	Progress Report wanting from DCFS
8	Hooghly	Khanakul 1200 MT	Proposal for new construction	5951430			PWD	Not yet sanctioned. DCFS has been requested (Feb 2010) to furnish revised estimates.
9	Hooghly	Mogra 640 MT(F)	Dismantling	20540	20540	368-FS dt. 31.03.06	PWD	Work not started
10	Hooghly	Arambagh 840 MT (F)	Special repairing	406435	406435	150-FS dt. 07.09.07	PWD	Work completed at ₹386585. Unspent fund of ₹19850 not refunded
11	Hooghly	Pandua 840 MT (F)	Special repairing	644712				Proposal dated 12.11.2009 not yet sanctioned
12	Murshidabad	Khagra Dayanagar 856 MT (F)	Repairing	60000			Z.P.	Proposal dated 04.01.2008 not yet sanctioned

Sl. No.	Name of District	Location of godown	Nature of Work	Estimated cost (in ₹.)	Amount released (₹)	G.O. No. & date	Executing Agency	Remarks
13	Murshidabad	Kandi 1000 MT (F)	Construction of boundary wall	169057	169057	3510-FS dt. 11.09.01	PWD	Government Land encroached by unauthorised occupants. Court case of May 2002 pending. Work not started. Unutilised fund lying with PWD.
14	Murshidabad	Raghnathganj 1250 MT	New construction	1552497	1552497	931-FS dt. 05.03.01	ZP	Work in progress
15	Murshidabad	Khagra 1250 MT	New construction	1766758	1766758	931-FS dt. 05.03.01	ZP	Work in progress
16	Darjeeling	Chunabhati-500 MT	New construction	954300	954300	2729-FS dt 07.09.95	PWD	Work completed, UC submitted
17	Darjeeling	Algarah 500 MT	New construction	954300	954300	2729-FS dt 07.09.96	PWD	Work completed, UC submitted
18	Darjeeling	Kalimpong 500	New construction under CSS, 1992-93	954300	954300	2729-FS dt 07.09.97	PWD	Work not started, Amount refunded
19	Darjeeling	Takdah 500 MT	New construction under CSS, 1992-93	958000	958000	2729-FS dt 07.09.98	PWD	Work not started, Amount refunded
20	Darjeeling	Mirik 500 MT	New construction under CSS, 1992-93	958000	958000	2729-FS dt 07.09.99	PWD	Work not started, But, Amount not refunded
21	Darjeeling	Bijanbari 500 MT	New construction under CSS, 1992-93	958000	958000	2729-FS dt 07.09.99	PWD	Work not started, But, Amount not refunded
22	24 Parganas (South)	Fultala, Baruipur 815 MT (F)	New construction	5296476	5296476	Not Available	ZP	Work completed in September 2007 at ₹5128182. Unspent fund of ₹168294 not refunded
23	Dakshin Dinajpur	Balurghat 700 MT (NF)	Electrification	16537			WBSEDCL	Not yet sanctioned.
24	Dakshin Dinajpur	Hili 570 MT (NF)	Repairing	602341	602341	151 FS dt. 07.09.07	PWD	Work has not been completed
				216881	216881	152 FS dt. 07.09.07		
25	Dakshin Dinajpur	Kumarganj 500 MT (NF)	Newly construction	650000	650000	8539-FS dt. 22.12.93	Z.P.	Construction completed in 1996 at a cost of ₹ 664000 but the godown is still under possession of ZP due to non-availability of approach road. No action was taken for construction of approach road.
26	Uttar Dinajpur	Karanjora 700 MT	Newly constructed - electrification work	93350	93350	292-FS dt. 15.01.09	Z.P.	Work status not intimated by DCFS

Sl. No.	Name of District	Location of godown	Nature of Work	Estimated cost (in ₹.)	Amount released (₹)	G.O. No. & date	Executing Agency	Remarks
27	Purulia	Radhakrishna More 600 MT (F)	Repairing	377990	377990	3367-FS dt. 15.05.08	Z.P.	Due to delay in repairing the godown the cost was re-estimated (Nov 2009) to ₹1074893 owing to requirement of additional works. The Department requested the DCFS to submit the details of the revised estimates. As the fund was not yet sanctioned, the work was not taken up by ZP. The released fund of ₹ 377990 remained parked with ZP.
28	24 Parganas (North)	Bongaon 500 MT (F)	Newly constructed repair	5293000	5293000	931-FS dt. 05.03.01	ZP	Work completed at ₹4113000. Unspent fund of ₹1120000 not refunded by ZP
29	Paschim Medinipur	Ghatal 500 MT (F)	Repairing & renovation	2498804	2498804	1028 FS dt 22.07.09	PWD	Work has not been started as yet
30	Paschim Medinipur	Belda 500 MT (NF)	Reconstruction	1833914	850000	148-FS dt. 06.09.07	Z.P.	Work in progress. Expenditure of ₹ 12.53 lakh has been incurred up to June 2010. UC for ₹ 12.53 lakh has been submitted
					983914	58-FS dt. 08.06.09		
31	Paschim Medinipur	Belda 500 MT (NF)	Construction of first floor over the godown at Belda	1616009	1616009	291-FS dt. 15.01.09	Z.P.	The construction work over the first floor of GFD at Belda was not necessary considering the staff strength of Narayangarh Block. This was informed by DCFS to DDPS in June 2009. Despite such intimation, sanctioned fund of ₹ 1616009 was released to Narayangarh PS in August 2009. ZP and EO of NPS were requested (October 2009) to refund the amount. Fund not yet refunded by ZP/NPS
32	Paschim Medinipur	Rangamati 4000 MT (Tantigeria) (F)	New construction (two roofed godown)	10232367	287000	1052-FS dt. 13.03.2000	Z.P.	Work completed at ₹ 86.03 lakh. UC submitted by ZP
					1300000	641-FS dt. 14.02.01		
					7016064	931-FS dt. 05.03.01		

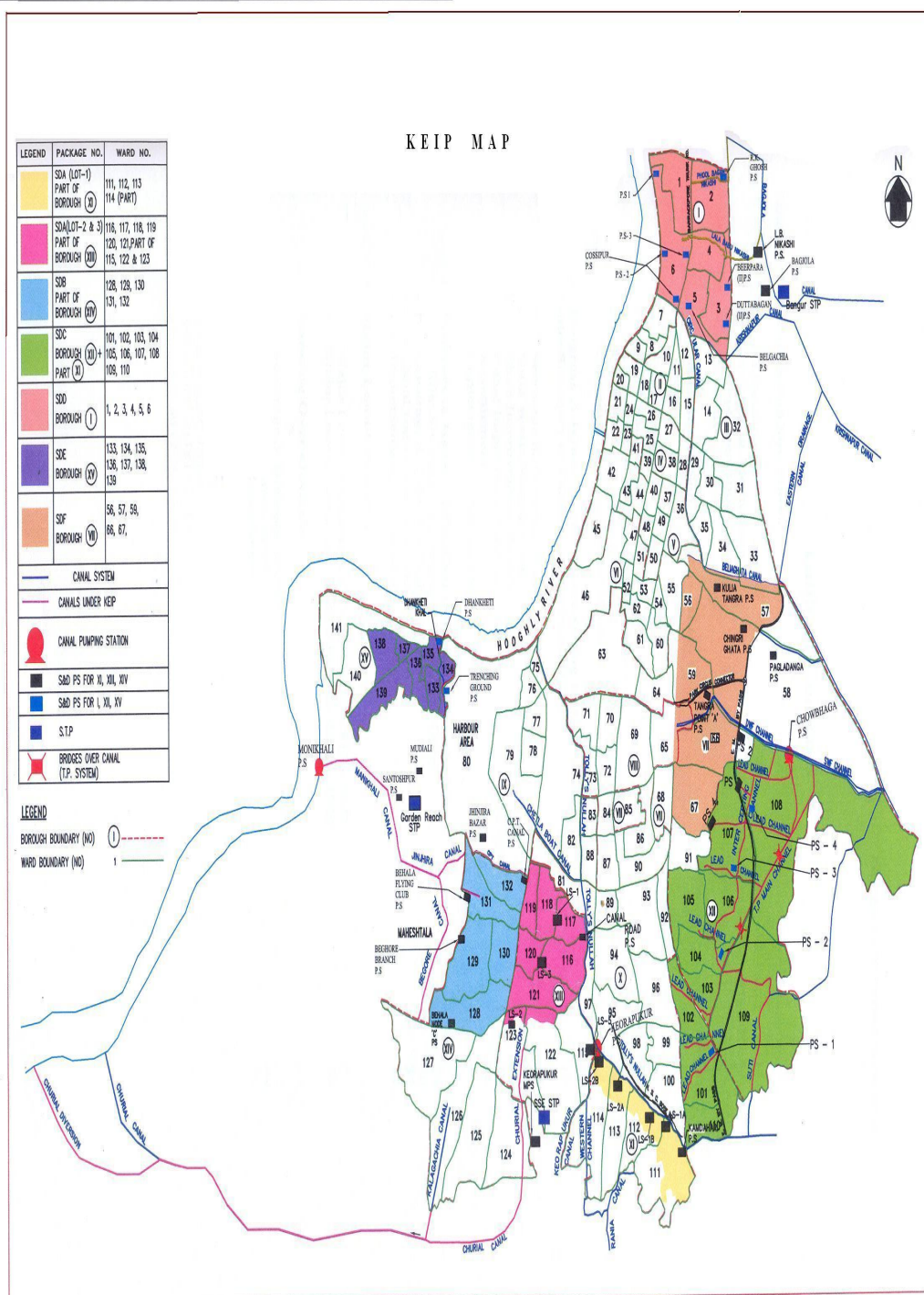
Sl. No.	Name of District	Location of godown	Nature of Work	Estimated cost (in ₹.)	Amount released (₹)	G.O. No. & date	Executing Agency	Remarks
33	Paschim Medinipur	Rangamati 4000 MT (Tantigeria) (F)	Development work inside the godown premises	1448071	1448071	316-FS dt. 02.03.07	Z.P.	Work in progress. UC for ₹ 4.06 lakh submitted
34	Purba Medinipur	Contai 600 MT (F)	New construction	2575000	500000	2637-FS dt 14.07.2000	PWD	Work completed at ₹2157589.
					1000000	406-FS dt 31.01.02		
					100000	8321-FS dt 20.02.04		
					359844	86-FS dt 13.09.05		
35	Purba Medinipur	Contai 600 MT (F)	Electrification	335156	335156	Not Available	PWD	UC wanting
36	Malda	Bulbul Chandi 510 MT (NF)	Reconstruction	4595409	4595409	2546-FS dt 02.07.01	PWD	Work has not been started as yet.
37	Malda	Samsi 500 MT (NF)	New construction	4689707	2852692	931-FS dt 05.03.01	Z.P.	Work has not been started as yet.
					1837015	139-FS dt 07.10.09		
38	Bankura	Lokepur 500 (F)	Construction of boundary wall etc.	1226770	600000	138-FS dt 31.08.07	ZP	Work completed at ₹476266. Unspent fund of ₹123734 not refunded by ZP
39	Bankura	Bishnupur 600 MT (F)	Repairing	143420	143420	239-FS dt 27.02.07	Z.P.	Work not started. DCFS to submit revised estimate
40	Bankura	Kotulpur 600 MT (F)	Repairing	29920	29920	239-FS dt 27.02.08	Z.P.	Work not started. DCFS to submit revised estimate
41	Bankura	Patrasayar 500 MT (F)	Repairing	191292	191292	239-FS dt 27.02.09	Z.P.	Work not started. DCFS to submit revised estimate
42	Jalpaiguri	New Jalpaiguri 15600 MT (F)	Repair of internal roads, surface drain & erection of deep tube well	2489286	2489286	3338-FS dt 05.11.02	Z.P.	Work not started.
43	Birbhum	Suri 450 MT (F)	Erection of boundary wall & others	248363	248363	206-FS dt 10.01.05	PWD	Work completed as reported in March 2010

Sl. No.	Name of District	Location of godown	Nature of Work	Estimated cost (in ₹.)	Amount released (₹)	G.O. No. & date	Executing Agency	Remarks
44	Birbhum	Rampurhat 800 MT (F)	Erection of boundary wall & others	996905	996905	206-FS dt 10.01.06	PWD	Work completed as reported in March 2010
45	Birbhum	Mururai 800 MT (F)	Erection of boundary wall & others	987252	987252	206-FS dt 10.01.07	PWD	Work completed as reported in March 2010
46	Birbhum	Mallarpur 800 MT (F)	Repairing	138353	138353	218-FS dt 21.02.06	PWD	Work not started.
47	Birbhum	Chatra 500 MT (F)	Repairing	236808	236808	300-FS dt 02.03.07	PWD	Work not started.
48	Birbhum	Bolpur Shed No. 2,3,4 600 MT (F)	Repairing	142000	133565	668-FS dt 04.02.05	PWD	Work status not intimated by DCFS
49	Birbhum	Bolpur Shed No. 1 300 MT (NF)	Repairing	72000	72000	Not Available	PWD	Work not started.
50	Birbhum	Sainthia 800 MT (F)	Repairing	123118	123118	3040-FS dt 18.08.06	PWD	Work status not intimated by DCFS
51	Nadia	Krishnanagar I&II 1000 MT (F)	Special repairing	138929	138929	157-FS dt 13.01.99	PWD	Work Completed
52	Nadia	Palassey -I&II 700 MT (F)	Construction of approach road	131513	131513	3441-FS dt 03.11.98	PWD	Work completed at ₹315000 against sanction of ₹ 270000
	F: Functioning							
	NF: Non-functioning							

(Source: Departmental records)

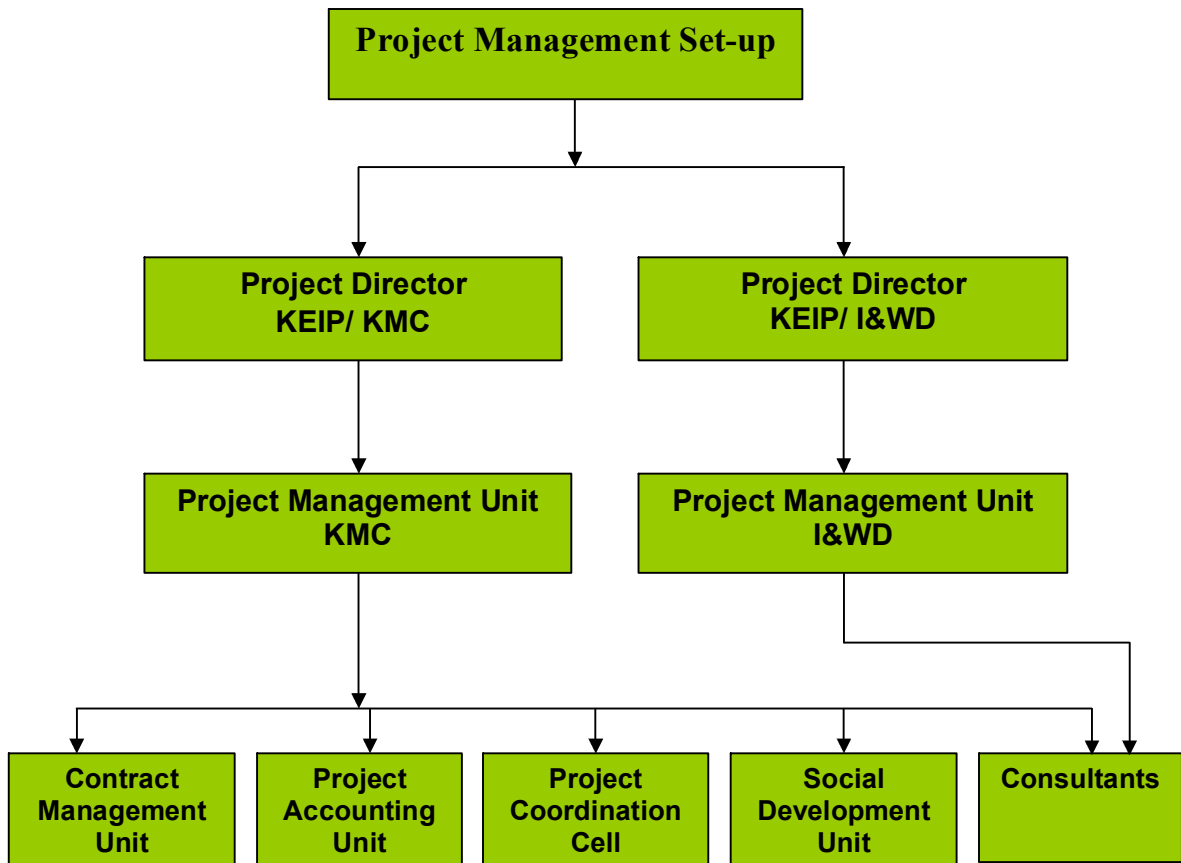
Appendix-2.2.1 (Refer paragraph-2.2.1, Page 35)

Map of KEIP



Appendix-2.2.2
(Refer paragraph 2.2.1, Page 35)

Organisational Structure of KEIP



Appendix-2.2.3

(Refer paragraphs-2.2.4, Page 36 & 2.2.6, Page 37)

Statement showing status of work packages under different components

Part of KEIP	Completed Contract Packages	Ongoing Contract Packages	Contract packages yet to be taken up	Total Contract Packages
S&D	14	23	5	42
CI	3	16	6	25
SWM	10	0	0	10
SI	15	0	0	15
Resettlement	12	2	0	14
Total	54	41	11	106
	95			

Source: Compiled from Quarterly Progress Report No 28

Statement showing component wise physical progress status as on 31.03.2010

Component	Packages Contracts	Amounts (₹ in crore)	Physical progress as of March 2010	Expected completion date
Original Loan				
SWM	10	25.29	100%	
SI	15	41.32	100%	
Resettlement	14	31.10	99%	September 2010
CI	15	196.06	29%	November 2010
S&D	30	682.55	75 %	March 2011
Supplementary Loan				
CI	10	85.81	40%	May 2011
S&D	12	350.81	39%	November 2010
Total	106	1412.93	59%	

Source:-Compiled from Quarterly Progress Report No 28

Appendix-2.2.4

(Refer paragraph-2.2.5.1, Page 36)

Statement showing year-wise expenditure of Funds

₹ In crore

Year	Expenditure
2002-03	7.62
2003-04	27.56
2004-05	28.55
2005-06	71.24
2006-07	139.36
2007-08	201.00
2008-09	264.60
2009-10	227.15
Total	967.08

Source: PMUs record

Appendix 2.2.5

(Refer paragraph-2.2.6, Page 37)

Statement showing status of different components of the project as of March 2010

Sl. No.	Name of the Component	Scheduled Completion	Physical progress	Delay (in months)
Original Loan				
1.	SWM	June 2007	Completed in May 2009	22
2.	SI	June 2006	Completed in September 2009	39
3.	Resettlement	December 2004	Relocation-76 per cent; construction of flats-99 per cent	63
4.	CI	June 2007	29 per cent	33
5.	S&D	June 2007	75 per cent	33
Supplementary Loan				
1.	CI	June 2010	40 per cent	-
2.	S&D	June 2010	39 per cent	-
Overall physical progress			59 per cent	

Source: - Project Proposal Report and QPR

Appendix 2.2.6

(Refer paragraph-2.2.7.2, Page 38)

Statement showing recommendations of Master Plans ignored

Name of the Master Plan	Recommendations of the Master Plan ignored
Solid Waste Management Master Plan	➤ Stakeholder awareness, segregation of waste at source and door to door collection. ➤ Replacement of open vats by closed body containers. ➤ Replacement of existing hand cart by containerized handcart to avoid double handling and less manpower. ➤ Creation of Engineering Landfill facility along with leachate treatment facility.
Slum Improvement Master Plan	➤ Slum Improvement work was not taken up in the slums of added areas of Kolkata where there is lack of basic infrastructure and sanitation, the work packages were concentrated in the core area of the Kolkata (Ward No. 1 to 100). ➤ No solid waste management work under Slums improvement component was taken up in spite of littering of domestic waste and garbage in the slums.
S&D Master Plan	➤ Setting up of 2 new STPs ➤ Comprehensive study of environmental degradation of river Kulti ➤ Study on the health of fishermen of EKW area

Source: Master Plans and records of PMUs

Appendix-2.2.7

(Refer to paragraph-2.2.7.3, Page 39)

Statement showing preparation of PDR and DEDs by DSC under KEIP

Name of the component	Work packages for which design reports were prepared	Month of Preparation of PDRs	Delay in preparation of PDRs (in months)	Month of Preparation of DEDs	Delay in Preparation of DEDs (in months)
Canal Rehabilitation	T-P Canal System	November 2004	24	September 2005	26
	Keorapukur Canal System	March 2005	28	March 2006	32
	Churial Canal System	March 2005	28	July 2005	24
	New Monikhali Canal System	March 2005	28	July 2005	24
Sewerage and Drainage	Borough I (work package SDD)	March 2005	27	DED not prepared.	NA
	Borough VII (work package SDF)	January 2006	37		
	Borough XI (work package SDA)	June 2003	6		
	Borough XII (work package SDC)	September 2004	21		
	Borough XIII (work package SDA)	October 2003	10		
	Borough XIV (work package SDB)	August 2004	20		
	Borough XV (work package SDE)	May 2006	41		
	DWF Pumping Station for Borough XI,XIII,XIV (work package SD23, SD24R1)	February 2005	26		
	STP (SD25, SD29, SD30)	April 2005	28		
Slum Improvement Work	Slum Improvement	PDR not prepared.	—	DED not prepared.	—
Solid Waste Management	Collection, segregation , recycling, disposal and treatment	PDR not prepared	—	2005	24
			324/13=25		130/5=26

Source: PMUs record

Appendix-2.2.8

(Refer to paragraph-2.2.7.3, Page 39)

Statement showing expenditure incurred on Topographical survey of S&D and CI components

Component of KEIP	Selected contract Package No.	Name of the work	Amount Paid (₹)
S&D	SD-E	S&D Networking Pipe line in Borough- XV	6495000.00
	SD-D3	S&D Networking Pipe line in Borough- I (Micro tunneling)	280000.00
	SD-C	S&D Networking Pipe line in Borough- XII	5107256.00
	SD-24R1	Augmentation, Renovation and Overhauling of existing pumping station at Boroughs- XI, XIII & XIV (Lot 1)	50400.00
	SD-32	Construction of S&D pumping station in Borough- XV	106625.00
	SD-26	Construction of new pumping station (DWF, Storm) in Borough- I	134737.00
	SD-23	Construction of DWF pumping station for Boroughs-XII, XIII and XIV	578000.00
	SD-25	Construction, Renovation and Augmentation of existing South Suburban East STP	223675.00
	SD-30	Modernization and Up gradation of existing Garden Reach STP	183750.00
CI	CW-05	Civil works for canal rehabilitation (TP basin- Downstream)	103410.00
	CW-08	Civil works for canal rehabilitation (TP basin- Midstream)	78651.00
	CW-10	Civil works for canal rehabilitation (Monikhali-upstream)	104679.00
	CW-13	Civil works for canal rehabilitation (Churial main Canal Upstream and Suti Khal)	66846.00
	CW-14	Civil works for canal rehabilitation (Churial main Canal Downstream)	9677.00
	CW-15	Civil works for canal rehabilitation (Churial Diversion Canal)	52271.00
	CW-09	Civil works for canal rehabilitation (TP basin- Up-stream)	150696.00
	CW-12A	Civil works for canal rehabilitation (Keorapukur)	11780.00
TOTAL			₹13737453.00= ₹1.37 crore

Source: Records of PMUs

Appendix-2.2.9

(Refer to paragraph-2.2.7.3, Page 40)

Statement showing cost and time overrun due to change in design of S&D and CI work packages

Component of KEIP	Contract Package No.	Contract Price	Revised Cost	Difference	Expenditure as of March, 2010)	Schedule date of completion	Actual date of completion	Delay in months
		(₹ in crore)			(₹ in crore)			
S&D	SD-C	129.95	143.02	13.07	114.46	December 2009	In progress	4
	SD-23	24.03	36.61	12.58	9.60	May 2010	-do-	-
	SD-24R1	6.34	8.78	2.44	3.65	August 2008	-do-	19
	SD-25	13.90	18.26	4.36	13.89	August 2008	May 2009	10
	SD-30	4.62	7.77	3.15	2.56	May 2010	In progress	-
CI	CW-05	6.70	8.00	1.30	8.70	June 2007	September 2008	14
	CW-08	4.75	5.35	0.60	3.57	July 2009	In progress	9
	CW-10	8.50	9.58	1.08	8.76	July 2008	April 2009	9
	CW-09	9.87	11.58	1.71	3.68	July 2009	In progress	8
	CW-12A		4.12			October 2008	do	17
	CW-12CR1	3.13	13.95	23.47		January 2011	do	--
	CW-12CR2		8.53			October 2010	do	--
	Total	211.79	275.55	63.76	165.19			

Source: PMUs record

Appendix 2.2.10

(Refer paragraph-2.2.8, Page 40)

Statement showing mobilisation advance remaining unadjusted

Contract package No	Amount of Mobilization Advance (₹ in crore)	Mobilization Advance given on	Recovery of Mobilization Advance started on	Time gap in starting the recovery of Mobilization Advance (in months)	Contract tenure (in months)	Mobilization Advance recovered as of March 2010 (₹ in crore)	Mobilization Advance remained unrecovered (₹ in crore)
SD-D3	3.18	18.07.2009	Not started	8	14	Nil	3.18
SD-32	0.97	14.08.2007	Not started	31	15	Nil	0.97
SD-E	8.50	14.08.2007	29.05.2009	20	36	4.88	3.62
SD-23	2.40	30.03.2007	24.06.2009	26	18	1.78	0.62
SD-24R1	0.63	01.01.2008	27.02.2009	13	15	0.54	0.09
SD-24R2	0.31	01.01.2008	04.08.2010	27	15	0.14	0.17
SD-26	1.19	21.11.2007	14.05.2009	17	24	0.63	0.56
SD-30	0.46	07.03.2008	20.02.2009	11	24	0.42	0.04
CW-08	0.47	14.01.2008	February 2009	12	19	0.41	0.06
CW-13	1.03	14.03.2008	March 2010	24	24	0.53	0.50
CW-14	1.25	31.03.2008	February 2010	23	24	0.23	1.02
CW-15	1.36	14.03.2008	March 2009	11	24	1.04	0.32
Total	21.75			223 (Avg 19 months)		10.60	11.15

Source:-PMUs record

Appendix-2.2.11

(Refer paragraph-2.2.9.2.1, Page 44)

Statement showing canal works hampered due to delay in resettlement

Sl No.	Work Package related to canal rehabilitation	Canal stretch hampered	Schedule date of completion	Actual date of completion/ present status	Delay in months as on March 2010	Reasons
1.	CW-03	Three bridges.	September 2005	August 2006	11	Delay in resettlement of canal bank dwellers
2.	CW-04	One bridge at Keorapukur Bazar another at Santoshpur.	May 2008	In progress (79 %)	22	Delay in resettlement of canal bank dwellers
3.	CW-08	Canal CC1 and Intercepting Channel from 0.0 m to 460 m	July 2009	In progress (70 %)	8	Flats had been handed over to 91 affected families but they had not shifted to their flats
4.	CW-09	TP Main Canal from 1610m to 1919m, Canal C ₂ C ₃ from 180m to 420m and Suti Khal 700m to 1500m	July 2009	In progress (61 %)	8	The canal bank dwellers were not willing to resettle in the Nonadanga Housing.
5.	CW-11	New Monikhali Canal (down stream) from 1711 to 6950 in stretches	July 2008	Terminated in March 2010 (30 %)	20	Resettlement was delayed as the flats were not ready before commencement of the work and 142 shop owners were not willing to relocate with housing facility.
6.	CW-13	Churial Main Canal from 1590 m to 3000 m	March 2010	In progress (75 %)	01	Due to delay in completion of flats at Kalagachhia

(Source:- Compiled from PMU/I&W (KEIP) records)

Appendix-2.2.12

(Refer to paragraph 2.2.9.3, Page 45)

Statement showing status of sewerage and drainage component

Nature of work	Work to be done	Achievement - March 2010
Sewerage & Drainage networking pipe line	16 packages (319.78 km)	4 packages completed 12 packages ongoing
Pumping stations	7 packages (44 pumping stations)	40 pumping stations ongoing
Sewerage Treatment Plant	3 (Augmentation) 2 (new)	1 STP augmented and other two were ongoing.
Rehabilitation of parks and lakes	4 packages consisting of 16 parks and lakes	1 package consisting of 10 parks and lakes completed
Equipments and pilot project	8 packages	All completed

Source: PMUs record

Appendix 2.3.1
(Refer Para 2.3.7, Page 57)

Statement showing status of 15 proposed fire stations

District	Name of proposed FS	Land Status	Expenditure for land	Date of possession	Remarks
Kolkata	Nonadanga (four fire tender)	45.73 Cottah of land from KMDA on 99 years lease.	₹.90.00 lakh	3.8.09	Initially proposed in the Budget Speech of March 2009. Proposal for construction sent to WBFES Department in February 2010. Work not started till March 2010.
Kolkata	Rajarhat New Town (four fire tender)	2 acres of land on 30 years of lease from WBHIDCO	-	16.4.08	Initially proposed in the Budget Speech of June 2006. Proposal for construction is under active consideration of Finance Department till March 2010.
South 24 Parganas	Gobardanga (two fire tender)	0.56 acre of land handed over by Gobardanga Municipality	-	24.11.06	Initially proposed in the Budget Speech of March 2006. Estimated cost of ₹ 68.52 lakh was released UC for ₹ 22.1 lakh was received so far. Construction works yet to be completed (March 2010)
North 24 Parganas	Nabadiganta	Land offered by Government has been found suitable by the Department. Transfer of land yet to be made till May 2010	-		Initially proposed in the Budget Speech of March 2008.
	Petrapole	Land not obtained	-		Possession of land likely to be obtained during 2010-11
Purba Medinipur	Kolaghat	NA	-		NA
	Egra (two fire tender)	0.405 acre of land from Land and Land Reform Department.	-	4.1.2006	Initially proposed in the Budget Speech of March 2006. Estimate of ₹ 84.23 lakh was sanctioned and first instalment of ₹ 52.24 lakh was paid on July 2009. Construction works yet to be completed (March 2010).
Paschim Medinipore	Ghatal (two fire tender)	0.44 acre of land gifted by Ghatal Municipality	-	2002-03	Initially proposed in 2003. Estimated cost of ₹ 88.50 lakh was released and UC for ₹ 47.53 lakh was received so far. Construction works yet to be completed (March 2010).
Hooghly	Dankuni (two four tender)	0.70 acre of land from Land and Land Reform Department.	-	29.5.09	Initially proposed in the Budget Speech of March 2009. Works not started.
Murshidabad	Lalbagh	Land was identified during 2009-10	-		Initially proposed in the Budget Speech of March 2008
	Domkol	Land not obtained	-		Initially proposed in the Budget Speech of March 2009
	Jangipur	Land not obtained	-		Initially proposed in the Budget Speech of March 2009
Bankura	Khatra (two fire tender)	0.70 acre of land from Land and Land Reforms Department.	-	20.12.08	Initially proposed in the Budget Speech of March 2008. Estimate of ₹ 2.08 crore by PWD Bankura Division was submitted. Works not started
Cooch Behar	Haldibari	0.83 acre of land gifted by Haldibari Municipality	-	25.8.09	Initially proposed in the Budget Speech of March 2010. Estimate was made for ₹62.80 lakh and first instalment of ₹30.00 lakh paid to ZP, Cooch Behar, executing agency on March 2010. Works not started.
Birbhum	Sainthia	Land was identified	-		Work not started.

(Source: Departmental records)

Appendix-2.3.2
(Refer para 2.3.7, Page 57)

Statement showing particulars of estimates/revised estimates, etc. and construction of on going fire station buildings
₹ in Lakh

Sl No.	Scheme	DPR/plan estimate			Administrative approval		Release of fund			Executing Agency (EA)	Utilisation Certificate (UC) received
		Agency	Estimated amount	Date	Go No/date	approved amount	First instalment	Second instalment	Third instalment		
1.	Raniganj FS 3-pump	EE (PWD) Asansol Divn	*190.24	7.1.09	No.434 dt.10/7/09	190.24	50.95			E.E Asansol Divn.	Nil
2.	Kaliaganj FS 1-pump	EE (PWD) Uttar Dinajpur	*49.21	8.3.07	No.188 dt.26/7/07	49.21	24.79 (BADP fund from DM on 10/10/07)	24.42		EE(PWD) Uttar Dinajpur	40.56
			**36.26 (addl.)	8.6.09	No.437 dt.10/7/09	36.26			36.26		Nil
3.	Egra-FS 2-pump	ZP, Purba Medinipur	*84.27	6/2008	No.439 dt.10.7.09	84.27	52.24			ZP, Purba Medinipur	Nil
4.	Gobardanga FS 2pump	Zilla Parishad, North 24 Parganas	*45.08		No.251 dt.25/9/07	45.08	23.00	22.08		Zilla Parishad, North 24 Parganas	22.10
			**23.44 (addl.)	7.8.09	No.1614 dt 5/3/10	23.45			23.45		Nil
5	Rampurhat FS 2pump	EE(PWD) Birbhum	*38.86		No.506 dt.25.06.87	38.86	5.00			EE (PWD) Birbhum	Nil
			**34.40 (addl.)	24.7.07	No.254 dt 26.9.07	71.97	30.00				Nil

Sl No.	Scheme	DPR/plan estimate			Administrative approval		Release of fund			Executing Agency (EA)	Utilisation Certificate (UC) received
		Agency	Estimated amount	Date	Go No/date	approved amount	First instalment	Second instalment	Third instalment		
6.	Dalkhola I-pump	ZP, Uttar Dinajpur	*48.24	29.2.08	No.397 dt.19.3.08	47.32	23.36	23.96		ZP, Uttar Dinajpur	47.32
			**24.32	7.8.09	No.893 dt 20.10.09	24.32			24.32		24.32
7.	Bhadreswar FS 2 pump	ZP hoogly	*48.63	9.3.07	No.3386 dt 30.3.07	48.63	24.00	24.63		ZP, Hoogly	24.00
			**34.74 (addl.)	19.9.08	No.1616 dt 5.3.10	26.14			26.14		nil
8.	Mathabhanga FS 2 pump	EE (PWD) Cooch Behar	*83.95	7.3.08	(BADP fund from DM on 4.3.08)		32.25			EE (PWD), Cooch Behar	35.00
			**51.42 (addl.)								
9.	Ghatal FS 2-pump	ZP, Paschim Medinipur	*58.48	6.7.05	No.413 17/10/05	51.70	30.00	21.70		ZP, Paschim Medinipur	47.53
			**42.71 (addl.)	14.2.08	No.1603 4/3/10	36.80			36.80		nil
							295.59	116.79	146.97	240.83	

*Original estimate ₹ 190.24+49.21+84.27+45.08+38.86+48.24+48.63+83.95+58.48=646.96lakh

**Enhancement in revised estimate ₹ 36.26+23.44+34.40+24.32+34.74+51.42+42.71=247.29 lakh

(Source: Departmental records)

Appendix-2.3.3
(Refer para 2.3.8.1, Page 60)

Statement showing delays from procurement to fabrication

Sl No.	Agency	Procurement of	Nos.	Amount (₹ in lakh)	Date of payment	Date of receipt of chassis	Agency	Amount (₹ in lakh)	Date of receipt of fabricated chassis	Difference
1	TATA Motors	LPT 1613/42 chassis	16	135.48	29.3.06	13.05.06 to 25.09.06	M/s Garrison Engg. Co. Pvt. Ltd	46.91 46.91 15.64 15.64	12.01.07 to 17.12.07	20 months
2	Ashok Leyland	Comet CT-1613 chassis	20	168.00	20.3.07	08/05/08 to 10/07/08	M/S Indian Motors Ltd.	123.98 123.98	28/01/09 (10 no.) 29/09/09 (10 no.)	21 months 29 months
3	Ashok Leyland	ALCO Taurus 2516 chassis	8	99.02	30.3.07	09/01/08 to 19/03/08	M/S Garrison Eng. Co. Ltd.	15.64(2)	13.05.10 to 14.05.10	37 months
4	TATA Motors Ltd	SFC 407Chassis	15	76.79	25.3.08	21/02/09	M/S Wadia Body Builders, Ahmedabad	245.98	26/06/09	14 months
5	Ashok Leyland Co. Ltd	Alco Taurus 2516 Chassis	22	292.52	25.3.08	19/02/09 to 31/03/09	Ambala Coach Builders, Haryana	249.95	22/07/09 to 23/09/09	15 months to 17 months
				771.81						

(Source: Departmental records)

Appendix 3.1

(Refer paragraph 3.1.1, Page 78)

Statement showing amounts recommended, sanctioned and utilised in selected districts

(₹ in lakh)

Name of District	Year	Works Recommended		Works Sanctioned		Works Completed		Works not yet completed		Works not yet completed (taken up 5 years ago)	
		No of Works	Amount	No of Works	Amount	No of Works	Amount	No of Works	Amount utilized	No of Works	Amount
15-Joynagar	2004-2009	725	1009.05	225	309.66	139	191.19	86	32.98	41	77.64
16-Mathurapur	2004-2009	611	917.66	351	510.85	161	289.32	190	147.80	11	9.21
17-Diamond Harbour	2004-2009	560	997.42	181	328.62	97	167.27	84	68.50	47	63.84
18-Jadavpur	2004-2009	555	1049.35	422	952.04	380	810.86	42	62.74	9	4.41
23-Kolkata South	2004-2009	382	1373.38	289	1021.51	111	512.28	178	NA	62	93.58
22-Kolkata NE	2004-2009	424	1082.71	340	859.71	246	508.85	94	261.31	19	61.95
21-Kolkata NW	2004-2009	305	1299.17	263	1049.32	227	870.75	36	NA	3	11.67
RS	2004-2010	234	1477.33	231	1437.33	77	468.86	154	962.47	37	143.70
RS	2004-2010	302	1254.97	229	992.08	116	400.15	113	511.29	29	98.84
RS	2005-2010	163	929.53	144	700.51	61	206.14	83	488.37		
RS	2005-2010	279	904.15	244	759.05	44	165.14	200	493.91		
RS	2005-2009	54	623.37	52	603.37	18	393.36	34	210.01		
RS	2005-2010	180	782.15	178	771.45	32	200.61	146	570.84		
RS	2006-2010	80	829	77	797.00	13	134.00	64	663.00		
RS	2006-2010	157	756.95	142	678.95	45	204.68	97	402.52		
RS	2008-2010	27	349.30	23	304.30	1	15.00	22	231.00		
RS	2008-2010	52	399.75	42	320.90	1	7.50	41	295.90		
RS	2004-2009	25	898.18	25	898.18	7	257.55	18	NA	3	156.00
RS	2005-2006	23	345.48	22	340.45	14	111.47	8	NA		
RS	2004-2008	261	930.97	233	834.36	96	334.30	137	NA	52	82.35
RS	2004-2006	112	466.82	105	437.32	18	84.00	87	NA	31	132.00
RS	2004-2006	53	339.24	52	321.74	2	30.00	50	NA	10	151.50
Hooghly											
26-Serampore	2004-2009	403	1087.28	388	1029.75	232	711.89	156	177.55	28	49.50
27-Hooghly	2004-2009	623	1348.38	470	1046.74	400	814.76	70	46.36	3	2.50
28-Arambagh	2004-2009	235	1021.71	227	976.04	207	871.80	20	26.28		
RS	2006-2010	57	435.63	53	378.41	20	80.10	33	2.50		
Paschim Medinipur											
29-Panskura	2004-2009	525	1018.97	525	1018.97	516	967.05	9	-		
32-Medinipur	2004-2009	649	1027.57	649	1027.57	615	891.40	34	-		
33-Jhargram	2004-2009	394	1014.73	394	1014.73	390	971.08	4	-		
Purulia									-		
34-Purulia	2004-2009	345	1062.97	345	944.28	304	781.11	41	75.92	7	10.94
Total		8795	27033.17	6921	22665.19	4590	12452.47	2331	5731.25	392	1149.63

(Source: Database/MPR from District Authorities)

Appendix-3.2
(Refer paragraph 3.1.1, Page 79)

Statement showing list of incomplete works owing to sanction of amounts less than the estimated costs

Sl. No.	District	Year	Name of the work	Estimated Cost	Amount Sanctioned	Expenditure	Percentage against estimate	UC
(₹ in lakh)								
1.	Hooghly	2004-05	Construction of Indoor Stadium at Chandannagar	175.00	2.80	*53.00	30.29	yes
2.	Hooghly	2004-05	Construction of Community Hall at Nalikul Paschim GP	6.21	4.00	4.00	64.41	yes
3.	Hooghly	2005-06	Construction Agri-Market complex-meeting hall at Haripal	24.24	20.00	20.00	82.51	yes
4.	Hooghly	2006-07	Construction of Walsh Hospital	23.68	9.70	9.70	40.96	yes
5.	Hooghly	2006-07	Construction of boundary wall and first floor educational building of Telua Siksha Niketan under Batanal GP.	7.39	5.00	5.00	67.66	yes
6.	Hooghly	2007-08	Construction of Auditorium (850 seat) at J.K.Bazar, Ward no.10 under Tarakeswar Municipality	145.00	24.00	24.00	16.55	yes
7.	Hooghly	2008-09	Construction of Annex Bldgs of Pursurah PS	84.38	12.00	12.00	14.22	yes
8.	Paschim Medinipur	2005-06	Construction of Auditorium, Pingla	78.49	10.95	*63.12	80.42	yes
9.	Paschim Medinipur	2005-06	Construction of Keshiary Auditorium	60.83	10.00	10.00	16.44	yes
10.	Paschim Medinipur	2006-07	Fitting of doors and windows of Chandrakna Auditorium	30.44	4.00	4.00	13.14	yes
11.	Paschim Medinipur	2007-08	Construction of Harma Jaminibala Balika Vidyamandir	60.20	3.41	3.41	5.66	yes
12.	Paschim Medinipur	2007-08	Internal work of Auditorium Rabindra Bhawan-Dantan-1	7.54	5.00	5.00	66.31	yes
13.	Paschim Medinipur	2007-08	Construction of science laboratory of Dr. Bidhan Ch. Roy Smriti Sikshyaniketan	15.65	5.00	5.00	31.95	yes
14.	Paschim Medinipur	2004-08	Construction of Belda Auditorium	102.14	25.00	25.00	24.48	yes
15.	Paschim Medinipur	2005-09	Construction work of Garbeta Bus stand	87.64	18.00	*57.00	65.04	yes
16.	Paschim Medinipur	2008-09	Building construction of Hat Sarberia 'Dr. Bidhan Ch.Roy Smriti Sikshyaniketan	4.05	3.00	3.00	74.07	yes

Sl. No.	District	Year	Name of the work	Estimated Cost	Amount Sanctioned	Expenditure	Percentage against estimate	UC
17.	Purulia	2004-05	Construction of community hall at Moutore	86.48	16.94	16.94	19.59	yes
18.	Purulia	2005-07	Construction of Kurti community hall	18.21	9.00	9.00	49.42	yes
19.	Purulia	2007-08	Construction of Kala jharna culvert	19.53	6.00	6.00	30.72	yes
20.	Purulia	2007-08	Construction of school building of Cheliama BP High School	6.10	4.00	4.00	65.57	yes
21.	Purulia	2007-08	Construction of Banabhukti Meoriaul Tower at Pakbirral	16.78	8.00	8.00	47.68	yes
22.	Purulia	2007-08	Construction of community hall at Jidudaru HS	11.37	3.37	3.37	29.64	yes
23.	South 24 Parganas	2006-07	Development of Rabin Mukherjee College	50.02	12.00	12.00	23.99	yes
24.	South 24 Parganas	2008-09	Construction of Tilottama Balika Vidyamindir	12.48	10.00	10.00	80.13	part UC
25.	South 24 Parganas	2008-09	Construction of Sarisha High School	7.51	5.00	5.00	66.58	yes
26.	South 24 Parganas	2008-09	Development of Haltu High School	22.30	5.00	5.00	22.42	yes
Total				1163.66	241.17	382.54		

** including fund from other sources*

(Source: Data base of District Authorities)

Appendix 3.3
(Refer paragraph 3.1.1, Page 79)

List of inadmissible items sanctioned for MPLAD scheme

Sl No.	Year of Sanction	District	Name of work	Constituency	Amount Sanctioned (₹)	Reasons why inadmissible
1.	2004-05	Hooghly	Construction of Guest house of Khanakul-II Gram Panchayat	28-Arambagh	400000	Construction of Govt. building
2.	2004-05	Hooghly	Construction of building of Khanakul-I Gram Panchayat	28-Arambagh	500000	Construction of Govt. building
3.	2008-09	Hooghly	Construction of Annexe Building of Pursura Panchayat samity	28-Arambagh	1200000	Construction of Govt. building
4.	2004-05	Hooghly	Renovation of Play Ground of Nawabpur High Madrasah , Vill.+ P.O.Nawabpur, Dist. Hooghly under Chanditala-I Block.	26-Serampore	166000	Repair and renovation work
5.	2004-05	Hooghly	Addition and renovation of composite Swimming Pool at Subhas Sarobar (Lal Dighi), Chinsurah Maidan,P.O.Chinsurah, Dist.Hooghly.	Rajya Sabha	1000000	Repair and renovation work
6.	2004-05	Hooghly	Renovation of Play Ground (Manmohan Uddyan) of Uttarpara Kotrung Municipality .	26-Serampore	500000	Repair and renovation work
7.	2006-07	Hooghly	Construction of Guard wall near Golpukur at Natibpur Kolepara and repairing of the Adjacent Road.	26-Serampore	75000	Repair and renovation work
8.	2006-07	Hooghly	Construction of Guard wall of Gangadhar Pukur par and repairing of adjacent Road.	26-Serampore	125000	Repair and renovation work
9.	2006-07	Hooghly	Construction of Guard wall and repairing of Road from Parbatipur Talbandi to Parimohan School.	26-Serampore	200000	Repair and renovation work
10.	2007-08	Hooghly	Renovation of Class Room at Dhitara Prathamik Vidyalaya, Block-Singur, P.O. Saradapally, Dist. Hooghly	27-Hooghly	100000	Repair and renovation work
11.	2008-09	Hooghly	Repairing work of a Bridge over Kankaboti Khal at 3 No. Maugrul G.P. under Chandrakona - I Panchayat Samity, Dist. Paschim Medinipur	28-Arambagh	202000	Repair and renovation work
12.	2008-09	Kolkata	Purchase of an Ambulance in favour of Kolkata Muncipal Corporation for Operating the same through Iswar Sankalpa Organisation.	Rajya Sabha	600000	Purchase of movable items
13.	2005-06	Kolkata	Chetla Agrani Club--multigym. [MP DT. 5.11.2005]	23-Kolkata(s)	200000	Purchase of movable items
14.	2006-07	Kolkata	Purchase and installation of fixed multigym of Amar's Gymnasium Club, BR. IX.	23-Kolkata(s)	250000	Purchase of movable items
15.	2006-07	Kolkata	Purchase and installation of fixed multigym of Bhowanipore Bayam Sangha.	Rajya Sabha	300000	Purchase of movable items

Sl No.	Year of Sanction	District	Name of work	Constituency	Amount Sanctioned (₹)	Reasons why inadmissible
16.	2006-07	Kolkata	Purchase and installation of fixed multigym of Hooghly Adibasi Sporting Hooghly club, Khanyan Station Para, Dt. Hooghly.	Rajya Sabha	200000	Purchase of movable items
17.	2007-08	Kolkata	Purchase of fixed multi gym of New Alipore Suruchi Sangha	23-Kolkata(s)	1000000	Purchase of movable items
18.	2008-09	Kolkata	Purchase and installation of fixed multigym of Alipore Rabindranath Sangha	23-Kolkata(s)	200000	Purchase of movable items
19.	2008-09	Kolkata	Establish fixed multigym for Ekabbarpur Mitra Sangha Sangha, Vill-Ekabbarpur, P.O. Jujarsa, Dt.Howrah-711302 .	Rajya Sabha	250000	Purchase of movable items
20.	2006-07	Kolkata	Maintenance bustee latrine at 33/1, Ahiri Pukur Road 14 P.P.LN. 19 and 22D, Deodar Street 40/1, and 40/2, Beltala Road 20/1F, Chakraberia L N 32, Dover Road, 50/2, Hazra Road, 47B,Hazra Road, and 7, PPLA	Rajya Sabha	160000	Maintenance work
21.	2005-06	Kolkata	Repairing of sewerage line at Thakur Das Chakraborty Lane in WARD NO. 26, BR. IV. [MP.DT.26.11.05]	21-Kolkata(NW)	102000	Repair and renovation work
22.	2005-06	Kolkata	Improvement of 6" PIPE F.W.MAIN at Mir Bahar Ghat St. Burtal A to Stand Rd. including repair of road surface in WD.22 BR IV. [MP.DT.26.11.05]	21-Kolkata(NW)	500000	Repair and renovation work
23.	2006-07	Kolkata	Construction of accommodation for litigant public renovation of bar library building, Balurghat, Dakshin Dinajpur.	Rajya Sabha	500000	Repair and renovation work
24.	2005-06	Paschim Medinipur	Purchase of Ambulance for Student Health Home at KGP-I	Rajya Sabha	300000	Purchase of movable items
25.	2008-09	Paschim Medinipur	Ambulance for Mundumari Despran Co-op Society, PO-Mundumari	29-Panskura	500000	Purchase of movable items
26.	2008-09	Paschim Medinipur	Purchasing Ambulance of Medinipur Cultural & Welfare Association, Kote Bazar, P.O.-Medinipur	32-Medinipur	580000	Purchase of movable items
27.	2008-09	Paschim Medinipur	Purchasing Ambulance of West Bengal Scheduled Castes. Tribes & Minority Welfare Association.	32-Medinipur	500000	Purchase of movable items
28.	2008-09	Paschim Medinipur	Purchasing an Ambulance for Hijli Co-operative Society Ltd.	32-Medinipur	500000	Purchase of movable items
29.	2007-08	Paschim Medinipur	Purchasing of Multigym Equipments Medinipur Bidhannagar United Atheletic Club. Bidhannagar Medinipur	32-Medinipur	250000	Purchase of movable items
30.	2008-09	Paschim Medinipur	Sports materials for Medinipur Sports complex run by Medinipur Sports Complex run by Medinipur Sports Development Academy, Medinipur	Rajya Sabha	1000000	Purchase of movable items

Sl No.	Year of Sanction	District	Name of work	Constituency	Amount Sanctioned (₹)	Reasons why inadmissible
31.	2008-09	Paschim Medinipur	Installation of medical Equipments of Vidyasagar Institute of Health, Rangamati, Medinipur	Rajya Sabha	1500000	Purchase of movable items
32.	2004-05	Paschim Medinipur	Repairing and renovation of Vidyasagar Memorial Hall, Mouza - Keranitola, Medinipur Municipality	32-Medinipur	500000	Repair and renovation work
33.	2004-05	Paschim Medinipur	Repairing of moorum road village Jafala (J.L. No.-300) from Plot No.-309 towards Puyan main road	32-Medinipur	25000	Repair and renovation work
34.	2004-05	Paschim Medinipur	Repairing of moorum road village Sabra (J.L. No.-246) from plot No.-2575 to 5162	32-Medinipur	50000	Repair and renovation work
35.	2004-05	Paschim Medinipur	Repairing of moorum road village Lalat (J.L. No.-278) from Lalat Bus stand to towards village	32-Medinipur	50000	Repair and renovation work
36.	2006-07	Paschim Medinipur	Construction of Cement Concrete road and repair of Drain culvert at Mahapatra Compound behind Emica Appartment from the house of Avijit Sarkar, Ward-22	32-Medinipur	10000	Repair and renovation work
37.	2008-09	Paschim Medinipur	Renovation of Keshpur Auditorium at Keshpur	29-Panskura	500000	Repair and renovation work
38.	2005-06	Purulia	Purchase of One Ambulance Van for Siser Nivedita Old Age Home at Baghmundi	34-Purulia	484000	Purchase of movable items
39.	2005-06	Purulia	Purchase of 1 Ambulance Van (Maruti Car) at Tapananda Rural Dev. Soc.	34-Purulia	292000	Purchase of movable items
40.	2005-06	Purulia	Purchase of Ambulance Van of Purulia-II Netaji Anchalik Krira o Sanskriti Parishad	Rajya Sabha	471000	Purchase of movable items
41.	2008-09	Purulia	Purchasing of a Mahindra & Mahindra MAXX/2WD/Ambulance (NAC) including Temporary Regn.charge for the use of Bharat Sevashram Sangha, Purulia.	34-Purulia	479000	Purchase of movable items
42.	2007-08	Purulia	Repairing of Road from Laldih to Hurumda (₹. 3,00,000/- was released in favour of the Pradhan Birgram GP vide Memo No. 1612/12/D dt. 26/12/2007)	34-Purulia	646000	Repair and renovation work
43.	2005-06	South 24 Pgn	Purchase of an Ambulance and accessories.	18-Jadavpur	300000	Purchase of movable items
44.	2004-05	South 24 Pgn	Renovation and upgradation of road from Modarat Sidhaswari Kalitala via Ganananda School to Sonali Sangha Club.	18-Jadavpur	700000	Repair and renovation work
					18367000	

(Source: Database of District Authorities)

Appendix 3.4
(Refer paragraph 3.1.1, Page 80)

Statement showing delay in sanction of work

		Sanction by DM							
Constituency	year	within 45 days		within 365 days		within 730 days		above 730 days	
		no of work	Amount (₹ in lakh)	no of work	Amount (₹ in lakh)	no of work	Amount (₹ in lakh)	no of work	Amount (₹ in lakh)
South 24 Parganas									
15-Joynagar	2004-06			11	45.15	3	26.50	2	18.24
16-Mathurapur (SC)	2004-07	13	41.20	235	342.47	31	36.89	16	25.30
17-Diamond Harbour	2004-06	1	7.00	26	62.60	2	6.00	3	23.00
18-Jadavpur	2004-09	124	189.63	217	483.40	15	67.19	8	76.40
KMC									
21-Kolkata NW	2004-09	4	20.35	30	161.49	15	48.16	3	9.50
22-Kolkata NE	2004-09	18	35.35	39	202.75	25	66.02	10	30.50
23-Kolkata South	2004-09	31	141.83	121	303.83	36	70.10	9	16.50
RS	2004-07	36	226.06	24	152.34	2	26.00		
RS	2005-06			4	25.00	1	5.00	15	304.48
RS	2004-09	108	825.58	31	166.00	63	252.00		
RS	2004-06	4	8.00	85	340.57	9	51.75	4	22.00
RS	2004-05					2	30.00		
RS	2004-08	59	272.90	97	329.82	24	52.25	3	15.75
RS	2004-09	4	45.64	54	250.70	41	175.76	19	73.25
RS	2005-09	104	487.79	30	120.10	1	4.94		
RS	2005-09	43	252.37	5	231.00	2	10.00		
RS	2005-09	155	376.11	18	245.00				
RS	2005-09	80	279.80	134	289.25	8	32.00		
RS	2006-09	88	382.70	12	75.00	8	38.00	1	1.50
RS	2006-09	46	403.00	9	121.00				
RS	2004-09	9	273.63	4	129.36				
Hooghly									
26-Serampore	2004-09	203	635.56	172	366.01	13	28.17		
27-Hooghly	2004-09	148	275.79	299	715.99	22	36.21	1	10.00
28-Arambagh	2004-09	173	688.49	31	219.82	14	29.91		
	2004-10	38	265.29	17	118.55				
Paschim Medinipore									
29-Panskura	2004-09	103	101.35	393	685.88	60	114.73	9	27.89
32-Medinipur	2004-09	64	183.61	472	758.38	106	153.62	17	32.07
33-Jhargram	2004-09	64	183.61	286	668.40	14	44.00	15	47.00
Purulia									
34-Purulia	2005-09	74	269.71	69	280.34	8	29.09		
		1794	6872.35	2925	7890.20	525	1434.29	135	733.38

(Source: Database of District Authorities)

Appendix 3.5
(Refer paragraph 3.3.1, Page 101)

Statement showing details of Mismanagement of cash

(in ₹)

Sl. No.	Name of the Office		Date of verification	Book balance as per Cash Book	Cash found Physically	Total Shortage	Unadjusted Vouchers	Unauthorised advance from undischarged cash	Unexplained cash / Shortage / Theft / Defalcated	Lapsed / Cancelled Cheque
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Accounts Officer, West Bengal Secretariat, Kolkata.	AO (Finance), Writers' Buildings.	26-04-2010	152760918.21	126205037.55	26555880.66		18865849.63		7690031.03
		AO (Finance), Bikash Bhavan.	17-05-2010	3274314.20	2647964.20	626350.00	626350.00			
2	BDO, Sonarpur Block, South 24 Paraganas		09-03-2010	1129342.00	828963.00	300379.00			300379.00	
3	Deputy Director, Animal Resources Development & Parishad Officer, Purulia.		22-02-2010	920785.00	858531.00	62254.00				62254.00
4	Superintendent, Presidency Correctional Home, Alipore, Kolkata.		06-10-2009	2786906.37	2083675.34	703231.03	520238.00	84766.69	98226.34	
5	IG of Correctional Services, West Bengal, Kolkata.		14-12-2009	252388.00	93164.00	159224.00	159224.00			

Sl. No.	Name of the Office		Date of verification	Book balance as per Cash Book	Cash found Physically	Total Shortage	Unadjusted Vouchers	Unauthorised advance from undisbursed cash	Unexplained cash / Shortage / Theft / Defalcated	Lapsed / Cancelled Cheque
6	CMOH, Nadia.	BMOH, Bethuadahari.	10-11-2009	82238.50	46128.50	36110.00			36110 (theft)	
		BMOH, Kaliaganj.	11-11-2009	1951.00	1907.00	44.00			44.00	
		BMOH, Maheshganj.	13-11-2009	6468.00	0.00	6468.00			6468.00	
		BMOH, Pritimoyee.	17-11-2009	6690.76	4218.00	2472.76			2472.76	
		BMOH, Karimpur.	18-11-2009	97297.65	89686.65	7611.00			7611.00	
7	Principal, Burdwan Medical College, Burdwan.		16-11-2009	1261326.00	1121580.00	139746.00	30000.00			109746.00
8	BDO, Bishnupur-II, South 24 Paraganas.		21-01-2010	15634922.00	15438441.00	196481.00	196481.00			
9	Principal, R.G. Kar Medical College & Hospital, Kolkata.		15-10-2009	2696058.06	2383222.52	312835.54	307026.08			5809.46
10	MSVP, SSKM Hospital, Kolkata.		15-07-2009	11129358.26	11077504.73	51853.53	51853.53			
11	MSVP, NRS Medical College & Hospital, Kolkata.		08-10-2009	10692351.78	10404543.09	287808.69	108555.00		179253.69	
12	Superintendent, Avinash Dutta Maternity Home, Kolkata.		04-01-2010	72778.00	58367.00	14411.00	14411.00			
13	DM, Uttar Dinajpur.		11-11-2009	1600215.00	1104336.00	495879.00		495879.00		
14	MSVP, R.G. Kar Medical College & Hospital, Kolkata.		14-05-2009	7426288.00	6971315.00	454973.00		454973.00		

Sl. No.	Name of the Office	Date of verification	Book balance as per Cash Book	Cash found Physically	Total Shortage	Unadjusted Vouchers	Unauthorised advance from undisbursed cash	Unexplained cash / Shortage / Theft / Defalcated	Lapsed / Cancelled Cheque
15	SDO, Alipurduar, Jalpaiguri.	01-06-2010	1132223.00	1097243.00	34980.00	34980.00			
16	Superintendent, Dum Dum Central Correctional Home, North 24 Paraganas.	05-04-2010	12239369.29	12181054.29	58315.00	1051.00	57264.00		
17	CMOH, North 24 Paraganas	Dhanya Kuria BPHC.	14-01-2010	20525.00	19025.00	1500.00		1500.00	
		Sandeshkhali RH.	27-01-2010	1325258.00	1281958.00	43300.00		43300.00	
		Baduria RH.	02-02-2010	382375.00	379375.00	3000.00		3000.00	
18	DI of Schools (Primary Education), South 24 Paraganas.	01-04-2010	764094.93	625481.00	138613.93				138613.93
19	SDO, Barackpore, North 24 Paraganas.	26-04-2010	23308459.26	22973128.00	335331.26	293206.26			42125.00
20	Superintendent, Lady Dufferin Victoria Hospital, Kolkata.	06-04-2010	1160355.97	1060739.00	99616.97	99616.97			
21	DM, Howrah.	22-04-2010	29772002.83	28810263.83	961739.00				961739.00
TOTAL			281937260.07	249846851.70	32090408.37	2442992.84	19958732.32	678364.79	9010318.42

(Source: Statements of physical verification of cash signed by respective DDOs)

Appendix 3.6

(Refer paragraph 3.3.2, Page 102)

Statement showing names of the Departments who did not submit Action Taken Notes

Sl No	Name of the Department
1.	Agriculture
2.	Animal Resources Development
3.	Backward Classes and Welfare
4.	Commerce and Industries
5.	Co-operation
6.	Environment
7.	Fisheries
8.	Food and Supplies
9.	Food Process and Horticulture
10.	Forests
11.	Health and Family Welfare
12.	Higher Education
13.	Home (Const. and Elec.)
14.	Home (Police)
15.	Home (Political)
16.	Housing
17.	Industrial Reconstruction
18.	Information and Cultural Affairs
19.	Irrigation and Waterways
20.	Labour
21.	Land and Land Reforms
22.	Mass Education Extension
23.	Municipal Affairs
24.	Panchayats and Rural Development
25.	Power
26.	Public Enterprises
27.	Public Health Engineering
28.	Public Works
29.	Public Works (Commissioners for Rabindra Setu)
30.	Public Works (Roads)
31.	School Education
32.	Sports and Youth Services
33.	Technical Education and Training
34.	Tourism
35.	Transport
36.	Urban Development
37.	Water Investigation and Development
38.	Women & Child Development and Social Welfare
39.	Youth Services and Minorities Development and Welfare
40.	Finance
41.	Micro & Small Scale Industries and Textiles

Appendix 3.7

(Refer paragraph 3.4.2, Page 107)

Statement showing list of medical equipment remaining non-operational

Equipment	Quantity	Date of receipt	Value (in ₹)	Status	Reason for remaining idle
Principal, Burdwan Medical College and Hospital as of 17.01.2011					
ICCU Ventilator	4	15.02.08 (store of Cardiology)	2163200	Packed	Lack of space in ICCU.
Integrated Boyles Anesthetic Machine	3	15.02.08 (2) and 13.03.09 (Cardiology store)	2858960	Packed	Infrastructure for OT is yet to be completed.
C ARM Compatible QT Table (Surgery)	2	19.03.08 (Cardiology store)	432640	Packed	Infrastructure for OT is yet to be completed
Humidifier	4	15.02.08 and 16.02.08 (Cardiology store)	282880	Packed	Infrastructure for OT is yet to be completed
CRRT Machine	4	14.03.08 (store of Cardiology)	8397376	Packed	Water treatment plant and renal dialysis unit are yet to be installed
EMG Machine	1	26.03.08 (Cardiology store)	1974960	Installed but remaining non- operational	EMG technician not available.
Bedside Cardiac Monitor	14	28.03.08 (Cardiology store)	2652000 (10 pcs) 1060800 (4 pcs)	10 installed in ICCU, 4 packed	ICCU unit has not started functioning as yet
Total			19822816		

(Source: Records of Burdwan Medical College and Hospital))

Appendix 3.8
(Refer paragraph 3.4.5, Page 110)

Statement showing year-wise position of Inspection Reports and Paragraphs pending settlement

Year	Health and Family Welfare		Food and Supplies		Higher Education		Backward Classes Welfare		Commercial ¹		Water Resources Investigation and Development		Public Works		Total	
	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	Irs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
1984-1985	-	-	-	-	-	-	-	-	-	-	1	1	-	-	1	1
1985-1986	-	-	-	-	-	-	-	-	-	-	3	11	1	1	4	12
1986-1987	-	-	-	-	-	-	-	-	-	-	2	2	-	-	2	2
1987-1988	-	-	-	-	-	-	-	-	-	-	2	1	-	-	2	1
1988-1989	-	-	-	-	-	-	-	-	-	-	2	5	1	1	3	6
1989-1990	-	-	1	1	-	-	-	-	-	-	4	13	1	1	6	15
1990-1991	-	-	-	-	-	-	-	-	-	-	3	2	-	-	3	2
1991-1992	-	-	-	-	-	-	-	-	-	-	6	8	-	-	6	8
1992-1993	-	-	-	-	-	-	-	-	-	-	3	3	2	2	5	5
1993-1994	-	-	1	1	-	-	-	-	-	-	6	5	-	-	7	6
1994-1995	-	-	-	-	-	-	-	-	-	-	8	17	1	1	9	18
1995-1996	-	-	-	-	1	1	-	-	-	-	7	6	-	-	8	7
1996-1997	-	-	2	2	-	-	-	-	-	-	3	15	8	12	13	29
1997-1998	-	-	-	-	-	-	-	-	-	-	17	12	3	3	20	15
1998-1999	-	-	-	-	-	-	1	1	-	-	2	5	3	3	6	9
1999-2000	-	-	-	-	-	-	-	-	-	-	-	-	6	6	6	6
2000-2001	3	3	-	-	-	-	-	-	-	-	3	1	7	8	13	12
2001-2002	2	2	-	-	-	-	-	-	-	-	5	1	3	3	10	6
2002-2003	4	4	-	-	-	-	-	-	-	-	4	6	6	6	14	16
2003-2004	52	150	5	12	2	9	5	22	2	2	12	22	17	35	95	252
2004-2005	33	91	6	23	4	19	4	13	-	-	7	14	17	28	71	188
2005-2006	37	101	6	15	1	2	9	25	-	-	6	15	5	10	64	168
2006-2007	26	85	-	-	3	17	1	9	-	-	1	1	15	24	46	136
2007-2008	27	105	3	10	8	53	6	33	-	-	6	16	22	58	72	275
2008-2009	70	397	5	15	7	32	5	20	2	6	6	23	29	67	124	560
2009-2010	48	358	3	12	7	21	9	47	-	-	15	48	30	63	112	549
Total	302	1296	32	91	33	154	40	170	4	8	134	253	177	332	722	2304
More than 10 years	-	-	4	4	1	1	1	1	-	-	69	106	26	30	101	142

¹ Under Food and Supplies, Food Processing Industries & Horticulture, Animal Resources Development Departments

Appendix-4.1
(Refer paragraph 4.4, Page 115)

Statement showing test checked units of Animal Resources Development Department

District	Name of office	Location
Bardhaman	Deputy Director of Animal Resources Development and Parishad Officer (DDPO)	Bardhaman
Bardhaman	District Hospital	Bardhaman
Bardhaman	Regional Disease Diagnostic Laboratory	Bardhaman
Bardhaman	District Pathological Laboratory	Bardhaman
Bardhaman	State Poultry Farm (SPF)	Golapbag
Bardhaman	State Poultry Farm	Durgapur
Bardhaman	Duck farm under District Composite Farm (DCF)	Bardhaman
Bardhaman	State Animal Health Centre (SAHC)	Katwa
Bardhaman	SAHC	kaichar
Bardhaman	SAHC	Guskara
Bardhaman	Block Livestock Development Office (BLDO)	Galsi-I
Bardhaman	BLDO	Mongalkote
Bardhaman	BLDO	Purbasthali-II
Bardhaman	BLDO	Raniganj
Bardhaman	BLDO	Ketugram-I
Bardhaman	BLDO	ketugram-II
Bardhaman	BLDO	Kalna-II
Bardhaman	BLDO	Memari-II
Bardhaman	BLDO	Raina-I
Bardhaman	BLDO	Ausgram-I
Bardhaman	Block Animal Health Centre (BAHC)	Galsi-I
Bardhaman	BAHC	Mongalkote
Bardhaman	BAHC	Purbasthali-II
Bardhaman	BAHC	Raniganj
Bardhaman	BAHC	Ketugram-I
Bardhaman	BAHC	ketugram-II
Bardhaman	BAHC	Katw-II
Bardhaman	BAHC	Memari-II
Bardhaman	BAHC	Raina-I
Bardhaman	BAHC	Ausgram-I

District	Name of office	Location
Bardhaman	Additional Block Animal Health Centre (ABAHC)	Paraj at Galsi-I
Bardhaman	ABAHC	Belerhar at Purbasthali-II
Bardhaman	ABAHC	Billogram at Ausgram-I
Bardhaman	ABAHC	Dodhia at Ketugram-I
Bardhaman	ABAHC	Nigon at Mongalkote
Bardhaman	ABAHC	Satgachia at Memari-II
Bardhaman	ADACs -11 nos.	
Birbhum	DDPO	Birbhum
Birbhum	District Hospital	Birbhum
Birbhum	District Pathological Laboratory	Birbhum
Birbhum	Cattle Farm under DCF	Birbhum
Birbhum	Goat Farm under DCF	Birbhum
Birbhum	Pig Farm under DCF	Birbhum
Birbhum	Poultry Farm under DCF	Birbhum
Birbhum	Duck Farm under DCF	Birbhum
Birbhum	SAHC	Rampurhat-I
Birbhum	SAHC	Bolpur
Birbhum	BLDO	Suri-I
Birbhum	BLDO	Sainthia
Birbhum	BLDO	Rampurhat-I
Birbhum	BLDO	Bolpur-santiniketan
Birbhum	BLDO	Md. Bazar
Birbhum	BLDO	Ilam Bazar
Birbhum	BLDO	Rampurhat-II
Birbhum	BAHC	Suri-I
Birbhum	BAHC	Sainthia
Birbhum	BAHC	Rampurhat-I
Birbhum	BAHC	Bolpur-santiniketan
Birbhum	BAHC	Md. Bazar
Birbhum	BAHC	Ilam Bazar
Birbhum	BAHC	Rampurhat-II
Birbhum	ABAHC	Suri-I-Chotoalanda
Birbhum	ABAHC	Sainthia-Parmi
Birbhum	ABAHC	Rampurhat-I-Chandpur
Birbhum	ABAHC	Bolpursantiniketan-

District	Name of office	Location
		Bahiri
Birbhum	ABAHC	Md. Bazar-Duncha
Birbhum	ABAHC	Ilam Bazar-Jay Deb
Birbhum	ABAHC	Rampurhat-I-Sadhimpur
Birbhum	ADACs -16 nos.	
Calcutta	Animal Health & Veterinary Services Directorate	Calcutta
Calcutta	Institute of Animal Health & Veterinary Biologicals	Belgachia
Calcutta	Joint Director, Poultry	Calcutta
Calcutta	State Poultry Farm	Tollygunje
Calcutta	Paschim Banga Go Sampad Bikash Sanstha	Salt Lake
Calcutta	Project Administrator & Co-ordinator, WFP-618	Salt Lake
Jalpaiguri	DDPO	Jalpaiguri
Jalpaiguri	District Hospital	Jalpaiguri
Jalpaiguri	Regional Disease Diagnostic Laboratory	Jalpaiguri
Jalpaiguri	District Pathological Laboratory	Jalpaiguri
Jalpaiguri	State Poultry Farm	Mohitnagar
Jalpaiguri	Forage Research Development & Training Centre	Jatiakali
Jalpaiguri	SAHC	Dhupguri
Jalpaiguri	SAHC	Malbazar
Jalpaiguri	BLDO	Moynaguri
Jalpaiguri	BLDO	Kumargram
Jalpaiguri	BLDO	Kalchini
Jalpaiguri	BLDO	Meteli
Jalpaiguri	BAHC	Moynaguri
Jalpaiguri	BAHC	Kumargram
Jalpaiguri	BAHC	Kalchini
Jalpaiguri	BAHC	Meteli
Jalpaiguri	ABAHC	Votepaty under Maynaguri
Jalpaiguri	ABAHC	Barobisha under Kumargram
Jalpaiguri	ABAHC	Nimtijhara under Kalchini
Jalpaiguri	ABAHC	Ingdong under Meteli

District	Name of office	Location
Jalpaiguri	ADACs -10 nos.	
Nadia	SLF(cattle)	Kalyani
Nadia	DDPO	Nadia
Nadia	District Hospital	Nadia
Nadia	Regional Disease Diagnostic Laboratory	Bethuadahari
Nadia	District Pathological Laboratory	Nadia
Nadia	Cattle Farm under Sanstha	Haringhata
Nadia	Haringhata Farm	Haringhata
Nadia	Cattle Farm under Haringhata Farm	Haringhata
Nadia	Pig Farm under Haringhata Farm	Haringhata
Nadia	Poultry Farm under Haringhata Farm	Haringhata
Nadia	Fodder Farm under Haringhata Farm	Haringhata
Nadia	Fodder Farm under BLDO Santipur	Santipur
Nadia	State Poultry Farm	Ranaghat
Nadia	Duck farm under State Livestock Farm	Kalyani
Nadia	SAHC	Santipur, Motiganj
Nadia	SAHC	Ranaghat
Nadia	BLDO	Santipur
Nadia	BLDO	Haringhata, Subarnapur
Nadia	BLDO	Ranaghat-I
Nadia	BLDO	Krishnaganj
Nadia	BLDO	Chakdah
Nadia	BAHC	Santipur
Nadia	BAHC	Haringhata, Subarnapur
Nadia	BAHC	Ranaghat-I
Nadia	BAHC	Krishnaganj
Nadia	BAHC	Chakdah
Nadia	ABAHC	Govindapur
Nadia	ABAHC	Birohi
Nadia	ABAHC	Binnagar - 1
Nadia	ABAHC	Banpur- 1
Nadia	ABAHC	Silinda-1
Nadia	ADACs-18 nos.	

Appendix-4.2
(Refer paragraph 4.13.3.1, Page 128)

**Statement showing excess expenditure incurred towards
procurement of medicines at higher rates**

(In ₹)

Districts	2005-06	2006-07	2007-08	2008-09	2009-10	Total
Bankura	53120	58569	184888	197688	73213	567478
Bardhaman	17811	35030	317186	150022	129510	649559
Birbhum	39602	47437	133329	188074	0	408442
Cooch Behar	25064	22784	133329	59646	0	240823
Dakshin Dinajpur	38994	42631	67808	57488	4800	211721
Darjeeling	16152	17072	47956	19149	0	100329
Hooghly	9806	12177	43421	49613	0	115017
Howrah	43181	52004	83884	98953	1913201	2191223
Jalpaiguri	77489	43015	110886	117412	68376	417178
Malda	43860	43355	147365	88796	33899	357275
Murshidabad	21820	39520	102918	0	9282	173540
Nadia	54447	19772	89556	44627	0	208402
North 24 Parganas	0	0	0	329615	0	329615
Paschim Medinipur	84657	27869	74420	225678	0	412624
Purba Medinipur	25900	6000	76500	25500	25500	159400
Purulia	0	60940	287864	223728	0	572532
South 24 Parganas	0	0	0	0	106626	106626
Uttar Dinajpur	7956	12313	107064	34366	6750	168449
Total	559859	540488	2008374	1910355	2371157	7390233

Source: Records of Sanstha

Abbreviations

AAY	Antyodaya Anna Yojana
ABAHC	Additional Block Animal Health Centres
ACA	Additional Central Assistance
ADAC	Animal Development Aid Centers
ADG	Additional Director General
AI	Artificial Insemination
AMC	Annual Maintenance Contract
AMO	Assistant Mobilising Officers
APL	Above Poverty Line
ARD	Animal Resources Development
ASCAD	Assistance to States for Control of Animal Diseases
ATN	Action Taken Notes
BA	Breathing Apparatus
BAHCs	Block Animal Health Centres
BBT	Budge Budge Trunk
BCL	Basumati Corporation Limited
BDO	Block Development Officer
BENFED	West Bengal State Co-operative Marketing Federation Limited
BER	Beyond Economic Repair
BLDO	Block Live Stock Development Officer
BMA	Bituminous Mastic Asphalt
BMC	Bardhaman Medical College
BOD	Biological Oxygen Demand
BPL	Below Poverty Line
CBR	California Bearing Ratio
CC	Cash Credit
CCO	Chief Controlling Officer
CFWS	Central Family Welfare Store
CI	Chief Inspector
CI	Canal Improvement
CIP	Central Issue Price
CMO	Chief Mobilising Officer
CMR	Custom Milled Rice
CMS	Central Medical Store
CMU	Contract Management Unit
CPCB	Central Pollution Control Board
CPHEEO	Central Public Health and Environmental Engineering Organisation
CRF	Central Road Fund
CWC	Central Warehousing Corporation
CWS	Central Workshop
DAIRPOUL	West Bengal Dairy and Poultry Development Corporation Limited
DCF	District Composite Farm

DCsF&S	District Controllers of Food and Supplies
DDO	Drawing and Disbursing Officer
DED	Detailed Engineering Drawing
DF	Director of Finance
DG	Director General
DHS	Director of Health Services
DI	Ductile Iron
DM	District Magistrate
DO	Delivery Orders
DO	Divisional Officer
DPR	Detailed Project Report
DWF	Dry Weather Flow
EE	Executive Engineer
EKADP	East Kolkata Area Development Project
EKW	East Kolkata Wetlands
EMPR	Engineer's Monthly Progress Report
FC	Faecal Coliform
FCI	Food Corporation of India
FEOD	Fire Engine Operator cum Driver
FMD	Foot and Mouth Disease
FO	Fire Officer
FPS	Fair Price Shops
FRC	Family Ration Cards
FRDTC	Forage Research, Development and Training Centre
FRG	Fire Retardant Gumboot
FRH	Fire Retardant Helmet
FS	Fire Stations
FSC	Fire Safety Certificate
FSD	Food Storage Depot
GAP	Ganga Action Plan
GCMSS	Greater Calcutta Milk Supply Scheme
GI	Geotechnical Investigation
GoWB	Government of West Bengal
GP	Gram Panchayats
HQCR	Headquarters Control Room
HRBC	Hoogly River Bridge Commissioners
HSD	High Speed Diesel
I&WD	Irrigation and Waterways department
IA	Implementing Agencies
IR	Inspection Reports
IRC	Indian Road Congress
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KEIP	Kolkata Environmental Improvement Project
KMA	Kolkata Metropolitan Area
KMC	Kolkata Municipal Corporation

KMDA	Kolkata Metropolitan Development Authority
KMS	Kharif Marketing Season
LA	Land Acquisition
LAO	Land Acquisition Officer
LBM	Lean Bituminous Macadam
LDA	Livestock Development Assistants
LTl	Left-Hand Thumb Impression
MLD	Million Litre Day
MO	Mobilising Officers
MOSPI	Ministry of Statistics and Programme Implementation
MP	Members of Parliament
MPLADS	Member of Parliament Local Area Development Scheme
MSP	Minimum Support Price
MSWT	Mid Size Water Tender
NOAPS	National Old Age Pension Scheme
NOC	No Objection Certificate
NPCBB	National Project for Cattle and Buffalo Breeding
NTCC	New Town Construction Circle
OPV	Oral Polio Vaccines
PAC	Public Accounts Committee
PAC	Project Authority Certificate
PAG	Principal Accountant General
PC	Premix Carpet
PD	Project Director
PDR	Preliminary Design Report
PDS	Public Distribution System
PHED	Public Health Engineering Department
PIC	Project Implementation Committee
PL	Personal Ledger
PMU	Project Management Unit
PPR	<i>Peste des Petits Ruminants</i>
PRI	Panchayati Raj Institutions
PS	Panchayat Samities
PSC	Public Service Commission
PWD	Public Works department
RC	Release Certificate
RD	Resource Division
RIR	Rhode Island Red
rites	Rail India Technical and Economic Services
RKVY	Rashtriya Krishi Vikas Yojana
RPDS	Revamped Public Distribution System
RSVY	Rastriya Sam Vikas Yojana
S&D	Sewerage and Drainage Improvement
S&DMP	Sewerage and Drainage Master Plan
SAHC	State Animal Health Centres

SBI	State Bank of India
SDBC	Semi Dense Bituminous Concrete
SDCsFS	Sub-Divisional Controllers of Food and Supplies
SDU	Social Development Unit
SE	Superintending Engineer
SFAC	Standing Fire Advisory Council
SFWO	State Family Welfare Officer
SHG	Self Help Group
SI	Slum Improvement
SIMP	Slum Improvement Master Plan
SJDA	Siliguri Jalpaiguri Development Authority
SLF	Sanitary Land Fill
SLF	State Livestock Farm
SMP	Skimmed Milk Powder
SNF	Solid but Not Fat
STP	Sewage Treatment Plant
SWF	Storm Weather Flow
SWM	Solid Waste Management
SWMMP	Solid Waste Management Master Plan
T&LS	Topographical & Level Survey
TPDS	Targeted Public Distribution System
TPRM	Tripartite Portfolio Review Meeting
UC	Utilisation Certificate
UDD	Urban Development Department
VLC	Voucher Level Computerisation
WBECS	West Bengal Essential Commodities Supply Corporation Limited
WBFS	West Bengal Fire and Emergency Services
WBLPCL	West Bengal Livestock Processing Corporation Limited
WBSEDCL	West Bengal State Electricity Distribution Company Limited
WBTR	West Bengal Treasury Rules
WEBEL	West Bengal Electronics Industry Development Corporation Limited
WIF	Walk-in-Fridge
ZP	Zilla Parishad

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