Health and Family Welfare Department

3.6 Procurement, Supply and Utilisation of Drugs & Consumables and Machinery & Equipment in Health Institutions under the Directorate of Health Services

Assessment of demand for procurement of drugs & consumables and their distribution was neither scientific nor systematic, leading to instances of non-procurement, delay in procurement and non-availability of drugs; and non-issuing, short-issuing, excess issuing of drugs to health institutions. Drugs were purchased irregularly and without requirement resulting in their expiry. Ineffective quality control resulted in distribution of substandard drugs to patients. Procurement of machinery & equipment was not systematic in the absence of any inventory management system leading to cases of non-procurement and procurement without requirement, which resulted in items remaining unutilised/ idle and non-functional. Items were also found to be lying unutilised owing to non-posting of technical staff.

3.6.1 Introduction

A scientific system of procurement and supply of drugs & consumables and machinery & equipment is essential for efficient public health services.

Up to March 2017, procurement of drugs & consumables and machinery & equipment was made as per the State Government policy, by the district Chief Medical Officers (CMOs) from authorised suppliers at rates finalised by the Himachal Pradesh State Civil Supply Corporation (HPSCSC) and Himachal Pradesh State Electronics Development Corporation (HPSEDC). The new purchase policy of March 2017 prescribed that State Procurement Cell (SPC), constituted in November 2016, was to place supply orders with approved suppliers on rate contracts finalised by the State Government as per demand received from CMOs. However, owing to SPC remaining non-functional, instructions were issued (October 2017) authorizing CMOs to undertake procurement directly from Central Public Sector Enterprises (CPSEs), *Jan Aushadhi* stores, other approved sources/ suppliers[29], and if not available at these sources then locally at their own level. As per notification (January 2016) of State Government, 66 essential drugs were to be provided free of cost in all health institutions; this was revised by notification (September 2017) of State Government which stipulated that between 43 and 330 drugs were to be provided free of cost in health institutions at different levels[30].

3.6.2 Audit scope and methodology

Audit of procurement, supply and utilisation of drugs & consumables and machinery & equipment in health institutions under the control of Director, Health Services (DHS) for the period 2015-18 involved scrutiny of records of the DHS, and Chief Medical Officers (CMOs) of four districts (Chamba, Kangra, Kullu, and Mandi) selected

[29] Suppliers with whom a rate contract had been signed by Employees' State Insurance Corporation (ESIC) or Indira Gandhi Medical College and Hospital (IGMCH), Shimla.

[30] 330, 216, 106 and 43 drugs & consumables to be provided free of cost at Zonal/ Regional Hospitals (ZHs/ RHs), Civil Hospitals/ Community Health Centers (CHs/ CHCs), Primary Health Centers (PHCs) and Health Sub-Centers (HSCs) levels respectively.

through stratified sampling using population and budget as criteria. During 2015-18, total expenditure in the State on drugs & consumables was ₹ 146.75 crore[31] and on machinery & equipment was ₹ 67.87 crore[32]. Out of this, expenditure incurred by the DHS was ₹ 130.48 crore, and ₹ 29.76 crore respectively. In the four selected districts, expenditure was ₹ 58.80 crore[33] and ₹ 11.27 crore[34] respectively by health institutions under the control of the DHS during 2015-18. A total of 70 field units[35] (Zonal/ Regional hospitals, Civil hospitals/ Community Health Centres, Primary Health Centres and Health Sub-Centres) under the control of the four selected CMOs were test-checked (selected on the basis of expenditure and geographical diversity). Record of eight Block Medical Officers[36] (BMOs) out of 35 functioning as administrative head responsible for aggregation of demand from health institutes under his control was also test-checked. Audit examined issues relating to demand assessment, supply, and utilisation of drugs & consumables and machinery & equipment; availability of essential drugs and machinery & equipment; and quality control.

3.6.3 Audit Findings

Drugs & Consumables

Assessment of demand for drugs & consumables should be made on the basis of previous pattern of consumption, disease prevalence, region-specific requirements, etc. Budget provision should be made based on demand assessment so that desired benefits accrue to the intended beneficiaries. Procurement should be periodic/ continuous and time-bound to avoid non-availability/ non-utilisation/ expiry of drugs. System of quality control at the time of receipt of drugs should be in place to ensure distribution of quality drugs to patients.

3.6.3.1 Unscientific demand assessment of drugs & consumables

DHS had issued instructions (May 2015) that demand would be raised by various field units which would be aggregated at the block level by BMOs and subsequently consolidated at the district level. CMOs would place supply orders for all field units within their jurisdiction as per the assessed demand. For this system to work efficiently, it was important that the assessment of demand by field units was accurate, and submission of demand was done in a time-bound manner, so that the CMOs could consolidate the demand and place supply orders accordingly. This would have ensured availability and utilisation of drugs as per requirement at the local level. Scrutiny of records of four selected districts revealed the following:

- The assessment of demand at the field unit level was being done without any scientific basis, as there was nothing on record to show that factors such as previous pattern of consumption, disease prevalence, and region-specific requirements, etc. had been taken into consideration while raising demand.

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31 DHS: ₹ 130.48 crore and Director, Medical Education and Research (DMER): ₹ 16.27 crore.

32 DHS: ₹ 29.76 crore and DMER: ₹ 38.11 crore.

33 Chamba: ₹ 7.83 crore; Kangra: ₹ 23.36 crore; Kullu: ₹ 8.78 crore; and Mandi: ₹ 18.83 crore.

34 Chamba: ₹ 1.45 crore; Kangra: ₹ 3.51 crore; Kullu: ₹ 1.63 crore; and Mandi: ₹ 4.68 crore.

35 Four ZHs/ RHs out of four –under the administrative control of Medical Superintendent, eight CHs/ CHCs out of 74, 15 PHCs out of 242 and 43 HSCs out of 1,067 were selected on the basis of expenditure and geographical diversity.

36 Bhawarna, Gangath, Jari, Kihar, Kotli, Naggar, Rohanda and Samote.

Scrutiny of records relating to demand raised by eight test-checked BMOs in respect of selected drugs[37] during 2015-18 showed that the demand raised for a particular year was less or higher than the average consumption (for the previous two years) and varied by huge margins[38]. Thus, assessment of demand at field unit level was not accurate and did not reflect actual requirement.

- There was no system of inventory management or periodic reporting of stock, in the absence of which the stock position in field units could not be ascertained at block/ district level.

  In view of this, CMOs and BMOs should have prescribed a schedule for submission of demand by field units. However, no such schedule had been prescribed by any of the test-checked CMOs/ BMOs resulting in receipt of demand at different times or non-receipt of demand. Aggregate/ periodic demand of drugs and consumables was not received in Chamba and Mandi districts during 2015-17 and in Kullu district during 2015-16 and 2017-18. CMOs were working-out the demand on an average basis for field units where demand had not been received. Thus, the demand assessment/ aggregation at the CMO level was neither accurate nor time-bound.

The lack of accuracy and timeliness in demand assessment found reflection in instances of non-procurement, delayed procurement, and excess or less issuing, resulting in non-availability, non-utilisation, and expiry of drugs & consumables (paragraphs 3.6.3.2 to 3.6.3.8).

The DHS accepted the facts and stated (August 2019) that the Drugs and Vaccine Distribution Management System (DVDMS) was being implemented and necessary measures would be taken to overcome the shortcomings in future.

Recommendation: *The State Government may consider devising a system of scientific assessment of demand using computerised reporting or inventory management, which would enable regular or real time monitoring of stock position.*

3.6.3.2 Delay in supply of drugs & consumables

After assessment of demand, supply orders would be placed by CMOs following which supply would be received at the district stores. CMOs were required to ensure quality and timeliness in receipt of supply from firms, and initiate penal action against firms in cases of default. DHS' instructions (May 2015) stipulate that the supplier should complete supply within 60 days from the date of issue of supply order, and provide for imposition of penalty/ liquidated damages for delayed supply.

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37 Different number of drugs, ranging between nine and 29 were selected for test-check in eight selected blocks based on available records.

38 Between 97 and 798 *per cent*. For example: **(1)** Cetrizine (BMO, Rohanda, Mandi): Average consumption during 2015-17: 75,755; demand raised for 2017-18: 6,80,000 (variation: 798%); **(2)** Inj. Gentamycin (CHC Kihar, Chamba): Average consumption during 2015-17: 405; demand raised for 2017-18: 1,750 (variation: 332%); and **(3)** Tab. Domperidone (BMO Kotli, Mandi): Average consumption during 2015-17: 2,000; demand raised for 2017-18: 15,000 (variation: 650%).

Out of the total supply of ₹ 34.06 crore during 2015-18 in the four selected districts, supply worth ₹ 1.46 crore in respect of 97 out of 257 test-checked supply orders was received with delay of one to 32 weeks. It was further observed that the CMOs/ MSs (Medical Superintendents) concerned had not imposed penalty/ liquidated damages of ₹ 16.39 lakh on the firms concerned. The delays in supply combined with non-maintenance of buffer stock resulted in shortage/ non-availability of drugs & consumables.

The DHS stated (August 2019) that there was no penalty clause in CPSE rate contract and correspondence was being made with the respective firms. However, penalty clause was there in rate contract with the HPSCSC.

3.6.3.3 Non-procurement of essential drugs

The State Government notified (March 2017) that the State Procurement Cell (SPC), constituted in November 2016, shall place supply orders with approved suppliers on the basis of approved rate contracts. In September 2017, the State Government decided to terminate the existing rate contract finalised by HPSCSC.

The SPC could not be made functional due to non-posting of functionaries such as: Superintendent, Consultant (Procurement), Senior Assistant/ Assistant, Pharmasist, Data Entry Operators, etc. Department could not finalise the rate contracts for the 66 notified essential drugs & consumables, and instead expanded (September 2017) the list to between 43 and 330 in health institutions of different levels. Subsequently, instructions were issued (October 2017) by the DHS to the CMOs to procure essential drugs & consumables through CPSEs, *Jan Aushadhi* stores, firms with whom institutions like IGMCH/ Employees' State Insurance Corporation (ESIC) had finalised rate contract, or through open tendering in cases where items were not available with these sources.

Out of the 216 essential drugs & consumables required at the level of BMOs/ CHs/ CHCs, 68 (Chamba), 145 (Kangra), 112 (Kullu) and 137 (Mandi) drugs & consumables could not be procured by the respective CMOs. Out of the 330 essential drugs & consumables required at the level of ZH/ RH, 48 (Chamba), 196 (Kangra), 131 (Kullu) and 140 (Mandi) drugs & consumables could not be procured.

Thus, non-finalisation of rate contracts and non-availability of drugs & consumables with approved sources led to delay/ non-procurement of essential drugs & consumables, which resulted in their non-availability in various test-checked field units (paragraph 3.6.3.6).

The DHS stated (August 2019) that essential drugs could not be procured due to non-availability of these drugs with approved sources and time taken for completion of codal formalities.

Recommendation: *The State Government may address the issue of non-finalisation of rate contracts so that procurement of essential drugs is not delayed/ hampered.*

3.6.3.4 Non-issuing of drugs & consumables as per demand and indent

As per DHS' instructions (May 2015), supply orders would be placed at district level after considering and consolidating the demands received from field units. Following

the receipt of supply at the district store, drugs & consumables were to be issued to field units as per their indent.

Scrutiny of records in respect of test-checked drugs (Kangra: 35, Chamba: 20, Mandi: 20 and Kullu: 54) issued by district stores during 2016-18 to 24 field units (**Appendix-3.2**) revealed instances of short-issuing, excess issuing, and non-issuing of drugs with reference to demand as detailed below:

- In respect of one to 16 drugs, quantity of 14,16,819 had been issued to 21 field units against demanded quantity of 37,12,894 resulting in short issued quantity of 22,96,075 (62 *per cent*). The field-unit-wise short issued quantity ranged between 22 to 98 *per cent*.
- In respect of one to six drugs, it was observed that no quantity had been issued to nine field units against quantity of 6,42,080 demanded by these units.
- In respect of one to nine drugs, quantity of 13,33,034 had been issued to 15 field units against demanded quantity of 8,10,175 resulting in excess issued quantity of 5,22,859 (65 *per cent*). The field-unit-wise excess issued quantity ranged[39] between 10 to 669 *per cent*.
- In respect of one to three drugs, quantity of 96,430 had been issued to four field units without any demand.

Deficiencies in issue of drugs from district store to field units was attributable to unscientific assessment of demand by CMOs and field units, and non-finalisation of rate contracts (paragraphs 3.6.3.1 and 3.6.3.3).

Further, in the four test-checked districts, 33 indents (**Appendix-3.3**) were examined in which a total of 910 drugs were indented. It was observed that out of the 910 drugs indented, 346 drugs were not supplied to the field units. In respect of 62 drugs, there was short supply of 2,77,283 quantity of drugs (quantity of 1,82,937 was supplied against indented quantity of 4,60,220). In respect of 21 drugs, there was excess supply of 40,755 quantity of drugs (quantity of 1,14,295 was supplied against indented quantity of 73,540).

The practice of short-issuing and non-issuing of drugs against demand caused shortages or non-availability of drugs while the practice of excess-issuing and issuing of drugs without demand led to non-utilisation of drugs and their expiry (paragraphs 3.6.3.6 to 3.6.3.8).

The DHS stated (August 2019) that the drugs and consumables were issued to the field units as per demand and availability of the items in the district store. It was further stated that the drugs near expiry were being consumed on priority basis.

3.6.3.5 Discrepancies between issued and received quantities

Drugs & consumables issued to various field units by the district/ block stores are to be duly entered and recorded in the respective stock registers, with the officers-in-charge of the respective stores certifying that the items have been duly issued/ received.

Cross-verification of stock registers of district/ block stores in Kangra and Kullu districts with the stock registers of 29 test-checked field units[40] revealed the following:

[39] Deviation up to 10 *per cent* of demanded quantity only had not been commented upon.

[40] RH: 01; CH: 01; CHCs: 02; BMO: 01; PHCs: 05 and HSCs: 19.

- For 57 drugs & consumables, a quantity of 0.51 lakh (valuing ₹ 0.34 lakh) was shown as issued in the records of the issuing units, whereas no quantity was shown as received in the records of the 16 test-checked recipient units. This discrepancy was particularly high in case of two drugs (Capsule Doxycycline: 14,400 quantity valuing ₹ 0.10 lakh, and Tablet Acyclovir 800 mg: 5,000 quantity valuing ₹ 0.15 lakh).
- For 70 drugs & consumables, the quantity shown as received in the records of 25 test-checked recipient units was lesser than the quantity shown as issued in the records of the issuing units by 1.08 lakh (valuing ₹ 0.42 lakh).
- For 33 drugs & consumables, the quantity shown as received in the records of the 16 test-checked recipient units was greater than the quantity shown as issued in the records of the issuing units by 0.31 lakh (valuing ₹ 0.14 lakh).

Thus, there were discrepancies in quantity of drugs & consumables issued from district/ block level and received at field unit level, which was indicative of poor store/ stock management.

The DHS stated (August 2019) that the matter was being looked into and necessary measures would be taken accordingly. Further, directions to reconcile the discrepancies through inventory management in future had been issued.

3.6.3.6 Non-availability of essential drugs

As per State Government notification (January 2016) 66 essential drugs were to be provided free of cost in all health institutions; this was revised by notification (September 2017) which stipulated that between 43 and 330 drugs were to be provided free of cost in health institutions at different levels[41]. DHS had instructed (February 2016) that buffer stock of essential drugs should be maintained by all health institutions.

However, non-availability of essential drugs & consumables was noticed in various field units as detailed in **Table-3.6.1** below:

Table-3.6.1: Details of non-availability of essential drugs in test-checked units (2015-18)

Category of Institution		Required (as per 2016 notification)	Not Available	Required (as per 2017 notification)	Not Available
Administrative Head	Executive Head				
CMO	CMO	66	7-40 (11-61)	216	50-169 (23-78)
	MS, ZH/ RH	66	3-4 (5-6)	330	122-196 (37-59)
BMO	BMO	66	5-53 (8-80)	216	109-195 (50-90)
	SMO (CH)	66	6-8 (9-12)	216	85-183 (39-85)
	SMO (CHC)	66	9-47 (14-71)	216	78-139 (36-64)
	MO (PHC)	66	8-47 (12-71)	106	14-95 (13-90)
	HW (HSC)	66	9-58 (14-88)	43	9-36 (21-84)

Figures in parenthesis denote percentages.
SMO: Senior Medical Officer; MO: Medical Officer; HW: Health Worker.

It was observed that three to 58 drugs & consumables were not available for a period ranging between one to 27 months (with reference to notification of 2016); and nine to

[41] 330, 216, 106 and 43 drugs & consumables to be provided free of cost at Zonal/ Regional Hospitals (ZHs/ RHs), Civil Hospitals/ Community Health Centers (CHs/ CHCs), Primary Health Centers (PHCs) and Health Sub-Centers (HSCs) levels respectively.

196 drugs & consumables were not available for one to six months (with reference to notification of 2017), in different health institutions.

It was further noticed that buffer stock had not been maintained in any of the four test-checked district stores, which had obviously rendered the district stores unable to replenish field unit stocks in case of demand being raised for out-of-stock drugs & consumables.

To examine the impact of non-availability of essential drugs on patients, a survey (April-May 2018) was conducted by Audit in 11 field units of the four selected districts. In the district-level units, i.e. ZHs in Kangra and Mandi, and RHs in Kullu and Chamba, 486 patients (34 per cent) out of 1,415 patients surveyed were not provided essential drugs. In the block and lower level units, i.e. CH, CHCs, PHCs and HSCs, 274 patients (37 per cent) out of 742 surveyed were not provided essential drugs.

The DHS stated (August 2019) that the rate contract with the HPSCSC was terminated in September 2017 and thereafter there was procedural delay in completing codal formalities for new rate contract.

3.6.3.7 Non-utilisation of drugs & consumables

The deficiencies in the system of demand assessment, and the practice of not issuing drugs & consumables as per indent/ demand resulted in large quantities of drugs & consumables remaining unutilized.

- In ZH Mandi, five drugs (Syrup Cough Expectorant, Inj. Sapof-T 1.125 mg, Susp. Albendazole, Duolin Respules and Fetal Doppler) with quantity of 40,765 were procured (October 2016–November 2017) locally without requirement during 2016-18 despite sufficient quantity (48,806) of these drugs being available in stock. A quantity of 62,365 of these drugs was distributed whereas a quantity of 27,206 remained unutilised as of April 2018. Further, six injections (quantity: 5,000) were lying unutilised since their procurement (February 2017–November 2017), indicating that these had been procured without requirement. The total cost of these unutilised drugs & consumables was ₹ 30.14 lakh.
- In three[42] field units (Chamba district), eight drugs (Tab Cotrimazole, Tab Ceftriaxone, Inj. Xylocaine Adrenaline, Inj. Max P.T. 4.5 mg, Inj. Vitamin K, Inj. dextrose 5%, Inj. Avil and I/V N.S.) had been indented and received (quantity: 8,657) from the district store during 2016-18 despite sufficient stock (quantity: 3,587) of these drugs being available. A quantity of 3,675 of these drugs was distributed whereas quantity of 8,569 worth ₹ 1.61 lakh remained unutilised for four to 21 months as of May 2018. These drugs were to expire between September 2018 and November 2018. The field units concerned stated (April-May 2018) that drugs were issued by district store due to excess stock. CMO, Chamba stated (August 2018) that the stock position of the health institutions concerned was not available and they did not inform stock position to district store.

[42] CH, Dalhousie; CHC, Kihar and PHC, Motla (District Chamba).

- In two districts (Chamba and Mandi), it was observed that a quantity of 34,600 drugs (Inj. Pantoprazole, Tab Misoprostol and Inj. Cefotaxime) was issued (March 2016 - July 2017) by the district stores to five field units[43] without any requirement/ indents having been sent. As a result, 22,400 drugs (65 *per cent*) worth ₹ 1.10 lakh remained unutilised in the field units for a period ranging between eight and 24 months.

The DHS stated (August 2019) that supply was issued as per past experience and outbreak of seasonal diseases and drugs had been returned back/ consumed. Further, now the demand is being obtained through DVDMS and buffer stock is being maintained.

3.6.3.8 Expiry of drugs & consumables

Although there is no conclusive evidence of drugs/ consumables being rendered unsafe for use beyond their expiry date, there is a risk that their potency may decrease. Thus, procurement should be made in such a manner so that the quantities purchased can be consumed before the date of expiry.

In three (Chamba, Kullu and Mandi) districts, it was noticed that 66 drugs & consumables (quantity: 20,79,877 including glucostrips) worth ₹ 13.43 lakh[44] remained unutilised in 18 field units for two to 36 months resulting in their expiry. This was indicative of the fact that these items had been procured/ received without requirement. It was further seen that 17 of these drugs & consumables (quantity: 13,071) worth ₹ 0.58 lakh were consumed after expiry in four[45] field units. 1,891 expired[46] glucostrips continued to be used after expiry for a period up to 20 months in district Kullu. Thus, drugs & consumables worth ₹ 13.43 lakh in 18 test-checked units remained unutilized for two to 36 months leading to their expiry.

The DHS stated (August 2019) that necessary precautions would be taken in future.

3.6.3.9 Irregularities in Procurement

(i) Procurement of non-generic drugs

The State Drug Policy (1999) and DHS' instructions (October 2016) stipulate the procurement of only generic drugs.

It was observed that ZH, Mandi had purchased non-generic drugs from local suppliers for ₹ 1.75 crore during 2016-18, in spite of having sufficient stock of the corresponding generic drugs and availability of drugs with approved sources. Drugs valuing ₹ 30.14 lakh were lying unutilised as of March 2018, of which drugs valuing ₹ 1.33 lakh had expired. Purchase of non-generic medicines also resulted in extra

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43 TB Hospital Chamba; CHC Salooni; CHC Choori; CH Sundernagar and BMO Kotli.

44 RH, Kullu: ₹ 2.32 lakh (6,279); ZH, Mandi: ₹ 1.33 lakh (10,783); Leprosy Hospital, Chamba: ₹ 0.03 lakh (2,150); CH, Dalhousie: ₹ 0.20 lakh (1,672); BMO, Kihar: ₹ 3.69 lakh (3,08,397); BMO, Naggar: ₹ 4.97 lakh (17,24,500); CHC, Jari: ₹ 0.01 lakh (9,455); CHC, Kihar: ₹ 0.01 lakh (1,800); PHC, Bhuntar: ₹ 0.01 lakh (221); PHC, Garsha: ₹ 0.01 lakh (2,719); PHC, Diur: ₹ 0.17 lakh (1,076); PHC, Hunera: ₹ 0.03 lakh (230) and Glucostrips BMO, Jari: ₹ 0.35 lakh (6,100); HSC, Dhara: ₹ 0.09 lakh (1,502); HSC, Bradha: ₹ 0.08 lakh (555); HSC, Barshaini: ₹ 0.05 lakh (958); HSC, Mahish: ₹ 0.05 lakh (900) and HSC, Pirdi: ₹ 0.03 lakh (580).

45 RH, Kullu: ₹ 0.57 lakh (5,613); CHC, Jari: ₹ 0.01 lakh (7,420); PHC, Bhunter: ₹ Nil (29) and PHC, Garsha: ₹ Nil (09) – District Kullu.

46 HSC, Dhara: 292; HSC, Bradha: 79; HSC, Barshaini: 40; HSC, Mahish: 900 and HSC, Pirdi: 580.

expenditure of ₹ 12.78 lakh with reference to the cost of generic medicines, which could have been utilised on other required items.

MS, ZH, Mandi stated (May 2018) that the drugs were procured from local suppliers due to delay in supply from approved suppliers, prescription of non-generic drugs by specialist doctors, and as per demand of different wards.

(ii) Irregular purchase without tenders/ quotations

State Government guidelines for procurement by Rogi Kalyan Samitis (RKS) stipulate that goods valuing above ₹ 2,000/- cannot be procured without inviting quotations, and such total purchases shall not exceed ₹ 50,000/- in a year.

Scrutiny of records of RKSs of RH Chamba, RH Kullu, and ZH Dharamsala showed that these hospitals had purchased non-generic drugs & consumables worth ₹ 5.27 crore from local HPSCSC outlets during 2015-18 without inviting quotations or observing codal formalities. In this context, it was observed that the discount allowed by the HPSCSC outlets on the maximum retail price (MRP) was only up to 10 *per cent*, while discounts between 40 and 83 *per cent* on MRP had been obtained by CMO, Mandi after inviting quotations from local suppliers during the same period.

Thus, direct purchase of drugs without inviting quotations from HPSCSC outlets was not only in violation of instructions but also deprived the health institutions of the benefit of more competitive rates.

The DHS stated (August 2019) that the medicines were purchased as per prescription of the doctors and the practice of day to day purchase of medicines under various schemes would be deferred in future.

(iii) Excess payment above rate contract

Terms of the rate contract finalised by HPSCSC (May 2015) stipulated that the rates finalised for drugs are for doorstep delivery, inclusive of all taxes, and that no taxes or other charges will be paid over and above these rates.

Audit noticed that CMO, Kullu placed five supply orders in February-March 2016 for procurement of nine drugs at rates higher than those finalised by HPSCSC, resulting in excess payment of ₹ 12.46 lakh.

The DHS stated (August 2019) that to resolve the issue the matter had been taken up with the concerned firms.

3.6.3.10 Quality Control

An effective quality control system is vital to ensure that drugs of standard quality are provided to patients. The State Drug Policy (1999) envisages strengthening of quality control systems and distribution of quality drugs. Test-check, however, revealed following deficiencies:

(i) Non-selection of drug samples at the time of supply for subsequent testing

DHS' instructions (May 2015) prescribed that samples from each batch of supply are to be selected at the point of supply/ distribution/ storage, and sent to Government/ empanelled laboratories for testing.

Scrutiny of records of the four test-checked CMOs revealed that the prescribed system of testing of samples/ quality control was completely non-functional as the stores-in-

charge of respective district stores were not collecting samples at the time of supply for subsequent testing.

The Department was not exercising the stipulated checks to ensure that the drugs being distributed to patients conformed to quality standards.

The DHS stated (August 2019) that random sampling was being done by the Drug Inspectors and medicines were received with analysis test reports of the supplier. Further, empanelment of laboratories was under process.

(ii) Delay in receipt/ non-receipt of test reports and consumption of substandard drugs

Drug Inspectors were drawing samples on random basis on complaints, or after examination of analysis reports submitted by the suppliers. The samples were being sent to Composite Testing Laboratory (CTL), Kandaghat and to an empanelled laboratory in Chandigarh.

Audit noticed that no time period had been stipulated for receipt of test reports from laboratories and no instructions had been issued regarding suspending issue/ distribution of drugs until receipt of test reports.

During 2013-18, 417 samples were drawn by Drug Inspectors for testing, out of which 15 samples (four *per cent*) were declared "not of standard quality". Test reports of these samples were received after one to 39 months. Test reports for 116 samples (collected since more than one year) had not been received as of March 2018. The drugs had already been issued/ distributed in the above cases.

Similarly, after complaints in respect of four drugs procured between March 2016 and March 2017 by ZH, Mandi and RH, Chamba, samples of these drugs were drawn and sent for testing (August 2016 and January 2018). However, the test reports declaring the supplied drugs as substandard were received in 2017-18 with delay of two to four months, and in the meantime quantity of 0.84 lakh of these substandard drugs had been issued to patients.

The delay in testing of samples and reporting by laboratories, combined with the practice of issuing the drugs without waiting for test reports, meant that substandard drugs were being distributed to patients.

The DHS accepted (August 2019) the facts and stated that testing of samples as per instructions had yet not been adopted due to non-empaneling of laboratories for which the tender was under process.

Recommendation: *The Department may consider establishment of dedicated drug testing laboratory or empanelment of certified private drug testing laboratories in case of lack of capacity in the laboratories being currently used.*

(iii) Non-maintenance of stock at room temperature

Guidelines for "Storage of essential medicines and other health commodities" issued by WHO, state that the temperature requirements for drugs vary and most drugs need to be stored at room temperature (15-25^{0}C). Thus, it is essential to ensure proper storage conditions for drugs in order to maintain quality.

During physical inspection of stores by Audit , it was found that in three out of the four test-checked district stores (i.e. except Kangra), supplies were stacked in general rooms

without any system of temperature or humidity control/ monitoring, in the absence of which, the storage of various drugs & consumables as per guidelines could not be ensured. Thus, there was a risk of drugs & consumables losing their potency, or breaking down due to unsuitable temperature/ humidity with potentially harmful effects.

The DHS stated (August 2019) that most of the drugs and consumable were kept in ambient temperature below 25^0C whereas injectables and vaccines were kept in the defreezer as per instructions. However, Audit noticed instances of medicines stacked in general rooms without any system of temperature or humidity control.

3.6.3.11 Internal Control

(i) Non-maintenance of detailed information in stock register

Pharmacists in ZH/ RH, CH/ CHC, PHCs; and Health Workers in HSCs are responsible for stock keeping and maintenance of stock registers. Test-check of stock registers of 78 field units showed that in 28 field units[47], detailed information (batch number, date of manufacturing, date of expiry, rate, etc.) of drugs & consumables had not been entered/ maintained, in the absence of which it was difficult to ascertain expiry dates of different batches of items posing risk of their expiry. It was found that no stock register had been maintained in BMO Samote (Chamba district) during 2015-18. In this context, it was noticed that posts of Pharmacist were lying vacant in three (PHCs Chowk, Hunera and Naggar) out of these 28 field units resulting in deficiencies in stock keeping.

The DHS stated (August 2019) that necessary instructions to maintain the stock register properly had been issued to institutions concerned.

(ii) Non-conducting of physical verification of stock

Rule 140(2) of HPFR, 2009 stipulates that physical verification of all stores should be done at least once every year. Test-check of records showed that physical verification of stores/ stock had not been conducted in RH, Kullu (2017-18); BMO, Naggar (2015-18); CH, Manali (2015-18) and PHC, Garsha (2015-18). Thus, the system of periodic checks to ensure quantity as per stock registers was not functional in these units.

The DHS stated (August 2019) that required physical verification had been conducted in Kullu district and precautions would be taken in future.

The observations pointed out are based on the test check conducted by Audit. The Department/ Government may initiate action to examine similar cases and take necessary corrective action.

Machinery & Equipment

Indian Public Health Standards (IPHS) issued by the Ministry of Health & Family Welfare, GoI stipulate items of essential machinery & equipment to be made available in different levels of health institutions. There should be a system of reporting from field units to monitor availability, utilisation and functioning of machinery &

[47] BMO, Jari; BMO, Naggar; CH, Manali; PHC, Naggar; PHC, Bhunter; PHC, Garsha; HSC, Mahish; HSC, Seobagh; HSC, Thela; HSC, Hurla; HSC, Shia; HSC, Najan; HSC, Sachani; BMO, Bhawarna; CHC, Bhawarna; PHC, Sullah; PHC, Daroh; HSC, Paraur; HSC, Kural; CH, Dalhousie; CHC, Kihar; PHC, Hunera; HSC, Gulel; HSC, Bhing; HSC, Kahari; HSC, Hober; PHC, Dharanda and PHC, Chowk.

equipment. Adequate manpower should be provided to avoid non-utilisation or under-utilisation of machinery & equipment.

3.6.3.12 Deficiencies in system of demand assessment

According to State Government instructions (November 2010), machinery & equipment for all field units in a district were to be purchased by the CMO on the basis of demand submitted by the field units, while petty equipment could be purchased by respective MOs from RKS funds. In addition to the above, equipment were also being received in the district stores and field units directly from the DHS.

Audit noticed that the prescribed system was not functional in a majority of units: only 25 out of 78 test-checked units had raised/ submitted consolidated demand during 2015-18.

In view of non-submission of demand, CMOs should have devised an alternative system for demand assessment. There could had been a system of periodic reporting of available machinery & equipment, and demand could have been assessed on the basis of a gap-analysis exercise with reference to requirement as per IPHS norms.

It was observed that CMOs were placing supply orders either on their own or on the basis of discussions with BMOs during monthly meetings. However, this practice resulted in demand assessment being inaccurate, and audit observed instances of procurement without requirement, non-procurement and non-reporting of unserviceable/ idle items by field units as detailed in succeeding paragraphs.

Thus, the system of demand assessment of machinery & equipment was non-functional during 2015-18. Further, there was no system of periodic reporting of stock which led to inaccurate assessment.

The DHS stated (August 2019) that suitable mechanism would be set up for demand assessment and provide the equipment as per realistic demand/requirement.

3.6.3.13 Non-procurement of machinery & equipment demanded by field units

CMO Mandi did not initiate procurement process and instead surrendered budget of ₹ 56.16 lakh (out of total allocated funds of ₹ one crore) in March 2018 in spite of demand (January-February 2018) of 42 items from four[48] field units. Similarly, for demand of 96 items during 2016-17, CMO Kangra did not initiate procurement process and instead surrendered budget of ₹ 30.10 lakh (out of total allocated funds of ₹ one crore) in March 2017.

Thus, in Mandi and Kangra budget of ₹ 86.26 lakh was surrendered instead of utilising the same for procurement of machinery & equipment as per demand of the field units.

Surrender of budget at the end of financial year was attributable to non-availability of approved sources and non-obtaining of directions from higher authorities for procurement of machinery & equipment as State Procurement Cell remained to be made functional.

[48] BMO Kataula and CHs Sundernagar, Kotli and Gohar.

The DHS stated (August 2019) that tendering process for procurement of a few equipment were initiated by the HPSCSC however, the same was cancelled by the State Government due to introduction (March 2017) of new purchase policy.

3.6.3.14 Non-availability of essential machinery & equipment

Due to absence of any system of periodic reporting to CMOs regarding status of available machinery & equipment in field units, instances of non-availability of essential machinery & equipment were noticed.

Scrutiny of records of 78 test-checked field units showed that essential machinery & equipment (with reference to IPHS norms) were not available in 22 field units as of March 2018 as detailed in the **Table-3.6.2** below, resulting in deficient associated services/ facilities to patients.

Table-3.6.2: Details regarding non-availability of essential machinery & equipment as per IPHS norms in test-checked units

Sl. No.	Machinery/ Equipment	Level of institution	No. of institutions	Name of institutions
1.	Ultrasonography (USG)	CH	2	Dalhousie and Kihar
2.	Hysteroscope	RH	1	Kullu
3.	Colposcope	RH	1	Kullu
4.	Suction Appratus	CH	1	Manali
5.	OT Table	CH, PHC	5	Manali (CH); Diur, Sundla, Hunera and Motla (PHCs)
6.	Labour Table	PHC	4	Diur, Hunera, Motla and Daroh
7.	Binocular Microscope	PHC	4	Nanawan, Gokhra, Chowk and Dharnda
8.	Glucometer	PHC, HSC	6	Gokhra, Chowk and Dharnda (PHCs); Sain-Alathu, Saigloo and Ghumanu (HSCs)
9.	Autoclave	PHC	2	Chowk and Dharanda
10.	Mucus Sucker	HSC	3	Praur, Ghaneta and Saloh
11.	Stethoscope	HSC	1	Shamshi
12.	Weighing Machine	HSC	4	Praur, Ghaneta, Saigloo and Ghumanu
13.	BP Apparatus	HSC	2	Saigloo and Ghumanu
14.	HB Test Kit	HSC	5	Tandi, Sain-Alathu, Saigloo, Ghumanu and Kapahi

The DHS stated (August 2019) that equipment were provided on realistic need basis and availability of manpower. However, equipment should had been provided as per IPHS norms.

3.6.3.15 Idle machinery & equipment

Audit noticed the following instances of idle/ out-of-order/ unserviceable machinery and equipment in test-checked field units (**Appendix-3.4**):

(i) In the test-checked districts, 24 machinery & equipment worth ₹ 2.61 crore were lying idle due to lack of manpower. This included nine USG machines (out of 30 in the four districts) costing ₹ 78.35 lakh idle since one to three years due to non-posting of Radiologist; 12 X-ray machines (out of 70 in the four districts) costing ₹ 27.03 lakh idle since one to eight years due to non-posting of Radiographer; high care incubator (₹ 1.41 crore) and waterbath (₹ 14.09 lakh) at CH, Jaisinghpur; and phototherapy equipment (₹ 0.53 lakh) at CH, Thural idle since two to three years due to non-posting of technical staff.

(ii) In the test-checked districts, 11 machinery & equipment valuing ₹ 1.12 crore were lying idle due to being out-of-order for periods ranging between four to 48 months as of May 2018. This included two CT scan machines in ZH Dharmshala and RH Chamba, in respect of which it was observed that maintenance contracts were not renewed and CT scan services had been outsourced. In the case of Automated

Haemotology Analyser at CH Sandhol, it was observed that the supply was defective but the item had not been replaced. It was further observed that no action for repair or replacement of these 11 out-of-order items had been taken by the respective health institutions. Non-functioning of these items resulted in denial of intended facilities to the patients.

(iii) Scrutiny of records showed that seven items[49] (total quantity: 53) of machinery & equipment costing ₹ 19.01 lakh remained unutilised since their purchase in the stores/ wards of various field units of three test-checked districts for a period ranging between eight months and three years as of March 2018 indicating non-requirement of these items. The possibility of obsolescence of these items could not be ruled out, rendering the expenditure of ₹ 19.01 lakh as infructuous.

(iv) Audit noticed that a New Born Sick Care (NBSC) and New Born Stabilisation Unit (NBSU) set up (August-December 2014) in CHC, Gangath (Kangra district) remained non-functional due to non-posting of staff resulting in machinery & equipment worth ₹ 4.82 lakh remaining unutilised/ idle for more than three years from date of installation as of March 2018.

(v) Out of the 181 laboratories in various health institutions in the four test-checked districts, 86[50] laboratories (48 *per cent*) were non-functional as of March 2018 due to non-posting of technicians. In the State, only 263 (30 *per cent*) Laboratory Technicians were in position against the sanctioned strength of 884. The post of Laboratory Technician had been lying vacant for a period of more than three years in 46 labs, more than two years in four labs and more than one year in 36 labs. The State Government may consider posting of Laboratory Technicians from nearby health institutions on day-basis.

(vi) Himachal Pradesh Financial Rules, 2009 stipulate that unserviceable items should be disposed of at the earliest. During test-check, it was noticed that in Chamba, Kullu and Mandi districts, unserviceable machinery & equipment worth ₹ 2.88 crore purchased during 1965-2016 had been lying since three months to 13 years without being disposed of. The officials concerned confirmed the facts and stated (April - May 2018) that efforts would be made to dispose of these items.

Thus, machinery and equipment costing ₹ 3.97 crore were lying out of order or unutilised owing to non-requirement and/ or non-posting of technical staff. There was shortage of technical staff in laboratories resulting in 48 *per cent* laboratories remaining non-functional.

The field level authorities stated that these equipment were either received without demand or were lying idle due to non-availability of manpower since installation/ non-availability of sanctioned post/ trained staff.

The DHS stated (August 2019) that recruitment of Laboratory Technicians was under process and tender for outsourcing of laboratories under Free Diagnostics Initiative Scheme was under process.

The cases pointed out are based on the test check conducted by Audit. The Department/ Government may initiate action to examine similar cases and take necessary corrective action.

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[49] X-ray: one, mobile X-ray: one, X-ray unit dental: one, oxygen concentrator: five, labour table: one, dressing trolley: 28 and stretcher trolley: 16.

[50] Chamba: 25; Kangra: 24; Kullu: four and Mandi: 33.

Conclusion

The following inadequacies were noticed during test-check of system of procurement of drugs & consumables and machinery & equipment:

- The system of demand assessment and aggregation by various field units and CMOs was neither accurate nor time-bound; and system of issuing of drugs & consumables to field units by CMOs was not as per demand/ indent; leading to non-procurement, non-availability, short-issuing, non-issuing, excess issuing, non-utilisation, and expiry of drugs & consumables.
- Non-finalisation of rate contracts for supply of essential drugs & consumables resulted in delay and non-procurement of items.
- There were large discrepancies in quantity of drugs issued and received by different field units indicating either pilferage or poor stock management.
- The system of quality control was practically non-existent as drug samples were not being taken at the time of supply, and drugs were being issued without testing or waiting for test reports, resulting in distribution of substandard drugs.
- The system of demand assessment in respect of machinery & equipment was deficient resulting in non-procurement and non-availability of essential machinery & equipment.
- There was no reporting mechanism in respect of machinery & equipment in field units, resulting in a large number of items remaining idle/ unutilised on account of purchase without requirement, being out-of-order, and shortage of technical manpower.

Recommendation: *The Department may ensure systematic assessment of requirement to avoid non-availability, non-utilisation, and expiry of drugs & consumables; and strengthen the quality control mechanism to ensure distribution of quality drugs. Similarly, a reporting mechanism may be devised in respect of machinery & equipment to avoid instances of non-availability or non-utilisation of items; and adequate technical manpower may be provided to ensure their optimum utilisation.*

The State Government stated (July 2019) that reply of the DHS was satisfactory, and information had been sought from concerned institutions and authorities for further consolidation.

Industries Department

3.7 Excess payment of agency charges on deposit works

Failure of the Department in restricting the payment of agency charges to the approved rates resulted in excess payment of ₹ 2.13 crore to the Corporation on total value of deposit work of ₹ 89.37 crore executed during 2015-18.

The Department of Industries executed various civil works through Himachal Pradesh State Industrial Development Corporation on deposit basis. The Corporation levy agency charges on percentage basis on total expenditure incurred on deposit works. The Corporation prepares estimates[51] in respect of all deposit works assigned to them by

[51] Estimates include the agency charges levied by the Corporation.

Appendix-3.2

(Refer paragraph: 3.6.3.4; page 84)

Details regarding short/ non-supply/ excess supply/ supply without demand of medicines to test-checked health institutions during 2016-18

Details regarding short-supply of medicines against demand during 2016-18

Sl. No.	Name of Health Institution	Year	Sl. No.	Name of Medicine	Quantity demanded	Quantity received	Difference
1.	**BMO Kotli, Mandi**	**2017-18**	1.	Inj. Gentamycin	300	200	100
			2.	Inj. Ceftriaxone	2000	1860	140
			3.	Inj. Oxytocin	250	235	15
			4.	Inj. Pantoprazole	3000	155	2845
			5.	Tab. Domperidone	15000	4000	11000
			6.	Tab. Azithromycin	50000	10000	40000
			7.	Tab. B-Complex	80000	42000	38000
			8.	Tab. Albendazole	40000	12400	27600
			9.	Tab. Metronidazole	70000	30000	40000
			10.	Tab. Ranitidine	80000	58000	22000
			11.	Cough Syrup	15000	2000	13000
					355550	**160850**	**194700 (55%)**
2.	**BMO Rohanda, Mandi**	**2017-18**	1.	Inj. Gentamycin	907	452	455
			2.	Inj. Ceftriaxone	870	400	470
			3.	Inj. Pantoprazole	19400	6330	13070
			4.	Tablet Folic Acid	118700	30000	88700
			5.	Tab. Diclomyine	58900	29100	29800
			6.	Tab. Domperidone	21350	4500	16850
			7.	Tab Azithromycin	73000	11300	61700
			8.	Tab. B-Complex	154500	13000	141500
			9.	Tab. Paracetamol	111000	104000	7000
			10.	Tab. Albendazole	36570	3900	32670
			11.	Tab. Cetirizine	680000	12245	667755
			12.	Tab. Clotrimazole	16320	10000	6320
			13.	Tab. Metronidazole	32400	18600	13800
			14.	Tab. Ranitidine	64340	18200	46140
			15.	Cough syrup	10290	2800	7490
			16.	Vitamin A	557	300	257
					1399104	**265127**	**1133977 (81%)**
3.	**BMO Kihar, Chamba**	**2017-18**	1.	Inj. Gentamycin	1750	1660	90
			2.	Inj. Diazepam	380	350	30
			3.	Tab. B-Complex	200000	144800	55200
			4.	Tab. Paracetamol	25000	11690	13310
			5.	Tab. Albendazole	40000	26000	14000
			6.	Tab. Cetrizine	60000	57000	3000
			7.	Tab. Clotrimazole	20000	14000	6000
			8.	Tab. Metronidazole	50000	45000	5000
			9.	Tab. Ranitidine	50000	48300	1700
			10.	Cough Syrup	5000	2540	2460
					452130	**351340**	**100790 (22%)**
4.	**BMO Samote, Chamba**	**2017-18**	1.	Inj. Gentamycin	10000	500	9500
			2.	Tab. Dicyclomine	50000	20000	30000
			3.	Tab. Domperidone	40000	20000	20000
			4.	Tab. Atenolol	80000	52920	27080
			5.	Tab. Metronidazole	60000	33600	26400
			6.	Cough Syrup	8000	4000	4000
					248000	**131020**	**116980 (47%)**
5.	**SDH Baijnath, Kangra**	**2016-17**	1.	Tab Atenlol 50 mg	10000	5000	5000
			2.	Tab Zinc Sulphate 20mg	5000	3000	2000
			3.	Inj. Adrenaline	200	150	50
		2017-18	4.	Inj. ARV (Anti Rabies Vaccine)	1200	600	600
			5.	Povidone Iodine solution 5%	500	20	480
					16900	**8770**	**8130 (48%)**
6.	**SDH Nurpur, Kangra**	**2016-17**	1.	Inj. Ringer Lactate	10000	1400	8600
			2.	Tab Atonlol 50 mg	10000	7800	2200
					20000	**9200**	**10800 (54%)**

7.	**CHC Shahpur, Kangra**	**2017-18**	1.	Tab Vitamin B complex	222000	80000	142000
			2.	IV set adult	5000	1250	3750
			3.	Surgical suture 1/0	425	10	415
					227425	**81260**	**146165 (64%)**
8.	**CHC Indora, Kangra**	**2017-18**	1.	Cap. Doxycycillin 100 mg	210000	15000	195000
			2.	Inj. Antisnake venom	315	230	85
					210315	**15230**	**195085 (93%)**
9.	**CHC Gangath, Kangra**	**2017-18**	1.	Gamma Benzene Hexachloride	2000	720	1280
			2.	Syp. Paracetamol 60 ml	30000	13000	17000
					32000	**13720**	**18280 (57%)**
10.	**CHC Bhawarna Kangra**	**2017-18**	1.	Tab Atenolol 5o mg	**150000**	**105840**	**44160 (29%)**
11.	**PHC Mahakal, Kangra**	**2016-17**	1.	Ciprofloxacin eye drops	9000	3000	6000
			2.	IV set	3000	500	2500
		2017-18	3.	Tab Metronidazole 400 mg	54000	1000	53000
			4.	Adhesive Plaster 5X5	400	150	250
			5.	Inj. Metronidazole IV	1200	50	1150
					67600	**4700**	**62900 (93%)**
12.	**PHC Tiara, Kangra**	**2017-18**	1.	Silver Sulphadiazine cream	800	40	760
			2.	Syp. Albandazole 10 ml	5000	1800	3200
					5800	**1840**	**3960 (68%)**
13.	**CH Thural, Kangra**	**2016-17**	1.	Tab Pentaprozol 40 mg	**200000**	**155000**	**45000 (23%)**
14.	**CHC Jari, Kullu**	**2017-18**	1.	Atenolol 50 mg	5000	4200	800
			2.	Phinarmine Maleate Inj.	400	100	300
			3.	Syp. Domperidon	500	400	100
			4.	Inj. Metaclopramide	1000	600	400
			5.	Inj. Etophylline	100	70	30
			6.	Povidone Iodine Solution	50	20	30
					7050	**5390**	**1660 (24%)**
15.	**BMO Naggar, Kullu**	**2016-17**	1.	Metformin Tablet 500 mg	20000	1000	19000
			2.	Inj. Vitamin K	200	100	100
			3.	Tab Diclofenac Sodium	30000	20000	10000
			4.	Cap Doxycycline	25000	15000	10000
			5.	Tab Azithromycin 500 mg	15000	12000	3000
			6.	Tab Metronidazole 400 mg	25000	20000	5000
			7.	Cefixime	10000	2000	8000
			8.	Tab Albendazole 400 mg	5000	4800	200
			9.	Inj. Diazepam	3000	230	2770
					133200	**75130**	**58070 (44%)**
16.	**CH Manali, Kullu**	**2017-18**	1.	Pantoprazole Inj.	200	100	100
			2.	Adrenaline Inj.	50	02	48
			3.	Hydrocortisone Inj.	200	80	120
			4.	Inj. Diclofenac Sodium	500	100	400
			5.	Inj. Etophylline + Theophylline	100	10	90
					1050	**292**	**758 (72%)**
17.	**BMO Anni, Kullu**	**2016-17**	1.	Tab Atenolol 50 mg	**75000**	**7000**	**68000 (91%)**
18.	**BMO Banjar, Kullu**	**2016-17**	1.	Tab Atenolol 50 mg	**14000**	**340**	**13660 (98%)**
19.	**CH Banjar, Kullu**	**2016-17**	1.	Tab Glimipride 1 mg	15500	3000	12500
			2.	Tab Albendazole 400 mg	8000	4100	3900
					23500	**7100**	**16400 (70%)**
20.	**CH Nirmand, Kullu**	**2016-17**	1.	Tab Atenolol 50 mg	40000	2100	37900
			2.	Tab Albendazole 400 mg	10000	2000	8000
					50000	**4100**	**45900 (92%)**
21.	**PHC Garsa, Kullu**	**2016-17**	1.	Inj. Adrenaline	20	10	10
			2.	Syp. PCM	2000	100	1900
			3.	Tab Atenolol 500 mg	2000	1400	600
			4.	Inj. Fortwin	50	10	40
			5.	Inj. Diclofenac Sodium	5000	1000	4000
			6.	Syp. Albendazole	200	50	150
			7.	Tab Azithromycin 500 mg	5000	3000	2000
		2017-18	8.	Tab Cetrizine 10 mg	10000	8000	2000
					24270	**13570**	**10700 (44%)**
		Grand Total			**3712894**	**1416819**	**2296075 (62%)**

Details regarding non-supply of medicines against demand during 2016-18

Sl. No.	Name of Health Institution	Year	Sl. No.	Name of Medicine	Quantity demanded	Quantity received	Difference
1.	**BMO Kotli, Mandi**	**2017-18**	1.	Inj. Ampicillin	500	0	500
			2.	Inj. Diazepam	100	0	100
			3.	Tab Dicyclomine	40000	0	40000
			4.	Tab Atenolol	10000	0	10000
			5.	Tab Cetrizine	70000	0	70000
			6.	Vitamin A	500	0	500
					121100	**0**	**121100 (100%)**
2.	**BMO Kihar, Chamba**	**2017-18**	1.	Inj. Ampicillin	**200**	**0**	**200 (100%)**
3.	**BMO Samote, Chamba**	**2017-18**	1.	Inj. Oxytocin	1000	0	1000
			2.	Tab. Folic Acid	50000	0	50000
			3.	Tab. B-Complex	200000	0	200000
			4.	Tab. Paracetamol	150000	0	150000
			5.	Tab. Ranitidine	50000	0	50000
					451000	**0**	**451000 (100%)**
4.	**SDH Nurpur, Kangra**	**2017-18**	1.	Inj. Atropine Sulphate	1000	0	1000
			2.	Inj. Diazepam	1500	0	1500
					2500	**0**	**2500 (100%)**
5.	**CH Fatehpur, Kangra**	**2017-18**	1.	Vit. A solution 50 ml	**500**	**0**	**500 (100%)**
6.	**CHC Jari, Kullu**	**2017-18**	1.	Tab Ranitidine 150 mg	20000	0	20000
			2.	Lotion Gamma Benzene	500	0	500
			3.	Inj. Oxytocine 1 ml	200	0	200
			4.	Inj. Diazepam	100	0	100
			5.	Inj. Vitamin K	100	0	100
			6.	Inj. Metronidazole 100 ml	600	0	600
					21500	**0**	**21500 (100%)**
7.	**BMO Naggar, Kullu**	**2016-17**	1.	Lotion Gamma Benzene	3000	0	3000
			2.	Inj. Frusemide	500	0	500
			3.	Tab Phenotoin Sodium	2000	0	2000
			4.	Inj. Adrenaline	100	0	100
			5.	Tab Domperidone	4000	0	4000
			6.	Tab Vit. B Complex	30000	0	30000
					39600	**0**	**39600 (100%)**
8.	**CH Manali, Kullu**	**2016-17**	1.	Inj. Dopamine	10	0	10
			2.	Inj. Ethamsylate	10	0	10
			3.	Isolyte-P (IV Fluid)	50	0	50
			4.	Inj. Paracetmol	200	0	200
					270	**0**	**270 (100%)**
9.	**PHC Garsa, Kullu**	**2016-17**	1.	Inj. Oxytocin	10	0	10
		2017-18	2.	Inj. Dextrose 5%	150	0	150
			3.	IV Ringer Lactate	150	0	150
			4.	Tab Sodium Valporate	100	0	100
			5.	Tab Folic Acid	5000	0	5000
					5410		**5410 (100%)**
				Grand Total	**642080**	**0**	**642080 (100%)**

Details regarding excess supply of medicines against demand during 2016-18

Sl. No.	Name of Health Institution	Year	Sl. No.	Name of Medicine	Quantity demanded	Quantity received	Difference
1.	**BMO Kotli, Mandi**	**2017-18**	1.	Tab. Folic Acid	50000	102000	52000
			2.	Tab Paracetamol	200000	228000	28000
			3.	Tab Clotrimazole	1000	3000	2000
					251000	**333000**	**82000 (33%)**
2.	**BMO Rohanda, Mandi**	**2017-18**	1.	Inj. Ampycillin	70	400	330
			2.	Tab Atenonol	8100	18800	10700
					8170	**19200**	**11030 (135%)**

3.	**BMO Samote, Chamba**	**2017-18**	1.	Tab Azithromycin	10000	11200	1200
			2.	Tab Albendazole	20000	25200	5200
					30000	**36400**	**6400 (21%)**
4.	**CHC Jari, Kullu**	**2017-18**	1.	Inj. Frusimide	**100**	**120**	**20 (20%)**
5.	**BMO Naggar, Kullu**	**2016-17**	1.	Inj. Atropine	500	1500	1000
			2.	Inj. Gentamycin	1000	2000	1000
					1500	**3500**	**2000 (133%)**
6.	**CH Manali, Kullu**	**2016-17**	1.	IV Ringer Lactate	400	825	425
			2.	Inj. Pentoprazole	200	240	40
			3.	Tab Metornidazole 400 mg	2000	14000	12000
					2600	**15065**	**12465 (479%)**
7.	**BMO Anni, Kullu**	**2016-17**	1.	Tab Amlodipine 5 mg	**30000**	**45000**	**15000 (50%)**
8.	**RH Kullu**	**2016-17**	1.	Tab Amlodipine 5 mg	**1300**	**10000**	**8700 (669%)**
9.	**CH Nirmand, Kullu**	**2016-17**	1.	Tab Glimipride 1 mg	5000	6500	1500
			2.	Inj. Oxytocin 1 ml	400	500	100
					5400	**7000**	**1600 (30%)**
10.	**PHC Garsa, Kullu**	**2016-17**	1.	ARV solution	50	60	10
			2.	Tab Ofloxacin 200 mg	3000	5000	2000
			3.	Inj. Diazepam	10	50	40
			4.	Inj. Phenotoin Sodium	10	50	40
			5.	Tab Citrizine	5000	20000	15000
		2017-18	6.	Inj. Ceftriaxzone	100	400	300
			7.	Inj. Xylocaine 2%	10	29	19
			8.	Tab Amlodipine 5 mg	5000	8000	3000
			9.	Tab Domperidone	5000	7000	2000
					18180	**40589**	**22409 (123%)**
11.	**SDH Kangra**	**2016-17**	1.	Tab Vitamin B complex	**30000**	**80000**	**50000 (167%)**
12.	**SDH Nurpur, Kangra**	**2016-17**	1.	Inj. Sodium Diclofenac	**10000**	**24000**	**14000 (140%)**
13.	**CH Fatehpur, Kangra**	**2016-17**	1.	Ciprofloxacin eye drops	**1800**	**4200**	**2400 (133%)**
14.	**PHC Mahakal, Kangra**	**2016-17**	1.	Tab Diclofenac Sodium	178000	290000	112000
			2.	Inj. Ceftriaxone 250 mg	125	500	375
			3.	Tab Paracetamol 500 mg	227000	405500	178500
					405125	**696000**	**290875 (72%)**
15.	**PHC Tiara, Kangra**	**2017-18**	1.	ORS (WHO formula)	**15000**	**18960**	**3960 (26%)**
			Grand Total		**810175**	**1333034**	**522859 (65%)**

Details regarding supply of medicines without demand during 2016-17

Sl. No.	Name of Health Institution	Year	Sl. No.	Name of Medicine	Quantity demanded	Quantity received	Difference
1.	**SDH Kangra**	**2016-17**	1.	Tab Pantaprozole 40 mg	0	45000	45000
			2.	IV set	0	7400	7400
			3.	Disposable Syringe	0	17000	17000
					0	**69400**	**69400 (100%)**
2.	**CH Fatehpur, Kangra**	**2016-17**	1.	Tab Amoxicyline 250 mg	**0**	**20000**	**20000 (100%)**
3.	**PHC Tiara, Kangra**	**2016-17**	1.	Inj. Ante Snake Venom	**0**	**20**	**20 (100%)**
4.	**CH Manali, Kullu**	**2016-17**	1.	Inj. Ante Snake Venom	0	10	10
			2.	Tab Zinc Sulphate	0	7000	7000
					0	**7010**	**7010 (100%)**
			Grand Total		**0**	**96430**	**96430 (100%)**

Appendix-3.3

(Refer paragraph; 3.6.3.4; page 84)

Details regarding short/ non-supply of medicines from district stores against the indents by the test-checked field units

Sl. No.	Name of the Institution	Date of indent	Number of medicines indented	Number of medicines not supplied	Percentage of medicines not supplied	Number of medicines short -supplied	Quantity indented	Quantity received	Short supplied	Number of medicines excess supplied	Quantity indented	Quantity received	Excess supplied
1.	BMO Kihar	26.03.18	37	15	41	0	0	0	0	2	4600	15260	10660
2.	PHC Hunera	03.10.17	49	15	31	15	114900	34620	80280	2	20010	21620	1610
		04.07.16	80	44	55	12	52420	9735	42685	2	2030	5075	3045
3.	CHC Kihar	03.08.17	10	8	80	0	0	0	0	0	0	0	0
		22.08.17	13	5	38	0	0	0	0	0	0	0	0
		08.09.17, 22.04.16, 02.02.18	79	15	19	12	74000	49210	24790	3	4500	5440	940
		30.06.17	22	0	0	4	20000	11000	9000	0	0	0	0
4.	CH Dalhausie	05.01.18	218	172	79	3	2200	1082	1118	4	18100	25880	7780
5.	PHC Sundla	23.11.17	55	19	35	7	99000	41600	57400	0	0	0	0
District Chamba		**11**	**563**	**293**	**52**	**53**	**362520**	**147247**	**215273**	**13**	**49240**	**73275**	**24035**
6.	CHC Gangath	22.11.16	15	2	13	0	0	0	0	0	0	0	0
		24.01.08	6	1	17	0	0	0	0	0	0	0	0
7.	PHC Kherian	09.12.16	21	1	05	0	0	0	0	0	0	0	0
8.	PHC Jassur	17.06.16	14	2	14	0	0	0	0	0	0	0	0
9.	CH Jawali	10.02.16	19	2	11	1	20	15	5	0	0	0	0
District Kangra		**5**	**75**	**8**	**11**	**1**	**20**	**15**	**5**	**0**	**0**	**0**	**0**
10.	CHC Jari	26/29.09.17	14	6	43	0	0	0	0	0	0	0	0
11.	RH Kullu	02.06.18, 07.03.18, 26.10.17, 06.09.17, 17.10.17, 23.02.18	14	10	71	0	0	0	0	0	0	0	0
District Kullu		**8**	**28**	**16**	**57**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
12.	CHC Kotli	02.02.16	28	0	0	0	0	0	0	1	7000	8000	1000
		08.11.16	31	0	0	4	57500	9600	47900	0	0	0	0
		05.01.17	29	0	0	2	20080	10025	10055	1	11200	22400	11200
13.	PHC Nanawan	12.09.16	84	6	7	1	100	50	50	5	3100	7420	4320
14.	PHC Gokhra	14.12.16	19	15	79	0	0	0	0	0	0	0	0
15.	HSC Kalaud	15.06.17	28	3	11	0	0	0	0	0	0	0	0
16.	BMO Rohanda	01.07.16	14	3	21	1	20000	16000	4000	1	3000	3200	200
17.	HSC Upper Behli	25.05.16, 23.03.18	11	2	18	0	0	0	0	0	0	0	0
District Mandi		**9**	**244**	**29**	**12**	**8**	**97680**	**35675**	**62005**	**8**	**24300**	**41020**	**16720**
Grand Total		**33**	**910**	**346**	**38**	**62**	**460220**	**182937**	**277283**	**21**	**73540**	**114295**	**40755**

Appendix-3.4

(Refer paragraph: 3.6.3.15; page 92)

Details regarding idle machinery and equipment in four test-checked districts

Details regarding idle machinery and equipment due to lack of manpower

District	Name of METP	Name of Health Institutions	Amount (₹ in lakh)	Date since idle
Chamba	USG	CH Bharmour	4.07	April 2016
	USG	CH Chowari	6.41	April 2016
	USG	CH Killar	--	April 2016
Mandi	USG	CH Sunder Nagar	24.65	November 2015
	USG	CH Joginder Nagar	5.13	March 2017
	USG	CH Karsog	24.48	March 2016
Kangra	USG	CH Fatehpur	5.29	January 2017
	USG	CH Jai Singhpur	2.36	June 2015
	USG	CH Kangra	5.96	September 2017
	09		**78.35**	
Chamba	X-Ray	PHC Diur	2.00	January 2014
Mandi	X-Ray	CHC Nihri	8.10	July 2017
	X-Ray	CH Sandhol	8.10	November 2015
	X-Ray	CHC Kotli	1.47	November 2015
	X-ray	CHC Rohanda	4.12	Since six years
Kangra	X-Ray	PHC Tiara	--	March 2013
	X-Ray	PHC Lapiana	--	September 2014
	X-ray	CHC Indora	--	2009
	X-Ray	CHC Rehan	--	2013
	X-Ray	CHC Dadasiba	3.24	October 2014
	X-Ray	CHC Bir	--	2015
Kullu	X-Ray	CH Nirmand	--	October 2014
	12		**27.03**	
Kangra	Hi care Incubator	CH Jaisinghpur	140.55	September 2014
	Water bath HWB-20	-do-	14.09	September 2014
	Phototherapy	CH Thural	0.53	June 2016
	03		**155.17**	
Total	**24**		**260.55**	

Details regarding idle machinery and equipment due to being out of order

Name of institution	Sl. No.	Name of machinery/ quantity	Date since machinery is out of order	Period since lying idle	Amount (Amount in ₹)	Remarks
ZH Dharamshala, Kangra	1.	Electrolyte Analyzer	September 2016	20 months	84,000	--
	2.	CT Scan	2014	04 years	Not available	Services of CT scan had been outsourced. AMC not renewed.
CHC Bhawarna, Kangra	3.	Dental Chair	January 2017	16 months	1,36,000	--
CH Fatehpur, Kangra	4.	ECG Machine	Since last two years	02 years	41,731	--
	5.	X ray film processor	Since last two years	02 years	2,07,007	--
PHC Mahakal, Kangra	6.	Autoclave	25 December 2016	17 months	22,500	--
ZH Mandi	7.	Dental chair with accessories	Since last three years	03 years	1,50,536	--
	8.	Minor OT table	9 March 2018	04 months	2,60,049	--
	9.	Horizontal Sterliser	24 March 2018	14 months	3,59,100	--
CH Sandhol, Mandi	10.	Automated Haematology Analyser	April 2017	13 months	2,64,831	Defective supply not replaced.
RH Chamba	11.	CT Scan	26 December 2015	29 months	97,00,000	Services of CT Scan had been outsourced.
Total					**1,12,25,754**	

Details regarding unutilised machinery and equipment due to non-requirement

Sl. No.	Name of equipment	Quantity	Name of Health Institutions	Date of receiving/ purchasing	Amount (₹ in lakh)
1.	X-Ray Unit	1	CH Kihar, Chamba	20 August 2015	8.71
2.	Mobile X-Ray Unit	1	Zonal Hospital, Mandi (Ortho Ward)	May 2015	2.41
3.	X-Ray Unit (Dental)	1	Dental Section, RH Chamba	17 January 2017	0.32
4.	Nuvo Lite Oxygen Concentrator	5	TB, Hospital, Chamba	22 February 2015	3.90
5.	Labour Table	1	PHC, Samote, Chamba	19 September 2017	0.29
6.	Dressing Trolley	28	CMO, Kullu	9 August 2017	2.80
7.	Stretcher Trolley	16	CMO, Kullu	9 August 2017	0.58
Total		**53**			**19.01**