Supreme Court in raising the Welfare Fund meant for financial assistance to the affected families.

**3.3.22.** In order to have replies from the Government to the audit observations issued in May 2004, a mechanism to hold meetings with the Administrative Secretaries was evolved. Accordingly, a meeting with the Administrative Secretaries under the Chairmanship of Chief Secretary was held on 27 August 2004 and the Secretary, Labour and Employment was instructed to furnish replies within two weeks; no reply has been received.

**Recommendations**

- Project Societies should be managed by full time Project Directors and may be directed to submit utilisation certificates in time to avoid late release of funds by Government of India.
- Proper monitoring and follow up of mainstreaming of child labour after they are out of NCLP schools should be ensured.
- The enrolment of children in schools should be linked with the children actually detected/withdrawn from hazardous occupations.
- Steps should be taken to recover cost of education from employers for children enrolled from non-hazardous occupations.
- The raising of Welfare Fund and payment out of income earned on such Fund to the affected families should be properly monitored.

## 3.4. INDIAN SYSTEMS OF MEDICINE AND HOMOEOPATHY

**Highlights**

**HEALTH AND FAMILY WELFARE DEPARTMENT**

**In Punjab, the Indian Systems of Medicine and Homoeopathy (ISM&H) could not be made effective. The major percentage of expenditure was on salaries and negligible expenditure was incurred on medicines. Although sufficient infrastructure had been created in Government Ayurvedic Pharmacy, Patiala for manufacture of Ayurvedic drugs, only negligible expenditure was incurred on purchase of raw herbs to be used for preparation of Ayurvedic drugs. As a result, no medicine could be provided to the hospitals/dispensaries and there were no indoor patients in 10-bedded Ayurvedic Hospital, Ludhiana and seven Ayurvedic Swasth Kendras. This led to unfruitful expenditure on pay and allowances of idle staff.**

- ***More than 98 per cent expenditure was incurred on salaries and negligible expenditure was incurred on medicines etc. Per patient expenditure on medicines decreased from 76 paise in 1999-2000 to 22 paise in 2003-04 (ISM) and ranged between 3 paise and Rs 1.20 (Homoeopathy) during 1999-2004.***

***(Paragraph 3.4.6)***

- ***Rupees 1.91 crore for Ayurveda released by Government of India were either not released by State Government or released only at the end of the year.***

***(Paragraph 3.4.6)***

- ***Rupees 0.19 crore for Homoeopathy released by Government of India could not be utilised due to late sanctioning of scheme by the State Government.***

***(Paragraph 3.4.6)***

- ***The department not only failed to fully utilise the funds received from Government of India for Government Ayurvedic Pharmacy Patiala but also incurred ungainful expenditure of Rs 36.98 lakh on purchase of machinery.***

***(Paragraph 3.4.24)***

- ***As no indoor patients were admitted in hospitals/Swasth Kendras, unfruitful expenditure of Rs 1.19 crore was incurred on account of pay and allowances of idle staff.***

***(Paragraphs 3.4.17 to 3.4.19)***

- ***Response to the proposal to surrender 32 posts which could have saved Rs 40 lakh per year sent to Director, Research and Medical Education in November 1999 has not been received so far.***

***(Paragraph 3.4.15)***

**Introduction**

**3.4.1.** Indian Systems of Medicine and Homoeopathy (ISM&H) covers both systems that originated in India and those that originated outside but adopted and adapted in India in course of time. These systems are Ayurveda, Sidha, Unani, Yoga and Naturopathy and Homoeopathy. Out of the above systems, Ayurveda system is more popular in Punjab. These systems have been providing health care services to a large section of the population particularly in rural areas.

**Organisational set-up**

**3.4.2.** Principal Secretary to Government of Punjab, Health and Family Welfare is the overall incharge of both the systems.

***Indian Systems of Medicine***

The work of ISM in the State is looked after by the Director (Ayurveda), assisted by Joint Director and Deputy Director at Headquarters and by District Ayurveda and Unani Officer-cum-Drug Inspectors and Ayurvedic Medical Officers at district level. There is also one Government Ayurvedic College at Patiala under the control of Director, Research and Medical Education (DRME).

***Homoeopathy***

Department of Homoeopathy is looked after by the Head of Homoeopathic, who is assisted by Assistant Director (Homoeopathy) at Headquarters and by District Homoeopathic Medical Officers and Homoeopathic Medical Officers at district level.

**Programme objectives**

**3.4.3.** The objectives of this programme are:

***Indian Systems of Medicine***

- treatment of common and chronic diseases through popular methods of alternative systems of medicine such as Panch Karma, Kshar Sutras, Yoga, Naturopathy and Regimentary Therapy.
- expression and popularisation of Indian Systems of Medicine (ISM).
- to provide specialised preventive, promotive, curative and rehabilitating health cure to the ailing masses.

***Homoeopathy***

The main objective of this system is to provide medical services to maximum patients in the rural as well as urban areas with minimum cost.

**Audit objectives**

**3.4.4.** The main audit objectives of the systems were:

- to examine the extent of utilisation of funds and grants-in-aid given under the system,
- to review the infrastructure for training and facilities created in various training institutions,
- to examine availability of infrastructure and modern basic facilities in various institutions and
- to review the effectiveness of delivery mechanism under this system of medicine in the State of Punjab.

**Scope of Audit**

***Indian Systems of Medicines***

**3.4.5.** There are five 10 bedded Hospitals, 17 Swasth Kendras and 507 Ayurvedic/Unani dispensaries, out of which 446 are rural dispensaries. One Government Ayurvedic Pharmacy is at Patiala. There is a Government Ayurvedic College at Patiala attached with 106 bedded Government Ayurvedic Hospital, Patiala under the control of DRME.

Records of office of Director, Ayurveda, Pharmacy, College and Hospital and four districts (Gurdaspur, Hoshiarpur, Jalandhar and Ludhiana) comprising of three 10 bedded Hospitals, nine Swasth Kendras and 204 dispensaries were test checked for the period 1999-2004 between April- May 2004.

***Homoeopathy***

Records of Directorate and 38 Homoeopathy dispensaries, out of total 107, for the period 1999-2004 were test checked during April-May 2004. The only 10 bedded Skin and Cancer Hospital at Jalandhar was closed in November 2002 and was converted into two dispensaries as the Hospital had become non-functional due to non-admission of indoor patients.

**Financial outlay and expenditure**

**3.4.6.** To popularise ISM&H, funds are provided by the State Government through budget. Government of India (GOI) also provides funds to the State Government for Centrally Sponsored Schemes (CSSs).

Allotment of funds and expenditure in respect of ISM&H for the last five years was as under:

***Indian Systems of Medicine***

*(Rupees in crore)*

| Year | State Plan/Non Plan schemes | | | | | | | | Central Assistance | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Allot-ment | Expenditure | Expendi-ture on salary | Percen-tage | Expendi-ture on medicine | Percen-tage | Total No. of patients (in crore) | Expenditure per patient (in Rupees) | Allot-ment | Expen-diture |
| 1999-2k | 21.61 | 21.35 | 21.05 | 98.6 | 0.13 | 0.6 | 0.17 | 0.76 | 0.55 | - |
| 2000-01 | 25.45 | 22.46 | 22.16 | 98.7 | 0.09 | 0.4 | 0.17 | 0.53 | 0.55 | - |
| 2001-02 | 26.58 | 23.90 | 23.61 | 98.8 | 0.11 | 0.5 | 0.18 | 0.61 | 0.55 | - |
| 2002-03 | 26.27 | 24.90 | 24.50 | 98.4 | 0.10 | 0.4 | 0.18 | 0.56 | 0.21 | - |
| 2003-04 | 26.80 | 23.74 | 23.40 | 98.6 | 0.04 | 0.2 | 0.18 | 0.22 | 0.05 | - |
| **Total** | **126.71** | **116.35** | **114.72** | | **0.47** | | **0.88** | | **1.91** | **-** |

**More than 98 *per cent* expenditure was on salaries and negligible expenditure was incurred on medicines etc.**

***Homoeopathy***

*(Rupees in crore)*

| Year | State Plan/Non Plan schemes | | | | | | | | Central Assistance | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Allot-ment | Expenditure | Expendi-ture on salary | Percen-tage | Expendi-ture on medicine | Percen-tage | Total No. of patients (in crore) | Expenditure per patient (in Rupees) | Allot-ment | Expen-diture |
| 1999-2k | 3.66 | 3.61 | 3.56 | 98.6 | ---* | -- | 0.10 | 0.03 | -- | -- |
| 2000-01 | 3.95 | 4.15 | 3.99 | 96.0 | 0.12 | 2.9 | 0.10 | 1.20 | -- | -- |
| 2001-02 | 4.65 | 4.28 | 4.23 | 98.8 | ---** | -- | 0.10 | 0.05 | -- | -- |
| 2002-03 | 4.86 | 4.58 | 4.51 | 98.5 | 0.01 | 0.2 | 0.11 | 0.09 | -- | -- |
| 2003-04 | 4.96 | 4.86 | 4.74 | 97.5 | 0.05 | 1.0 | 0.12 | 0.42 | 0.19 | -- |
| **Total** | **22.08** | **21.48** | **21.03** | | **0.18** | | **0.53** | | **0.19** | **--** |

* ***Rs 32000/- only and ** Rs 48000/- only.***

Per patient expenditure on medicines decreased from 76 paise (1999-2000) to 22 paise (2003-04) under ISM and it ranged between 3 paise and Rs 1.20 under Homoeopathy during 1999-2004.

Major expenditure was on salaries and nominal expenditure was incurred on medicines and equipment. Percentage of expenditure incurred on material and supply and medicines with reference to total expenditure ranged between 0.2 and 0.6 *per cent* in respect of Ayurveda and between nil and 2.9 *per cent* in respect of Homoeopathy during the period 1999-2004 which shows that negligible expenditure was incurred on purchase of medicines etc. depriving the people of the intended benefits.

**Funds could not be utilised either due to non-release of funds by State Government or released at the fag end of year and late approval of the scheme by State Government**

Rupees 1.91 crore released by GOI during 1999-2004 for seven CSSs of Ayurveda could not be utilised due to non-release of funds by the State Government (Rs 1.65 crore) and delayed release of funds (Rs 0.26 crore). Similarly, Rs 0.19 crore received from GOI in December 2003 for CSSs of Homoeopathy could not be utilised due to late approval (31$^{st}$ March 2004) of the scheme by the State Government.

Against the approved outlay of Rs 3.75 crore in the 9$^{th}$ plan (1997-2001), expenditure of Rs 3.50 crore incurred was on salaries and no expenditure was incurred on new schemes. In the 10$^{th}$ plan (2002-07), against the approved outlay of Rs 12.95 crore, expenditure of only Rs 0.24 crore (Pradhan Mantri Gramodaya Yojana) was incurred upto March 2004. Similarly, under Homoeopathy, against the approved outlay of Rs 2.72 crore (9$^{th}$ plan) and

Rs 3.10 crore (10th Plan), expenditure of only Rs 3.24 lakh and Rs 0.41 lakh (PMGY) respectively, was incurred upto March 2004.

***Non-utilisation of grants-in-aid***

**Grant of Rs 32 lakh released by GOI in February 2002 and required to be utilised within six months has not been fully utilised so far**

**3.4.7.** For strengthening the existing under-graduate colleges of ISM&H, GOI sanctioned (October 2001) and released (February 2002) Rs 32 lakh (Hostel facilities for girls: Rs 20 lakh; Equipment: Rs 10 lakh and Library books: Rs 2 lakh) to be utilised during the year 2001-02. But the amount was kept in the shape of Fixed Deposit Receipts (FDRs) in March 2002. Out of this, Rs 20 lakh (Rs 10 lakh each in October 2003 and March 2004) was placed at the disposal of PWD authorities for construction of hostel for girls, against which expenditure of Rs 8.72 lakh had been incurred and the work was still in progress (July 2004). Out of Rupees two lakh provided for library books, Rs 1.17 lakh were spent in March 2004 leaving an unspent total grant of Rs 10.83 lakh with the college (excluding interest of Rs 1.99 lakh earned on FDRs amounting to Rs 22 lakh upto March 2004).

Thus, the purpose for which the Government of India released the grants to the college during 2001-02 could not be achieved so far and the students were deprived of the intended benefits.

The department stated that the amount was kept in the shape of FDRs due to procedural delay. The reply was not tenable as the purpose for which the grant was given, remained unachieved despite availability of funds for a period of almost three years.

**System of Education and Training under ISM&H**

**3.4.8.** In Punjab, there is only one Government Ayurvedic College with an attached 106 bedded Ayurvedic Hospital and an Ayurvedic Pharmacy at Patiala for imparting practical/ clinical training to the students. Due to non- availability of specialised teaching staff as per norms of Central Council of Indian Medicines (CCIM), Post Graduate Course was discontinued and adequate practical/clinical training to the students was not being provided.

***Discontinuance of courses***

**3.4.9.** The Government Ayurvedic College, Patiala (College) was established in 1952 and was providing education in Up-Vaidya Course (2¼ years), Graduate Course (5½ years) and Post Graduate Course (3 years). At present, only one course i.e. Graduate Course (5½years) was available. The Up-Vaidya Course was discontinued (1984) by the Government because of availability of number of qualified Up-Vaidyas in the market. The Post Graduate course was held in abeyance (August 2000) by CCIM as the teachers were not possessing Post Graduate qualifications in the concerned subject and were not as per norms of CCIM.

Although four years have elapsed, the college authorities had not taken any steps to get these courses restarted (August 2004).

***Non-availability of specialised teaching staff***

**3.4.10.** As per guidelines issued by the Department of ISM&H (applicable for recruitments made after 1st July 1989), a post graduate qualification in the subject/speciality concerned was essential for the Bachelor degree course.

Test check of relevant records of the College revealed that all the teachers were having post graduate qualifications in three subjects viz. Drava Guna, Ras Shastra and Kaya Chikitsa which were meant for manning posts in only three departments (out of 12 departments) of the college. Thus, the students were deprived of the necessary guidance of the specialised subject teacher in other faculties such as Shalkaya (ENT), Shalya (Surgery), Rog Nidan (Pathology) etc.

The department stated that the recruitment was done by the DRME/ Director, Ayurveda under the Punjab Ayurvedic (Technical) Service Class I, II, & III Rules, 1963 vide which there was no provision of posting of concerned subject post graduate in the speciality.

The reply of the department was not tenable as most of the teachers were appointed after July 1989 i.e. after issue of the above instructions.

Similarly, there was no Yoga Lecturer in the college since December 2000.

***Inadequate practical training to students***

**3.4.11.** As per prescribed syllabus, the students are to be given adequate practical training in final professional BAMS in the Hospital. The practical training period ranged between one month and 12 months according to the subject which *inter-alia* including Prasuti Tantra Avam Strirog, Kaya Chikitsa, Shalya Tantra (one month in X-Ray) and Shalakya Tantra (at least one month in Operation Theatre).

**Practical training imparted to the students was inadequate**

It was however, noticed that during 1999-2004:

- No delivery case was done due to lack of medical facilities and funds.
- X-Ray machine was lying idle due to non posting of Radiologist since 1993.
- No ENT operation was done due to lack of medical facilities and funds.
- No surgical operation was conducted due to lack of medical facilities and funds.

This shows that inadequate practical training was being imparted to students in the absence of medical facilities/funds/requisite staff/equipment etc.

***Improper facilities for clinical/practical training***

**3.4.12.** As per guidelines, there must be a hospital attached with every Ayurvedic College. But the Ayurveda Hospital attached to the College was about five kilometres away and there was no transport facility available to the

students. Similarly, Pharmacy was also about five kilometres away from the college and the students have to cover a long distance for acquiring practical knowledge of rawherbs etc. used for preparation of medicines/drugs at the Pharmacy.

The department stated that the State Government turned down the request for the purchase of a van for this purpose. Further, Herb Garden/Vanaspati Van for practical demonstration and identification of plants and Animal house for demonstrating effects of medicines on animal were not established.

**3.4.13.** Drug Testing Laboratory is required to ensure manufacturing and marketing of good quality medicines. But it was not established although necessary funds for the same were provided by GOI under CSSs during 1999-2002.

**Delivery of health-care services**

**3.4.14.** For popularisation of ISM & H and treatment of chronic and common diseases, better health care services were to be provided by all the hospitals/ dispensaries in the State for which the proper infrastructure/ equipment etc. was to be arranged by the State Government. Although there was a declining trend in number of patients, the staff posted was not reduced accordingly. Similarly, in the 10 bedded Hospital, Ludhiana and seven Swasth Kendras, there were no indoor patients but the staff deployed for indoor patients continued.

***Avoidable expenditure on pay and allowances at Government Ayurvedic Hospital, Patiala***

**3.4.15.** As per norms fixed by CCIM, minimum bed occupancy should not be less than 60 *per cent* in any case. The average bed occupancy in the hospital during the years 1999-2004 was as follows:

| Year | Out patients | In patients | Bed strength | Bed occupancy | Percentage |
|---|---|---|---|---|---|
| 1999-2000 | 16539 | 573 | 106 | 29 | 27 |
| 2000-2001 | 14823 | 634 | 106 | 22 | 21 |
| 2001-2002 | 15110 | 811 | 106 | 27 | 25 |
| 2002-2003 | 13890 | 487 | 106 | 20 | 19 |
| 2003-2004 | 14742 | 386 | 106 | 18 | 17 |

The average daily bed occupancy which was 55 *per cent* in 1982-83 continued to decrease and came down to 17 *per cent* of the total bed strength during 2003-2004.

**No response to the proposal to surrender 32 posts which could have saved Rs 40 lakh per year sent to DRME in November 1999 has been received so far**

The number of out patients and in patients which were 51377 and 1251 in 1982-83 continued to decline and came down to 14742 and 386 respectively during 2003-04. In view of the declining trend of the patients, a proposal to surrender 32 posts (***Appendix-XXIX*)** in different categories was sent by the Superintendent to DRME in November 1999 anticipating a saving of Rs 40 lakh per year but no response has been received so far (July 2004). This had resulted in undue burdening the state exchequer due to continuance of surplus

staff since November 1999 which otherwise could have been utilised properly elsewhere.

In reply, the department stated that declining trend in the indoor patients was due to non-provision of adequate budget resulting in non-providing of medical facilities. The reply was not tenable as most of the budget allotment was being utilised towards salary and department had also failed to utilise funds provided by GOI. Thus, the funds for ensuring supply of medicines, creation and proper utilisation of medical facilities and equipment were not available.

***Non-availability of basic facilities/ services at Government Ayurvedic Hospital, Patiala***

**3.4.16.** Supply of medicines in the Hospital was not received since April 2002 which resulted in decline in the number of patients. X-Ray plant installed (1991) at a cost of Rs 3.35 lakh was lying idle since April 1993 due to non-posting of Radiographer. In the absence of these facilities, proper diagnosis of patients could not be done in cases where X-Ray was required. Necessary equipments/ instruments required for Shalakya (ENT/Eye) Department for proper treatment of patients were also not available. Similarly, in Istri Rog (Gynaecology) Department, facilities for delivery cases were not available. Water supply which is most important requirement of the Hospital was also not available due to non-working of tubewell since January 2004.

In reply, Medical Superintendent stated (April 2004) that poor facilities were due to lack of funds.

***Improper functioning of 10 bedded Ayurvedic Hospitals***

**3.4.17.** With a view to provide facility to indoor patients, the Punjab Government established five[20] 10 bedded Ayurvedic Hospitals.

**As no indoor patient was admitted, expenditure of Rs 31.73 lakh on account of pay and allowances of idle staff remained unfruitful**

It was, however, noticed that no indoor patient was admitted in the hospital at Ludhiana during 1999-2004. In the absence of any indoor patients, staff deployed for indoor duties remained idle during this period and the pay and allowances of Rs 25.27 lakh paid to them turned out to be unfruitful. The position of indoor patients in other hospitals during 1999-2004 was also very low (Hoshiarpur: 86 patients and Jalandhar: 419 patients) defeating the very purpose of setting up of these hospitals for delivery of health services under this system and optimum utilisation of staff deployed in these hospitals.

In reply, it was stated that the staff was sanctioned by the Government. The reply was not tenable as the position of staff required should have been reviewed periodically and brought to the notice of the Government.

**3.4.18.** One post each of Cook and Kitchen-bearer in 10 bedded Hospital, Jalandhar was sanctioned during 1990-91. It was, however, noticed that no diet money was provided in the budget during the period 1999-2004. In the absence of the same, the services of Cook and Kitchen-bearer were not

[20] Amritsar, Bathinda, Hoshiarpur, Jalandhar and Ludhiana.

gainfully utilised for the purpose for which they were posted resulting in unfruitful expenditure of Rs 6.46 lakh on their pay and allowances during the period.

***Absence of indoor patients at Swasth Kendras***

**3.4.19.** With a view to provide facility to indoor patients, five beds facility was to be provided (April 1991) in 17 Swasth Kendras (Kendras) which were upgraded from the level of existing Ayurvedic dispensaries. Three additional posts viz. one each of Senior Ayurvedic Medical Officer, Nurse and Chowkidar were sanctioned (April 1991).

**Ungainful expenditure of Rs 87.34 lakh was incurred on pay and allowances of idle staff as there was no indoor patient**

Test check of records of seven Kendras revealed that no indoor patient was admitted in these Kendras during 1999-2004. It was further noticed that even no bed for indoor patients was provided in these Kendras. Thus, sanctioning and posting of additional staff for these Kendras without ensuring the availability of basic infrastructure, indoor facilities and space, no indoor patient was admitted and entire additional staff deployed in the Kendras remained idle. This had resulted in ungainful expenditure of Rs 87.34 lakh on account of their pay and allowances during 1999-2004.

In reply, it was stated that the staff was posted by the Directorate and non-availability of indoor facilities/space was already in the notice of higher authorities. The reply was not acceptable as the position should have been reviewed periodically and brought to the notice of higher authorities.

***Expenditure on non-functional dispensaries***

**3.4.20.** One Ayurvedic Medical Officer (AMO) and a Dispenser are required for smooth and effective running of each Ayurvedic dispensary.

**Expenditure of Rs 11.21 lakh incurred on pay and allowances of Trained Dais in the absence of AMOs, was unjustified**

Test check of records of 204 dispensaries revealed that no AMO was posted in 22 to 33 dispensaries during 1999-2004. In seven dispensaries, even a Dispenser was not posted and only a Trained Dai was running the dispensaries. In the absence of AMOs and Dispensers, the expenditure of Rs 11.21 lakh incurred on the pay and allowances of trained Dais during 1999-2004 was not justified.

The department stated that the matter would be taken up with the Government. Further developments were awaited (August 2004).

***Non-adherence to the norms for opening of ISM dispensaries***

**3.4.21.** As per instructions issued (1987) by the Head of Ayurveda, a new Ayurvedic dispensary shall be opened where rent free accommodation consisting of four rooms and sufficient covered area or Veranda alongwith facility for water, electricity, bathroom and toilet etc., are provided by the residents.

Out of 204 dispensaries test checked, 47 dispensaries were opened in one room each, 84 in two rooms and 63 were opened in three rooms. Fifty eight

**Most of the dispensaries were opened in insufficient space**

dispensaries were opened without having basic facility of water, electricity and toilet whereas in 79 dispensaries only one or two of the above basic facilities were available. Thus, the norms fixed for opening a new dispensary were not followed.

In reply, the department stated that the matter would be looked into and action taken accordingly. Further developments were awaited (August 2004).

***Non-posting of Unani Medical Officers in Unani dispensaries***

**3.4.22.** There were 35 Unani dispensaries functioning in the State. Test check of records in four districts revealed that in 13 Unani dispensaries, three Unani Medical Officers were posted in the Unani dispensaries although seven Unani Medical Officers were available and the remaining four were posted in Ayurvedic dispensaries and AMOs were working in the Unani dispensaries. Thus, the very purpose of opening of Unani dispensaries was defeated as Unani Medical Officers were not posted and the beneficiaries were also deprived of the available treatment under Unani System of Medicine.

***Non-manufacturing of medicines in the pharmacy at Patiala***

**3.4.23.** As per standard norms, a pharmacopoeia listing 79 medicines was drawn up in December 1988 by the Director for manufacturing drugs/medicines in the pharmacy store. The number of drugs actually prepared, however, ranged between four and 17 during 1999-2004 which were far less than the required number.

The department stated that the medicines could not be prepared due to shortage of funds. The reply of the department was not acceptable as there was a saving of Rs 5.22 lakh and Rs 6.88 lakh during 1999-2000 and 2002-03 in which years only four and seven medicines respectively, were prepared in the Pharmacy though infrastructure viz. machinery/equipments were available.

***Non-installation of machinery due to non-construction of machine room at Patiala***

**3.4.24.** For strengthening the Pharmacies of ISM&H, GOI sanctioned (March 2001) grant-in-aid of Rs 95 lakh to the Pharmacy and subsequently released (April 2001) Rs 70.39 lakh as the first instalment for the construction of building and purchase of machinery/equipment. The entire amount was deposited in saving account in a bank. Out of this, an expenditure of Rs 48.34 lakh was incurred (Rs 8.16 lakh on repair/renovation of building/machine room; Rs 0.82 lakh on purchase of photocopier; and Rs 39.36 lakh on procurement of machinery and equipment) upto March 2004 and the balance amount of Rs 28.13 lakh including interest of Rs 6.08 lakh was lying unspent in the bank.

Of the machinery received, only one distillation plant valuing Rs 3.20 lakh was installed/working and the remaining machinery was still lying packed and its warranty/ guarantee period is to expire in August / September 2005 in most of the cases. Construction of machine room has also not been taken up so far

(July 2004). Purchase of photocopier worth Rs 0.82 lakh which was also not covered under the scheme, was lying unused and its warranty had already expired in May 2004.

**The department incurred ungainful expenditure of Rs 36.98 lakh on purchase of machinery not installed so far**

This resulted in ungainful expenditure of Rs 36.98 lakh on the purchase of machinery without construction of the machine room for its installation.

In reply, it was stated (April 2004) that the construction of machine room would take another six months. Reply was not acceptable as the purchase of machinery should have been synchronised with the completion of construction work.

***Non-taking of samples of Ayurvedic/Unani drugs***

**3.4.25.** As per Section 33-G of Drugs and Cosmetics Act,1940 read with Rule 162 of Drugs and Cosmetics Rules,1945, the District Ayurvedic and Unani Officers are empowered to take samples of drugs manufactured and send them for analysis. No sample of Ayurvedic/Unani drugs was taken by the Ayurveda Department during 1999-2004 except one sample in Ludhiana in December 2003 which was still lying in the custody of the department and has not been got tested so far as there was no laboratory for testing Ayurvedic medicines in the State.

**The only sample taken has not been got tested so far**

***Homoeopathic dispensaries without basic facilities***

**3.4.26.** No criteria for opening a Homoeopathic dispensary had been fixed by the Head of Homoeopathy, Punjab. Test check of records in four districts revealed that in one dispensary, no basic facility of water, electricity and toilet etc. was available. In 15 dispensaries, one or two basic facilities were available. Further scrutiny revealed that nine dispensaries were running in one room space and 21 dispensaries were having only two rooms which were not sufficient for smooth and effective running of the dispensaries. Supply of medicines was also not sufficient as per requirements. In the absence of sufficient space and medicines, the purpose of opening these dispensaries could not be achieved.

**3.4.27.** No life saving drugs were available in the Government Ayurvedic Hospital/dispensaries for chronic patients.

***Improper maintenance of licence register***

**3.4.28.** Licence register is the primary and most important record to indicate the number of licences issued/ renewed or cancelled pertaining to manufacturers of Ayurvedic drugs. The licence register containing entries upto serial number 456 had been lying in the court and no efforts were made to obtain the photocopies of the same. The licence register for the period December 1998 onwards was also not being maintained properly as entries of licences issued at some serial numbers were not authenticated by the competent authority and some had been left blank. Thus, the purpose of prescribing the license register was defeated.

In reply, the department stated that efforts would be made to get the entries in licence register authenticated now. Further developments were awaited (August 2004).

**Monitoring and Evaluation**

**3.4.29.** To review the effectiveness of ISM&H in the State and its impact on the masses, the department did not evolve any mechanism for effective monitoring of both the systems and had not carried out any evaluation itself or by any independent agency.

**Conclusions**

**3.4.30.** In Punjab, Indian System of Medicine and Homoeopathy was not popularised effectively as the number of outdoor/indoor patients continued to decrease. Insignificant expenditure was incurred during 9$^{th}$ and 10$^{th}$ plan. During 1999-2004, more than 98 *per cent* of expenditure was on salaries and only negligible amount was spent on purchase of medicines, material and supply and other infrastructure. The grants received from Government of India were either not released by the State Government or in some cases, these were released at the fag end of the year. For Homoeopathy, grants received from Government of India could not be utilised due to late approval of the schemes by the State Government. In most of the hospitals, no indoor patients were admitted due to non-availability of basic infrastructure, equipment and sufficient space resulting in idling of staff. Basic facilities such as X-Ray, medicines, latest equipment, water, electricity etc., were not available in most of the hospitals/Swasth Kendras/ dispensaries. Machinery, though received, had not been installed in the Pharmacy so far due to non-construction of machine room.

**3.4.31.** In order to have replies from Government to the audit observations issued in June 2004, a mechanism to hold meetings with the Administrative Secretaries was evolved. Accordingly, a meeting with the Administrative Secretaries under the Chairmanship of Chief Secretary was held on 27 August 2004 and the Secretary, Health and Family Welfare was instructed to furnish replies within two weeks; no reply has been received.

**Recommendations**

- To utilise infrastructure already provided in the Government Ayurvedic Hospital, Patiala and Government Ayurvedic Pharmacy at Patiala, sufficient funds may be provided by the State Government for raw material/medicines etc.
- Efforts may be made to utilise the funds provided by Government of India in a time bound and planned manner so as to derive the benefits.
- The Government should review the requirement of staff with various hospitals/swasth kendras/teaching establishments with an aim to assess the requirements based on work load and consider redeployment for

maximising the utilisation of infrastructure so created for the benefit of patients.

- Urgent steps should be taken for the creation of facilities for testing of Ayurvedic drugs.

## 3.5. RELEASE AND RECOVERY OF INCENTIVES AND OTHER DUES FROM INDUSTRIAL UNITS AND OTHERS

**INDUSTRIES AND COMMERCE DEPARTMENT**

### Highlights

**The Industries and Commerce Department of Punjab had extended packages of incentives to different industries in the form of Interest Free Loans (IFLs), Sales Tax exemption/deferment etc. Despite giving many incentives, the average growth rate of new industries that were set up was on the decline. Large amounts of IFLs were outstanding for recovery and sanction of Sales Tax Exemptions (STEs) were also granted to inadmissible units. Further, statutory dues towards royalty from contract mining and from Brick Kiln Owners were outstanding for recovery.**

- ***Though the unit had gone sick and a liability of Rs 9.61 crore against fixed assets was outstanding against the firm, the firm was granted IFL resulting in non-recovery of Rs 98.54 lakh.***

***(Paragraph 3.5.8)***

- ***Irregular Sales Tax Exemption (STE) of Rs 7.41 crore and Rs 3.15 crore was allowed to one unit each of Ropar and Ludhiana although the units had not even purchased land upto the stipulated date.***

***(Paragraphs 3.5.9 & 3.5.10)***

- ***Excess STE of Rs 4.59 crore allowed on freight and installation charges of Rs 1.53 crore paid on purchase of indigenous machinery.***

***(Paragraph 3.5.12)***

- ***Rupees 15.55 crore remained unrecovered from 46 closed units despite these cases being referred to the revenue authorities for effecting recovery as arrears of land revenue.***

***(Paragraph 3.5.16)***

- ***Recovery of Rs 2.22 crore of IFL granted to six spinning mills remained doubtful as all these mills were under liquidation.***

***(Paragraph 3.5.15)***

- ***Failure to monitor properly the land auction proceedings led to non-recovery of Rs 1.31 crore towards IFL and interest.***

***(Paragraph 3.5.14)***

### Introduction

**3.5.1.** The Department of Industries and Commerce has to play a pivotal role in rendering multifarious and consistent assistance to the entrepreneurs in the implementation of their industrial ventures. The process of assistance begins with the very first stage of project identification to financial assistance upto the commissioning of industrial units. The domain of assistance is not only

***Appendix - XXIX***
***(Refers to Paragraph 3.4.15 , Page 72)***

**Statement showing the proposal of posts to be surrendered in the Government Ayurvedic Hospital, Patiala**

| Sr. No. | Name of the Post | Number of posts to be surrendered | Amount of Saving (Rupees in lakh) |
|---|---|---|---|
| 1. | Resident Physician | 2 | 4.10 |
| 2. | Ayurvedic Medical Officer | 3 | 6.50 |
| 3. | Massuer | 1 | 1.70 |
| 4. | Nursing Sister | 1 | 1.75 |
| 5. | Staff Nurse | 4 | 5.70 |
| 6. | Store Keeper | 1 | 0.90 |
| 7. | X-Ray cum Opthalmic Assistant | 1 | 0.70 |
| 8. | Tailor | 1 | 0.70 |
| 9. | Dispenser | 5 | 5.80 |
| 10. | Dai | 1 | 0.80 |
| 11. | Mali | 1 | 0.75 |
| 12. | Cook | 2 | 1.65 |
| 13. | Dhobi | 2 | 1.60 |
| 14. | Chowkidar | 1 | 0.85 |
| 15. | Ward Attendant | 4 | 4.80 |
| 16. | Sweeper | 2 | 1.70 |
| | **Total** | **32** | **40.00** |