

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

**New Delhi  
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**CAG's Compliance Audit Report on Union Government (Civil) Presented in Parliament**

Report No. 6 of 2020 of the Comptroller and Auditor General of India – Union Government (Civil), contains significant audit findings arising from the compliance audit of the financial transactions under 62 civil grants relating to 37 Civil Ministries/Departments of the Union Government including Union Territories without Legislatures and of Central autonomous bodies under their administrative jurisdiction. The report was presented in Parliament here today.

The gross expenditure of these 37 Civil Ministries/Departments increased by 18.01 per cent from ₹ 7,38,280 crore in 2016-17 to ₹ 8,71,297 crore in 2017-18. Audit continued to notice irregularities across various Ministries/Departments during the compliance audit for the financial year ended March 2018 which indicated the need to further strengthen extant systems of internal controls and budget management. In cases where the concerned Ministry gave response, it has been appropriately incorporated.

This Report contains 40 illustrative cases of such irregularities involving ₹ 1361.54 crore covering 13 Ministries/Departments and five Union Territories without Legislatures and Autonomous Bodies/Corporation under their administrative control.

Some significant cases included in this Report are summarised below.

**I. Deficiency in project management**

**Ministry of Culture**

**Indian Museum, Kolkata**

Indian Museum, Kolkata awarded the modernisation work on nomination basis and executed the work without any conservation plan or preparation of Detailed Project Report and proper planning. Major works pertaining to providing modern storage system, fire-fighting, fire-detection and prevention and HVAC were not taken up though sanctioned. It also did not ensure financial safeguards and failed in monitoring of the quality of work in the initial phases. Works sanctioned at a cost of ₹ 83.66 crore were executed for ₹ 105.70 crore, with

works estimated to cost ₹ 25.76 crore not awarded at all. Proper conservation processes were also not followed during renovation resulting in damage to priceless artifacts.

*(Paragraph No. 3.1)*

### **Ministry of Agriculture and Farmers' Welfare**

Out of 21 commercialisable technologies developed by CAZRI since its inception, 13 technologies were yet to be commercialised as of March 2019 and eight technologies though commercialised, could not reach the end users. Out of 14 Intellectual Property Rights enabled technologies, patents for only six technologies could be obtained by CAZRI till March 2019. Institute was not successful in releasing any new foodgrain crop variety since 2005. Evaluation Committee, for carrying out objective evaluation of all research projects was not formed. In 35 test checked cases out of 137 audit noticed that CAZRI was primarily dependent on Scientists to choose the research project and no record was available to show involvement of stakeholders and farmers in research topic selection. Out of total 405 research papers published by Scientists only 149 papers were published in journals having six and above rating by National Academy of Agricultural Sciences. Citation index of research papers revealed that 252 out of 405 research papers were never cited. CAZRI was not aware until 2015 that Institute was in short possession of 16.43 acres of land.

*(Paragraph No. 2.2)*

### **Department of Space**

Indian Space Research Organisation, Bengaluru and International Advanced Research Centre for Powder Metallurgy, Hyderabad established a Silicon Carbide Mirror Development Facility without ensuring that the technology for development of the mirrors was either proven or validated. The facility created could not produce the required quality of mirrors during its entire operational life of 10 years despite expenditure of ₹ 47.12 crore incurred on its establishment and maintenance.

*(Paragraph No. 5.2)*

### **Ministry of External Affairs**

SAARC Museum of Textiles and Handicrafts is yet to be operational (December 2019) after incurring an expenditure of ₹ 18.47 crore on hiring of premises, as its interiors have not been finalised even after 10 years.

*(Paragraph No. 8.1)*

### **Union Territories—Andaman and Nicobar Islands Administration**

Andaman Public Works Department did not ensure availability of all the future requisite materials before signing of a contract on construction of a Sea wall which was ultimately foreclosed after flip flops on the issue. The delayed Sea wall which had to be realigned, increased the cost of shore protection in the Tsunami affected area and also resulted in

wasteful expenditure of ₹ 1.18 crore, as the incomplete work was washed away. The work has again been sanctioned with an estimated cost increase of ₹ 30.36 crore. The habitation of the affected area remained unprotected for 15 years after Tsunami.

*(Paragraph No. 15.2)*

### **Union Territories–Chandigarh**

Municipal Corporation Chandigarh, (MCC) decided to implement a project to design and build a tertiary treatment plant and associated facilities with a capacity of 10 Million gallons/day (MGD), in addition to an existing tertiary treatment plant of 10 MGD, to treat the discharge from its Sewerage Treatment Plants (STPs), in order to supply treated water for irrigation purposes replacing potable water otherwise being used.

The design wrongly assumed sufficient availability of sewage water, One of the Underground Reservoirs was shifted to the older network with lower than required discharge capacity of pumps were installed at both plants which affected the availability of water, the old STP was not technically upgraded. Therefore Audit could not assure itself of the technical veracity of the project and MCC did not ensure the required BOD level i.e. below 5mg/l in its supply. TTP which have likely to have led to non-acceptance of treated water among the consumers. While the treated water was intended to replace potable water being used for irrigation, the usage of potable water for irrigation continued to function, MCC could not recover the 43 *per cent* of the cost of operation and maintenance of the project as planned. Treated water was supplied free to the green spaces being maintained by MCC Horticulture wing.

MCC also did not bill the tertiary water connections. Therefore, Audit found that the intended results could not be achieved even after 6-7 years after the completion of the project.

*(Paragraph No. 15.4)*

## **II. Idling of equipment/buildings/infrastructure**

### **Department of Atomic Energy**

Variable Energy Cyclotron Centre, Kolkata (VECC) did not prepare the site in time for installation of equipments for the proposed Medical Cyclotron facility due to which equipment costing ₹ 82.12 crore remained idle for more than eight years and the project remained incomplete for more than 15 years since sanction and after incurring an expenditure of ₹ 219.50 crore.

*(Paragraph No. 4.1)*

An Ion Trap System procured by Directorate of Purchase and Stores, Mumbai for Bhabha Atomic Research Centre, Mumbai after incurring expenditure of ₹ 2.13 crore, could not be commissioned even after more than seven years due to defective parts. The organisations did not obtain adequate financial safeguards for ensuring the security of the procurement.

*(Paragraph No. 4.2)*

### **III. Lapses in Financial Management**

#### **Ministry of Home Affairs**

Ministry of Home Affairs failed to effectively monitor the unutilised funds of Central Assistance lying with States under the Scheme of “Construction of Police Stations/Outposts to States affected by Left Wing Extremism” resulting in savings (including interest thereon) aggregating ₹ 52.18 crore remaining with eight States even after three years of completion of the scheme. On this being pointed out by Audit, Ministry has recovered ₹ 22.69 crore.

*(Paragraph No. 10.1)*

#### **Department of Science and Technology**

The Technology Development Board did not properly manage the financial assistance extended by it. This resulted in default in repayment of loan and interest amounting to ₹ 66.05 crore in seven selected projects.

*(Paragraph No. 14.1)*

#### **Union Territories–Lakshadweep Administration**

Directorate of Port, Shipping and Aviation, Union Territory of Lakshadweep (UTL) had retained an amount of ₹ 29.18 crore in their SB Account without remitting it to Government Account in violation of the provisions of Receipt & Payment Rules.

*(Paragraph No. 15.11)*

### **IV. Loss of non-tax revenues**

#### **Ministry of External Affairs**

Incorrect adoption of exchange rate by High Commission of India (HCI) Wellington in levying renunciation charges of Indian citizenship and penalty on misuse of passports resulted in less collection of revenue of ₹ 4.44 crore.

*(Paragraph No. 8.2)*

### **V. Deficiency/Non-adherence to Scheme guidelines/Acts/Rules and Regulations**

#### **Ministry of Human Resource Development, Health and Family Welfare and Ayush**

Educational Institutions coming under these Ministries made payment of service tax aggregating to ₹ 5.34 crore on outsourced services (housekeeping and security), although these services were exempted from payment of such tax.

*(Paragraph No. 11.2)*

### **VI. Lapses in Internal Control**

## **Ministry of Environment, Forest and Climate Change**

National Zoological Park, Delhi incurred additional expenditure of ₹ 3.66 crore during 2013-18 towards energy charges for electricity drawn from a non-domestic high tension connection but consumed for domestic purpose, due to non-installation of electricity meters for the residential quarters

*(Paragraph No. 7.1)*

## **Ministry of External Affairs**

Thirteen Regional Passport Offices out of twenty-five test checked could avail only half of the discount available to bulk customers of speed post services due to inability to provide required address data electronically. Non-availing of discount by the Regional Passport Offices led to extra expenditure of ₹ 4.11 crore.

*(Paragraph No. 8.3)*

## **Department of Legal Affairs**

Grant of ₹ one crore sanctioned for the purpose of construction of Golden Jubilee Auditorium in January 2000 to Supreme Court Bar Association was neither utilised for the purpose for which it was sanctioned nor refunded, along with interest, even after lapse of 19 years, in violation of the GFRs governing the grant.

*(Paragraph No. 12.1)*

## **Ministry of New and Renewable Energy**

### **Karnataka Solar Power Development Corporation Limited**

TDS was not carried out from the payment of land lease charges to the land owners. It was borne by the company on behalf of the land owners, which resulted in irregular expenditure of ₹ 5.25 crore.

*(Paragraph No. 13.2)*

## **VII. Irregularities in pay and staff entitlements**

### **Department of Space**

Department of Space did not take action for more than five years on the advice of Ministry of Finance to consider immediate withdrawal of payment of two additional increments being granted to its Scientists/Engineers. This resulted in payment of ₹ 251.32 crore towards continued grant of the two additional increments during the period December 2013 to March 2019 in 15 test checked centres and Autonomous Bodies under the Department.

*(Paragraph No. 5.1)*

Department of Space created 955 posts in administrative cadres without obtaining approval of the competent authority and filled them up by promotion of employees working in lower

posts. Expenditure of ₹ 235.05 crore was incurred on the salaries of employees in the higher posts, a part of which was paid from the deposit projects of the department, which was contrary to the Government rules and procedures.

*(Paragraph No. 5.3)*

### **Ministry of Earth Sciences**

Ministry of Earth Sciences allowed five of its Autonomous Bodies to grant additional financial benefits to their Scientists without obtaining approval of Ministry of Finance and consequently incurred expenditure of ₹ 2.63 crore during the period 2002-18. On being pointed out by Audit, the matter was referred to the Ministry of Finance for *ex-post facto* approval, which advised the Ministry to withdraw the financial benefits

*(Paragraph No. 6.1)*

### **Ministry of Health and Family Welfare**

Ad-hoc bonus paid to the employees of JIPMER without receiving the orders from the Ministry of Finance for the years 2015-16 and 2016-17 resulted in irregular payment of Ad-hoc bonus of ₹ 4.56 crore.

*(Paragraph No. 9.1)*

### **Department of Bio-Technology**

National Brain Research Centre, Manesar incurred extra expenditure of ₹ 5.15 crore on payment of House Rent Allowance, Non-Practising Allowance, Transport Allowance and Project Allowance to its employees in contravention of extant rules.

*(Paragraph No. 14.2)*

## **VIII. Avoidable payments by Autonomous Bodies/Departments/Corporations**

### **Ministry of Human Resource Development**

Atal Bihari Vajpayee Institute of Information Technology and Management advanced a sum of ₹ 4.32 crore to M/s EdCIL and failed to recover ₹ 3.98 crore.

*(Paragraph No. 11.4)*

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