

CHAPTER II

PERFORMANCE AUDIT

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This chapter includes two Performance Audit *viz.*, ‘Acquisition and utilisation of the acquired land for public purposes’ and ‘Sports Development and Physical Education in the Union Territory of Puducherry’.

REVENUE AND DISASTER MANAGEMENT, PUBLIC WORKS, SOCIAL WELFARE, LOCAL ADMINISTRATION, HEALTH AND FAMILY WELFARE AND INDUSTRIES DEPARTMENTS

2.1 Acquisition and utilisation of the acquired land for public purposes

Executive Summary

Revenue and Disaster Management Department acquires private lands for public purposes based on the requirements of various Government departments. A Performance Audit of ‘Acquisition and utilisation of the acquired land for public purposes’ in the Union Territory of Puducherry was taken up during March to July 2011 covering transactions relating to the period 2006-2011. The basic aim of the audit was to assess whether the land acquisition process was done as per provisions in the Land Acquisition Act, 1894 and the lands acquired were utilised by the Government departments for the intended purposes. The Performance Audit disclosed the following:

Funds of ₹ 118.79 crore out of the funds provided for acquisition of land were drawn from the Government Account and kept in savings bank accounts in the commercial banks instead of keeping in the Public Account of the Union Territory Government.

Ninety two *per cent* of the acquired lands, some of which were acquired under the emergency clause of acquisition, remained unutilised for a period ranging from four to nine years.

Even after eight years since Government decided to set up a Special Economic Zone in Puducherry, it has not been established. Land measuring 336-12-52 hectares acquired at a cost of ₹ 73.39 crore for establishment of the SEZ remained unutilised for over four years.

Land measuring 27-20-60 hectares acquired between 1995 and 2010 at a cost of ₹ 10.10 crore for distribution of free house sites to the Scheduled Caste and other economically backward class people were not allotted due to non-identification of the beneficiaries.

2.1.1 Introduction

The Government departments of the Union Territory of Puducherry (UT) acquire private lands for their requirements through the Department of Revenue and Disaster Management (DRDM). Acquisition of land is regulated under the Land Acquisition Act, 1894 (Act). The departments requiring lands identify the lands and after obtaining approval of the Site Selection Committee, submit their proposals to the Land Acquisition Officers (LAO) of the DRDM. The LAOs, on receipt of the proposal, take necessary steps to acquire the lands as per the provisions of the Act and instructions of the Government.

The land acquisition process involves publication of notification under Section 4(1), enquiry under Section 5(A) and publication of a declaration under Section 6 of the Act to the effect that the land is required for public purpose. Under Section 9, the LAO is required to cause public notice stating Government's intention to take possession of the land. Under Section 11 of the Act, the LAO has to make an award stating the compensation to be allowed for the land and the award should be passed within a period of two years from the date of publication of the declaration. When the LAO makes the award, he may take possession of the land under Section 16 of the Act. In cases of urgency, Section 17 of the Act empowers the LAO, on the directions of the Government, to take possession of any land needed for a public purpose on expiry of 15 days from the date of publication of notice under Section 9. In such cases, 80 *per cent* of the compensation is payable to the entitled persons before taking possession of the land. Section 23 provides for payment of additional compensation at 12 *per cent* per annum on the market value of land for the period from the date of publication of the notification to the date of award or the date of taking possession of the land, whichever is earlier. Further, in consideration of compulsory nature of the acquisition, solatium of 30 *per cent* on the market value is also payable. Under Section 34 when the amount of compensation is not paid on or before the date of taking possession of the land, interest at the rate of nine *per cent* is payable on the amount awarded from the date of taking possession for one year and 15 *per cent* thereafter until it is paid.

2.1.2 Organisational Set-up

At the Government level, the Development Commissioner-cum-Principal Secretary (Revenue) is the administrative head of the Department of Revenue and Disaster Management. The Department is headed by the Special Secretary (Revenue). In the four regions of UT viz., Puducherry, Karaikal, Mahe and Yanam, six Deputy Collectors (Revenue) have been designated as LAOs for carrying out the acquisition of lands.

2.1.3 Audit Objectives

The Performance Audit was carried out to assess whether:

- land acquisition was carried out as per provisions of the Land Acquisition Act, 1894 and the Land Grant Rules, 1975,
- funds allocated for land acquisition were utilised efficiently and economically,
- lands acquired by the user departments were utilised for the intended purposes,
- the lands leased out by Government were utilised by the lessees for the intended purposes and
- the land acquisition activities were effectively monitored.

2.1.4 Audit Criteria

The audit findings were benchmarked against the terms and conditions contained in the following:

- the Land Acquisition Act, 1894 and the Land Grant Rules, 1975.
- the General Financial Rules, 2005 and the Receipts and Payments Rules, 1983 of the Union Government.
- Guidelines and instructions of the Government on the subject.

2.1.5 Audit coverage

The Performance Audit was conducted during March to July 2011 covering the period 2006-2011 in the offices of DRDM; the District Collector, Puducherry; and Deputy Collectors (Revenue) of Puducherry, North and South, Karaikal and Mahe. Records relating to all 91 cases (529-16-01 hectares) of land acquired at a cost of ₹ 203.10 crore by six LAOs¹ during 2006-11 were examined. Four² more significant cases involving an area of 15-46-31 hectares acquired at a cost of ₹ 20.35 crore,

¹ Deputy Collectors (Revenue) Puducherry- North and South, Karaikal, Mahe and Yanam and Revenue Officer, Central University Land Acquisition Wing, Puducherry.

² (i) Construction of Medical College, Puducherry (ii) Construction of Home for Orthopaedically Handicapped Children, Karaikal (iii) Construction of Special School for Visually Handicapped and Hearing Impaired Children, Karaikal and (iv) Pondicherry Distilleries Limited, Puducherry.

though pertained to the earlier period, were also covered in audit. In addition, records of all 14³ requisitioning departments were scrutinised.

The audit objectives and criteria were discussed with the Development Commissioner-cum-Principal Secretary (Revenue), Puducherry in an entry conference held in March 2011. The audit findings were discussed with the Secretary (Revenue) and the Special Secretary-cum-Collector, Puducherry, in the exit conference held on 17 November 2011 and the Government response was taken into account while finalising the report. The audit findings are as under:

2.1.6 Financial management

Funds provided in the budget under various grants for acquisition of land for public purposes were drawn by the Drawing and Disbursing Officers of the requisitioning departments and deposited with the LAOs concerned. Out of ₹ 326.59 crore drawn from Government account by the requisitioning departments and deposited with the LAOs during 2006-11, the LAOs paid compensation of ₹ 207.80 crore to the land owners. The year-wise receipts and payments effected by the LAOs are given in **Table 1**.

Table 1: Funds received and compensation paid by the LAOs during 2006-07 to 2010-11

(₹ in crore)

Year	Funds received	Compensation paid
2006-07	106.59	56.23
2007-08	43.94	52.99
2008-09	13.71	32.37
2009-10	62.55	38.25
2010-11	99.80	27.96
Total	326.59	207.80

The unspent balance of ₹ 118.79 crore were kept by the LAOs in banks.

2.1.6.1 Parking of Government money in banks

As mentioned above, the Government orders on sanction of expenditure for acquisition of land permitted the Drawing and Disbursing officers to draw the amount provided in the budget and deposit the same with the LAOs. Though there was no authority or Government order permitting the LAOs

³ Adi Dravidar Welfare, Education, Health and Family Welfare, Industries and Commerce, Local Administration, Public Works, Revenue and Disaster Management, Social Welfare, Survey and Land records, Tourism, Electricity, Civil Supplies and Consumer Affairs, Police, Art and Culture departments.

to open savings bank accounts for keeping the Government money, the LAOs kept the funds in savings bank accounts opened in the nationalised banks and made payments to the land owners from the accounts. The bank accounts maintained by the LAOs for the purpose had a huge balance (March 2011) of ₹ 118.79 crore with the accumulated interest of ₹ 2.90 crore. As the land acquisition was a lengthy process and might take upto three years for passing awards and making payments to the land owners, money needed could be released by the Government only when it was required. Alternatively, the amount drawn in advance could have been kept in the Public Account of the Government under '8443 Civil Deposits'. When pointed out by Audit, the Finance Department directed (May 2011) the LAOs to close the savings bank accounts and deposit the amount in the Public Account. During the exit conference, the Special Secretary-cum-Collector, Puducherry, stated (November 2011) that all the LAOs had closed the bank accounts and deposited the money in the Public Account of UT Government.

2.1.6.2 Unnecessary blocking of funds

Based on an announcement (2008-09) of the then Minister for Tourism in the Assembly that land required for construction of a guest house at Tirumala would be acquired, the UT Government of Puducherry requested (May 2008) the Government of Andhra Pradesh (GAP) to allot one acre of land at Tirumala for the purpose. The GAP permitted (September 2008) the Executive Officer, Tirumala Tirupathi Devasthanam (TTD) to allot 1,000 sq.yards of land at Tirumala to the UT on payment of ₹ three crore. The Tourism Department of the UT Government paid (September 2009) ₹ three crore in the form of demand draft (DD) to TTD, even before allotment of site and raising of demand by TTD. In March 2010, TTD returned the DD stating that the required land could not be allotted in view of litigations pending in the High Court of Andhra Pradesh against allotment of land in Tirumala. The UT Government, however, revalidated (March 2010) the DD and sent it again to TTD requesting (August 2010) GAP to intervene and pursue the matter with TTD. However, TTD returned (June 2011) the amount again to the Tourism Department and no land was allotted. Thus, payment of money without obtaining confirmation for allotment of land or demand by TTD and subsequent revalidation of DD was unwarranted and it resulted in unnecessary blocking of ₹ three crore for 21 months.

2.1.6.3 Failure to refund the unutilised amount to Government

Acquisition of land for giving free house sites to SC/OEBC beneficiaries was dropped due to improper site selection and ₹49.90 lakh deposited with the LAO was not received back

The Adi Dravidar Welfare Department (ADWD) deposited (April 2009) ₹ 49.90 lakh with the LAO Puducherry South, being the tentative cost of land (01-62-00 hectare) at Pillaiyarkuppam required for the scheme of allotment of free house sites to the persons belonging to Scheduled Caste/Other Economically Backward Classes (SC/OEBC). During the course of enquiry (August 2010) by the LAO under Section 5A of the Act, it came to notice that the land identified by ADWD had no approach road and was surrounded by lands belonging to a private factory. The Site Selection Committee headed by the Secretary (Welfare) which approved the identified site in October 2007 did not verify whether the land had approach road. The ADWD directed (December 2010) the LAO to drop the proposal for acquisition as the land was not suitable for providing free house site pattas to the SC/OEBC people and requested to refund the amount with interest. The LAO had not (July 2011) refunded the amount and the objective of issuing free house sites to the SC/OEBC beneficiaries was not achieved. During the exit conference, the Secretary (Revenue) stated (November 2011) that selection of alternative site was under consideration.

2.1.6.4 Non-maintenance of cash book by the LAOs

As per Rule 13 of the Central Government Account (Receipts and Payments) Rules 1983, cash book should be maintained in form GAR 3 by all Government officers who are required to handle cash and all monetary transactions should be entered in the cash book and attested by the head of the office. It was, however, noticed in audit that three out of six LAOs⁴ did not maintain cash books for recording the transactions of bank accounts. Due to non-maintenance of cash book, the departmental cash balance was not reconciled with the bank balance, which runs the risk of misappropriation of funds. During the exit conference (November 2011), the Special Secretary-cum-Collector, Puducherry, stated that necessary instructions had been issued to the LAOs concerned to maintain cash book.

2.1.6.5 Lack of internal audit of the accounts of LAOs

The accounts of LAOs relating to receipt of funds from user departments and payment to land owners were not audited internally

Huge amount of Government money were placed at the disposal of LAOs who kept them in bank accounts. Though an Internal Audit Wing was functioning under DRDM to carry out periodical inspection of records relating to demand and collection of revenue, the transactions relating to land acquisition, receipt and utilisation of funds, and verification of vouchers were not conducted by the wing on the plea that separate staff for conducting the internal audit were not available. On this being pointed out, the Director of Accounts and Treasuries (DAT) stated (September 2011) that the vouchers for land award payments were not produced to DAT by

⁴ LAO, Puducherry North; LAO, Karaikal and LAO, Yanam

the LAOs. The DAT also requested (September 2011) the District Collector, Puducherry to inform Audit regarding the system, if any, prescribed for audit of the payments made to the land owners. Thus, there was no mechanism to ensure that the LAOs complied with the provisions of financial rules and in respect of receipts and payments relating to land acquisition.

2.1.7 Deficiencies in Land Acquisition Proceedings

2.1.7.1 Avoidable payment of interest

There was delay of three years in intimating the balance compensation amount payable to the land owners, which resulted in avoidable payment of interest of ₹ 2.19 crore

Land measuring 13-96-50 hectares was acquired by the LAO, Puducherry North, under the urgency clause and handed over (August 2005) to the Deputy Director, Sports and Youth Services, Education Department for construction of a cricket stadium and swimming pool at Kathirkamam in Oulgaret Revenue Village. Out of the estimated compensation amount of ₹ 17.99 crore payable to the land owners, 80 *per cent* of the compensation amounting to ₹ 14.39 crore was paid by the Education Department in August 2005. Subsequently, based on the request of the Health Department for construction of a medical college including the cricket stadium and swimming pool, the Education Department transferred (August 2005/March 2006) the entire land to the Health Department. However, while transferring the land neither the Education Department nor the LAO intimated the Health Department about the balance 20 *per cent* of the compensation payable to the land owners. Intimation about the balance compensation payable was made by DRDM only in May 2008, after a delay of about three years since acquisition of the land. Thereafter, the Health Department repeatedly requested (August 2008, October 2009, December 2009 and March 2010) the Government for provision of funds. Due to the delay in intimation of the 20 *per cent* compensation payable to the land owners, the total cost of acquisition of the land increased to ₹ 20.18 crore, which included interest of ₹ 2.19 crore payable to the land owners. In March 2010, Government accorded sanction for ₹ 5.78 crore, being the 20 *per cent* compensation amount and interest, but only ₹ 5.21 crore was deposited in March 2010.

Thus lack of co-ordination between the Education Department and the Health and Family Welfare Department, delay of three years on the part of the LAO to intimate the Health Department regarding the 20 *per cent* balance compensation amount payable to the land owners and delay of two years in provision of funds by the Government resulted in avoidable payment of interest of ₹ 2.19 crore. The medical college started functioning from 2010-11, but the work of construction of cricket stadium and swimming pool was yet to be started. The Secretary (Revenue) accepted the audit findings and stated (November 2011) that the balance amount would be provided in the budget of Health Department for the year 2011-12.

2.1.7.2 Delay in taking possession of land acquired under urgency clause

(i) The Site Selection Committee, constituted for approval of land for construction of 750 bedded multi-speciality hospital at Kovilpathu, Karaikal, gave approval (September 2006) for 15-51-30 hectares of land identified by the Health and Family Welfare Department. The Government ordered (January 2007) acquisition of the land by invoking the urgency clause. Notification under Section 4(1) and declaration under Section 6 for acquiring the land were issued in February 2008 and December 2008 respectively by the LAO, Karaikal. The Government sanctioned (March 2008) ₹ 6.65 crore towards the compensation and the amount was deposited (March 2008) with the LAO. Even though the Act provides for taking possession of the land on expiry of 15 days from the publication of notice under Section 9, possession of the land was taken in May 2011 only. The award was also not passed as of June 2011. During the exit conference, Secretary (Revenue) stated (November 2011) that there were requests for allocation of certain portion of the land from the Jawaharlal Institute of Post Graduate Medical Education and Research (JIPMER) and Employees' State Insurance Corporation (ESIC). He further stated that the matter was under consultation and would be expedited.

(ii) The Chief Minister assured (March 2004) on the floor of the Assembly that required land would be acquired by the Public Works Department for increasing the storage capacity of the tail end regulator across the Nandalar River in Karaikal. Approval of the Chief Secretary (2 April 2004) was accorded for invoking the urgency clause for acquiring land to an extent of 15-61-00 hectares in Varichikudi village. PWD deposited ₹ 19.59 lakh, being the tentative cost of land (March and June 2006) to the LAO, Karaikal. However, notification under Section 4 and declaration under Section 6 were issued in April 2007 and May 2008 respectively for acquiring land to an extent of 09-16-00 hectares only. The award was passed in November 2010. The compensation payable for the land was ₹ 23.50 lakh including interest of ₹ 5.64 lakh for the period from November 2007 to November 2010. Despite invoking the urgency clause of the Act for acquisition and depositing of funds with the LAO in 2006, the possession of land has not been taken even after a period of five years. In such cases, the significance of acquisition of the land by invoking the urgency clause is lost. During the exit conference, the Secretary (Revenue) accepted (November 2011) the audit view and stated that necessary instructions would be issued to the LAO to expedite the acquisition.

2.1.7.3 Lapse of land acquisition proceedings

As per Section 11A of the Act, award should be made within two years from the date of publication of declaration under Section 6, failing which, the proceedings for acquisition of land would lapse.

In order to have its own building for the Government Middle School, Koothankulam, proposal to acquire land measuring 00-22-89 hectares in Karaikal Revenue Village was forwarded (October 2005) by the Chief Educational Officer, Karaikal (CEO) to the LAO, Karaikal. Section 4 notification was issued in January 2007 and declaration under Section 6 was issued in May 2008. The tentative cost was worked out by the LAO at ₹ 32.50 lakh in the year 2005-06. This cost was revised to ₹ 80.57 lakh in the year 2010. After expiry of two years since May 2008, the LAO requested (October 2010) the CEO to place the funds for passing the award and the CEO provided the required funds of ₹ 86.59 lakh in March 2011. But LA proceedings in this case had lapsed in May 2010. The land acquisition proceedings need to be started afresh, which would result in additional expenditure due to likely increase in the market value of land. During the exit conference, the Secretary (Revenue) stated (November 2011) that due to funds constraint, there was delay in provision of funds.

2.1.8 Utilisation of the acquired land

Ninety two per cent of the lands acquired were kept unutilised for a period ranging from four to nine years

The LAOs, after taking possession of the land, hand them over to the respective user departments. The departments utilise the lands/allot the lands for purposes such as construction of Government buildings, developmental projects/implementation of schemes, distribution of free house sites etc. Out of 529-16-01 hectares of land acquired at a cost of ₹ 203.10 crore during 2006-11, 486-66-88 hectares of land (92 per cent) remained unutilised with the user departments as of September 2011 as given in **Table 2**.

Table 2: Details of land acquired and utilised during 2006-11

Department (No. of cases)	Purpose of acquisition	Acquired		Utilised		Unutilised	
		Area (ha)	Cost (₹ in crore)	Area (ha)	Cost (₹ in crore)	Area (ha)	Cost (₹ in crore)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Adi Dravidar Welfare (21)	Free house sites to landless beneficiaries/SC/OEBC people	30-49-27	21.83	Nil	--	30-49-27	21.83
Art and Culture (1)	Expansion of Bharathiar Memorial Museum-cum-Research Centre	00-01-14	0.10	Nil	--	00-01-14	0.10
Civil Supplies and Consumer Affairs (1)	Approach road to godown	00-09-74	0.28	Nil	--	00-09-74	0.28
Education (8)	Construction of school and college buildings and provision of playground facilities	09-85-22	15.85	04-46-23	3.98	05-38-99	11.87
Electricity (2)	Construction of buildings for operation and maintenance	00-35-90	0.17	Nil	--	00-35-90	0.17

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Health and Family Welfare (6)	Construction of Mental Hospital, Community Health Centres and expansion of Mahe Government Hospital	01-90-02	2.05	00-18-57	0.07	01-71-45	1.98
Industries and Commerce (1)	Establishment of Special Economic Zone	309-64-27	70.98	Nil	--	309-64-27	70.98
Local Administration (3)	Construction of Satellite Market, Marriage Hall, Guest House and extension of graveyard	01-70-72	3.70	Nil	--	01-70-72	3.70
Police (4)	Construction of office and staff quarters and Indian Coast Guard Station	07-16-60	1.70	06-73-60	0.52	00-43-00	1.18
Public Works (21)	Construction of New Collectorate, Karaikal, formation of connecting road, construction of over head tank and pump house and augmentation of water, construction of bund/ dam	36-04-72	25.51	05-85-29	3.15	30-19-43	22.36
Revenue and Disaster Management (10)	Lands for rehabilitation of Tsunami victims and construction of emergency operation theatre	13-43-95	11.52	09-06-50	9.92	04-37-45	1.60
Social Welfare (2)	Construction of Backward Class hostels, home for aged, etc.	00-38-55	0.53	Nil	--	00-38-55	0.53
Survey and Land Records (8)	Free house sites to landless labourers	06-10-14	1.95	02-56-84	1.43	03-53-30	0.52
Tourism (3)	Tirunallar Temple Town, expansion of Airport, Land Bank Scheme	111-95-77	46.93	19-92-70	18.95	92-03-07	27.98
Total (91)		529-16-01	203.10	42-49-13	38.68	486-66-88	164.42

The audit findings on utilisation of the acquired land by few of the user departments are discussed below:

2.1.8.1 Public Works Department

Land measuring 14-31-55 hectares was acquired (June 2007) by the LAO, Karaikal invoking the urgency clause for construction of buildings for the Collectorate and other offices including the District Police Office in Karaikal. The PWD deposited ₹ 6.42 crore (May/August 2007) being 80 per cent of the total cost of acquisition to the LAO. The land was handed over to the PWD in June 2007. Expression of interest from eight firms for providing architectural designs for the proposed buildings were received by the Executive Engineer, PWD, Karaikal and forwarded (June 2007) to the Chief Engineer, PWD. But the buildings have not yet been constructed (November 2011). To an audit query, PWD replied (July

2011) that the original plan of the buildings prepared by the Architect, PWD was later modified as the Senior Superintendent of Police suggested (July 2008) to construct a separate building for the District Police Office. It was further stated that the drawings for construction of the new Collectorate were forwarded to the Architect, PWD (June 2009) and the detailed estimate of the work would be prepared after finalisation of the drawings and approval of the Planning Commission for including the work in the Annual Plan. Thus, the land acquired by invoking the urgency clause and handed over to PWD as early as in June 2007 remained unutilised even after four years due to delay in getting approval of the drawings and administrative approval of Government for the work. The award for acquisition was pending for approval of the Government. The Secretary (Revenue) stated (November 2011) that due to fund constraint, the work could not be taken up. The reply reflects the fact that the land was acquired without ensuring the fund required for construction of the buildings.

2.1.8.2 Social Welfare Department

Land measuring 01-12-46 hectares was acquired (2002, 2003 and 2006) at a cost of ₹ 44.11 lakh in Karaikal by the LAO, Karaikal for the Social Welfare Department (SWD) for the purposes of construction of a home for orthopaedically handicapped children, construction of a special school for visually handicapped and hearing impaired children and a hostel for backward class boys. In respect of construction of special school, the plan/detailed drawings were furnished by PWD to the Architect in November 2003. No further follow up action was taken by SWD. For construction of hostel for backward class boys, the site was handed over to PWD in February 2007. But SWD addressed PWD only in November 2011 to furnish the plans/estimate. In respect of construction of the home for orthopaedically handicapped children, PWD furnished (August 2007) the preliminary estimate for ₹ 2.88 crore for sanction. The estimate was revised (July 2009) to ₹ 3.44 crore due to non-allocation of funds in the previous years. In the meanwhile, the Assistant Director, SWD informed PWD that decision to construct home for the aged in the site was under consideration. Thus, even after a period of five to seven years, plan and drawings for two works were not finalised by the department and alternate proposal for construction of a home for the aged in lieu of the home for the handicapped children had been sent to Government for approval (January 2012). The Social Welfare Department failed to take serious action to get the estimates and plans prepared and obtain administrative approval from the Government.

2.1.8.3 Local Administration Department

Land measuring 00-48-24 hectares at Pandakkal for construction of a marriage hall and a guest house was acquired invoking the urgency clause (May 2003) by the LAO, Mahe at a cost of ₹ 18.36 lakh and handed over

(December 2006) to the Commissioner, Mahe Municipality. A preliminary estimate for construction of a multipurpose hall at Pandakkal was prepared for ₹ 2.07 crore by PWD in March 2010. Meanwhile, Government sanctioned grants-in-aid of ₹ 2.07 crore for the work and released (March 2007, March 2008 and March 2009) ₹ 77.37 lakh to the municipality so as to avoid lapse of grants. It was noticed that a consultant to prepare the architectural plans and drawings of the building was appointed in January 2011 only. Even though the land was acquired by invoking the urgency clause, no construction activity was started even after four years. The Commissioner, Mahe Municipality stated (July 2011) that the structural design and tender documents were awaited from the consultant.

2.1.8.4 Revenue and Disaster Management Department

The DCR (North)-cum-LAO acquired (November 2007) 00-38-75 hectares of land in Reddiarpalayam, Puducherry at a cost of ₹ 1.39 crore (₹ 41.93 lakh for the land in Survey No.9/2 and ₹ 97.55 lakh for the land in Survey No.9/6) under the urgency clause of LA Act for construction of State level and district level emergency operation centres and building for the office of DCR (North). The site at Survey No.9/2 could not be used for construction of the State level emergency operation centre as an arrack shop was functioning near the site. Therefore, the location of the centre was shifted to an alternative site at Government poromboke land at Survey No.147/7 in Saram Revenue Village. Thus, due to wrong selection of site, the land at Survey No. 9/2 acquired at a cost of ₹ 41.93 lakh remained unutilised for four years. When the Government land was available for construction in Saram village, acquisition of private land in Reddiarpalayam village at a cost of ₹ 41.93 lakh under the emergency clause was unwarranted.

2.1.8.5 Tourism Department

The Ministry of Environment and Forests (MoEF), GOI notified (February 1991) the entire Indian coastal stretches as a Coastal Regulation Zone (CRZ) and imposed certain restrictions on setting up and expansion of industries, operations or processes, etc., in the CRZ.

The Pondicherry Distilleries Limited, a public sector undertaking of the UT Government, invited (June 2001) willingness from interested Government departments, organizations, public sector undertakings to purchase its land measuring 00-53-40 hectares with a built up area of 3,205 sq.m from where distilleries was functioning earlier. The land and buildings are situated very near to the sea. The Tourism Department expressed (July 2001) its willingness to buy the land for the purpose of promoting tourism. Government sanctioned (October 2004) ₹ 1.95 crore for purchase of the said property and the sale deed was registered in January 2005. A consultant engaged in December 2004 by the Department for undertaking feasibility study, bidding process and investor

identification at a consultancy fee of ₹ 9.37 lakh, in his report (February 2005) suggested for construction of a family entertainment centre or a star hotel in the premises. The consultant further stated that the proposed activities in the site would require necessary clearance as Puducherry falls under the category III of CRZ. As per the provisions of the Environment (Protection) Act, 1986 and the Environment (Protection) Rules, 1986, no construction shall be permitted within this zone except for repairs of the existing authorised structures. Therefore, the Department could not implement the recommendation of the consultant for construction of a family entertainment centre or star hotel.

The Department had not taken into account the coastal regulation norms at the time of purchasing the said property. Thus, the hasty decision of the Department to purchase the land along with the distilleries building resulted in idle investment of ₹ 1.95 crore for over six years. During the exit conference, the Special Secretary-cum-Collector, Puducherry stated (November 2011) that a revised report complying with the CRZ norms was under preparation.

2.1.8.6 Industries and Commerce Department

Even after eight years since Government decided to set up a Special Economic Zone in Puducherry, it has not been established

In pursuance to the new Special Economic Zone (SEZ) policy announced (April 2000) by GOI with a view to provide internationally competitive and hassle free environment for export growth, the UT Government proposed (March 2003) to establish a SEZ in Puducherry and nominated (June 2003) the Pondicherry Industrial Promotion Development and Investment Corporation Limited (PIPDIC) as nodal agency for the purpose. The site selection committee approved (July 2003) the land (348-17-50 hectares) identified by the Industries and Commerce Department at Sedarapet and Karasur villages for establishing the SEZ. Government notification regarding establishment of the SEZ was issued in August 2004 which envisaged private sector participation. PIPDIC invited (December 2004) expression of interest for selection of strategic partners for developing the SEZ. A potential developer⁵ along with his associate company⁶ was short-listed (March 2005) by a Committee headed by the Chief Secretary and was selected as strategic partner. A Special Purpose Vehicle (SPV) viz., the Pondicherry Special Economic Zone Company Limited, jointly promoted by PIPDIC and the strategic partners was incorporated (June 2006) under the Companies Act 1956 for setting up of the SEZ at an estimated cost of ₹ 283.17 crore. The Ministry of Commerce and Industry, GOI accorded (August 2006) formal approval for setting up of the SEZ and stated (September 2006) that in terms of the SEZ Rules 2006, the Central Government had to notify the SEZ before the developers could start availing the fiscal benefits under the SEZ Act, 2005.

⁵ M/s. Subhash Projects and Marketing Limited, Bangalore

⁶ M/s. Om Metals Limited, New Delhi

Land measuring 309-64-27 hectares acquired by the DCR Puducherry (South)-cum-LAO at a cost of ₹ 70.98 crore and land measuring 26-48-25 hectares already acquired at a cost of ₹ 2.41 crore by PIPDIC in 2004 for development of an Integrated Infrastructure Development project was transferred to the proposed SEZ in January 2007, subject to *ex post facto* approval of GOI. When the Industries Department approached (June 2009) the Ministry of Home Affairs (MHA), GOI, to notify the SEZ, Puducherry, the latter in consultation with the Planning Commission and Department of Economic Affairs declined (August 2009) to approve the selection of the strategic partner citing that neither technical and financial criteria was indicated in the advertisement nor bids invited on the basis of such technical and financial criteria. It further informed that there were several infirmities in the selection process of the strategic partner and there was no transparent bidding process. The MHA also advised the UT Government to cancel the entire agreement with the strategic partner and to resume the lands, if any, that had been transferred to PIPDIC or the SPV.

After receipt of the directions from MHA (August 2009), the matter was placed before the Council of Ministers (COM) in the meeting held in May 2010 and the COM deferred the matter without stating any reasons. It has not yet decided the matter (August 2011). Thus, the directions of MHA regarding cancellation of the agreement with the strategic partner and resumption of land from the SPV have not been complied with till date (August 2011). The objective of establishing the SEZ has not been achieved even after eight years. Due to non-establishment of the SEZ, the estimated export earnings of about \$ 1533 million for the first five years of operation had not materialised. The land of 336-12-52 hectares remained unutilised since 2007. The private developer had filed a writ petition in the High Court of Madras and the High Court ordered to maintain *status quo* in the matter. During the exit conference, the Secretary (Revenue) stated (November 2011) that Government was pursuing the matter.

2.1.9. Non-distribution of free house sites

Distribution of free house sites could not be taken up due to delay in finalising the beneficiaries list and demarcation of land acquired

Under the scheme of provision of house sites to the persons belonging to Scheduled Caste (SC) and Other Economically Backward Classes (OEB), the UT Government allots house sites to the eligible homeless SC/OEB people. The selection committee constituted for the purpose selects the beneficiaries after considering their applications and enquiry reports, etc. and recommends the list of beneficiaries to the Director of Adi Dravidar Welfare for onward submission to the Government for approval. After getting the Government's approval, the ADWD issues house sites/house pattas to the beneficiaries. Audit observed non-distribution of free house sites to the beneficiaries as detailed below:

(i) The Adi-Dravidar Welfare Department acquired lands measuring 18-33-61 hectares at a cost of ₹ 9.03 crore and took possession between August 1995 and October 2010. Most of the proposals for acquisition of

land were made by the elected representatives stating that there were shelterless people in their areas/constituencies. The number of beneficiaries to be covered was, however, not mentioned in the proposals. As a result, free house sites had not been allotted to the SC/OEBC beneficiaries till date (July 2011). The allotments were not made due to non demarcation of the plots by the Director of Survey and Land Records (DSLRL) and non-selection of the beneficiaries. To an audit query, the Department replied that meeting of the selection committee to select the beneficiaries could not be convened due to administrative reasons and that due to non-availability of technical persons in the Department, it had to depend on DSLRL for demarcation of the plots which took considerable time. During the exit conference, the Special Secretary-cum-Collector, Puducherry, stated (November 2011) that the caste-wise census was being done and once it was completed, the process of selection of beneficiaries would not be a problem.

(ii) Under the Land Grant Rules 1975, the Collector, and the Deputy Collector (Revenue) may grant house sites in towns and villages respectively to persons who are Indian citizens and natives of the UT following the order of priority as stipulated in the rules. The maximum area that could be assigned was 1.5 Ares (150 sq. metre) in villages and one Are (100 sq.metre) in towns. Land measuring 08-86-99 hectares was acquired in Puducherry and Karaikal regions for the purpose of allotment of house sites to landless persons at a cost of ₹ 1.07 crore (from 1998 to 2009). The land to an extent of 04-10-29 hectares acquired in Puducherry region between 1998 and 2008 was not distributed to the beneficiaries. The DSLRL stated (May 2011) that the beneficiaries' lists were not finalised by the committee till date.

In the Karaikal region, the DCR, Karaikal acquired land to an extent of 04-76-70 hectares between 2007 and 2009 for distribution of free house sites. These lands, situated in low lying areas requiring earth filling were not distributed due to non-demarcation of land by the DSLRL. The Revenue Department stated that 2976 applications received were yet to be finalised for distribution.

Thus the scheme of free distribution of sites to SC/OEBC was not largely implemented in the UT.

2.1.10 Leasing of Government Land

Government lands are leased out to trusts, industries and private organizations on lease or licence basis charging lease rents fixed by the Government. The audit findings on leasing of Government land are discussed below:

Land leased out at a reduced lease rent for a social cause was not utilised for the intended purpose

2.1.10.1 Non-utilisation of the leased land for the intended purpose

Government leased out (April 1998) 03-02-00 hectares of land in Odianpet village to a trust⁷ for establishment of homes for rehabilitation of mentally retarded children, orphans, physically handicapped children, the deaf and blind children, a rural hospital and a training centre at a lease rent of ₹ 10,000 per annum on the ground of serving social purpose as against the due lease rent of ₹ 32,616 per annum (12 per cent of the land value), proposed by the Revenue Department. The lease rent was reduced by the Council of Ministers under the Rules of Business of Government of Puducherry, 1963. It was noticed that only a small building with the ground and the first floor, each having an approximate built up area of 500 sq.ft, existed in the leased out land. The homes and hospital were not established even after 13 years. The building was used for conducting training classes on tailoring and computer education. It was further noticed that revision of the lease rent once in five years as envisaged in the agreement was not done. The department failed to conduct site inspection in the past to verify whether the land had been put to use by the lessee for the intended purpose. To an audit query, it was stated (August 2011) that a proposal to terminate the lease agreement for non-compliance of conditions stipulated in the lease agreement had been sent to Government. The Secretary (Revenue) stated (November 2011) that necessary action would be taken after review of status of utilisation of land by the trust.

2.1.11 Non-maintenance of the land register

It was noticed in audit that the register of lands with details such as name of the revenue village, extent of land, cost and date of acquisition, purpose of acquisition, extent of utilisation etc., was not maintained in DRDM as well as in the user departments. To an audit query, DRDM stated (December 2011) that necessary instructions had been issued (October 2011) to all the departments to prepare inventory of immovable properties.

2.1.12 Monitoring

For effective implementation and achievement of the objectives of any scheme or for carrying out any specific activity, there should be a mechanism to monitor the implementation process at periodical intervals. As per the Government guidelines, a check memo was required to be maintained by the LAOs to monitor the land acquisition so that the acquisition is completed within the time frame. Despite maintenance of the check memos by LAOs, cases of delay in acquisition resulting in lapsing of LA proceedings and avoidable payment of interest were noticed in audit which indicated the absence of effective monitoring. Large scale non-utilisation of the acquired land, lack of inventory of immovable properties and idling of funds with the LAOs reflected poor monitoring.

⁷

The Adhi Parasakthi Charitable, Medical, Educational Trust, Melmaruvathur

2.1.13 Conclusion

Government funds drawn in advance for acquisition of land by the user departments were parked in banks by the Department of Revenue and Disaster Management. Cases of avoidable payment of interest and lapse of land acquisition proceedings due to non-passing of award within the time limits were noticed. Ninety two *per cent* of the total area of land acquired was not utilised by the user departments. Lands acquired for distribution of free house sites to the landless people were not distributed at all.

Recommendations

- Funds for land acquisition should be released only as and when required and should not be kept outside the Government Account.
- The various stages of land acquisition proceedings performed by the Land Acquisition Officers need to be monitored closely to avoid lapsing of the acquisition proceedings and additional liabilities to Government.
- Efforts should be made to expedite utilisation of the acquired land for the intended purposes.
- Distribution of house sites under the scheme of provision of free house sites to the persons belonging to Scheduled Caste and Other Economically Backward Classes should be expedited.

The above points were referred to Government in November 2011; reply had not been received (January 2012).

EDUCATION DEPARTMENT

2.2 Sports Development and Physical Education in the Union Territory of Puducherry

Executive Summary

Sports development and physical education are essential components of human resource development. A Performance Audit of 'Sports Development and Physical Education in the UT of Puducherry' revealed some areas of concern in development of sports infrastructure and in functioning of the autonomous bodies set up for sports development.

Perspective plan and annual action plans were not formulated for development of sports and allied activities in the UT. Budget proposals for grants-in-aid were submitted belatedly by the Puducherry State Sports Council and Rajiv Gandhi School of Sports, which carried out the sports development activities.

Additional Central assistance released to the Puducherry State Sports Council for creation of sports infrastructural facilities was diverted to meet administrative expenses of the Council.

Construction of indoor stadia at Mahe and Karaikal, though sanctioned in 2004/2005 at a total cost of ₹ 12.94 crore and revised subsequently to ₹ 18.16 crore were not completed as of June 2011, despite spending ₹ 17.64 crore due to improper planning and non-provision of adequate funds in time by Government.

Land for construction of mini stadium in each commune panchayat for coaching, training, conduct of sports and games meet for the rural youth was not acquired due to non-provision of funds.

Cash awards for 309 sports persons were not distributed by the Puducherry State Sports Council on the ground of paucity of funds.

The scheme of Nutritional Diet for development of the talented students in games/sports at school level, approved in 2007 had not been implemented for want of proper playgrounds and non-finalisation of the mode of implementation.

2.2.1 Introduction

Sports development and physical education are essential components of human resource development which help to inculcate comradeship and competitive spirit in students. Excellence in sports enhances the sense of achievement, national pride and patriotism. Physical education in schools is the stepping stone for success in sports and it helps to inculcate discipline, team spirit and unity. As per the 2011 census, the Union Territory of Puducherry (UT) has a population of 12.44 lakh (urban 8.50 lakh and rural 3.94 lakh). There were 182 Government and 31 Government aided schools and 190 private schools (excluding primary schools) in the UT as of March 2011 with a total student strength of 1.40 lakh. The all India position of the UT in performance of school students in the 56th National School Games conducted by the School Games Federation of India during 2010-11 was 28 out of 39⁸ States/UTs/others who participated in the annual games.

2.2.2 Organisational set up

At the Government level, the Secretary to Government (Education) is responsible for development of sports, physical education and youth activities. The Director of School Education (DSE) assisted by the Deputy Director (Sports and Youth Services) (DD) implements the schemes through the Chief Educational Officers in Puducherry, Karaikal and Mahe, Deputy Director (Women Education), Puducherry and Delegate to Director (Education), Yanam in respect of middle and high schools and through the Joint Director in respect of higher secondary schools. Promotion of sports activities are also carried out by two autonomous societies, viz., the Puducherry State Sports Council (PSSC) and the Rajiv Gandhi School of Sports (RGSS), set up and funded by the UT Government.

2.2.3 Audit Objectives

The Performance Audit was conducted to assess whether:

- plans were formulated for development of sports and physical education and were implemented effectively;
- adequate infrastructural facilities were available;
- resources were utilised economically, efficiently and effectively and
- the monitoring mechanism was adequate and effective.

⁸ 28 states, Delhi, six Union Territories and Indian Public Schools' Conference, Vidhya Bharti, Kendriya Vidhayalaya Sanghathan, Navodaya Vidhyalaya Sangathan.

2.2.4 Audit Criteria

The audit findings were benchmarked against the norms and conditions contained in the following:

- Plan documents of the UT Government of Puducherry
- Guidelines and instructions issued by the UT Government and Government of India (GOI)
- Curricula/syllabi prescribed for sports and physical education
- General Financial Rules and Receipts and Payments Rules of the GOI.

2.2.5 Audit coverage

The Performance Audit was conducted during March to July 2011 covering the period 2006-11 in the Secretariat, Education Department and Offices of the Director of School Education; the Deputy Director (Sports & Youth Services); the Deputy Director (Women Education), Puducherry; Chief Educational Officers in Puducherry, Karaikal, Mahe and Delegate to the Director of School Education, Yanam. The records of the Executive Engineers of Buildings and Roads Division, Karaikal and Public Works Division, Mahe, PSSC and RGSS and 69 out of 213 Government/Government aided schools, selected by random sampling method, were also examined. The audit objectives and criteria were discussed with the Secretary to Government (Education) during an entry conference held in March 2011. The audit findings were discussed with the Secretary to Government (Education) in the exit conference held in November 2011 and the views of the Department have been suitably incorporated in the report at appropriate places. The audit findings are as follows:

2.2.6 Planning

Non formulation of perspective/annual action plan

The PSSC, which was established in 1980-81 to advise the Government in formulation of plans and programmes for development of sports and games in the UT, had not formulated any plan. Consequently, the Department had no perspective and annual action plans. To an audit query, the Deputy Director stated that there was no perspective plan for development of sports and games in respect of all the four regions of the UT, as they were geographically and culturally different and there could be no common planning. The reply is not acceptable as the departments of UT Government have to prepare their plans taking into account the regional and cultural differences among the four regions of the Union Territory. In

the exit conference, the Secretary stated that steps would be taken for formulation of perspective plan and that annual action plans would be drawn based on the perspective plan.

2.2.7 Financial Management

Details of funds allocated under the plan and non-plan heads for sports and physical education and expenditure incurred during the period 2006-11 are given in **Table 1**.

Table 1: Details of fund allocation and expenditure

(₹ in crore)

Year	Plan		Non-plan		Total	
	Allocation (Percentage of total plan allocation)	Expenditure	Allocation	Expenditure	Allocation	Expenditure
2006-07	4.96 (0.46)	4.94	0.48	0.47	5.44	5.41
2007-08	10.74 (0.95)	10.72	0.50	0.49	11.24	11.21
2008-09	10.27 (0.57)	10.27	0.74	0.74	11.01	11.01
2009-10	9.95 (0.59)	9.94	0.91	0.90	10.86	10.84
2010-11	13.26 (0.53)	13.25	0.99	0.99	14.25	14.24
Total	49.1846.08	49.123.62	3.623.59	3.59	52.80	52.71

Source: Plan documents and Detailed Appropriation Accounts

It was noticed that the Plan funds allocated for sports development ranged between 0.46 and 0.95 *per cent* of the overall Plan outlay during 2006-11. The quantum of allocation remained more or less at the same level during 2007-11 except in 2010-11 when it increased marginally.

2.2.7.1 Release of Grants-in-aid to Societies

Government sanctioned recurring and non-recurring grants to the two societies, PSSC and RGSS. It was noticed that budget proposals for grants-in-aid were submitted belatedly by the societies, after the commencement of the financial year. The grants-in-aid released fell short of the requirements as discussed below:

As against the fund requirement of ₹ 4.12 crore for the period 2006-11, Government released ₹ 3.42 crore only to RGSS. The Principal, RGSS stated (June 2011) that it could not admit students during 2006-07 and 2008-09 as the required fund had not been allotted.

As against the fund requirement of ₹ 19.42 crore for the period 2006-11, Government released grants-in-aid of ₹ 9.79 crore only to PSSC. In 2008-09, grants-in-aid were not released as PSSC failed to furnish the

utilisation certificate for the grants released in the earlier years. Due to short release of grants, there was pendency in distribution of cash awards to eligible sports persons as discussed in paragraph 2.2.9.1(iii).

2.2.7.2 Diversion of the additional Central assistance

The Planning and Research Department of the UT Government communicated (February 2002) the allocation of Additional Central Assistance (ACA) of ₹ 4.30 crore for the specific purpose of creation of sports infrastructural facilities in UT. The UT Government released (February 2003) the ACA of ₹ 4.30 crore as non-recurring grant-in-aid to PSSC for creation of sports infrastructural facilities. PSSC maintained a separate bank account for the purpose and the amounts were kept in fixed deposits.

It was noticed that development of play fields in six schools, laying of synthetic hockey turf, development of sports infrastructure in the Indira Gandhi Sports Complex, repairs and maintenance works for the sports complex, temporary arrangements at various places for conduct of tournaments and construction of one VIP rest room in the Tennis Coaching Centre at a total cost of ₹ 3.15 crore were undertaken during 2003-11. The remaining assistance of ₹ 1.15 crore was not utilised (July 2011) by PSSC. The PSSC stated that due to administrative reasons the entire assistance could not be utilised.

The PSSC earned interest of ₹ 1.23 crore during 2003 to 2011⁹ on fixed deposits made out of the assistance. The PSSC stated (June 2011) that out of the interest earned, ₹ 70 lakh was utilised for administrative expenses of the sports council. The PSSC furnished (January 2011) utilization certificate for ₹ 3.15 crore. Scrutiny of records revealed that PSSC had a balance of ₹ 80.75 lakh only as of March 2011 in fixed deposits and in bank account as against the actual unspent balance of ₹ 1.68 crore¹⁰. The PSSC could not furnish details for the difference of ₹ 87 lakh and stated that the annual requirement of funds was higher than the grants actually released by Government and hence the central assistance was diverted for meeting the administrative charges on loan basis and that the same would be repaid from future release of grants. The reply is not acceptable as construction of sports infrastructural facilities were delayed due to non-availability of adequate funds but at the same time funds released for sports infrastructure were diverted for administrative charges. In the exit conference, the Secretary stated that due care would be taken to avoid diversion of funds in future and instructed the PSSC to utilize the unspent balance of ACA for developmental works in accordance with the guidelines.

⁹ ₹ 35.20 lakh from 2003 to 2006 and ₹ 87.93 lakh from 2007 to 2011

¹⁰ ₹ 4.30 crore + interest ₹ 1.23 crore – Utilisation Certificate : ₹ 3.15 crore – Administrative Charges : 0.70 crore

2.2.7.3 Release of funds to avoid lapsing of the budget grants

Government provided ₹ 3.77 crore to PWD in 2008-09 for construction of an indoor stadium at Keezhaveli in Karaikal district and permitted (March 2009) PWD to withdraw and deposit the amount with a Project Implementing Agency (PIA) for Tsunami Reconstruction Programme for utilising the funds in the subsequent financial year as PWD proposed (July 2008) to foreclose the contract for the work awarded in March 2007. The balance work was entrusted to another contractor on nomination basis only in February 2010 and Government permitted (March 2010) PWD to draw ₹ 2.60 crore out of ₹ 3.60 crore provided in the budget for 2009-10 and deposit the same with PIA. The two drawals from Government account were made on the last day of the financial year to avoid lapsing of the budget grant. Out of the total release of ₹ 6.37 crore, ₹ 4.45 crore remained unutilised with the PIA as of November 2011. At the same time, the stadium has not been completed as discussed in the paragraph 2.2.8.1 and 2.2.8.2.

2.2.8 Setting up of Infrastructure

Sports related infrastructural facilities are essential for imparting quality training, coaching and overall development of sports and physical education. Though Puducherry and Yanam regions had both open air and indoor stadia, in Karaikal and Mahe regions, the indoor stadia were under construction (July 2011). Completion of the indoor stadia, construction of mini stadium in each commune panchayat, acquisition of land for various infrastructural facilities, etc., were envisaged in the Eleventh Five Year Plan. The deficiencies noticed in execution of infrastructural facilities are discussed below:

2.2.8.1 Construction of indoor stadium at Keezhaveli, Karaikal

A mention was made in paragraph in 4.1.4 of the Report of the C&AG (2006-07) regarding additional liability on the work of construction of indoor stadium at Keezhaveli, Karaikal by PWD. Government sanctioned (August 2005) ₹ 5.90 crore and the work was awarded to a contractor for ₹ 5.11 crore on 1 March 2006. The work was to commence in March 2006 and was to be completed within a year. Due to delay in providing designs/drawings by PWD, the contractor withdrew (26 May 2006) from the contract, which resulted in further additional liability of ₹ 1.53 crore by way of subsequent award of the work for ₹ 6.64 crore.

Scrutiny of records revealed that on second call, though the work was awarded (March 2007) to a contractor for ₹ 6.64 crore with stipulated date of completion by April 2008, a provision of ₹ two crore only was made in the budget estimates of 2007-08. Due to paucity of funds, the department could not settle the contractor's bills. Therefore, after executing work to the extent of ₹ 2.79 crore, the contractor stopped the work (July 2008).

Though PWD proposed foreclosure of the contract in July 2008, the Works Advisory Board approved the foreclosure in September 2009 only.

After obtaining approval of the Government (January 2010), the remaining work at the estimated cost of ₹ 6.56 crore was awarded (February 2010) to a contractor on nomination basis for completion within six months. However, as of December 2011, the contractor executed work to the extent of ₹ 2.86 crore only. Further, it was noticed that a revised estimate for ₹ 1.64 crore for providing internal electrification to the stadium was pending (January 2012) for approval by the PWD and expenditure sanction for ₹ 1.81 crore for providing AC arrangements was yet to be given by the Director of School Education Department. Thus, failure of the department at various stages not only resulted in delay in completion of the project and cost overrun but also deprived the students of the facility for training in various indoor sports. In the exit conference, the Secretary stated that construction of the stadium at Karaikal would be completed within the financial year 2011-12.

2.2.8.2 Construction of indoor stadium at Thathakulam, Mahe

Government sanctioned (September 2004) ₹ 7.04 crore for construction of the stadium at Mahe. Though PWD awarded (March 2005) the civil work to a contractor at the tendered cost of ₹ 5.97 crore for completion by March 2006, the civil work was completed at a cost of ₹ 8.25 crore in February 2011 only and PWD handed over the stadium to Education Department in July 2011. The sub works for electrification and air-conditioning awarded (September 2007) to contractors at ₹ 2.42 crore and ₹ 1.61 crore respectively for completion within four months, were still in progress (October 2011) after incurring expenditure of ₹ 2.31 crore and ₹ 1.43 crore respectively. The Government accorded (March 2009) a revised expenditure sanction for ₹ 12.26 crore mainly due to excess quantity and execution of additional/substituted items of work including electrical/air conditioning work at SOR/market rate of 2007-08. Further, the Executive Engineer proposed (December 2010) provision of generator sets, installation of transformers and other miscellaneous works at an additional expenditure of ₹ 6.90 crore. Audit observed that the department failed to include the items of generator sets, transformers, etc., even at the time of preparing the revised estimate of ₹ 12.26 crore in March 2009. As a result, the stadium could not be completed in all respects and put to effective use. Due to non-completion of the stadium, the students selected for participating in the State/National level championship in Badminton had to be given training/practice in the indoor stadium at Tellicherry, Kerala.

Thus, deficiencies in preparation of the estimates, inadequate provision of funds and non-synchronization of the various item of works resulted in delay in completion of the stadium. In the exit conference, the Secretary stated that though separate power line and generator sets were not

provided, the games were being played during day time. The reply is not acceptable as electricity is very essential even during day time for an indoor stadium.

2.2.8.3 Creation of infrastructure in rural areas

In the Eleventh Five Year Plan period it was proposed to construct a mini stadium in each Commune Panchayat for coaching, training and conduct of sports, games meets for the rural youth. Suitable sites were identified by the site selection committees in all the 10 commune panchayats¹¹. Possession of the identified land in Bahour Commune Panchayat was taken in December 2008 after releasing compensation amount of ₹ 23.04 lakh to the Land Acquisition Officer. However, due to the High Court's stay order, the amount was not disbursed and the department was unable to proceed further. In Mannadipet and Thirunallar Commune Panchayats, the land acquisition proposals were withdrawn by DRDM after issue of 4(1) notification by the LAO due to non-provision of funds. In the remaining seven communes, the land acquisition proceedings were yet to be initiated due to non-provision of funds by Government. As such, the scheme of construction of mini-stadia in the communes remained a non-starter. In the exit conference, the Secretary stated that the matter would be taken up with the Commune Panchayats to identify suitable lands. The reply is not acceptable as the lands could not be acquired for want of funds.

2.2.9 Performance of the autonomous societies

2.2.9.1 Puducherry State Sports Council

The PSSC was established (1980-81) to advise the Government in all matters concerning sports and games, to formulate plans and programmes and to promote sports and allied activities in the UT. The main functions of the PSSC include providing playgrounds, stadia, gymnasium etc., sanctioning financial assistance to sports, games and youth welfare organizations, setting up of regional coaching centres and organising region-wise youth festivals, sports parade, rallies seminars etc., and establishing and running permanent coaching or training centres for training of coaches, physical education teachers, players and athletes.

(i) Non-establishment of the Regional Sports Committees

The PSSC decided (March 2005), to establish the Regional Sports Committees (RSC) in Karaikal, Mahe and Yanam for promotion and development of sports and allied activities in the respective region by organizing regional level competitions and to assist the PSSC in implementing the programmes for the region. It was noticed that though RSCs were formed in Karaikal and Mahe regions in June and September

¹¹ Ariyankuppam, Bahour, Kottucherry, Mannadipet, Nedungadu, Neravy, Nettapakkam, Thirunallar, T.R. Pattinam, and Villianur

2005 respectively, rules and regulations and by-laws were yet to be framed. In respect of Yanam region, RSC was not formed (October 2011). In the exit conference, the Secretary stated that after formation of RSCs in all the regions, framing of by-laws, rules and regulations would be considered.

(ii) Delay in release of grants-in-aid to Sports associations

In Puducherry, 23 Sports Associations were affiliated with the PSSC as of March 2011. The affiliated sports associations which conducted two state level meets in a year were entitled to annual grant of ₹ 15,000 each, reimbursement of actual expenditure incurred for participation in the sports events; organization grant of ₹ 50,000 for organizing zonal level games and ₹ one lakh for national level games.

Audit observed that the participation grant pertaining to the period 2006-07 to 2009-10 amounting to ₹ 13.89 lakh was released to the associations in 2010-11 only. Similarly, annual grants to the associations amounting to ₹ 3.90 lakh pertaining to the period 2003-04 to 2008-09 were also released in 2010-11 only. Consequently, the number of state level sports meets conducted by the affiliated associations decreased from 13 in 2007-08 to six in 2010-11. In the exit conference, the Secretary stated that the affiliated associations were conducting sports meet regularly and that details regarding number of sports meets held would be furnished to audit at the earliest. But the details were not furnished.

(iii) Cash award for meritorious sports persons

The PSSC fixed (March 2005) the amount of cash awards¹² payable to meritorious sports persons in the zonal/national/international levels of competition. It was noticed that the cash awards were not distributed to the medal winners in various disciplines during 2005-10 for want of sufficient funds. The Screening Committee constituted to scrutinize the applications found out (April 2010) that 625 out of 630 applications received were eligible for grant of the cash award. Cash award of ₹ 1.61 crore to 316 sports persons only was distributed in 2010-11. The remaining 309 applications for the cash awards were pending due to paucity of funds. In the exit conference, the Secretary stated that the cash awards for eligible medal winners would be distributed before December 2011. But, the cash awards were not distributed as of January 2012.

¹² Zonal level - Gold medal – ₹ 10,000; silver medal : ₹ 7,500 and Bronze medal : ₹ 5,000
National level - Gold medal – ₹5,00,000; silver medal : ₹ 2,50,000 and Bronze medal : ₹ 1,25,000
International : Gold medal – ₹ 10,00,000; silver medal : ₹ 7,50,000 and Bronze medal : ₹ 5,00,000

2.2.9.2 Rajiv Gandhi School of Sports

Rajiv Gandhi School of Sports (RGSS) was established in the year 1994 with the objective of providing educational excellence and coaching facilities in sports and games to the deserving young boys who possess physical potential for sports excellence. It is functioning in the premises of Indira Gandhi Sports Complex, Puducherry and training is imparted in six disciplines viz., athletic, badminton, cricket, football, hockey and volleyball.

The RGSS decided (June 2005) to start its extension centres in Karaikal and Yanam regions. It was also decided to follow the procedure of conducting selection trials in all the regions to fill up the existing vacancies in the school until establishment of centres and to transfer the candidates of Karaikal and Yanam regions admitted in the school to the regional centres as and when the regional centres were established. Even though one sports hostel under the control of the PSSC was opened in Yanam (August 2006) for boys, no extension centre/sports school was opened in Karaikal region due to insufficient release of grants-in-aid by Government.

2.2.10 Coaching

As against the total sanctioned strength of 44 coaches¹³, men-in-position as on 31 March 2011 was only 23. Moreover, performance of the coaches was not evaluated by the Department. In the exit conference, the Secretary stated that action would be initiated to evaluate performance of the coaches.

2.2.11 Physical Education

Physical education imparted at school level has a direct bearing on achievements of students in sports. Physical education training also motivates the students of the school to take up sports activities in their early childhood.

¹³ One regular coach and 43 contract coaches

2.2.11.1 Playground facilities

To impart physical education training to students at school level, playground facilities in schools are essential. From the details furnished by the Department in respect of 144 schools in UT, it was noticed that in 54 schools, playground facilities were not available. In some of the schools, sports were conducted in courtyard, road, church ground and prayer area of the schools. In the absence of playground, the students were either taken to common playgrounds or trained only in indoor games like carrom, chess, drill exercises, etc.

2.2.11.2 Syllabus for physical education

The UT of Puducherry follows the academic syllabus of the neighbouring states as no separate board for secondary and higher education was set up by the UT. Even though the DD stated that curricula/syllabi for physical education prescribed by Tamil Nadu Government is followed by the schools in Puducherry and Karaikal regions, the Principals/Headmasters of 30 schools amongst the test-checked schools in the regions stated that no syllabus for physical education was prescribed by the Department. In the Eleventh Five Year Plan period, it was proposed to teach Yoga, Karate, Judo, Teak-won-do and Kalari to the school students. But, no action was initiated as of July 2011 to introduce the same in the schools.

2.2.11.3 Identification of talented students

The UT Government proposed to identify talented students to give professional coaching during the Eleventh Five Year Plan period. So far no scheme/methodology/guidelines were formulated for identification of the talented students. In the exit conference, the Secretary stated that the aspect would be looked into.

Government approved (May 2007) the scheme of Nutritional Diet for development of the talented students in games/sports at school level. Under the scheme, the talented students identified from Government schools were to be given special training after school hours and they would be given nutritional diet free of cost to develop their physical health. The heads of institutions, where the training centres were located, were to implement the scheme and submit the list of beneficiaries every year to the Directorate by 15th June. Selected students were to be trained for 1-1/2 hours after school hours for four days in a week. It was noticed that the scheme has not been implemented. When pointed out by Audit, the DD stated (June 2011) that the schemes had not been operated for want of playground and non-finalisation of the mode of implementation.

2.2.11.4 Sports talent Scholarship

In order to help the outstanding young boys/girls in their studies, develop their talent in sports and to enable them to have nutritious diet during their studentship and to non-student youths and rural youths to develop their skills in various disciplines of sports, the UT Government introduced a scheme for award of lump-sum scholarship from 1979-80. The award under the scheme would be made on the basis of their performance in each year. As per the existing scheme guidelines, 17 scholarships¹⁴ were to be distributed to the selected persons. The guidelines were not revised since 1979-80.

The department sanctioned only 17 scholarships every year due to non-revision of guidelines even though applications ranging from 62 to 156 were received from eligible persons every year during 2006-11 as given below:

Year	Total number of applications received	Total number of eligible applications
2006-07	96	96
2007-08	159	156
2008-09	93	62
2009-10	108	85
2010-11	106	96

In the exit conference, the Secretary stated that scholarship scheme would be reviewed for further continuance in view of implementation of cash award scheme by Government.

2.2.12 Monitoring

Based on the recommendations of the National Youth Commission (July 2004), GOI suggested (April 2005) that all States should set up a separate directorate to focus attention on youth affairs. The Lieutenant Governor accorded (October 2006) in principle approval for establishment of a separate directorate for sports and youth affairs in the UT. The Joint Secretary to Government (Education) instructed (November 2006) the Director of School Education to take necessary action in this regard. As no action on the matter was taken, the directorate was not formed and thus, effective planning, implementation and monitoring of schemes relating to sports and physical education was not ensured. In the exit conference, the Secretary stated that formation of separate Directorate would be considered at the earliest.

¹⁴ 12 scholarship at ₹ 50 p.m and five awards at ₹ 500 p.a

Periodic inspections were not carried out by the departmental officers to monitor the functions of PSSC and RGSS to which grants-in-aid were released by Government.

2.2.13 Conclusion

Due to non-preparation of perspective and annual action plans, sports development activities were not carried out systematically by the Education Department and the two societies under its control. Further, due to non-provision of adequate funds, improper planning and delays at various levels, creation of sports infrastructural facilities were delayed, resulting in deprivation of benefits to the sports persons and students of the Union Territory of Puducherry.

Recommendations

- Specific long-term and annual plans with measurable goals should be evolved.
- Grants-in-aid should be released based on the actual requirements of the Puducherry State Sports Council and the Rajiv Gandhi School of Sports.
- Completion of indoor stadia at Karaikal and Mahe needs to be expedited.

The above points were referred to Government in September 2011; reply had not been received (January 2012).