

CHAPTER II : MINISTRY OF AGRICULTURE

Indian Council of Agricultural Research

2.1 Injudicious release of funds

Work services entrusted to the Central Public Works Department for construction of residential quarters and office-cum-laboratory building for National Bureau of Soil Survey and Land Use Planning, a constituent of Indian Council of Agricultural Research, could not commence even after 10 years resulting in blocking of ` 1.01 crore, as the land in question did not have municipal clearance.

The Central Public Works Department's (CPWD) instructions for deposit works stipulate that the client department needs to deposit 33.33 *per cent* of the estimated cost of the work as an advance to CPWD, which is to be retained by CPWD for adjustment against the last portion of the estimated expenditure. Thereafter, expenditure incurred is to be reimbursed based on progress of the works.

Indian Agricultural Research Institute (IARI), a constituent unit of ICAR, allotted and transferred three acres of land in January 1995 for the regional center in New Delhi of National Bureau of Soil Survey and Land Use Planning (NBSS&LUP), Nagpur for construction of residential quarters (1.5 acres) and office-cum-laboratory building (1.5 acres) in its campus at New Delhi. ICAR accorded two administrative approvals; one in February 2000 for construction of 18 residential quarters at an estimated cost of ` 78.40 lakh; and another in February 2001 for construction of office-cum-laboratory building at an estimated cost of ` 1.46 crore. Both the works were entrusted to the CPWD as deposit work. Audit scrutiny revealed the following:

- In contravention to the instructions issued by ICAR in March 1996, NBSS&LUP deposited two installment of ` 26.13 lakh each on 6 March 2000 and 22 March 2000 as against required deposit of only ` 26.13 lakh for residential quarters.
- CPWD observed in August 2000 that the site survey plan for construction of residential quarters at IARI campus was not clear as there was variance in earmarking of the land for NBSS&LUP and for IARI. Hence, CPWD requested its unit at IARI campus for submission of a revised site survey. Subsequently, Municipal Corporation of Delhi (MCD) did not grant

clearance for commencement of construction, pending approval of the master plan of the entire IARI campus. As a result, construction of quarters could not commence even as of February 2011.

- Even though NBSS&LUP was aware as early as in August 2000 that the land allotted by IARI for staff quarters was not cleared for construction activities, yet it released the first installment of ` 48.60 lakh to CPWD in February 2001 for construction of office-cum-laboratory.

- The layout plan was submitted to MCD only in January 2006 which was resubmitted in May 2007 after revision. Though MCD did not approve the layout plan, NBSS&LUP did not request CPWD to refund the amount. NBSS&LUP confirmed in December 2009 that the centre has been functioning from the existing old building provided by ICAR, Pusa, New Delhi for last 30 years and the demand for staff quarters still exists as employees have been staying in rented accommodation or in their own houses.

The case highlights absence of an effective internal control mechanism in the department, leading to excess release of installment and blocking of public funds amounting to ` 1.01 crore for over 10 years, apart from hardship to the staff due to delay in construction of residential quarters. Revised cost estimates could not be worked out as the layout plan had not been approved by MCD. As a result, the cost escalation could not be ascertained.

ICAR stated in November 2008 that:

- as it was fag end of the financial year and the funds were available with the Institute, second installment of ` 26.13 lakh was also deposited on 22 March 2000 with the hope that work could be started immediately;
- co-ordination of all the units housed in IARI campus and assessment of their present and future requirement delayed the preparation of the master plan; and
- master plan of IARI had been submitted to MCD which, in turn, had demanded a fee of ` 1.20 crore for approving the master plan of IARI. This matter was taken up with MCD at the highest level and the fee was reduced to ` 1.20 lakh.

Reply of ICAR is not acceptable as:

- (i) it did not ensure that the site survey plan and master plan were approved by the town planning authorities before according financial approval and releasing funds;

(ii) it did not ensure that release of funds to the executing agency was in consonance with General Financial Rules and instructions issued by Ministry of Finance in February 2000 which laid down that rush of expenditure in the closing months of financial year should be avoided; and

(iii) Though IARI requested Department of Urban Development in August 2007 to issue notification for reduction of fees, requisite notification was not issued even as of February 2011.

Thus, faulty planning on part of NBSS&LUP led to injudicious release of ` 74.73 lakh to CPWD as it could not finalise the site survey plan and also could not get the requisite approval from MCD. This had resulted in blocking of the entire amount of ` 1.01 crore released to CPWD for more than 10 years, apart from notional loss on account of HRA/licence fee due to delayed construction of residential quarters and increase in cost of construction, apart from hardship to the staff due to delay in construction of residential quarters.