

## CHAPTER XIII : UNION TERRITORIES

### Andaman and Nicobar Administration

#### 13.1 Wasteful expenditure

**Failure to obtain mandatory 'No Objection Certificate' in terms of Ministry of Civil Aviation (Height Restrictions for Safeguarding of Aircraft Operations) Rules, 2015, prior to undertaking work of construction of a building at a site falling within a 20 km radius from an airfield where the height restrictions were applicable, resulted in wasteful expenditure of ₹ 39.17 lakh.**

In September 2015, the Ministry of Civil Aviation (MoCA) notified<sup>1</sup> that *inter alia*, no structure shall be constructed on any land within a radius not exceeding twenty kilometres from the Aerodrome Reference Point<sup>2</sup> of Civil and Defence aerodromes without obtaining a 'No Objection Certificate' (NOC) for height clearance. Further, as per the notification, the Campbell Bay Airport, situated at the Andaman and Nicobar Islands, was specified as a Defence Airport.

A new office building<sup>3</sup> for the Assistant Commissioner (AC), Campbell Bay was proposed for construction at Rajiv Nagar, Campbell Bay, near the airfield of INS *Baaz* and a preliminary estimate was prepared for the same in May 2015. Based on the preliminary estimate, Administrative Approval and Expenditure Sanction amounting to ₹ 3.59 crore, was accorded in August 2015. In the meanwhile, the Commanding Officer, INS *Baaz*, had intimated (January 2016) to the AC that mandatory NOC for height restriction be obtained before the commencement of work. The Superintending Engineer, Nicobar Division, APWD, accorded Technical Sanction (TS) to the work, for ₹ 2.64 crore, in April 2016. The tender for the work was floated in May 2016, and the work was awarded to a Contractor (September 2016) for an amount of ₹ 2.13 crore, with the stipulated dates of commencement and completion being September 2016 and March 2018 respectively.

<sup>1</sup> Ministry of Civil Aviation (Height Restrictions for Safeguarding of Aircraft Operations) Rules, 2015

<sup>2</sup> Designated geographical location of an Aerodrome.

<sup>3</sup> The old building of the Assistant Commissioner, Campbell Bay (AC), had been damaged during the earthquake of December 2004, and the office had, thereafter, been operating from a semi-permanent building taken on rent.

The work, which commenced in November 2016, was objected (January 2017) to by the Commanding Officer, INS *Baaz* (CO), citing the Height Restriction Rules, and subsequently stopped. At this stage an expenditure of ₹ 39.17 lakh, had already been incurred for the work. The AC, Campbell Bay, thereafter belatedly applied (September 2017) for NOC for the office building which was denied by the Naval Authorities (November 2017) on the ground that the building would be an aeronautical obstruction following a planned runway extension.

Audit examination showed that while granting TS in April 2016, APWD had overlooked the mandatory requirement for obtaining a NOC in terms of the Height Restrictions for Safeguarding of Aircraft Operations Rules, 2015. This was in violation of Para 2.5.1(f) of the CPWD Manual relating to Technical Sanction which stipulates that no estimate shall be technically sanctioned unless it is ensured that the detailed estimate prepared takes into account all aspects of planning and that no point has escaped notice. It was also noted that the AC, who had been intimated by the CO of INS *Baaz* about the requirement of a NOC in January 2016, itself had omitted to convey this to APWD. Thus, both failure of APWD to ensure that all factors had been taken into account at the planning stage, while preparing detailed estimates before according Technical Sanction and the omission on the part of the AC to transmit the intimation from the CO of INS *Baaz* about the need for NOC, resulted in the commencement of work without clearance and consequent wasteful expenditure on the work of ₹ 39.17 lakh.

APWD, in its reply (April 2019), stated that it was not aware of the requirement of NOC for construction of the building. The reply is not tenable, as being the authority for providing Technical Sanction, it had to ensure compliance with all existing rules and requirements. The Andaman and Nicobar Administration, in its reply (July 2020), stated that the Defence authorities were asked to re-examine the matter and grant NOC to the project and that a process for obtaining NOC for a single-storey building has been initiated. This reply is also not acceptable as the proposal for a single-storey building had also been turned down (April 2018) by the Naval Authorities. Further, no decision had been taken with regard to alternate use of the unfinished construction even after three years of stoppage of the construction.

Thus, failure of APWD to comply with codal provisions relating to grant of Technical Sanction for the work of construction of a new office building for AC, Campbell Bay, resulted in wasteful expenditure of ₹ 39.17 lakh.

## Chandigarh Administration

## 13.2 Short Collection of revenue

**The Transport Department of Union Territory Chandigarh, failed to levy revised rates of temporary registration fee from Motor Vehicle dealers, on account of issue of Temporary Registration Number to them, resulting in short collection of revenue amounting to ₹ 0.83 crore.**

Rule 42 (8) of the Chandigarh Motor Vehicles Rules, 1990 provides that the fee for Temporary Registration under this rule shall be half of the Registration Fee as specified in Rule 81 of the Central Rule. The Central Rule 81 specifies the levy of fees for issue of certificate of registration for different categories of vehicles.

The Ministry of Road Transport and Highways, in December 2016 amended the Central Motor Vehicles Rules, 1989 and revised the fee with immediate effect specified under Rule 81 for issue of certificate of registration for different categories of vehicles.

Audit noted from the records of office of the Registering and Licencing Authority (RLA) UT, Chandigarh, that the RLA, UT, Chandigarh had issued 98007 Temporary Registration Numbers to different Dealers/Agencies of Motor Vehicles during the period from December 2016 to September 2018 and charged pre-revised rates instead of revised rates from the dealers of these vehicles.

Audit further noted that non implementation of revised rate of temporary registration fee resulted in short collection of revenue amounting to ₹ 1.51 crore from the dealers, as detailed in **Table No. 1**.

**Table No. 1: Short collection of revenue**

(Amount in ₹)

Category of Vehicle	No. of dealers/ Agencies	No. of TRN issued	Fee leviable		Fee levied		Fee short levied
			@	Amount	@	Amount	
Light Motor Vehicles (Non Transport)	32	35,458	300	1,06,37,400	100	35,45,800	70,91,600
Motor Cycle/Scooter	17	56,999	150	85,49,850	30	17,09,970	68,39,880
Three wheeler	04	3,900	300	11,70,000	150	5,85,000	5,85,000
Light Motor Vehicles (Transport)	04	1,650	500	8,25,000	150	2,47,500	5,77,500
<b>Total</b>	<b>57</b>	<b>98,007</b>		<b>2,11,82,250</b>		<b>60,88,270</b>	<b>1,50,93,980</b>

In their reply, the Registering and Licencing Authority, UT Chandigarh stated (September 2020) that the temporary registration fee was charged at revised rates from the dealers with effect from 09 September 2018 onwards. It further added that they had also started the process of recovery of deficit amount on account of Temporary Registration Numbers from the concerned dealers and out of deficit amount of ₹ 1.51 crore, an amount of ₹ 0.67 crore has already been recovered (December 2018). Meanwhile, the federation of Chandigarh Region Automobile Dealers, Chandigarh filed Civil Writ Petition in the Hon'ble Punjab & Haryana High Court at Chandigarh against the recovery of deficit amount, and the matter is still *sub judice*. The RLA again started recovery of the deficit amount with effect from June 2020 from the applicants to whom the temporary numbers were issued and an amount of ₹ 59,320 has also been recovered.

The reply clearly indicated that after the legal case filed by the dealers, the Department is not able to recover the outstanding amount from the dealers and now RLA has moved to recover the amount from the individuals.

Thus, the failure of the Transport Department to implement revised rates of Temporary Registration fee, resulted in short collection of revenue amounting to ₹ 0.83 crore.

## **Dadra & Nagar Haveli and Daman & Diu Administration**

### **13.3 Irregularity in Purchase and Distribution of fruit trees by the District Panchayat, Silvassa**

**District Panchayat (DP), Silvassa incurred expenditure of ₹ three crore on purchase of fruit trees from budget head '2515'-PLAN GIA without budget provision and without devolution of fund, function and functionaries by the UT Administration. Further, DP Silvassa also favoured the Supplier while accepting the tender, and while making payment for supply and distribution of the fruit trees.**

The District Panchayat (DP), Silvassa implements various development and poverty alleviation schemes for the upliftment of the rural population of the UT of Dadra & Nagar Haveli (DNH). The DP and Development and Planning Officer (DPO), Silvassa procured and distributed fruit trees procured at a cost of ₹ three crore among villagers/farmers of 20 Village Panchayats (VPs) as part of activities under "Social and Farm Forestry" for which expenditure was incurred from the budget head '2515'-PLAN GIA General. Audit examination of records (April 2018) relating to the purchase, supply and distribution of the fruit trees, disclosed several deficiencies which are detailed in the subsequent paras.

### **13.3.1 Lack of authority to incur expenditure**

As per 11<sup>th</sup> Schedule of the Constitution of India and the 3<sup>rd</sup> Schedule of the Dadra & Nagar Haveli (DNH) Panchayat Regulation (PR), 2012, “Social & Farm Forestry” is among 29 functions entrusted to Panchayati Raj Institutions. However, 11 functions including “Social & Farm Forestry” are yet to be assigned to PRIs and only 18 functions have either been fully or partly assigned. However, for executing any work relating to the subject “Social & Farm Forestry” devolution of funds, function and functionaries to the PRIs is necessary.

In addition, Section 89 of DNH Panchayat Regulation, 2012, stipulates that a DP will prepare a budget for each year and obtain approval of the Administrator of the UT for the same through the Finance Department of Union Territory Administration. No expenditure shall be incurred by the DP unless the budget is approved by the Administrator. Audit observed that as the UT Administration of DNH had not devolved the function of “Social & Farm Forestry” to the DP Silvassa, no plan had been prepared by them for this subject. As this function continued to be vested with the Forest Department of the DNH, it is this Department that had the responsibility for distribution of trees to villagers/farmers of the VPs of DP, Silvassa. Further, the work of purchase and distribution of fruit trees was not part of the annual action plan under the budget head ‘2515’-PLAN GIA General of DP Silvassa and did not have the approval of the Administrator. Despite the above, DP Silvassa incurred expenditure of ₹ three crore during the financial year 2016-17 on purchase of fruit trees for distribution among villages under the subject “Social & Farm Forestry”.

The DPO, DP Silvassa replied (April 2018) that being an Autonomous Body, the DP Silvassa had initiated the work using available funds under the MH 2515 GIA-General to improve the environment and to benefit the farmers/villagers. Further, under the 3<sup>rd</sup> Schedule of the DNH PR, 2012, matters relating to “Agriculture including extension and Social Forestry/Farm Forestry” are within the jurisdiction of the DP. It also added that the expenditure was within powers delegated to the DP.

The reply is not acceptable as devolution of funds, function and functionaries relating to “Social & Farm Forestry”, to the DP, Silvassa which was necessary to execute any work under the subject, had not been done by the UT Administration to PRIs. This work continued to be vested with the Forest

Department of UT Administration, which was executing the work from the budget allotted under the head 2406-102- “Social & Farm Forestry”.

Undertaking the work of providing fruit trees by DP, Silvassa without budget provision and without devolution of this function and funds by the UT Administration, was unauthorised and irregular and involved diversion of funds provided for some other purpose without due approval of the UT Administration.

### **13.3.2 Irregularities in tendering and award of work**

Central Vigilance Commission (CVC) instructions require that prior to accepting any price offer/bid, reasonableness of quoted rates should be established *vis-à-vis* estimated rates and the prevailing market rates.

President, DP Silvassa accorded (11 July 2016) Administrative Approval and Expenditure Sanction (AA&ES) for ₹ 1.50 crore for the purchase of fruit trees. No market survey was done while preparing estimates and the tender for the purchase based on a rough estimate of ₹ 1.50 crore was issued on the same day the AA&ES was accorded.

As per terms and condition of the tender, bidders were required to upload scanned copies of several documents. Seven bidders uploaded all the required scanned documents of whom five took part in the bid meeting (19 July 2016). Audit observed that DP, Silvassa (July 2016) rejected the technical bids of five bidders, on the grounds that they had not submitted the required documents, though they had uploaded all the documents and were also directly engaged in the nursery and farm business. DP, Silvassa shortlisted the remaining two bidders for opening of financial bids. These bidders had furnished experience certificate for supply of food stuff/biscuits for Mid-Day Meal (MDM) Scheme and for a Social Welfare Girls Hostel though the requirement was for experience for “similar work”, i.e. work similar to supply of fruit trees and horticulture.

After opening of financial bids, M/s V.K. & Sons, Valsad emerged as the lowest bidder (L1). However, audit scrutiny showed that its rates were abnormally high when compared to the rates for fruit trees being charged by Navsari Agriculture University (NAU). Details are given in **Annexe-13.1**.

Disqualification of several eligible bidders at the technical evaluation stage, overlooking lack of relevant experience of the two remaining bidders, and

failure to assess the reasonability of quoted rates amounted to extending undue favour to the firm awarded the work.

The DPO, DP Silvassa accepted the facts but stated that the work was in the interest of the environment and the rural economy and was taken up based on the CEO's instructions. He claimed ignorance of CVC guidelines and of the rates fixed by the NAU, but assured that these issues would be kept in view during future purchases.

However, the fact remains that the procurement process for the fruit trees was vitiated and was not in compliance with CVC guidelines.

### 13.3.3 Deficiencies in supply of the fruit trees

Initially, based on the AA&ES accorded in July 2016, the DP Silvassa (July-August 2016) placed two supply orders for ₹ 127.50 lakh and ₹ 22.50 lakh respectively, on M/s V.K. & Sons. After obtaining AA&ES for an additional amount, DP Silvassa placed (August 2016) a new order for ₹ 1.50 crore at the same rate on the same Vendor, without inviting any fresh tender.

Audit observed the following deficiencies in supply:

- a) In the case of the 1<sup>st</sup> order for ₹ 127.50 lakh, supplies deviated from the order as given in the **Table No. 2** with numbers with amounts being adjusted.

**Table No. 2: Supplies deviated from the order**

Name of the tree	Mango	Coconut	Chikku	Guava	Jamboo	Limbo	Sitafal	Ramfal	Kaju
Ordered quantity	10,000	10,000	5,000	5,000	2,000	2,000	2,000	2,000	2,000
Supplied quantity	15,375	13,700	100	3,204	1,980	1,200	100	0	0

Though supplies deviated from the order, DP Silvassa did not record any reason for the same and instead placed a second order for ₹ 22.50 lakh to the same Supplier for supply of 5625 mango trees. Audit observed that these 5625 mango trees had already been supplied six days prior to the order being placed.

- b) Audit observed that against the third supply order of ₹ 150.00 lakh for 20,000 Mango trees and 20,000 Coconut trees, no specific name of any fruit plant was mentioned on the delivery challan. The delivery challans did not record details of vehicles through which deliveries were made. Payment of ₹ 150.00 lakh was thus made to the Supplier without verifying the details of delivery.

c) The above also shows that DP, Silvassa had not done any comprehensive assessment of requirements and had undertaken the procurement on a piece meal basis.

#### **13.3.4 Deficiencies in stocking and distribution of the fruit trees.**

As per Rule 187 of GFRs, 2005, while receiving goods and materials from a Supplier, the officer-in-charge of stores should refer to the relevant contract terms and follow the prescribed procedure for receiving materials. This included counting and measurement of material received and verifying if the same is as per specifications and without damage or deficiency; providing a receipt for the materials and entering the material in the appropriate stock register under the certificate of the officer-in-charge of stores. Scrutiny of records relating to the procurement of the fruit trees showed that trees received were neither entered in the stock register of any Village Panchayat nor was their receipt certified by any responsible officer.

Further, as per norms of the Forest Department of the UT of DNH for distribution of fruit trees under Social & Farm Forestry, details of land (Farm/house/patta land) of the beneficiaries on which the trees are planted are required to be entered in the distribution register. This was not done by DP, Silvassa while distributing the fruit trees.

On the observations on supply and distribution of the fruit trees, DPO, DP Silvassa stated that subsequent orders for the fruit trees were placed due to increase in demand for trees by public representatives. It added that the deficiencies noticed by audit will be rectified in future purchases. However, no specific reply was given with regard to stocking of the trees.

The Draft Paragraph was issued to the Ministry of Home Affairs (MHA) with a copy to Administrator of the UT Dadra & Nagar Haveli and Daman & Diu (February 2020) and reminders for reply were also issued. However, their reply was awaited (December 2020).

Thus, DP Silvassa incurred expenditure of ₹ 3.00 crore on purchase of fruit trees from an unauthorised budget head without any budget approval, and without functions relating to “Social & Farm Forestry” being devolved to it by the UT Administration. Further, tendering for the work was vitiated and the work was awarded at higher rates without ascertaining their reasonability thereby allowing favours to a particular Supplier. In addition, the supply and distribution of the fruit trees were deficient in several respects. UT Administration may therefore, institute an enquiry:

- (a) to identify weakness in internal controls and plug the risks and gaps that allowed such irregularities to occur;
- (b) to secure procedures from such lapses in future;
- (c) and fix responsibility for the irregularities especially with respect to tendering and award of works, as an effective deterrent.

**13.4 Irregular and excess payment to Contractor on “loan basis” without verification of supply and without approval of UT Administration and approved budget allocation**

**District Panchayat, Silvassa made payment of ₹ 1.98 crore to a Supplier for supply of food stuff under Supplementary Nutrition Programme, without any supply order and without any approval for the higher tendered rates for the supply and without allocation of funds under the budget. In the absence of due approvals and allocations, norms for making payments were by-passed and payment released as a loan from “interest” accrued by another Department. This also resulted in payment which was ₹ 18.23 lakh in excess of the approved rates of the Department.**

Section 89 of DNH Panchayat Regulation, 2012, stipulates that no expenditure shall be incurred by the District Panchayat (DP) unless its budget is approved by the Administrator.

Rule 58 of GFRs, 2005<sup>4</sup>, stipulates that any subordinate authority incurring expenditure should be responsible for ensuring that allocation of funds at its disposal is not exceeded. If any excess over the allotment is anticipated, the additional allotment should be obtained before incurring any excess expenditure.

The Integrated Child Development Services (ICDS) branch of DP Silvassa, which comes under the Child Development Project Officer (CDPO), implements the scheme of Supplementary Nutrition Programme (SNP) for children aged from 6-72 months, “Severely Underweight Children (SUC)”, “Pregnant Mother & Nourishing Mother” (PM/NM) and adolescent girls aged 11-18 years (SABLA) who have dropped out of school. As per the order of UT Administration (February 2015), rates of ₹ 12 per child and ₹ 15 per individual under other categories viz SUC, 6-72 months old child, PM-NM and SABLA, were fixed for supply of SNP food.

CDPO invited (May 2016) a tender to supply food material during 2016-17 under SNP. Based on the tender, M/s V.K. & Sons, Valsad was selected

<sup>4</sup> Rule 208(1) of General Financial Rules (GFRs), 2017 contains similar provisions for Additional Allotment for excess expenditure

(June 2016) being the lowest bidder at his quoted rate of ₹ 13.23 per child and ₹ 16.50 per person under the other categories (i.e. SUC etc.). The Department submitted (July & September 2016) a proposal for additional budget for this work but the proposal was not accepted by the UT Administration. Thus, the CDPO did not issue any work order to the Supplier. UT Administration approved (December 2016) the budget for the scheme at the previously approved rate of ₹ 12 per child and ₹ 15 per individual under other categories viz SUC, 6-72 months old child, PM-NM and SABLA

Audit noted (April 2018) that though the UT Administration had not approved the higher rate quoted by the Supplier, the Supplier supplied food stuff material without any work order (July-September 2016) and submitted (October 2016) bills totalling ₹ 1.98 crore. This was ₹ 18.23 lakh higher than the amount payable based on the rate approved by the UT Administration. These bills submitted by the Supplier had also not been verified by the CDPO.

Audit also noted that the bills amounting to ₹ 1.98 crore were paid (November 2016) to the Supplier from the interest income of PWD (Irrigation). This payment was on “loan basis” without any budget approval and without availability of funds. The payment was, thus, in violation of Section 89 of DNH Panchayat Regulation, 2012 and also Rule 58 of GFRs, 2005.

CDPO, DP Silvassa stated (April 2018) that supply was made by the Supplier without work order on oral instructions and the excess payment will be recovered from the Supplier from subsequent payments due to him. CDPO also stated that it had not verified the Supplier’s bills as it had not issued any work order for the same. PWD (Irrigation), Silvassa (April 2018) accepted making payment of ₹ 1.98 crore directly to the Supplier as a “loan” based on written approval of the Chief Executive Officer (CEO) of the DP Silvassa, and a hand receipt was taken from the Supplier.

The matter was reported to the Ministry of Home Affairs (MHA) with a copy to Administrator of the UT Dadra & Nagar Haveli and Daman & Diu (February 2020) and reminders for reply were also issued. However, their reply was awaited (December 2020).

Thus, District Panchayat (DP) Silvassa made payment of ₹ 1.98 crore to a Supplier for supply of food stuff under SNP, without any supply order and without any approval for the higher tendered rates for the supply and without allocation of funds under the budget. In the absence of due approvals and

allocations, norms for making payments were by-passed and payment released as a loan from out of “interest” accrued by another Department. This also resulted in payment which was ₹ 18.23 lakh in excess of the approved rates of the Department.

## Lakshadweep Administration

### 13.5 Idling of funds

**Union Territory Lakshadweep Administration (UTLA) irregularly released funds amounting to ₹ 1.15 crore for projects much in advance of actual requirement and without taking preparatory steps. It also failed to monitor use of these funds as also the progress of projects for which the funds were released. As a result, funds amounting to ₹ 1.15 crore remained unutilised, and parked with LPWD resulting in idling of funds for more than ten years.**

Rule 100 (2) of the Receipt and Payment Rules, 1983, stipulates that money shall not be drawn from the Government Account unless it is required for immediate disbursement, and that money cannot be drawn from Government account in anticipation of demands or to prevent lapse of budget grants. Further, Public Bodies and Institutions receiving non recurring grants are required to furnish a Utilisation Certificate (UC) within 12 months of closure of the financial year in which the grant was sanctioned.

Audit scrutiny of the records of the Union Territory Lakshadweep Administration (UTLA) disclosed two projects where payments were made in violation of the above mentioned statutory rules. These cases are discussed below.

#### **Project A: “Creation of Storage facilities for Agricultural Products of Lakshadweep for Marketing”.**

Ministry of Agriculture released (February 2009) Central Assistance (CA) of ₹ 5.01 crore under Rashtriya Krishi Vikas Yojana (RKVY) during 2008-09, to the UTLA. One of the projects to be taken up under RKVY was “Creation of Storage facilities for Agricultural Products of Lakshadweep for Marketing”. The Directorate of Fisheries, Lakshadweep RKVY, Kavaratti which received the CA, transferred (October 2009) ₹ one crore, to the Director, Food, Civil Supplies and Consumer Affairs (FCS & CA) Kavaratti, i.e 50 per cent of RKVY funds for the project, as the first instalment for the project. This amount was for the construction of godowns at Kavaratti, Agatti & Amini Islands for storage of food grains and other agricultural products. Director, FCS & CA in turn, deposited (November 2009) the entire amount with the Executive

Engineer, Lakshadweep Public Works Department (LPWD) Kavaratti, and furnished a UC (July 2010) to the Director of Fisheries, showing the funds transferred as utilised. However, after a lapse of eight years, in March 2017, the Executive Engineer, LPWD Kavaratti refunded ₹ one crore paid for the project, to the Director, FCS & CA This was done as the Directorate of FCS & CA had not been able to identify land for the project. It was intimated (September 2019) that land for the godown at Amini had been identified but was not handed over as acquisition process was pending. In the other locations, i.e. at Kavaratti and Agatti Islands, land was yet to be identified for construction of godowns.

**Project B: “Construction of first floor to the Super Bazaar for housing the office of the Directorate of Food & Civil Supplies at Kavaratti”.**

UTLA accorded (April 2010) Administrative Approval and Expenditure Sanction for the work “Construction of first floor to the Super Bazaar for housing the office of the Directorate of Food & Civil supplies at Kavaratti” for an amount of ₹ 97.75 lakh. Audit noted that the Director, FCS & CA had, prior to the grant of Administrative Approval for the work, already deposited (March 2010) ₹ 15.00 lakh with the Executive Engineer, LPWD Kavaratti for the work. This amount was, however, not utilised and the Executive Engineer, LPWD Kavaratti refunded this amount along with the payment for Project A, totalling ₹ 1.15 crore to the Director, FCS & CA. Audit noted that this could not be used as the work had not materialised in the absence of permission for construction by the Kavaratti Island Co-operative Supply and Marketing Society Authorities/Board (September 2020).

Audit noted that funds for the above mentioned projects, had been provided by UTLA in anticipation of demand and much in advance of the requirements materialising. It was also noted that preparatory steps for execution of the works such as availability of land, and obtaining of required permissions had not been taken by UTLA before releasing funds. Further, in the case of Project A, funds released were shown as utilised without any expenditure having taken place, which was a misrepresentation of the actual status of expenditure on the project. Release of funds for the projects much in advance of actual requirements, also led to idling of funds for over nine years.

Audit also noted that no measures had been taken to monitor use of funds released for the projects, and to obtain return of the unused funds to the Government in time, once land for the project and permissions had not been obtained. On the contrary, in a meeting (June 2017) under the chairmanship of

Collector & Secretary (Food & Civil Supplies), a decision was taken to allow LPWD to retain the funds for the time being, and the amount of ₹ 1.15 crore was accordingly returned to the Executive Engineer, LPWD. These actions were violation of statutory provisions.

Thus, UTLA irregularly released funds amounting to ₹ 1.15 crore for projects much in advance of actual requirement. It also failed to monitor use of these funds as also the progress of projects for which the funds were released, as a result of which funds amounting to ₹ 1.15 crore remained parked with LPWD resulting in idling of funds for more than ten years.