

CHAPTER–III

Compliance Audit Observations Relating to Departments and Entities (Other Than PSUs)

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3. Compliance audit observations relating to Departments and Entities (other than PSUs)

Important audit findings emerging from test check of transactions made by the various departments/entities are included in this Chapter.

Department of Environment, Forest and Climate Change

3.1 Fraudulent payment against plantation work

Forest Divisions made fraudulent payment of ₹ 1.37 crore involving 1,058 payment vouchers for various works by mentioning false registration numbers of vehicles through which works were claimed to be executed.

Paragraph 138 of Chapter IX (Conservancy and works - Measurement) of the Financial Handbook Volume-VII of Government of Uttar Pradesh provides that payments to contractors for works or supply can be made only by the Divisional Officer, or by an authorised subordinate officer and no payment should be made until the correctness of the claim, in respect of quantities and rates as well as the quality of work or supply and other necessary factors, has been accepted by a responsible officer.

A test-check by Audit (December 2020) of monthly vouchers of payment for various works for the years 2016-17 to 2018-19 in 20 Forest Divisions¹ revealed that the Divisions had executed work of digging of pits and trenches, soil work, transportation of saplings, cow dung, brick works, watering of plants, *etc.*, for plantation and conservation purposes by using tractors and JCB excavators on contracts. The payment vouchers contain details of name of the contractor to whom payment was made, registration number of tractor/JCB, *etc.*, through which the work were executed, details of works executed, rates and amount paid against executed works, *etc.*

Audit verified the tractors/JCBs' registration number mentioned in the payment vouchers with the records (vahan.nic.in) of Transport Department of Government of Uttar Pradesh. It was noticed that the vehicle registration numbers indicated in the payment vouchers, against which payments were made by the Divisional Forest Officer, were registered as vehicles other than tractors and JCBs *viz.* motorcycles, jeeps, scooters, mopeds, *etc.*

Thus, the works for plantation and conservation purposes, claimed to have been done under vouchers with false tractors/JCBs numbers, had actually never taken place and the payment of ₹ 1.37 crore involved in 1,058 vouchers (**Appendix 3.1**) made to the contractors/individuals was *prima facie* fraudulent and the amounts so claimed tantamount to embezzlement.

Audit reported (in December 2020 and March 2021) the matter to the Principal Chief Conservator of Forest (PCCF).

¹ For the month of March 2017 (in 12 Divisions), July 2017 (in one Division), March 2018 (in seven Divisions) and March 2019 (in eight Divisions).

In its reply (January 2021), the PCCF accepted the audit observation and initiated disciplinary action against the delinquent officials and added that the works were actually executed while the incorrect vehicles numbers were posted. Further, the PCCF stated that an enquiry has been set-up under senior officers at Headquarters for physical verification and checking of records.

Audit, while appreciating the course of action taken by the PCCF as per the reply, is of the view that given the serious nature of infraction, appropriate and timely action needs to be taken by the Government against the responsible officials for the fraudulent payments and dereliction of duty.

Further, the Government may conduct a comprehensive examination of all vouchers of the concerned years in these Divisions for detecting similar fraudulent payments as Audit conducted test check for only selected few months in 20 Divisions.

In its reply (January 2022), the Government stated that the 14 officials have been suspended, 137 have been chargesheeted and 44 officials have either retired or died. Disciplinary proceedings against the remaining delinquent officials are under process.

Infrastructure and Industrial Development Department

Uttar Pradesh Expressways Industrial Development Authority

3.2 Excess payment on purchase of land

UPEIDA made excess payment of ₹ 3.65 crore due to execution of sale deeds at rates higher than the approved land rates for purchase of land in Kannauj District.

The Government of Uttar Pradesh Order (September 2013) provides that as per general policy to acquire land for all projects, the land will be directly purchased on the basis of agreement between the land owners and acquiring bodies. The compensation for purchase of land for road/expressways projects will be decided by the District Level Rate Fixation Committee (Committee) headed by the District Magistrate of the concerned districts and the rates will be fixed through mutual consent based on prevalent market rate and other related information. Further, the Committee will send these rates to the acquiring body with its recommendation for approval.

Uttar Pradesh Expressways Industrial Development Authority (UPEIDA), the acquiring body for the land to be used in construction of Lucknow-Agra Expressway, was required to comply with procedures defined in aforesaid Government Order. UPEIDA in its 22nd Board meeting (17 June 2014) authorised its Chief Executive Officer (CEO) to approve the rates decided by the Committee on which land was to be purchased. The Committee of District Kannauj finalised (02 July 2014) the rates² of land for 50 villages in Kannauj District required for construction of the Lucknow-Agra Expressway. CEO of UPEIDA approved (07 July 2014) the rates recommended by the Committee.

² Four times of the prevalent DM Circle rates of concerned village for general agricultural land and agricultural land adjacent to *Abadi*.

During test check of records, Audit noticed (August 2019) that UPEIDA purchased³ land in seven villages in Kannauj District and in contravention to the provisions of Government Order (September 2013), executed 88 *Bainamas* (sale deeds) at the rates higher than that recommended by the Committee and approved by the CEO of UPEIDA, on the grounds that these lands were adjacent to road.

District Magistrate (DM), Kannauj in its letter (05.01.2021) addressed to the CEO, UPEIDA mentioned the fact that in above *Bainamas* executed, there was no mention about existence of road in '*Chauhaddi*'⁴ hence, these sale deeds were executed on higher circle rate than approved circle rate for which UPEIDA's approval was required but was not taken in these cases. Resultantly, UPEIDA paid an excess land value amounting to ₹ 3.65 crore⁵ (**Appendix-3.2**) to the landowners.

Audit scrutinised sale deeds and noticed that in 40 out of above 88 sale deeds (**Appendix-3.3**), there was no mention of any road and also acquired land was surrounded (*Chauhaddi*) by agricultural land only. In the remaining 48 sale deeds, although there was mention of road, however, these were also surrounded by the agricultural land. But, in none of these 48 cases, *pucca* (asphalted) road was shown in the revenue maps prepared (October 2013) for acquisition of land for the Expressway.

UPEIDA in its reply (May 2021) stated the amount of difference was in rates due to difference in amount of the Circle rate for agricultural land and land situated on road. UPEIDA further stated that Additional District Magistrate (ADM), Kannauj had conveyed that *Gatas* in sale deed were situated on asphalted road and these roads existed at the time of registration. Hence, *Bainamas* were executed at the four times circle rate of the road side land and payment was made accordingly.

Reply of UPEIDA is not acceptable as it could not provide supporting revenue documents pertaining to the period of sale deeds in support of fact stated in ADM's letter. Further, maps of Revenue Department of October 2013 confirm that *pucca* (asphalted) road was not existing at respective *Gatas*. Besides, DM, Kannauj itself stated in his letter dated 05 January 2021 that there was no mention of the road in *Chauhaddi* and excess payment was made without approval of the Authority and recoveries in all 88 deeds should have been made.

The Government needs to investigate the matter for executing the sale deeds at the higher rates and fix the responsibility for the same.

The matter was reported to the Government (March 2021). The reply is awaited (November 2021).

³ During the period from July 2014 to July 2015.

⁴ Description of land that existed in all four directions of respective *Gata* (piece of land).

⁵ Amount has been worked out for all 88 *Bainamas* on the basis of DM, Kannauj's letter and revenue map.

Yamuna Expressway Industrial Development Authority

3.3 Excess payment against area more than actually available in records

The Authority made payment of ₹ 2.71 crore for more than actual area available in records.

Uttar Pradesh Power Transmission Corporation Limited requested (June 2012) Yamuna Expressway Industrial Development Authority (Authority) to allot 75 acre (30.3514 hectare) land in village Jahangirpur, District Gautam Buddha Nagar near Yamuna Expressway for construction of 765 KV sub-station. A proposal for acquisition of land for sub-station was initiated (September 2012) by the Authority's officials which was approved (September 2012) by the Chief Executive Officer (CEO) of the Authority. The Authority executed (December 2012 to December 2015) 159 sale deeds for purchase of 54.365 hectare land spread over 150 *khasras*⁶.

Audit noticed (March 2019) that out of 150 *khasras* of revenue records, the actual area in 17 *khasras* was 6.3990 hectares. The Authority, however, overlooked the area actually available in land records/verification reports⁷ submitted by District Authority, and purchased area measuring 7.98935 hectares (**Appendix-3.4**) through executing *bainamas* (sale deeds) relating to aforesaid 17 *khasras*. This has resulted in payment against 1.59035 hectare land which was not actually available in respective *khasras*/verification reports. The Authority paid ₹ 13.60 crore⁸ as compensation, annuity and additional compensation for purchase of 7.98935 hectares land. Consequently, due to not reconciling purchased land with land records/verification reports, the Authority suffered loss of ₹ 2.71 crore⁹ on purchase of 1.59035 hectare land. Further, the Authority also incurred expenditure of ₹ 0.10 crore as stamp duty¹⁰ on purchase of land against an area not available in records.

In its reply, the Authority accepted (July 2021) that there was a difference of 1.5935 hectare between area mentioned in the 17 sale deeds and revenue records. Further, it stated that the purchase of land was done on the basis of land records made available by the District Authority.

The reply that the purchase was done on the basis of land records made available by the District Authority is not acceptable as the land mentioned in verification reports of the District Authority was less than the area against which payment was made. Hence, the Authority is fully responsible for purchasing unavailable land due to not exercising due diligence by its officials¹¹ of the Land Department.

⁶ The Khasra Register of village (maintained in Tehsil) contains the Khasra No., total area of each Khasra in hectare, names of land owner of that Khasra (owner of one Khasra may be more than one), the portion land holding of each owner against each Khasra.

⁷ Verification reports for the seven *Khasras*, *i.e.*, 381, 383, 387, 392, 394, 419 and 771 were not available in the records.

⁸ ₹ 9.70 crore as compensation, ₹ 0.51 crore as annuity and ₹ 3.38 crore as additional compensation.

⁹ The value of unavailable land = ₹ 13.60 crore x 1.59035/7.98935 hectare.

¹⁰ Total stamp duty paid for 7.98935 hectare was ₹ 50,41,662. Stamp duty paid for excess land was ₹ 10,03,587 (₹ 50,41,662 x 1.59035/7.98935 hectare).

¹¹ Lekhpal, Nayab Tahasildar, Tahasildar, Officer on Special Duty (OSD), Dy. CEO and CEO.

The matter was reported to the Government (March 2021). The reply is awaited (November 2021).



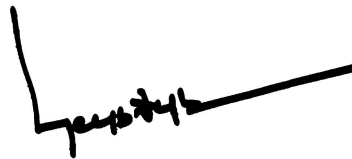
(TANYA SINGH)

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The 20 May 2022

Countersigned



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

New Delhi

The 25 MAY 2022

