

## AUDIT PARAGRAPHS

### Agriculture Education and Research Department

#### 3.1 Unfruitful expenditure on incomplete construction of technical college building

**Due to laxity in firming up the scope of work, delay in release of fund at department level as well as failure of executing agency to obtain Technical Sanction before commencement of construction resulted in unfruitful expenditure of ₹ 54.80 crore on incomplete construction of College of Agriculture Engineering and Technology due to which intended objective of the project was not achieved.**

Paragraph 318 of Financial Hand Book, Vol. VI envisages that for every work proposed to be carried out, a properly detailed estimates must be prepared for technical sanction (TS) and it must be obtained before a work is commenced.

Scrutiny of the records (December 2021) of the Banda University of Agriculture and Technology, Banda (BUAT) revealed that out of various colleges<sup>1</sup> envisaged under the University Master Plan, BUAT submitted (August 2010) a detailed project report (DPR) proposing estimates of ₹ 95.53 crore for construction of building for College of Agriculture Engineering and Technology (CAET). The proposed DPR envisaged construction of two floors consisting of ground floor (23,793 sqm) and first floor (20,789 sqm) for seven departments<sup>2</sup> under the college. In view of recommendation of the Expenditure Finance Committee on the detailed estimates, the State Government accorded (January 2011) administrative approval of ₹ 89.24 crore for the project and also accorded financial sanction of ₹ 63.28 crore which was subsequently revised (February 2011) to ₹ 53.28 crore.

The construction work of the CAET building was stopped in February 2012 after achieving 45 *per cent* progress in the work, which included slab works of the ground floor and some columns of the first floor. The

<sup>1</sup> The university master plan envisaged to have eleven colleges. Out of these four colleges were functional, viz., Agriculture College, Horticulture College, College of Forestry and College of Community Science. As on March 2024, the construction of building of Veterinary Medical College was complete, which was proposed to be functional from next academic session. The building of College of Engineering and Technology was incomplete as on March 2024. Remaining five colleges, viz., College of Agriculture Management, College of Dairy Technology, College of Fundamental Science and Humanities, College of Food Technology and College of Fisheries, were not sanctioned as of March 2024.

<sup>2</sup> Ground floor: Department of Architecture, Department of Civil Engineering, Department of Electrical Engineering and Department of Mechanical Engineering; First floor: Department of Agriculture Engineering, Department of Computer Science and Department of Mining.

construction remained incomplete as on March 2024, as depicted in the following photographs:



***Technical Sanction not obtained before commencing construction work***

While granting administrative approval, the State Government directed that the work should be commenced only after obtaining TS from the competent authority. However, Executing Agency (EA) started the construction work in January 2011 with stipulated date of completion in December 2014<sup>3</sup> without obtaining TS for the work. Audit noticed that BUAT released ₹ 53.28 crore to the EA in three instalments<sup>4</sup> during January to March 2011. Subsequently, TS of ₹ 89.24 crore for the project was accorded (August 2013) by the Director, Construction & Design Services (C&DS) of UP Jal Nigam, against detailed estimates of

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<sup>3</sup> As per Government order dated January 2011 relating to Administrative Sanction, the work was to be completed by June 2011.

<sup>4</sup> First instalment of ₹ 12.66 crore (January 2011), the second instalment of ₹ 19.31 crore (March 2011) and the third instalment of ₹ 21.31 crore (March 2011).

₹ 105.94 crore submitted (April 2012) by the Project Manager, C&DS. Since the proposed detailed estimates (₹ 105.94 crore) was ₹ 16.70 crore more than the estimates approved in the administrative sanction (₹ 89.24 crore), the Director, C&DS directed the Project Manager to complete the project upto the approved estimates and the remaining work was to be taken up after receiving approval of the revised estimates. Thus, TS was sanctioned in August 2013 after more than two years of commencement of the work and despite TS sanctioning authority being aware that the amount for which TS was being accorded was much less than the detailed estimates. The work was stopped in February 2012 citing lack of funds.

### ***Indecisive approach in determining scope of work***

The construction works of BUAT was reviewed in a meeting (April 2011) of an Expert Committee<sup>5</sup> constituted for examination and recommendation of proposals to open new colleges and departments under agricultural universities. During the meeting, the Principal Secretary, Agriculture, Agricultural Education and Research directed for construction of only ground floor of the CAET building and the decision on remaining construction was to be taken after finalising the departments to be run in the college. At this stage, expenditure of ₹ 12 crore (approximately) had been incurred on the piling work of the CAET building. Thereafter, the EA informed (September 2011) the State Government that 50 *per cent* work of the ground floor was completed after incurring expenditure of ₹ 25.31 crore and the EA also requested for permission for construction of the first floor. However, the Government directed (October 2011) the Vice-Chancellor (VC), BUAT to provide a report including its views in the matter. In its report (February 2012), the VC recommended for the construction of the first floor to run six disciplines/ branches of engineering in the college<sup>6</sup>.

Later, the Government decided (February 2014) to conduct four courses<sup>7</sup> in CAET and constituted a committee with the direction to submit a proposal on the basis of minimum requirement after site inspection so that the technical college could be completed to commence teaching. The report of the committee was sent by the VC to the Government (August 2014), which recommended that the ground floor of the building had enough space to run four undergraduate programs<sup>8</sup> and pillars already

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<sup>5</sup> Under the Chairmanship of Director General, Uttar Pradesh Council of Agricultural Research/Principal Secretary, Agriculture, Agricultural Education and Research

<sup>6</sup> It was recommended to open Agricultural Engineering, Civil Engineering, Electronics and Communication Engineering, Mechanical Engineering, Computer Science and Engineering, Mining Engineering under CAET.

<sup>7</sup> Mechanical, Civil, Agricultural Engineering and one more.

<sup>8</sup> Agricultural Engineering, Mechanical Engineering, Civil Engineering and Electrical & Electronics Engineering.

constructed on the first floor could be used to make a dome-shaped Auditorium. The proposal thereafter remained under correspondence between the EA, BUAT and the State Government without any decision on the scope of work and the revised estimates.

Audit further noticed that BUAT sent (February 2021) a revised estimate of ₹ 95.54 crore to the State Government limiting the building work of CAET to the ground floor. However, the Government directed (October 2021) the VC, BUAT that there was no justification to revise the estimates as the entire approved estimates of the ground floor was already released in lump sum and therefore, responsibility should be fixed for incurring entire expenditure without completing the work. The Government further directed the University to complete the construction of the ground floor within the original sanctioned cost. However, the VC, BUAT informed (November 2021) the Government that enquiry committee may be constituted at the Government level as there was no technical post in the University. Subsequently, the Government constituted (January 2022) an enquiry committee which visited (May 2022) the under construction building of the college and did not find any irregularity in construction work. The Committee also recommended for the speedy completion of under construction building.

In reply (July 2023), State Government stated that the financial sanction was revised and reduced to ₹ 53.28 crore, but no reduction of work was shown in the revised sanction order, therefore, the work was carried out as per previous drawing and design of ground and first floors. State Government further stated that the university and the EA had made continuous correspondence with the Government to complete the construction of the college. Thus, there was no laxity at the level of University and EA and meaningful efforts were made to complete the work. State Government also stated that the proposed construction work was stopped due to lack of fund since February 2012 and at present, the revised estimates of ₹ 95.41 crore was approved (March 2023) and ₹ two crore was further released for the project.

The fact remains that due to delay in taking decisions regarding the departments to be operated in CAET, start of work before obtaining technical sanction, release of instalments without ensuring progress of the work, non-compliance of the decision taken in the meeting of Expert Committee to restrict construction to ground floor only, the construction work has been stopped since February 2012. The expenditure of ₹ 51.90 crore incurred on the project, thus, remained unfruitful. As

informed (April 2024) by the EA, out of ₹ 57.28 crore released<sup>9</sup> by the State Government, ₹ 54.80 crore was spent with physical progress of only 58 per cent against the revised scheduled date of completion in March 2025. The construction work of CAET still remained incomplete even after time overrun of more than nine years and expenditure of ₹ 54.80 crore due to which intended objective of the project remained unachieved.

### Housing and Urban Planning Department

#### 3.2 Unfruitful expenditure of ₹ 42.02 crore

**Due to an injudicious decision to construct 680 flats under the Self-Financed Yojana without demand survey, construction of 488 flats was left incomplete at the stilt level resulting in unfruitful expenditure of ₹ 42.02 crore on abandoned incomplete structure.**

Uttar Pradesh Awas and Vikas Parishad (UPAVP) Board approved<sup>10</sup> (March 2015) a project for construction of multi-storeyed flats including 2,344<sup>11</sup> flats under Samajwadi Awas Yojana (SAY)<sup>12</sup> and 480<sup>13</sup> flats under Self-Financed Yojana-2015 (SFY) in Sector-7D of Awadh Vihar Yojana situated at Sultanpur Road, Lucknow. For construction of these flats, administrative approval and financial sanction of ₹ 482.62 crore was accorded (April 2015) by Superintending Engineer (Project), UPAVP.

Scrutiny of records (July 2022) of Executive Engineer, Construction Division-08, UPAVP, Lucknow and information collected (March 2023) therefrom revealed that the project was modified (November 2015) for construction of 1,960 flats under SAY and 680 flats under SFY keeping in view feasible blocks at the site of work. An agreement for ₹ 525.29 crore was executed (January 2016) with a contractor for construction of these multi-storeyed residential flats and work was commenced in January 2016 with completion date in July 2018. The modified project was approved by UPAVP Board in September 2016 and technical sanction of ₹ 587.82 crore for the modified project was accorded by the Chief Engineer, UPAVP in November 2016.

Further scrutiny revealed that UPAVP Board<sup>14</sup> decided (July 2017) to stop construction of flats under SFY schemes in which registration of buyers

<sup>9</sup> State Government had sanctioned ₹ 53.28 crore in February 2011, ₹ two crore in March 2023 and ₹ two crore in November 2023.

<sup>10</sup> In Board's 232<sup>nd</sup> meeting held on 26 March 2015.

<sup>11</sup> 1 BHK (EWS)-880; 1 BHK (LIG Type A) - 528; 2 BHK (LIG Type B) - 936.

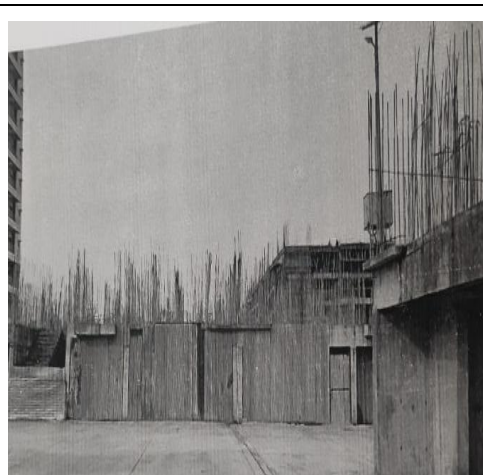
<sup>12</sup> Government of Uttar Pradesh commenced (December 2014) Samajwadi Awas Yojana under the affordable housing policy which was to be implemented by private developers as well as Development Authorities, UPAVP and other institutions of the State Government.

<sup>13</sup> 2 BHK (MIG) - 336; 3 BHK (HIG) - 144.

<sup>14</sup> In Board's 242<sup>nd</sup> meeting held on 6 July 2017.



was negligible and construction had not been commenced or where construction was up to the plinth plus stilt level. Accordingly, UPAVP stopped (July 2017) construction works of 488 SFY flat constructed upto plinth/stilt level in Awadh Vihar Yojana on which expenditure of ₹ 42.02 crore was already incurred. A joint physical inspection carried out in July 2022 revealed that the iron bars of under construction flats were exposed to atmosphere and getting rusty (**Photographs-3.2.1 and 3.2.2**).



**Photograph 3.2.1**



**Photograph 3.2.2**

UPAVP further informed (February 2024) that there was no record available in respect of survey carried out at local level before determining the number of flats under SFY and SAY schemes. Thus, due to injudicious decision to construct flats under the SFY, construction of 488 flats was left incomplete in view of lack of demand and the expenditure of ₹ 42.02 crore on this incomplete construction rendered unfruitful which could not be ruled out to be infructuous in future.

Audit further noticed that out of 1,960 flats under SAY and 192 flats under SFY constructed by UPAVP under Awadh Vihar Yojana in Lucknow, 607 SAY flats and 170 SFY flats remained vacant/unsold as of February 2024. Future of these 777 vacant/unsold flats constructed at the cost of ₹ 260.47 crore<sup>15</sup> also remained uncertain due to lack of demand. However, 96 flats of SFY were rented<sup>16</sup> out to Dr. Ram Manohar Lohia Institute of Medical Sciences, Lucknow.

In reply (June 2023 and September 2023), State Government forwarded the earlier reply/information provided (January 2023) by UPAVP that the construction work of 488 incomplete flats under SFY was not started and 96 unsold flats under SFY were rented out.

<sup>15</sup> 408 flats @ ₹ 19.23 lakh, 63 flats @ ₹ 25.20 lakh, 136 flats @ ₹ 36.50 lakh, 74 flats @ ₹ 54.74 lakh, 96 flats @ ₹ 79.15 lakh.

<sup>16</sup> Forty flats were rented out in January 2021 and 56 flats were rented out in February 2022 at the rate of ₹ 13,000 per month.

The fact remains that construction of multi-storeyed flats in Awadh Vihar Yojana of UPAVP without demand survey led to less registration of buyers under the scheme leading to the construction of 488 flats being stopped at stilt level and rendering expenditure of ₹ 42.02 crore on this incomplete construction unfruitful.

### Medical Education and Training Department

#### 3.3 Avoidable payment of interest on arrears of house tax

**Avoidable payment of ₹ 81.30 lakh was made on account of interest on arrears of house tax.**

Sections 172 and 173 of the Uttar Pradesh Municipal Corporation Act, 1959 empower Municipal Corporations to impose property tax on buildings and land in the city. Section 221-A further empowers Municipal Corporation to levy interest on arrears of the property tax.

Scrutiny of the records (January 2020) of Baba Raghav Das Medical College (BRDMC), Gorakhpur and further information collected (December 2022, January 2024 and May 2024) therefrom revealed that the Nagar Nigam (NN), Gorakhpur requested (November 2013) the Principal, BRDMC to provide information regarding land/building construction cost, so that the assessment of tax could be done under Uttar Pradesh Municipal Corporation Act, 1959. However, the Principal, BRDMC contended (December 2013) the levy of taxes on the buildings of the medical college stating that it was a government institution having its own campus and no work was being carried out in the campus by the NN. BRDMC further contended that the college was running since 1972, but tax was never assessed by the NN till date. However, the NN clarified (January 2014) to the BRDMC that the assessment of tax on all type of buildings in the limit of the NN was mandated under the Uttar Pradesh Municipal Corporation Act, 1959 and as per rule, NN does not provide facility inside the campus of any institution.

Scrutiny further revealed that NN raised (April 2015) a demand of house tax amounting to ₹ 141.66 lakh for the first time which included house tax of ₹ 63.52 lakh for the year 2015-16, arrear of ₹ 63.52 lakh up to March 2015 and interest thereon. NN subsequently issued (March 2016) a reminder to BRDMC for payment of the house tax. However, Principal, BRDMC replied (March 2016) that the contention of the college was informed to the NN in December 2013 and it also requested the NN to provide basis for demand of house tax as well as copy of receipts of payments made by another government institutions/department having

own campus. NN further raised demand for house tax of ₹ 2.25 crore for the year 2016-17 (including previous arrears) and ₹ 3.15 crore for the year 2017-18 (including previous arrears) in April 2016 and April 2017 respectively. In view of these demands of house tax, Principal, BRDMC requested (April 2017, October 2017 and July 2018) Director General, Medical Education and Training (DGMET) for sanction and release of funds for payment of house tax.

Audit further noticed that BRDMC made the first part payment of house tax amounting to ₹ 1.21 crore in March 2018 and thereafter, payments of ₹ 1.97 crore<sup>17</sup> were made between September 2018 and February 2019. Finally, BRDMC made full payment<sup>18</sup> of house tax and interest dues up to the year 2019-20 amounting to ₹ 1.45 crore in September 2019 and thereafter house tax of the years 2020-21 and 2021-22 were paid in due course.

Thus, failure of BRDMC in timely payment of house tax levied by the NN, Gorakhpur resulted in avoidable payment of interest on the house tax arrears. BRDMC was aware in November 2013 about the house tax liability to be imposed by NN, but efforts for allocation of funds were made belatedly in April 2017. Besides, DGMET did not allocate enough funds to BRDMC to clear the house tax dues. As a result, BRDMC had to incur avoidable expenditure on payment of interest of ₹ 81.30 lakh<sup>19</sup> for delays in payment of house tax dues. Moreover, BRDMC had not yet provided details of property to the NN thus, annual value of the property based on which house tax was levied by the NN remained ad hoc.

The matter was referred to the State Government (February 2023); reply is awaited (December 2024).

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<sup>17</sup> 5 September 2018 (₹ 5.50 lakh), 28 September 2018 (₹ 5.00 lakh) and 7 February 2019 (₹ 186.02 lakh). This included interest amount of ₹ 73,01,350 paid on 7 February 2019.

<sup>18</sup> Total payment of ₹ 144.83 lakh in September 2019 which included interest of ₹ 8,28,723.

<sup>19</sup> Interest of ₹ 73,01,350 up to the year 2017-18 paid in February 2019 and interest of ₹ 8,28,723 for the year 2018-19 and 2019-20 paid in September 2019.



### Medical Health and Family Welfare Department

#### 3.4 Unfruitful expenditure due to not operationalising plastic surgery and burn unit in Dr. Ram Manohar Lohia Male Hospital, Farrukhabad

**State Government could not provide human resources for operationalisation of plastic surgery and burn unit in Dr. Ram Manohar Lohia Male Hospital, Farrukhabad despite construction of its building in December 2016, which resulted in unfruitful expenditure of ₹ 1.96 crore incurred on construction of building and purchase of equipment/ furnishings.**

Government of Uttar Pradesh nominated (November 2012) *U.P. Rajya Nirman Sahkari Sangh Limited*<sup>20</sup> as executing agency for construction of Plastic Surgery and Burn Unit building in the premise of Dr. Ram Manohar Lohia Male Hospital, Farrukhabad. After completion of the construction of plastic surgery and burn unit building by executive agency at a cost of ₹ 153.26 lakh, it was handed over (December 2016) to Chief Medical Superintendent of the hospital. Meanwhile, the State Government issued (March 2016) a norm of human resources/posts for setting up the newly established plastic surgery and burn unit which provides for requirement of plastic surgeon (one post), general surgeon (two posts), casualty medical officer (three posts) and other paramedical staff (16 posts). The March 2016 Government Order further provided that the determination of these standards should not be construed as creations of posts for which approval of competent authority was required to be obtained.

Scrutiny of records (September 2022) of office of the Chief Medical Superintendent, Dr. Ram Manohar Lohia Male Hospital, Farrukhabad (CMS) revealed that CMS informed (June 2018) the Director General, Medical and Health Services (DGMHS) that plastic surgery and burn unit had been established in the hospital, but it could not be operationalised due to lack of human resource and furniture/equipment. Subsequently, Administrative and Financial approval of ₹ 70.90 lakh was accorded (December 2020) for equipment and furnishings of newly constructed Plastic Surgery and Burn Unit in the hospital. It was directed in the administrative approval that prior to installation of equipment, it should be ensured that skilled human resources are available for its operation.

Out of the sanctioned fund of ₹ 70.90 lakh, DGMHS provided (January 2021) ₹ 42.90 lakh to CMS for purchase of equipment/furniture.

<sup>20</sup> It is also known as PACCFED.

Besides, Uttar Pradesh Medical Supply Corporation Limited (UPMSCL) was authorized for supply of equipment for the plastic surgery and burn unit out of remaining sanctioned fund of ₹ 28 lakh. Audit noticed that CMS incurred (March 2021) an expenditure of ₹ 39.32 lakh on equipment and furnishing of Plastic Surgery and Burn Unit and equipment of ₹ 3.46 lakh was supplied (July 2021) by UPMSCL to the hospital. However, it was found in a joint inspection (5 September 2022) conducted by audit with the chief pharmacist of the hospital that plastic surgery and burn unit was locked and non-functional, its walls were covered with cobwebs indicating that it was not opened for many days, equipment and furniture procured for the unit were not even unpacked for installation, as depicted in following photographs.



**Photograph 3.4.1 - Plastic Surgery and Burn Unit**

**Photograph 3.4.2- Equipment and furniture**

**Photograph 3.4.3 - Equipment and Furniture**

**Photograph 3.4.4 Central Oxygen Pipeline and Suction System**

Audit further noticed that DGMHS had requested (April 2023) the State Government for creation of posts for the newly established Plastic Surgery and Burn Unit in Dr. Ram Manohar Lohia Male Hospital, Farrukhabad. The posts were sanctioned by the Government in September 2023, however manpower was not deployed against the sanctioned posts. As a result, the Plastic Surgery and Burn Unit in the hospital remained non-functional despite handing over of the building in December 2016.

In reply, the State Government stated (May 2023) that the building of plastic surgery and burn unit in Dr. Ram Manohar Lohia Male Hospital, Farrukhabad was being used as an isolation ward due to unavailability of equipment and furnishings. The equipment had been purchased for the plastic surgery and burn unit of the hospital. At present, it was functional since November 2021 through local arrangement and 34 patients had been treated. However, due to lack of manpower, plastic surgery and burn unit could not be made fully functional. Treatment of burn patients was being done by the general surgeon deployed in the hospital.

The reply was not acceptable, as the joint inspection of audit in September 2022 revealed that the plastic surgery and burn unit was not functional and equipment were kept packed. Another joint inspection by audit (September 2023) of the hospital revealed that manpower was not deployed in the plastic surgery and burn unit, equipment and furnishing procured were not installed, wash basin and toilet seats in bathroom had no connection, ground floor of the burn unit was being used as isolation ward and the first floor was being used for general patients. CMS further confirmed (September 2023 and June 2024) that the burn unit was not operational, and wards of the Unit were being used for general patients due to crowd in respective wards as the required manpower was not deployed and equipment procured were not installed. CMS further stated (June 2024) that after superannuation (June 2023) of general surgeon posted in the hospital, two other surgeons were deployed through walk-in-interview and treatment of minor burn cases was being done in burn unit by them while serious patients were referred to higher medical institutes. Thus, expenditure of ₹ 1.96 crore incurred on construction of building and procurement of equipment and furnishing for Plastic Surgery and Burn Unit in Dr. Ram Manohar Lohia Male Hospital, Farrukhabad remained unfruitful due to failure of the Department to provide human resources for its operationalisation.

**Prisons Administration and Reform Services Department**

**3.5 Unfruitful expenditure on the solar energy based power backup system**

**Due to laxity on the part of Department and inaction by executing agency, the solar energy based power back up system remained non-functional even after five years of its installation defeating its objective of providing power backup to mobile phone jammers installed in Central Jail, Bareilly. Thus, expenditure of ₹ 1.95 crore incurred on installation of the equipment was rendered unfruitful.**

State Government sanctioned (June 2017) ₹ 1.95 crore for installation of solar energy-based power backup system in Central Jail, Bareilly for uninterrupted operation of mobile phone jammers installed in the Jail. State Government nominated PEC Limited<sup>21</sup> as executing agency (EA) for the work. An agreement was executed (July 2017) for the work between the EA and Prison Administration and Reform Services (JH) which stipulated that (i) the validity of warranty period of equipment of solar energy based power backup would be five years from the date of satisfactory commissioning of equipment, (ii) PEC Limited would be responsible to rectify any defect in the power backup system within 24 hours of complaint for which no payment would be made and (iii) performance bank guarantee equal to 10 *per cent* of the cost of equipment and valid for warranty period of 60 months would be provided by EA in favour of Inspector General Jail.

The work order issued (June 2017) by the JH provided that the EA would supply the power backup system as soon as possible, which would not be more than 90 days in any case. Subsequently in view of delays in the work, JH directed the EA to complete the work of installation till March 2018. JH transferred the sanctioned amount of ₹ 1.95 crore to the EA in two instalments<sup>22</sup>.

Scrutiny of records (February 2022) of Senior Superintendent, Central Jail, Bareilly (SSJ) and further information collected (December 2022, January/March 2023 and April 2024) therefrom revealed that the EA supplied the equipment to the Jail in March 2018 but it was made functional in May 2019 after completing the installation work of solar power backup system, *i.e.*, 13 months after the target date of installation (March 2018). However, the solar power backup system stopped (July 2019) functioning properly after two months from completion of installation process and the duration of power backup was very short (only

<sup>21</sup> A Government of India Enterprises (formerly The Project and Equipment Corporation Limited).

<sup>22</sup> In October 2017 and March 2018.

15 to 20 minutes). As a result, the jammers remained non-operational during the power cuts.

SSJ requested (July 2019) EA about the poor functioning of the solar power backup system. After several requests<sup>23</sup> of SSJ to make the solar power backup system fully functional, a representative of EA visited (June 2020) the jail premises after one year from the date of installation but could not resolve the issue and intimated that most of batteries of solar power backup system were defective and required to be changed to make the solar power backup system functional. After further requests of SSJ (June and July 2020), a representative of EA again inspected (July 2020) the solar power backup system and found that seven batteries were completely defective and most of the batteries were having low voltage problem. The representative of EA sent batteries of one battery bank to manufacture for replacement and batteries of remaining two battery banks were kept for boost charging without load for 15 days. In August 2020, solar power backup system was restored with two battery banks which was delivering power backup of four hours. However, in May 2021, it was found that mobile phone jammers were not functioning on solar system during power cuts and the EA was informed (May 2021) by the SSJ about the defect. In August 2021, a representative of the EA again inspected and found that batteries were not functioning but not resolved the issue. Audit further noticed that the power backup system remained non-functional as of March 2023 despite subsequent requests to the EA<sup>24</sup>.

In reply, the State Government forwarded (September 2023) the reply (March 2023) of JH stating that PEC had been requested to repair solar energy based power back up system in Central Jail, Bareilly. JH further stated that performance bank guarantee was not obtained from EA as the EA intimated about the exemptions allowed to Government Public Undertakings from giving bank guarantee. However, JH subsequently stated (February 2024) that PEC has stopped commercial activities since September 2019 due to financial loss and therefore, the matter was not taken up with the administrative ministry of the EA, Ministry of Commerce and Industry, Government of India. SSJ, Bareilly further informed (April 2024) that solar energy based power back up system was not functioning properly due to which mobile phone jammers stops working after a few minutes during power cuts.

Thus, due to laxity on the part of department to take appropriate action against EA, not seeking performance bank guarantee for warranty period<sup>25</sup>

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<sup>23</sup> August, September, November and December 2019, January, February, March and June 2020.

<sup>24</sup> 28 August 2021 and 22 January 2022.

<sup>25</sup> Indemnity Bond provided (July 2017) by PEC in lieu of Bank Guarantee remained in force till the supply, installation and commissioning of solar power plant.



and inaction on the part of EA to remove defects within 24 hours of complaint as envisaged in the agreement, the solar power backup system could not be made operational to provide power backup to mobile jammers during power cuts even after five years of its installation. Resultantly, the objective of installation of solar power backup system could not be achieved and warranty period of the system ended without proper functioning of solar system. Besides, the expenditure of ₹ 1.95 crore incurred on installation of solar system was rendered unfruitful.

### **Technical Education Department**

#### **3.6 Unfruitful expenditure on construction of women's hostel buildings**

**Seven women's hostels in Government polytechnics could not be made operational even after a lapse of two to four years of handing over of these hostels. Besides, after a lapse of more than seven years of their sanction, three hostels though completed are still not handed over and construction of one hostel is still incomplete due to which an expenditure of ₹ 21.22 crore incurred on their construction remains unfruitful.**

To provide hostel facilities to the girl students in the Government Polytechnics (GPs) located away from the city and in places with less availability of rented buildings, the State Government sanctioned (August 2016) ₹ 21.21 crore for the construction of 15 women's hostels with a capacity of 60 students in each hostel at the standardised cost of ₹141.41 lakh of each hostel for 15 GPs<sup>26</sup> without women's hostel. The Government also nominated (August 2016) Uttar Pradesh Rajya Nirman Sahkari Sangh (UPRNSS)<sup>27</sup> and Uttar Pradesh Project Corporation Limited (UPPCL) as executing agencies for construction of eight<sup>28</sup> hostel buildings and seven<sup>29</sup> hostel buildings respectively. Further, ₹ 20.50 crore was released in three instalments between August 2016 and February 2018 to the Director, Technical Education for construction of 14 hostels, except in the case of hostel at Government Leather Institute (GLI), Kanpur Nagar<sup>30</sup>. Revised estimates for the cost of construction of these 15 women's hostels were later sanctioned by the Government for

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<sup>26</sup> GPs at Azamgarh, Ballia, Banda, Basti, Gonda, Hamirpur, Kanpur Dehat, Kushinagar, Mainpuri, Orai Jalaun, Siddharthnagar, Sonbhadra, Tundla Firozabad, Varanasi and Government Leather Institute (GLI), Kanpur Nagar.

<sup>27</sup> Previously named as PACCFED.

<sup>28</sup> Women's hostels in GP Azamgarh, Banda, Ballia, Basti, Gonda, Kushinagar, Siddharthnagar and Varanasi.

<sup>29</sup> Women's hostels in GP Firozabad, Hamirpur, Orai Jalaun, Kanpur Dehat, Mainpuri, Sonbhadra and GLI, Kanpur Nagar.

<sup>30</sup> First instalment (August 2016) of ₹ 8.48 crore at the rate of ₹ 56.56 lakh for each of the 15 hostels (V-2/169), second instalment (September 2016) of ₹ 2.12 crore at the rate of ₹ 14.14 lakh for each of the 15 hostels (V/191) and third instalment of ₹ 9.90 crore at the rate of ₹ 70.71 lakh each for 14 hostels between August 2017 to February 2018. The third instalment of ₹ 1.06 crore for the remaining one hostel at GLI Kanpur was released in March 2022.

₹ 28.95 crore between March 2018 and March 2021. Remaining funds of ₹ 8.45 crore were released between June 2018 and March 2022 (*Appendix 3.1*).

Scrutiny of records (November 2019) of GP Orai, Jalaun and further information collected (December 2021, September 2022 and December 2022) from Director, Technical Education revealed that no agreement/Memorandum of Understanding (MoU) was executed between the construction agencies and the department to ensure timelines and qualitative execution of work. The scheduled period of completion was neither decided by the Government in the administrative and financial approval nor fixed by the Department.

Audit noticed that ₹ 28.92 crore was incurred on construction of 15 women's hostel buildings by the EAs. A joint physical inspection of all 15 women's hostel was conducted by Audit during May and June 2023 and further information regarding operation of these hostels were collected from respective GPs (*Appendix 3.2*). Audit further noticed that the construction of 14 out of 15 women's hostel buildings was completed and 11 out of 14 completed hostel buildings were handed over to the concerned GPs between August 2018 and June 2022. However, out of 11 handed over women's hostels, only three<sup>31</sup> were made operational and allotted to girl students and one more women's hostel<sup>32</sup> was though made operational but used as a boys' hostel. Thus, 11 women's hostel remained non-operational/incomplete even after a lapse of more than seven years of their sanction due to the following reasons:

- Three<sup>33</sup> women's hostel buildings were completed but not handed over as the construction of other buildings in GP was incomplete and under investigation by Special Investigation Team (SIT).
- One women's hostel at Government Leather Institute, Kanpur Nagar was still incomplete due to delay in demolition of existing dilapidated building at the selected construction site which further delayed the construction of hostel.
- Seven<sup>34</sup> women's hostels though handed over by the EAs to the respective GPs were not made operational due to unwillingness of girls to reside in the hostels due to various reasons, viz., non-availability of furniture, security reasons and lack of other basic facilities as detailed in *Appendix 3.2*.

<sup>31</sup> Women's hostels were operational in GP Gonda (handed over in August 2019), Kushinagar (handed over in October 2019) and Mainpuri (handed over in June 2019).

<sup>32</sup> Women's hostel of GP Firozabad (handed over in August 2018).

<sup>33</sup> Women's hostel in GP Azamgarh, Ballia and Varanasi.

<sup>34</sup> Women's hostel in GP Banda, Basti, Hamirpur, Kanpur Dehat, Orai Jalaun, Siddharthnagar and Sonbhadra.

Thus, intended purpose of the construction of women's hostel was not yet achieved. As a result, an expenditure of ₹ 21.22 crore<sup>35</sup> incurred on the construction of 11 women's hostels<sup>36</sup> which were not made operational remained unfruitful.

The Director, Technical Education stated (September 2022) that the schedule period of completion of hostels was not decided by the department/Government and instructions for entering into MoU with the executing agency were not in existence at the time of sanction. Further, in reply (February 2024), the State Government stated that construction of hostels was a priority in these 15 polytechnics, which had no women's hostel, were far from cities and had less availability of accommodation on a rent basis. Out of 11 hostels handed over by the EAs, furniture was provided in 10 hostels and sanction of fund for furniture in remaining one hostel at GP Banda had been issued in the current financial year. There was less admission of girl students in GPs in the previous and current academic session, however, girls would be benefited from hostels after an increase in admission in the future. The State Government further stated that out of 15 hostels, 11 hostels had been handed over and made operational.

The reply was not acceptable, as the further information received (May 2024) from the Technical Education Directorate revealed that out of 11 handed over hostels, only four were operational, and even in this, one hostel was used as a boy's hostel. Further, girls were also not interested in residing in these hostels due to security reasons and lack of amenities, which necessitated adequate remedial measures by the Government for their operationalisation. Besides, due to absence of any timeline for the construction of these hostels, one women's hostel was yet to be completed, and three completed hostels were not handed over.

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<sup>35</sup> GP Azamgarh: ₹ 204.75 lakh; GP Banda: ₹ 243.11 lakh; GP Ballia: ₹ 224.48 lakh; GP Basti: ₹ 182.32 lakh; GP Hamirpur: ₹ 178.46 lakh; GP Orai Jalaun: ₹ 185.66 lakh; GP Kanpur Dehat: ₹ 187.26 lakh; GP Siddharthnagar: ₹ 181.66 lakh; GP Sonbhadra: ₹ 179.45 lakh; GP Varanasi: ₹ 178.36 lakh; GLI Kanpur Nagar: ₹ 176.87 lakh.

<sup>36</sup> Hostels handed over to respective GPs - seven, hostels not yet handed over by EAs- three, one hostel incomplete.

### 3.7 Unfruitful expenditure on under construction building in Harcourt Butler Technical University

**Expenditure of ₹ 8.37 crore incurred on construction work of building for the Electronics Engineering Department of the Harcourt Butler Technical University, Kanpur (HBTU) remained unfruitful due to delay in release of adequate fund resulting in stoppage of work since December 2021.**

*Rashtriya Uchchatar Shiksha Abhiyan (RUSA)*, a centrally sponsored scheme for strategic funding to eligible State higher educational institutions aims to improve access, equity and quality in higher education through planned development of higher education at the State level. Project Approval Board (PAB) of RUSA approved (September 2015) ₹ 55 crore for up-gradation of Harcourt Butler Technical Institute, Kanpur (HBTI<sup>37</sup>) into Harcourt Butler Technology University (HBTU) on the proposal of State Government (GoUP). The approved fund (₹ 55 crore) included fund for the construction of separate Electronics Engineering Department (EED) building in an area of 4,000 square meter at a cost of ₹ 12.65 crore, which was facing acute shortage of sitting space for faculty, research fellows and students.

Scrutiny of records (December 2021) of HBTU revealed that State Government nominated (September 2016) Uttar Pradesh Awas evam Vikas Parishad (UPAVP) as the executing agency for construction works of EED building. UPAVP submitted (October 2016) an estimate of ₹ 20.76 crore for EED building. However, State Government accorded (January 2017) administrative and financial sanction of ₹ 16.25 crore for EED building and released the first instalment of ₹ 6.50 crore. Further, an agreement was executed (March 2017) between HBTU and UPAVP for construction of EED building and fund of ₹ 6.50 crore released (March 2017) to UPAVP. According to the agreement, the work was to be completed within 22 months from the date of the start of work. However, the agency did not start the work upto August 2017 and therefore, State Government (September 2017) directed UPAVP to not incur expenditure out of released fund of ₹ 6.50 crore and construction may be stopped till further order. Subsequently after six months, State Government permitted (April 2018) UPAVP to commence the construction work. As such, construction of EED building was commenced in May 2018, i.e., after a delay of 16 months from the date of sanction of work and 14 months after the release of fund (March 2017) to the UPAVP.

<sup>37</sup> Harcourt Butler Technical Institute, Kanpur (HBTI) is a multi-disciplinary college having courses in engineering, technology, science and humanities.

Audit further noticed that UPAVP incurred an expenditure of ₹ 4.89 crore upto January 2019 and submitted the utilisation certificate to HBTU with request to provide the remaining fund of ₹ 6.15 crore<sup>38</sup> against the revised estimates of ₹ 12.65 crore for EED building<sup>39</sup>. Further funds of ₹ one crore and ₹ 86.75 lakh were released by the Government to the UPAVP in March 2019 and March 2021 respectively. As per the utilisation certificate submitted (October 2021) by UPAVP, the entire released amount of ₹ 8.37 crore was utilised and overall 70 *per cent* of work could be completed. UPAVP also requested (October 2021) HBTU to release the balance amount of ₹ 4.28 crore for completion of the work and the construction work remained stopped since December 2021 due to non-release of fund. Audit further noticed that HBTU had complained (December 2018, May 2019, June 2019, January 2020 and March 2020) to the UPAVP about the slow progress of work.

In reply, State Government stated (September 2023/February 2024) that the process of releasing balance amount of ₹ 4.28 crore for EED building of HBTU was underway. However, HBTU further confirmed (July 2024) that balance amount was not released by the Government.

The fact remains that the objective to provide proper sitting and lab space to students and research fellows of the Electronics Engineering Department remained unachieved even after more than seven years of its sanction due to delay in construction of EED building. As a result, expenditure of ₹ 8.37 crore incurred on incomplete construction of EED building in HBTU remained unfruitful.

### **Urban Development Department**

#### **3.8 Unfruitful Expenditure on incomplete commercial shops**

**Nagar Panchayat, Uska Bazar, Siddharthnagar (NP) started construction of commercial shops on the land not duly owned by the NP due to which dispute arose with Zila Panchayat, Siddharthnagar and construction could not be completed even after lapse of more than seven years resulting in unfruitful expenditure of ₹ 1.36 crore on incomplete commercial shops.**

Paragraph 378 of Financial Handbook Volume VI of Uttar Pradesh (FHB) stipulates that work should not be started on such land which has not been duly transferred by the responsible civil officer.

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<sup>38</sup> Revised estimates of ₹ 12.65 crore minus earlier released fund of ₹ 6.50 crore.

<sup>39</sup> The Building Construction Committee of HBTU approved (December 2018) an amended drawings and revised estimate of ₹12.65 crore for construction of EED building. HBTU forwarded (December 2018) the revised drawings to UPAVP for execution. HBTU had earlier requested (July 2018) the State Government for revision in the administrative approval of ₹ 16.25 crore as accorded in January 2017 so as to keep the work within the estimates (₹ 12.65 crore) sanctioned by RUSA for the EED building.



Scrutiny of the records (September 2018) of office of the Nagar Panchayat, Uska Bazar, Siddharthnagar (NP) and further information collected (March 2019, September 2019, October 2022 and May 2023) revealed that the NP decided (June 2014) to construct commercial shops<sup>40</sup> and accordingly, estimates of ₹ 2.93 crore for construction of 63 shops was approved by the Chairman, NP. Tender for the construction of commercial shops was invited in August 2015 and work order was issued to the lowest bidder in May 2016 at a cost of ₹ 2.93 crore. Construction work was started in June 2016 which was stipulated to be completed within six months.

Audit observed that construction work of these commercial shops was stopped in February 2017 after incurring an expenditure of ₹ 1.36 crore. As a result, the work of plaster, stairs and roof of the proposed commercial shops remained incomplete.

Audit further observed that Zila Panchayat, Siddharthnagar (ZP) directed (July 2016) the NP to stop the work as the said land on which construction work was being carried out belonged to the ZP. The ZP also filed a writ petition<sup>41</sup> in the Hon'ble High Court, Allahabad in this matter and the Hon'ble High Court directed (December 2016) the petitioner to raise this grievance before the District Magistrate (DM), Siddharthnagar. Accordingly, after hearing both parties, i.e., ZP Siddharthnagar and NP Uska Bazar, DM Siddharthnagar decided (August 2017) that based on available records, the ZP was the owner of the said land. The DM further recorded in its order that the NP could not provide any evidence to establish its ownership of the said land and directed Executive Officer of the NP to stop the construction work immediately. NP Uska Bazar subsequently requested (September 2018) the DM to allow the NP to complete the roof work of commercial shops in public interest. However, the dispute remained unresolved as no decision on the issue could be arrived at in the meeting (February 2024) held between ZP Siddharthnagar and NP Uska Bazar.

Thus, failure of NP Uska Bazar to commence construction of commercial shops without ascertaining the ownership of land resulted in unfruitful expenditure of ₹ 1.36 crore on incomplete construction works of 63 commercial shops. The construction works remained stopped for more than seven years as depicted in following photograph<sup>42</sup>:

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<sup>40</sup> From Block Resource Center (BRC) to the front of Block Development Office building in ward no. 08 of the NP.

<sup>41</sup> Petition no. 60900/2016.

<sup>42</sup> As provided (April 2024) by NP Uskabazar.



In reply (February 2024), DM, Siddharthnagar stated that the then Executive Officers of the NP Uska Bazar were responsible for commencement of process for construction of commercial shops without ascertaining ownership of the said land. The State Government further stated (July 2024) that the status on the issue had been sought from the DM concerned and on receipt of the comments the same would be informed accordingly.

### **3.9 Unfruitful expenditure on incomplete animal shelter homes**

**In violation of the Financial Rules and the guidelines of the Kanha Animal Shelter scheme, Nagar Palika Parishad, Siswa Bazar, Maharajganj and Nagar Panchayat, Uska Bazar, Siddharthnagar commenced construction of animal shelter homes without ensuring availability of undisputed land due to which construction works were stopped after incurring expenditure of ₹ 96.63 lakh resulting in unfruitful expenditure on these constructions for more than six years.**

Government of Uttar Pradesh (GoUP) started 'Kanha Animal Shelter Scheme' for establishment of Animal Shelter Homes/*Kanji Houses* in urban local bodies (ULBs) of the State from the financial year 2016-17. Scheme guidelines provided that the ULB must have undisputed land for construction of Animal Shelter Homes. If the land is not available with the ULB, the District Magistrate of the concerned district would arrange the land free of cost. Further, Paragraph 378 of Financial Handbook Volume

VI also provides that no work should be commenced in land which has not been duly made over by the responsible civil officer.

***Nagar Palika Parishad, Siswa Bazar, Maharajganj***

Scrutiny of records (April 2022) of Nagar Palika Parishad (NPP), Siswa Bazar, Maharajganj and further information collected (May 2023 and November 2023) revealed that a Detailed Project Report (DPR) of ₹ 1.93 crore for construction of animal shelter home in office premise of the NPP<sup>43</sup> was sent (28 June 2016) to the Urban Development Department (UDD), GoUP for sanction. However, due to insufficient land in the office campus, the NPP decided (14 August 2016) to shift the proposed construction site to another land situated in another local body, Gram Sabha, Kothibhar which was adjacent to boundary of the NPP. Meanwhile, Government accorded (16 August 2016) administrative and financial sanction for construction of animal shelter home at the cost of ₹ 1.93 crore and released ₹ 96 lakh as the first instalment. Subsequently, NPP requested (20 August 2016) the UDD for change of the approved site of construction of Animal Shelter Home to Kothibhar.

Audit further noticed that the NPP requested (15 August 2016) Gram Panchayat, Kothibhar to provide vacant plot available in Kothibhar adjacent to Ward No. 7 of the NPP for establishment of animal shelter home. Subsequently, the *Bhumi Prabandhan Samiti* of Gram Panchayat Kothibhar passed (December 2016) the proposal for the construction of animal shelter home on the said vacant land. UDD also approved (March 2017) the construction of Animal Shelter Home on this land parcel.

Further scrutiny revealed that the NPP awarded the construction work of animal shelter home to a contractor by inviting tender (September 2016) and work order was issued (December 2016) to complete the work within three months. After commencement of work, the construction was stopped (April 2017) by the Sub District Magistrate, Nichlaul (SDM) on the complaint of villagers regarding illegal construction on the *Khalihan* land of Gram Sabha, Kothibhar. Later, the NPP filed a writ<sup>44</sup> petition in the Hon'ble High Court, Allahabad in which the Hon'ble High Court ordered (July 2017) the District Magistrate (DM) to consider and decide the grievances of the petitioner (NPP Siswa Bazar) in four weeks. Accordingly, the DM considered the grievance and upheld (September 2017) the order of the SDM. In its order, the DM concluded that *Bhumi Prabandhan Samiti* of Gram Panchayat Kothibhar and Gram

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<sup>43</sup> Nagar Panchayat Siswa Bazar was constituted as Nagar Palika Parishad vide Gazette notification dated 31 December 2019.

<sup>44</sup> Writ number 27194/2017.

Pradhan went beyond its power in allowing construction of animal shelter home on the *Khalihan* land and the Executive Officer of the NPP was responsible for commencing construction on the Gram Sabha land without obtaining

‘No Objection Certificate’ from the DM.

It is pertinent to mention that before sending the DPR of the animal shelter home for sanction, NPP informed (18 June 2016) the Government that undisputed land was not available with the NPP and thereafter forwarded (28 June 2016) the proposal/DPR to construct animal shelter home in the NPP office premise. This parcel of land was again within a period of two months considered insufficient (August 2016) and therefore, Gram Sabha, Kothibhar was requested for an alternate site. Thus, the NPP proposed for construction of animal shelter home without availability of suitable site and also no effort was made to obtain undisputed land from the DM as envisaged in the scheme guidelines.

Audit noticed that physical progress of work was 60 *per cent* after incurring expenditure of ₹ 48.81 lakh when the work was stopped in April 2017. Further, the balance amount of ₹ 109.14 lakh<sup>45</sup> was lying unutilised in the bank account of NPP (May 2023).

In reply (February 2024), the Directorate, Urban Local Bodies forwarded the reply of Executive Officer, NPP Siswa Bazar stating that the construction was stopped since April 2017 due to stay order of the SDM. It was further stated that after extension of the NPP area, the said land of Gram Sabha Kothibhar was now part of the NPP Siswa Bazar and the SDM had been requested (January 2024) to change the land use of the said land from *Khalihan* to *Parti* land so as to complete the construction of animal shelter home.

Thus, failure of Executive Officer, NPP to formulate proposal for animal shelter home on undisputed land resulted in stopping of the work on the site since April 2017 and the expenditure of ₹ 48.81 lakh incurred on the incomplete animal shelter home remained unfruitful. Further, the NPP failed to complete the construction even after the said land of Gram Sabha was included in the NPP after extension of its area in December 2019, as depicted in the following photograph.

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<sup>45</sup> Including interest and unutilised amount of first installment and partial receipt of second instalment of ₹ 49.70 lakh (received in March 2023).



*Nagar Panchayat, Uska Bazar, Siddharthnagar*

Scrutiny of the records (September 2018) of Nagar Panchayat (NP), Uska Bazar, Siddharthnagar and information collected (October 2022 and May 2023) therefrom revealed that Nagar Panchayat Board decided in its meeting (May 2016) to construct Animal Shelter Home in Ward No. 7 (Subhash Nagar). A Detailed Project Report of ₹ 1.68 crore for the construction of Animal Shelter Home was sent (June 2016) to the Government for sanction mentioning that there was no dispute on the said land and the proposed land was recorded as *Kanji House (Mawesikhana)* in khatauni. Government accorded (August 2016) administrative and financial sanction for the cost of ₹ 1.68 crore and released ₹ 84 lakh as the first instalment. The work was awarded by the NP to a contractor by inviting tender (September 2016) and work order (October 2016) was issued to complete the work within one year.

Audit observed that contractor commenced construction of the animal shelter home in November 2016. However, dispute arose regarding ownership of the land as Zila Panchayat (ZP) Siddharthnagar claimed (April 2017) ownership on this parcel of land. Subsequently, the matter was heard (August 2017) before DM, Siddharthnagar where the NP could not produce any evidence to prove its ownership over the said parcel of land and the DM decided the land title in favour of the ZP and directed the NP to stop the construction work immediately.

Audit noticed that only 35 *per cent* work of animal shelter home was completed after incurring expenditure ₹ 47.82 lakh when the work was stopped in February 2017. The roof work and plaster were incomplete.



Further, the balance amount of ₹ 54.09 lakh (including interest earned) was lying unutilised (May 2023) in the bank account of the NP.

In reply (February 2024), the Directorate, Urban Local Bodies forwarded the reply of DM, Siddharthnagar stating that a case on the disputed land was pending before Civil Judge court for which next date of hearing is in May 2024. The DM further stated that the then Executive Officers of the NP were responsible for commencing construction work without ascertaining the ownership of the land and without obtaining 'No Objection Certificate'.

The fact remains that NP Uska Bazar could not provide undisputed land as per terms and conditions of the scheme. The ownership of the land was not indicated in the khatauni, however, the work was started on the land without ascertaining ownership of the NP over the parcel of land due to which dispute arose and work was stopped. As a result, the said construction was still incomplete (April 2024) as depicted in the following photograph and the expenditure of ₹ 47.82 lakh incurred on the incomplete Animal Shelter Home remained unfruitful.



Thus, due to violation of the Financial Rules and the guidelines of the scheme, the construction of both animal shelter homes remained incomplete since more than six years which resulted in unfruitful expenditure of ₹ 96.63 lakh on incomplete construction of animal shelter homes.

In reply, the State Government stated (July 2024) that the matter regarding construction of animal shelter home in Nagar Panchayat, Uska Bazar, Siddharthnagar is pending in Hon'ble Court which would be disposed of through pleading in the Hon'ble Court effectively. State Government further stated that the status had been sought from the DM concerned and

on receipt of the comments the same would be intimated accordingly. However, the State Government did not reply on the construction of animal shelter home in Siswa Bazar, Maharajganj.

### 3.10 Unfruitful Expenditure on construction of Pandal in a private university

#### Construction and Design Services (C&DS), UP Jal Nigam

**Expenditure of ₹ 4.91 crore was incurred on incomplete construction of *Bhavya Pandal* in Mohammad Ali Jauhar University which was lying abandoned for more than six years rendering the entire expenditure unfruitful. Out of total expenditure of ₹ 4.91 crore, C&DS incurred expenditure of ₹ 2.91 crore without release of fund from the State Government for the work.**

Pursuant to the announcement (October 2013) of the Hon'ble Chief Minister, the State Government (Culture Department) accorded (February 2015) administrative approval of ₹ 12.17 crore and also accorded first phase financial sanction of ₹ 2 crore for construction of *Bhavya Pandal (Pandal)* in Mohammad Ali Jauhar University<sup>46</sup> Campus at Rampur (University). According to the conditions laid down for the administrative approval, the ownership of the *Pandal* would be of the Department of Culture, Uttar Pradesh which would not be transferred or exchanged or sold to any person, institution, department or agency by any means. The construction work was to be carried out by the Construction and Design Services, UP Jal Nigam (C&DS). Technical sanction (₹ 11.49 crore) to the work was accorded by the Director, C&DS, Lucknow in December 2016. The work commenced in December 2016 and was to be completed by June 2017. Meanwhile, the Culture Department changed (October 2016) the terms and conditions laid in the administrative approval and the revised terms and conditions provided that the ownership of the Pandal would of the University.<sup>47</sup>

Scrutiny of records (December 2019) of office of the Project Manager, C&DS, Unit 54, Rampur (construction unit) (now merged with C&DS, Unit 18, Moradabad) and information further collected (January 2023 and April 2024) from the Director, Culture Department and C&DS revealed that a sum of ₹ 2 crore was made available (January 2017) to C&DS Rampur for construction of *Pandal* against the financial sanction accorded in February 2015. Further scrutiny revealed that financial sanction of ₹ 3 crore was accorded (January 2017) by the Culture Department with the

<sup>46</sup> It is a private university.

<sup>47</sup> Director, Culture Department stated (April 2024) that the decision to transfer ownership of the pandal from the State Government to the University was taken at the State Government level.

condition that withdrawal of fund would be made after the executing agency provides utilisation certificate of previous released amount along with the physical progress report. The C&DS submitted utilisation certificate in respect of the first instalment of ₹ 2 crore released to it, which was countersigned by the District Magistrate, Rampur (DM) and sent (March 2017) to the Director, Culture Department. Meanwhile, to maintain the progress and continuity of the work, C&DS headquarter released (February 2017) another instalment of ₹ 2 crore to the construction unit as mobilisation advance in anticipation to release of fund by the Culture Department.

Audit observed that the construction unit utilised entire released fund of ₹ 4 crore on the work as of March 2017, besides creation of liability of ₹ 90.74 lakh which could not be paid to the contractor due to unavailability of funds. The work was stopped in September 2017 after completion of structural work due to lack of fund. Despite several requests (March 2017, May 2020 and July 2020) of C&DS, no further instalment was released by the Culture Department.

In reply, the State Government (Urban Development Department) forwarded (December 2023) the reply of C&DS stating that adjustment of mobilisation advance of ₹ 2 crore and liability of ₹ 90.74 lakh had not been done till now due to non-release of the second instalment of ₹ 3 crore by Culture Department. C&DS further stated that the work of pandal was carried out as per directions of Culture Department.

The reply is not acceptable, as C&DS carried out work of ₹ 2.91 crore<sup>48</sup> despite fund not released by the Department of Culture for the work. Further, with reference to non-release of balance fund for the pandal work, Director, Culture Department stated (April 2024) that due to the instructions given by the then Hon'ble Culture Minister in case of works having unsatisfactory progress, the balance fund were not released for the pandal work as the progress of the work did not appear to be satisfactory and also due to departmental investigation on the complaint related to misuse of government money on construction of pandal received on Integrated Grievance Redressal System (IGRS) portal.

Thus, the work of *Bhavya Pandal* remained incomplete even after incurring expenditure of ₹ 4.91 crore and it was lying abandoned for more than six years as noticed during joint physical verification (May 2024) which revealed that RCC roof had been laid only on one third of the stage area. Entire work except the stage area was constructed using

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<sup>48</sup> Total expenditure (₹ 4.91 crore) minus fund released by Department of Culture (₹ 2.00 crore).

pillars/beams of iron and the iron bars and other iron material were getting rusted as these were lying in the open sky.

### 3.11 Unfruitful expenditure on incomplete shooting range

**Nagar Nigam Lucknow failed to complete construction works of a shooting range commenced in the year 2008 and stopped since the year 2012, resulting in unfruitful expenditure of ₹ 18.61 crore on the incomplete shooting range.**

State Government notified (July 1998) constitution of Infrastructure Development Fund (*Awasthapana Vikas Nidhi*) in each Urban Local Body (ULB) for integrated development and providing required level of infrastructure facilities/services. For undertaking works from the Fund, priority was to be given, as far as possible, to works which would create permanent assets providing regular income to the ULB. The works to be funded under the Fund was to be approved by a committee constituted at the level of Commissioner/District Magistrate.

Scrutiny of the records (August 2019 and August 2022) of Nagar Nigam Lucknow (NN) revealed that with the aim of encouraging the unique talents of shooting in the State and getting recognition at the national and international level, the NN approved (September 2008) a proposal of the Municipal Commissioner for establishment of a shooting range in Lucknow. The proposal of Municipal Commissioner did not specify total cost of the project and it merely stated that at present, the establishment of shooting range would require ₹ 50 lakh. However, Audit noticed from the records<sup>49</sup> of the NN that the total estimated project cost for setting up of shooting range stadium and training center was ₹ 52.95 crore.

Against the project cost of ₹ 52.95 crore, an amount of ₹ 37.14 crore was sanctioned by a committee headed by the Commissioner, Lucknow Division from the *Awasthapana Vikas Nidhi* between December 2008 and September 2011. However, only ₹ 18.88 crore was released for the shooting range against the sanctioned amount of ₹ 37.14 crore and expenditure of ₹ 18.61 crore was incurred (upto year 2012). The construction work of this shooting range, which was commenced in the year 2008, was stopped in the year 2012 due to lack of funds. The physical progress of the work was as detailed in **Appendix 3.3**, which indicates that shooting range had been developed only partially and no work related to internal and external road development, drainage and procurement of equipment were taken up. The NN attributed (September 2023) the deficient funding for the project to non-release of fund by the State

<sup>49</sup> Letter no. 33/C/Nagar Ayukt dated 05.06.2012 from Municipal Commissioner to the State Government.

Government in the *Awasthapana Vikas Nidhi*. Pertinently, the estimated cost of the entire project (₹ 52.95 crore) and source of funding for the project were never approved<sup>50</sup>.

Audit further noticed that the Municipal Commissioner sent (December 2016) a proposal to the State Government for maintenance and operation of shooting range on Public Private Partnership (PPP) basis for 30 years lease period. The proposal was approved (January 2017) by the State Government<sup>51</sup> with instructions to take further action after obtaining approval of the Council/Executive Committee of the NN as necessary. However, the proposal for maintenance and operation of shooting range on PPP basis was not submitted to the Council/Executive Committee of the NN. The NN informed (September 2023) Audit that the proposal was not submitted to the Council as efforts were being made during 2017-19 to hand over the shooting range constructed upto that time to Sports Department, Uttar Pradesh for operation and maintenance.

Further, the State Government (Urban Development Department) directed (June 2019) to transfer the shooting range to the Sports Department on lease, but the shooting range was yet to be transferred to the Sports Department. In this context, NN informed (September 2023) Audit that the shooting range would be transferred after receiving consent of the Sports Department. Meanwhile, the NN had also forwarded (July 2023) a revised estimate of ₹ 127.24 crore<sup>52</sup> for developing this shooting range and the approval of this estimate was awaited (15 April 2024).

Thus, due to incomplete construction works, intended international level shooting range could not be operationalised even after incurring ₹ 18.61 crore.

In reply, the State Government stated (May 2023) that the shooting range could not be made fully operational due to lack of fund since the year 2012. Government further stated that a committee had been constituted under Principal Secretary, Urban Development Department to examine issues for developing the shooting range. In view of decisions taken in the meeting (April 2023) of the committee, an action plan<sup>53</sup> was being prepared to complete the required minimum remaining works of the shooting range and providing shooting equipment. State Government further contended that the expenditure on the project was not unfruitful, as at present, the shooting range was being utilized for training related to licence renewal by DM Office and training to personnel of anti-terrorist

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<sup>50</sup> As informed by the Executive Engineer, NN Lucknow vide letter no. 3141/PM/J/24-25 dated 15.04.2024.

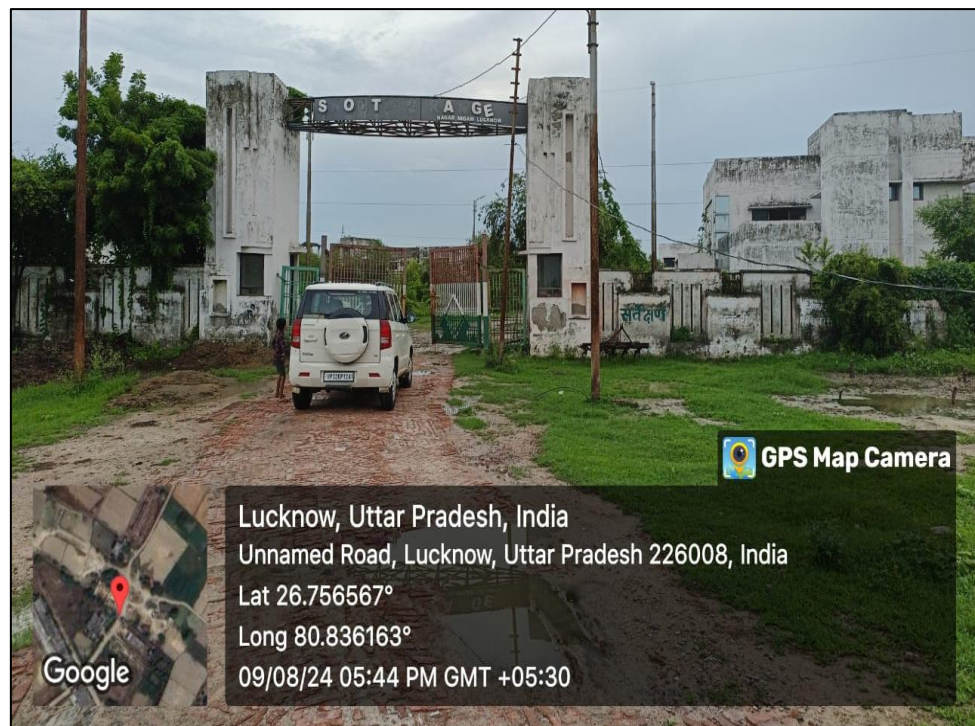
<sup>51</sup> Letter no. 8354/9-7-16-334 (Lucknow)/2016 dated 03.01.2017 of Urban Development Anubhag-7.

<sup>52</sup> Including the remaining previous work and some new works.

<sup>53</sup> Action plan of ₹ 166.80 crore, which included previous proposed cost of ₹ 127.24 crore, had been forwarded to the Government in December 2023.



squad and shooting competition held during Lucknow Mahotsava. Besides, action was being taken to develop the shooting range and its operation and maintenance on PPP model.



The reply is not acceptable, as the shooting range remained incomplete since 2012 due to lack of fund as depicted in above photographs. Further, there was undue delay by the NN in transferring the shooting range to Sports Department despite the State Government's direction (June 2019) and also efforts were not made for its operation on PPP basis which shows

laxity at NN level. Besides, limited use of the shooting range for training of anti-terrorist squad, license renewal by DM Office and Lucknow Mahotsava does not justify the expenditure on the project and it was not the purpose for developing this shooting range. Moreover, the approval of the Government was awaited (April 2024) on the action plan of ₹ 166.80 crore for completing the remaining work of the shooting range, which was sent to the State Government in December 2023.

**Vocational Education & Skill Development Department and Minority Welfare & Waqf Department**

**3.12 Unfruitful expenditure of ₹ 10.76 crore**

**The construction work of ITIs at Katra Shankar Nagar, Tulsipur and Sriduttganj in district Balrampur could not be completed even after a lapse of more than eleven years of its sanction due to delay in providing land and commencement of work without ensuring approval of estimated fund required for the construction. Thus, expenditure of ₹ 10.76 crore incurred on incomplete ITI buildings was rendered unfruitful.**

Ministry of Minority Affairs, Government of India (MoMA) approved (March 2012 and November 2012) projects<sup>54</sup> for establishing Government Industrial Training Institutes (ITI) at Katra Shankar Nagar at a cost of ₹ 3.65 crore<sup>55</sup> and at Shriduttganj and Tulsipur at a cost of ₹ 4.05 crore<sup>56</sup> for each ITI in district Balrampur under Multi-sectoral Development Programme<sup>57</sup> (MsDP). As per MsDP guidelines, any proposal for escalation in the cost of sanctioned projects would not be considered and shortfall in all such cases would be borne by the State Government. MoMA released the first instalment of ₹ 1.825 crore for the construction of the ITI Katra Shankar Nagar in March 2012 and ₹ 2.025 crore each for Shriduttganj and Tulsipur in December 2012 to the State Government.

Scrutiny of records (March 2022) of Principal, ITI Vishunpur Vishram, Panchperwa, Balrampur and information collected (January 2023, November 2023 and December 2023) from the Director, Minority Welfare (DMW) and Director, Training & Employment revealed that the State Government nominated (August 2012) Construction and Design Services, Uttar Pradesh Jal Nigam (C&DS) as Executing Agency (EA) for construction of ITI, Katra Shankar Nagar and released the first instalment

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<sup>54</sup> The fund fully borne by the Government of India (GoI).

<sup>55</sup> ₹ 2.65 crore for construction work and ₹ 1.00 crore for procurement of tools.

<sup>56</sup> ₹ 2.86 crore for civil works and ₹ 1.19 crore for procurement of tools.

<sup>57</sup> Multi-sectoral Development Programme (MsDP) was a special area development scheme designed to address the 'development deficits' seen in Minority Concentration Districts. The Programme has been restructured (May 2018) as Pradhan Mantri Jan Vikas Karyakram (PMJVK).

of ₹ 1.825 crore to DMW. A Memorandum of Understanding (MoU) was executed (19 September 2012) between DMW and C&DS for construction of ITI Katra Shankar Nagar and first instalment of ₹ 1.825 crore was released (24 September 2012) to C&DS. As per the MoU, the building after completion in 12 months shall be handed over to the Directorate.

Further, the State Government nominated (March 2013) Uttar Pradesh Waqf Vikas Nigam Limited as the EA for construction of ITIs at Tulsipur and Sriduttganj and released the first instalment of ₹ 2.025 crore for each ITI to DMW. MoU for construction of ITIs at Tulsipur and Sriduttganj was executed (March 2013) between DMW and the EA and the first instalment of ₹ 2.025 crore for each ITI was released (March 2013) to the EA. However, the period of completion of ITI buildings was not specified in the MoU.

Audit scrutiny revealed that the construction of buildings for above three ITIs in district Balrampur could not be completed even after a lapse of more than eleven years of its sanction, as detailed below:

***Construction of building for ITI Katra Shankar Nagar by C&DS***

Scrutiny of records revealed that land was provided to the EA in January 2014 for construction of ITI Katra Shankar Nagar, *i.e.*, after a lapse of more than nine months from the execution of MoU and release of funds to the EA. After receipt of the land parcel, the EA conducted site survey and a detailed estimate of ₹ 5.97 crore for the work was submitted (January 2014) by the Project Manager/EA to the Director, C&DS UP Jal Nigam (the EA). The cost of project was revised as the construction site was low lying and located in a flood prone area which required additional pile foundation and higher plinth height, besides there was increase in cost of construction due to time overrun of 23 months between commencement of work (February 2014) and sanction of the project (March 2012).

Audit further noticed that EA accorded (February 2014) technical sanction of only ₹ 3.65 crore against the detailed estimates of ₹ 5.97 crore for ITI Katra Shankar Nagar. It was instructed in technical sanction to the Project Manager/EA that till the receipt of additional fund, the project should be completed by withholding work of ₹ 2.32 crore with the consent of client and a revised estimate should be prepared and approval should be obtained from the client department to get the remaining amount (₹ 2.32 crore) so as to complete the balance work. EA started the construction work in February 2014 without ensuring additional fund required for the work as envisaged in the detailed estimates, despite being aware of the fact that the

approved technical sanction was insufficient to complete the proposed work<sup>58</sup>.

Audit also noticed that as per MsDP guidelines the subsequent instalment was to be released upon utilisation of 60 *per cent* of the first instalment and the request to release of funds was to be sent along with Utilisation Certificate (UC) and quarterly progress report. However, UC of the entire first instalment released for ITI Katra Shankar Nagar was submitted by the State Government to GoI in February 2017, *i.e.*, after more than four years from the release of funds by MoMA. Accordingly, MoMA released the second instalments of ₹ 1.825 crore for ITI Katra Shankar Nagar (February 2017) which was further released to the EA in September 2017 after execution of another MoU (May 2017) between District Minority Welfare Officer, Balrampur and the EA. However, the MoU did not delineate the timeline for completion of the project. As per the monthly progress report sent (July 2018) by the EA to Principal, ITI, Katra Shankar Nagar, Balrampur, only 90 *per cent* work of the main building was completed after incurring an expenditure of ₹ 2.66 crore<sup>59</sup> and the remaining work was shown as work in progress, whereas the construction work of workshop building was not started as of July 2018. Subsequently, Minority Welfare Directorate forwarded (November 2019) a further revised estimate of ₹ 7.07 crore<sup>60</sup> for ITI Katra Shankar Nagar to the State Government for approval by DMW, which was still pending (November 2023) at Government level. Principal, ITI requested (September 2020) to EA to complete the construction work immediately and hand over the same.

On being pointed out, DMW stated (November 2023) that the physical progress of ITI Katra Shankar Nagar was 63 *per cent* and ITI building was yet to be handed over.

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<sup>58</sup> Minority Welfare Directorate informed (November 2023) Audit that the EA did not inform requirement of additional fund to the State Government timely and the administrative department had not consented for making additional fund available. Directorate further informed that SIT investigation of the projects executed by the C&DS revealed that there was no justification for increase in the cost of the projects and the EA had proposed for increase in cost of projects which was against the provisions of MoU and Government order.

<sup>59</sup> Out of ₹ 3.65 crore released to the EA, it returned (November 2020) remaining ₹ 99 lakh relating to purchase of tools to Director, Training and Employment, Lucknow.

<sup>60</sup> The EA cited reasons for increase in cost as: the increase in cost due to pile foundation in view of soil condition, increase in plinth height due to low lying land and increase in plinth area due to standardisation of ITI buildings.



***Construction of buildings for ITI Shriduttganj and ITI Tulsipur by Uttar Pradesh Waqf Vikas Nigam Limited***

Scrutiny of records revealed that the land was provided to the EA in January 2014 for construction of ITI Shriduttganj and in December 2013 for ITI Tulsipur, i.e., after a lapse of more than nine months from the execution of MoU and release of funds to the EA. EA prepared (February 2014) detailed estimates of ₹ 6.12 crore for ITI Shriduttganj and ₹ 6.17 crore for ITI Tulsipur and submitted (January 2015) to DMW through District Minority Welfare Officer (DMWO) which was not sanctioned. The cost of projects was revised as the preliminary estimate was prepared on plinth area rate of November 2011 whereas works was actually started in year 2014, besides GoUP had standardised (March 2013) the norms for establishment of ITIs which escalated cost of construction of the proposed ITI buildings.

Audit further noticed that EA accorded (February 2014) technical sanction of only ₹ 4.05 crore each against the detailed estimates of ₹ 6.12 crore for ITI Shriduttganj and ₹ 6.17 crore for ITI Tulsipur respectively. The EA started construction work of both ITIs in February 2014 without ensuring approval for additional fund required for the work as envisaged in the detailed estimates, despite being aware of the fact that the approved technical sanction was insufficient to complete the proposed work.

Audit also noticed that UCs of the entire first instalment released for ITI Shriduttganj and ITI Tulsipur was submitted by EA in June 2015 and October 2015 respectively, i.e., after more than two years from the release of funds by MoMA. Accordingly, MoMA released the second instalments of ₹ 2.025 crore each for ITI Shriduttganj (November 2015) and ITI Tulsipur (January 2016) respectively, which was further released to the EA in June 2016 and March 2016 respectively, after execution of MoUs<sup>61</sup> between District Minority Welfare Officer, Balrampur and the EA. However, the MoUs did not delineate the timeline for completion of the project. Subsequently, the EA sent (November 2017) the second revised estimate of ₹ 8.16 crore and ₹ 8.14 crore for ITI Shriduttganj and ITI Tulsipur respectively to DMWO which was not forwarded to DMW/Government for sanction. Finally, against the released amount of ₹ 4.05 crore for each of the ITIs Shriduttganj and Tulsipur, EA completed the work in July 2018 and handed over the buildings in July 2019 and April 2019 respectively whereas the works were incomplete<sup>62</sup>. It was also noticed that ₹ 1.19 crore for procurement of tools was included in the

<sup>61</sup> Second MoU was executed in June 2016 for ITI Shriduttganj and in March 2016 for ITI Tulsipur.

<sup>62</sup> Four workshops, over-head tank, pump room, road work and site development work in ITI, Tulsipur and four workshops, one residential quarter of type-3, two residential quarters of type-1, canteen, overhead tank, pump room, road work and site development in ITI, Shriduttganj.



sanctioned cost of ₹ 4.05 crore for each ITI, but the construction work was incomplete despite incurring the total fund of ₹ 4.05 crore (including cost of tools) on the civil work.

On being pointed out, DMW stated (November 2023) that buildings of ITI Shriduttganj and Tulsipur had been handed over after completing the work as per the available funds and revised estimates were sent in respect of incomplete works, but works could not be completed due to non-receipt of revised sanction.

***Reply of the State Government and status of construction***

The State Government directed (August 2023) the Director, Training and Employment to submit proposal for completion of under construction ITI buildings funded under Pradhan Mantri Jan Vikas Karyakram<sup>63</sup> for which revised cost estimates were not being released by the GoI. In this context, Director, Training and Employment stated (December 2023) that a four-member committee had been constituted by the Minority Welfare Department to verify the work done/work to be done, however, the revised proposal was yet to be received in the Directorate. Directorate further stated that the budget had been demanded in the financial year 2024-25 for completion of construction of 55 incomplete/under construction buildings including these three ITI buildings.

A joint physical verification (December 2023) of the under-construction ITI building Katra Shankar Nagar, Balrampur revealed that main (academic) building was completed up to ceiling level, but no other construction had taken place. ITI Katra Shankar Nagar was temporarily operational from ITI Vishunpur Vishram, Pachpedwa, Balrampur, which is situated 62 km away from ITI Katra Shankar Nagar, Balrampur. Further, joint physical verification (February 2024) of ITIs Shriduttganj and Tulsipur revealed that 70 per cent work of both ITIs was completed. In ITI Tulsipur, construction of workshop had not been started and toilets, doors and windows required maintenance. In ITI Shriduttganj, only foundation work of workshop had been done and construction of type-1 and type-3 residences had not been started. Classes of ITI Shriduttganj and Tulsipur were not operational.

In reply (September 2024), the State Government stated that sufficient funds had been provided in the budget for the financial year 2024-25 to complete all the incomplete institutions under PMJVK including above mentioned ITIs. Construction agencies had been directed to immediately submit estimates on the basis of work done/work to be done. State

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<sup>63</sup> MsDP was restructured and implemented by GoI with effect from May 2018 as Pradhan Mantri Jan Vikas Karyakram (PMJVK).

Government further stated that as soon as the estimates are received from the EA, the remaining work would be completed after releasing the funds.

The fact remains that the construction of all three ITI buildings remained incomplete even after lapse of more than six years from the date of release of entire sanctioned fund to the EA due to delay in providing land for construction, release of fund before availability of land, delay in submission of utilization certificate, commencing work without ensuring availability of fund for estimated expenditure on the projects and non-approval of revised estimates for the project. As a result, expenditure of ₹ 10.76 crore on the three incomplete ITI buildings remained unfruitful.



**(RAM HIT)**

Principal Accountant General (Audit-I)  
Uttar Pradesh

PRAYAGRAJ  
THE 25 APR 2025

**COUNTERSIGNED**



**(K. SANJAY MURTHY)**

Comptroller and Auditor General of India

NEW DELHI  
THE 30 APR 2025