

## CHAPTER-IV

### AUDIT OF TRANSACTIONS

Audit of transactions of the Departments of Government, their field formations as well as that of the autonomous bodies brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad classifications.

#### **4.1 Fraudulent drawal/Misappropriation/Embezzlement / Losses**

##### **URBAN DEVELOPMENT DEPARTMENT**

##### **4.1.1 Locking up of funds and losses**

*Construction of houses without adequate demand and in disregard of the directives of the Government resulted in loss of Rs. 1.67 crore and blocking of Rs. 2.75 crore in properties.*

With a view to solving the housing problem in urban areas the Government launched (May 1998) the 'Houses for All' scheme in the State. The scheme specifically provided that no loan would be taken for construction by any State Government Development Authority and that houses were to be constructed on self financing basis. Loan would be made available to the beneficiaries through different finance agencies like SBI, PNB, LIC Housing and U.P. Housing Federation. Construction of houses would be based upon demand and registration by the customers.

Audit scrutiny (January 2004) of the records of the Gorakhpur Development Authority (GDA) revealed that GDA invited (August 1998) applications for registration of houses to be constructed under Budha Vihar Housing Scheme (Part C) but no application was received. Contrary to the provisions of the scheme, GDA obtained (1996-1999) a loan of Rs. 1.67 crore (@ 13 percent interest per annum) from HUDCO for land development and arranged funds of Rs. 5.94 crore from its own resources. The construction of 562 houses started in 1998-99 and was completed in 2001-2002. The sale price of 72 sqm houses (100) and 60 sqm houses (462) was approved at Rs. 2.50 lakh and 2.70 lakh respectively.

GDA invited applications for registration nine times up to 2002 but only eight applications were received. Out of these, six applicants withdrew their applications on the ground that the houses were costly and the site was unpopular. With a view to disposing of the houses, GDA reduced (January 2003) sale price below the cost by Rs. 0.34 lakh per 72 sqm per house and by Rs 0.37 lakh per 60 sqm house. One hundred houses of 72 sqm and three hundred and sixty houses of 60 sqm could be disposed of (January 2005) at a loss of Rs. 1.67 crore. Remaining 102 houses costing Rs. 2.75 crore were lying undisposed (January 2005).

On this being pointed out (January 2004) in audit, GDA replied that houses were constructed as per directions of the Government to achieve the targets under the scheme. Construction of houses without adequate demand and in

disregard of the provisions of the scheme was not financially prudent and led to losses and locking up of funds.

The matter was referred to the Government in August 2004. Government replied (December 2004) that in consideration of public interest and credit of GDA, expenses on work charged staff, establishment and contingency were excluded from the sale price of the houses under the scheme. These items were reimbursed from other schemes. The reply of the Government was not tenable as reduction of sale price below actual cost led to loss on this scheme.

## **4.2 Infertuous / wasteful expenditure and over payment**

### **HOUSING AND URBAN PLANNING DEPARTMENT**

#### **4.2.1 Wasteful expenditure on pay and allowances to idle staff**

*Delayed decision of the Government led to expenditure of Rs. 12.85 crore on idle staff.*

The Urban Land (Ceiling and Regulation) Act, 1976 was repealed by the Government of India through the Urban Land (Ceiling and Regulation) Repeal Ordinance 1999. The Uttar Pradesh Legislature adopted the Repeal Ordinance with effect from March 1999.

With the abolition of the Land Ceiling Act, the Department of Urban Ceiling had no work. The Government declared (February 2000) 425 employees of the Department (excluding staff of Uttaranchal) surplus for retrenchment. The retrenchment proceedings were stayed (March 2000) by the High Court and the Court ordered that the employees should be treated as in service. The Government, after a lapse of three years directed (April 2003) the District Magistrates of the 11 concerned districts to prepare a list of employees working in Urban Land Ceiling Offices in those districts. It also directed to ensure their engagement against existing vacancies on equivalent pay scales or to utilise their services on important works of their offices, as the employees were getting paid without work.

Audit scrutiny (November 2002/ August 2004/October 2004) of records of 11\* Urban Land Ceiling offices revealed that out of 425 employees declared surplus, only 144 could temporarily be engaged in different offices leaving 281 employees who were getting pay without any work. Rupees 12.85 crore were paid as pay and allowances during the period from April 1999 to July 2004 to these employees.

Thus, inability of the Government to utilise the services of the surplus staff fruitfully in other departments / Public Sector Undertakings resulted in wasteful expenditure of Rs. 12.85 crore on idle staff.

Government in reply (December 2004), while accepting the facts stated that proposal for adjustment of surplus staff on "Service Transfer" basis was being sent to the Personnel Department.

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\* Allahabad, Agra, Aligarh, Bareilly, Gorakhpur, Kanpur, Lucknow, Meerut, Moradabad, Saharanpur and varanasi.

### 4.3 Violation of contractual obligations/undue favour to contractors

#### IRRIGATION DEPARTMENT

##### 4.3.1 Avoidable expenditure on construction of a feeder channel

*There was avoidable expenditure of Rs. 78.52 lakh on the construction of Ban Sagar Feeder channel due to delayed supply of layout plan of the canal to the contractors and frequent changes of drawings.*

Financial Rules of the Government provide that no work shall be commenced unless a properly detailed design and estimate have been sanctioned and before awarding the work on contract, a complete set of drawings showing the general dimensions of the proposed work must be prepared by the Divisional Officer.

The work of construction of Ban Sagar Feeder Channel from Km. 0.000 to Km. 3.700 and Km. 4.700 to 6.900 was allotted<sup>1</sup> (December 1997) to a contractor at the cost of Rs. 8.41 crore by the Superintending Engineer (SE), Ban Sagar Canal Construction Circle-I, Mirzapur for completion by December 1999. Special conditions in the contract provided for price adjustment for increase or decrease in cost of labour and materials for work carried out within stipulated time or extended time granted by the employer subject to the condition that the extension was not attributable to the contractor.

Scrutiny (January 2003) of records of Executive Engineer (EE), Ban Sagar Nahar Nirman Khand-3, Mirzapur revealed that the department delayed furnishing of layout plan of the alignment and earmarking the site for disposal of excavated earth to the contractor by twenty four to thirty two months. Also frequent changes in drawing and design of the berm of the canal were made even after the stipulated date of completion of the work. The work was completed after a delay of eleven months in November 2000. The delay in completion of work was attributable to the department and was regularized by the Chief Engineer (CE) by granting extension of time to the contractor. Due to delay in completion of work, the department had to pay Rs.50.68 lakh (March 2003) to the contractor for escalation in cost of material and labour during the extended period.

Similarly, the work of construction of Ban Sagar Feeder Channel from km. 23.675 to km. 26.300 and km. 26.525 to km. 28.000 allotted<sup>2</sup> (November 1997) to the contractor at a cost of Rs.4.54 crore was also not completed within the stipulated period (November 1999). The work was completed in May 2000 during the extended period of completion of six months. Reasons for the delay were non-finalisation of the alignment between km. 24.350 to km. 24.900 up to April 1999 and increase in the agreed quantity of earthwork due to frequent changes in the drawing and design of the berm of the canal. The above reasons being attributable to the department, extension of time was granted to the contractor by the SE. The contractor claimed escalation in cost of material and labour. Accordingly an extra amount of Rs. 27.84 lakh was paid (October 2003) to the contractor for the extended period.

<sup>1</sup> Agreement No. /06/SE/97-98 December 1997

<sup>2</sup> Agreement No. /01/SE/1997-98 November 1997

On these being pointed out in audit, EE stated that payment of compensation was made on account of price escalation in extended period of time as per special terms and conditions of the agreement for the delay which was not attributable to the contractor.

Thus, non-finalisation of the drawings and designs of the berm of the canal in time, delay in the supply of lay out plan to the contractor and delayed identification of the site for disposal of excavated earth resulted in avoidable expenditure of Rs. 78.52 lakh.

The matter was reported to the Government (May 2004). In reply (December 2004) Government accepted the position and ordered an enquiry to fix the responsibility on the erring officers.

#### **4.4 Avoidable / Excess / Unfruitful expenditure**

##### **EDUCATION DEPARTMENT**

#### **4.4.1 Unfruitful expenditure on construction of Science Block**

***Construction of Science Block at a cost of Rs. 69.53 lakh proved unfruitful due to non-sanction of teaching / non-teaching staff.***

The Government sanctioned (July 1998) Rs.74.51 lakh for construction of Science Block in Sant Ganinath Government Degree College, Mohammadabad Gohna, district Mau, and allotted (July 1998) the work to Uttar Pradesh Samaj Kalyan Nirman Nigam Ltd. (Nigam). The building was completed (March 2000) by the Nigam at a cost Rs. 69.53 lakh and its possession handed over to the College in May 2001.

Audit scrutiny (February 2003, August 2003 and July 2004) of records of the College revealed that the Science Block was not being made use of as the Government had not sanctioned posts of teaching and non-teaching staff.

On an earlier audit reference the Government had stated (November 2003) that the posts of teaching and non-teaching staff could not be created due to poor economic condition of the State and that the newly constructed Science Block was being utilised for running other classes.

The reply of Government (November 2003) was contradictory to the reply of the Principal of the college that the building was not being utilised for any purpose and was lying vacant for the last three years. The Principal reiterated (December 2004) that the classes were being taken in the Science Block merely to keep the building safe though there were sufficient rooms available in the old building for conducting classes of the Arts Faculty. The decision of constructing the Science Block without any provision for teaching / non-teaching staff was injudicious rendering expenditure of Rs. 69.53 lakh unfruitful.

The matter were discussed with the Government and the facts were confirmed (December 2004).

## FAMILY WELFARE DEPARTMENT

### 4.4.2 Unproductive expenditure on purchase of printing machine and paper

*Expenditure on purchase of offset printing machine (Rs. 34.80 lakh) became largely unproductive due to non-operation of the machine. Expenditure of Rs. 17.70 lakh on purchase of paper which could not be used was wasteful.*

With a view to improving and expanding production of publicity material for the Family Welfare Programme in the State, Rs. 25 lakh were earmarked during the year 1988-89 by the Ministry of Health and Family Welfare, Government of India (GOI). In pursuance of this proposal, State Government sanctioned purchase of a double colour offset printing machine for printing of different types of coloured documents of the Family Welfare Department. The Director General, Family Welfare, (DG) purchased (May 1998) the said machine at a cost of Rs. 34.80 lakh from a Delhi based firm\*.

Audit Scrutiny of the records (April 2003/July 2004) of DG revealed that the offset printing machine functioned in the Directorate, Family Welfare, Lucknow during the period from April 1999 to June 2001. Thereafter, as clarified by the Superintendent of the offset printing press of the Directorate, the machine could not function properly as 14 air conditioners had been installed in the building and the power supply to the offset printing machine became inadequate. The Department could not make alternative arrangements for power supply. The Government transferred (February 2004) the machine to the Government Press where it remained inoperative due to electrical/mechanical defects (July 2004). Besides, out of printing paper worth Rs 32.71 lakh that had been purchased in March 1999, paper worth Rs 17.70 lakh was left unused.

The matter was referred to the Department/Government in August 2004. Facts and figures mentioned above were confirmed by the Government (December 2004).

Thus, the failure of the Department in providing required power supply to the machine and rectifying the defects after its transfer to Government Press resulted in the expenditure of Rs 34.80 lakh on the purchase of the printing machine remaining largely unproductive besides rendering the expenditure of Rs 17.70 lakh on purchase of paper unfruitful.

### 4.4.3 Extra Expenditure on purchase of DD kits

*Due to non-adherence to purchase procedure and norms fixed by GOI for procurement of DD Kits, the Government had to incur extra expenditure of Rs. 2.70 crore.*

To promote and further the goals of Primary Health Care and to ensure safe delivery of pregnant women in rural areas, Disposable Delivery kits (DD kits) were to be issued to Auxiliary Nursing Mid-Wives (ANMs) working in those areas in the all districts of the States. Provision of funds for this purpose was made through additional central allocation from GOI to all States. The arrangement for procurement of DD Kits was to be made by the State Governments.

\* M/S Paramount Graphics Ltd, New Delhi.

Test Check (July 2004) of the records of the Director General, Family Welfare (DGFW) revealed that DGFW projected a requirement of 43.99 lakh DD kits to the Government for the year 2003-04. Government released (June 2003) Rs 4.55 crore to the DGFW for purchase of 30.72 lakh DD kits by December 2003. Government also instructed DGFW that these kits be purchased from Uttar Pradesh Drugs and Pharmaceuticals Company Limited (UPDPL) and Uttar Pradesh Udbhokta Sahkari Sangh Limited (UPUSSL) @ Rs. 14.80 per kit. DGFW placed (June 2003) orders for the purchase of DD kits with UPDPL and UPUSSL @ Rs. 14.80 per kit. However, the DGFW soon afterwards suspended (26 June 2003) the purchase orders and brought it to the notice of the Government that the rate of Rs 6 had been fixed for similar DD kits having more or less identical<sup>3</sup> contents by the GOI and requested Government to reconsider the decision in the light of the major variation between the two rates. Accordingly, in the meeting with DGFW on 1 August.2003, the Government decided to invite tenders to get competitive rates, in which the above two dealers would also participate. The Government again reversed its decision and issued instruction (August 2003) to purchase the kits from UPUSSL and UPDPL despite being aware of the disparity in price. In compliance, DGFW procured DD kits valued at Rs. 4.55 crore from above two dealers @ Rs. 14.80 per kit resulting in extra expenditure of Rs 2.70 crore on procurement of 30.72 lakh kits during 2003-04. The decision to purchase at higher cost did not have any apparent justification and amounted to indirect subsidy to the two State Government undertakings.

The Government in reply stated (December 2004) that the norms of DD kits of State Government were different. The reply was not acceptable in view of the almost identical contents of the DD kits for which widely different rates were fixed by the GOI and the State Government.

## **IRRIGATION DEPARTMENT**

### **4.4.4 Unfruitful expenditure due to improper planning**

***Construction of distributary without proper planning and without ensuring the availability of land and water at the head rendered expenditure of Rs 3.62 crore unfruitful.***

The Executive Engineer (EE), Flood Works Division, Gonda sanctioned estimates for Rs. 3.43 crore for acquisition of land and construction of Benipur Distributary (length: 22 km) taking off from km 30 of Mankapur Branch canal (Gonda).

The Mankapur Branch canal which was to serve as a source for the Benipur Distributary was completed in 2001-2002 leaving 1.44 km stretch incomplete at its tail end as the alignment passed through forest land. It could not supply water to the Benipur Distributary unless the stretch was complete. The work

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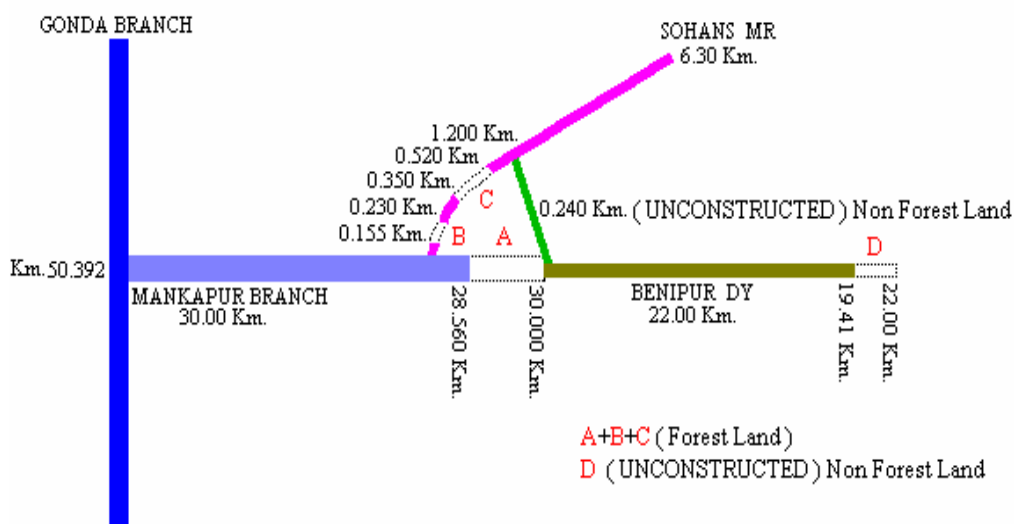
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<b>Items</b>	<b>Norms of GOI</b>	<b>Norms of State Government</b>
1. Soap	25 Gram 1	20 Gram 1
2. Thread	25 Cm 2 No	30 Cm 3 No
3. Gauze	2" X 2" 4 No	10 X 10 Cm 4 No
4. Blade – Stainless Steel	½	1
5. Cotton	Nil	2 Pieces
6. Polythene Sheet	Nil	75 X 75 Cm 1 No

of the Benipur Distributary started in August 2001 and was completed in May 2004 incurring an expenditure of Rs 3.62 crore.

As a result of non-completion of Mankapur branch canal, the Executive Engineer proposed an alternative plan of linking Benipur Distributary to the existing Sohans Minor (September 2003) which was to serve as a source of water for the Benipur Distributary. But even the Sohans Minor was to be fed by the Mankapur branch and this was not possible because the two were not actually connected in view of two incomplete stretches of work in the Sohans Minor (vide diagram below).

Taking up the work of the Benipur Distributary without acquiring the forest land for the incomplete portions or formulating a proposal for constructing the 240 metre link to the Sohans Minor without acquiring the forest land for the latter's incomplete portions showed totally improper planning.



The division stated (June 2004) that a proposal for acquisition of forest land for Sohans Minor had been sent (January 2004) to the Divisional Forest Officer, Gonda. It was evident that no concerted efforts were made by the EE for acquisition of forest land as the proposal for acquisition of forest land was sent three years after commencement of the work.

Thus, in the absence of assured source of water, the expenditure of Rs.3.62 crore on the Benipur Distributary was infructuous. The earth work done was also exposed to the vagaries of weather.

The matter was reported to Government (February 2004). Government accepted the contention of audit during discussion (December 2004) and directed the Engineer-in-Chief, Irrigation, Government of UP to ensure immediate action regarding acquisition of forest land which was awaited (March 2005).

#### 4.4.5 Unfruitful expenditure on a distributary and its minors.

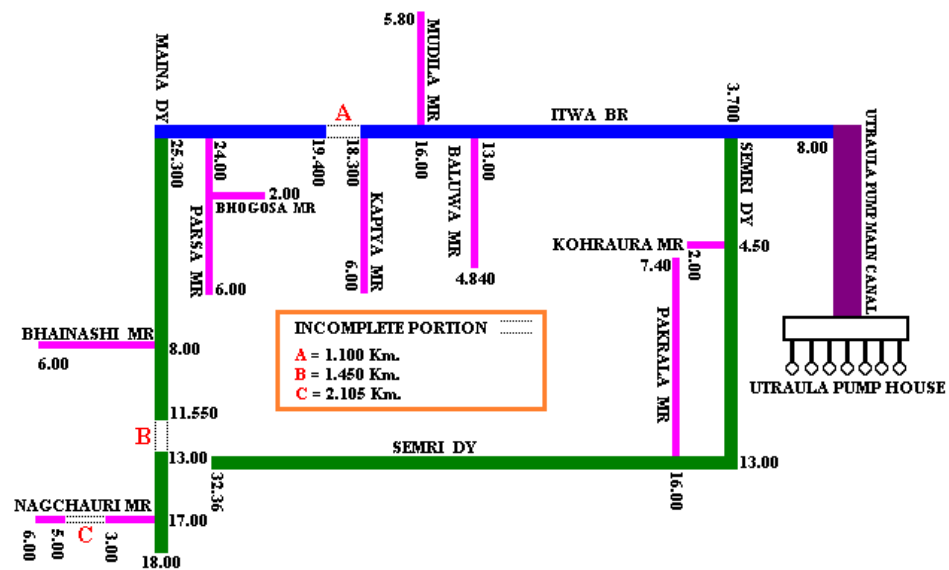
***Non-observance of financial rules rendered the expenditure of Rs. 2.05 crore on the construction of distributary and minors unfruitful.***

Under Utraula Pump Canal System of Saryu Nahar Project construction of 18 km long Maina distributary and its four minors (total length: 20 km) was sanctioned to provide irrigation in cultivable command area of 11000 hectares

of Siddharthnagar district. The Maina distributary was to take off from km. 25.300 of Itwa Branch which was to supply water to the distributary and its minors.

Audit scrutiny (October 2002/ July 2004) of records of Executive Engineer (EE), Saryu Nahar Khand-III, Balrampur revealed that Itwa branch and Maina distributary along with its minors were not completed in three separate stretches to non-acquisition of private lands, as exhibited in the diagram. The expenditure incurred during April 1985 to July 2004 on the portion of Itwa branch from Km 19.40 to Km 25.30 and total expenditure on Maina distributary and its minors amounting to Rs 2.05<sup>4</sup> crore proved unfruitful besides denying irrigation facilities to farmers.

### UTRAULA PUMP CANAL SYSTEM



On this being pointed out (October 2002) in audit, EE stated that due to non-completion of formalities the land could not be acquired. The contention of the division was not tenable as no concrete efforts were made by the division to acquire the required land which was clear from the fact that the proposal for land acquisition was made in February 2001 i.e. after a lapse of 15 years from the date of commencement of work.

Thus, commencement of construction work of Itwa Branch and distributary/minors without acquisition of required land rendered the expenditure of Rs.2.05 crore on the construction of Branch/distributary and Minors unfruitful and farmers denied of the intended benefits.

Sl. No.	Name of Dy / Minor	Approved length	Length constructed	Expenditure in Lakh incurred upto 03/2004
1	Maina Dy	18 Km	16.550 Km	89.69
2	Bhagosha Mr.	2 Km	2.00 Km	17.93
3	Parsa Mr.	6 Km	6.00 Km	10.28
4	Nagchauri Mr.	6 Km	4.895 Km	19.07
5	Bhasahi Mr.	6 Km	6.00 Km	15.63
6	Itwa Br.	25.300	24.200 Km	51.97 (On unutilised portion: Km 19.400 – 25.300)
<b>Total</b>				<b>204.57</b>



## PUBLIC WORKS DEPARTMENT

### 4.4.6 Unfruitful expenditure on construction of bridge and other allied works.

*Delay in according technical sanction to the works and in finalising revised estimate rendered the expenditure of Rs.3.22 crore on bridge and road construction works unfruitful.*

Government sanctioned (October 1993) Rs.2.67 crore for the construction of a bridge (Rs.1.38 crore) over Kulha Ghat of Gomti River and other allied works<sup>5</sup>(Rs.1.29 crore) for providing a road link to the rural areas of Sitapur and Hardoi districts. The construction of the main bridge was allotted (October 1993) to the Uttar Pradesh State Bridge Corporation (UPSBC). The other allied works of providing approach roads to the bridge were to be executed by the EE, CD-I, PWD, Sitapur and EE, Provincial Division, PWD, Hardoi. Technical sanction for the main bridge was accorded by the UPSBC in November 1996 for Rs. 1.34 crore. Technical sanctions for approach roads and allied works for Rs 1.29 were duly accorded.

The construction of bridge was completed (March 1998) at a cost of Rs.1.85 crore. The work on approach roads remained incomplete despite incurring an expenditure of Rs.1.37 crore (Sitapur side Rs.80 lakh and Hardoi side Rs.57 lakh) till 2000-01. The construction of approach roads and protection works was not taken up due to non-allotment of funds pending revision of estimates (June 2004). The bridge had not been made functional due to non-completion of approach roads and protection works.

On this being pointed out in audit, the EE stated (February 2004 and July 2004) that the work was not completed within the stipulated time as the Government released funds in piece meal manner which resulted in cost overrun. He further added that the work would be completed after the sanction of revised estimate by the Government.

Government during discussion (December 2004) accepted the audit contention and stated that the revised estimate had been sent to Government (October 2004) and was under consideration.

Thus, delay in according technical sanction and in finalising the revised estimate rendered the expenditure of Rs. 3.22 crore on the bridge and other allied works unfruitful, besides denying road connectivity to the rural population of the region.

### 4.4.7 Avoidable expenditure on unnecessary tack coat

*In contravention of the IRC specifications expenditure amounting to Rs.78.22 lakh was incurred by three divisions on providing unnecessary tack coat on bituminous course.*

The specification laid down by Ministry of Road Transport and Highways (MORTH) provides that there is no need to apply a tack coat on freshly laid bituminous course, if the subsequent bituminous course is laid immediately after the first one without opening to traffic. Also Public Accounts Committee (PAC) while discussing a similar paragraph No. 5.1.9.1 of Audit Report

<sup>5</sup> Link roads (Sitapur:Rs.54.50 lakh;Hardoi:Rs.35 lakh);approach roads : Rs.24 lakh and protection work : Rs.16 lakh

(Civil) of the Government of Uttar Pradesh for the year ended March 1998 had recommended (September 2000) that the officers of PWD be directed not to lay extra tack coat unnecessarily.

Audit scrutiny of the records of the Executive Engineer (EE) Construction Division (CD) II (SRP-II), Azamgarh (September 2004), Bridge Construction Division (BCD), National Highways (NH), Kanpur (August 2004) and NH-I Division, Varanasi (September 2004) revealed that in disregard of MORTH specifications, additional tack coats were applied laying Bituminous Macadam (BM) and Semi Dense Bituminous concrete (SDBC) although tack coat along with Profile Corrective Course was already provided. For the extra tack coats avoidable expenditure of Rs.78.22 lakh was incurred on the works allotted (August 2002 to February 2003) as detailed below.

Sl. No.	Name of division	Name of work/package No.	Tack coat (area in Sq. mtr.)	@ Rs. per Sq. mtr.	Avoidable expenditure on extra tack coat Rs. in lakh
1.	CD II (SRP-II), Azamgarh	Major maintenance of Bansganj to Azamgarh road/14	295528.50 (two additional tack coats before BM/SDBC)	5.00	14.78
2.	--Do--	Major maintenance of Azamgarh to Ghazipur road/15	347386.538 (two additional tack coats before BM/SDBC)	5.00	17.37
3.	--Do--	Major maintenance work on Mohammadpur-Azamgarh-Doharighat road/17	544238.49 (two additional tack coats before BM/SDBC)	5.00	27.21
4.	BCD (NH) Kanpur	Improvement of Riding Quality programme on NH-91/355	119693.60 (one additional tack coat before SDBC)	4.95	5.92
5.	--Do--	Improvement of Riding Quality programme on NH-91/356	141296.17 (one additional tack coat before SDBC)	5.90	8.34
6.	NH-I Varanasi	Improvement of Riding Quality programme on NH-56/07	114875.80 (one additional tack coat before SDBC)	4.00	4.60
<b>Total</b>					<b>78.22</b>

On this being pointed out (September 2004) in audit, the EE, CD II (SRP-II), Azamgarh stated (September 2004) that traffic could not be stopped for maintenance works on State Highways due to heavy traffic and it was necessary to apply tack coat before each layer due to technical reasons. The reply of the division was not tenable as roadwork was being done by dividing the 7 metre wide road in two parts and while laying the bituminous courses on one part, the traffic was being allowed to pass through the other half of the road. Accordingly, BM and SDBC could well have been laid without closing the road to traffic to avoid additional tack coats.

The EE, BCD (NH), Kanpur and NH-I, Varanasi, stated that provision for tack coat was contained in the contract bond duly approved by MORTH on the basis of departmental recommendations. The recommendations to MORTH by the Department were in violation of the IRC specifications and application of tack coats could have been avoided by judicious planning of the road works.

Government during discussion stated (December 2004) that in case of road having width of 7 meters or less tack-coat was inevitable as road could not be

stopped to traffic before laying of bituminous layer. Reply of the Government was not tenable as the seven metre wide road was to be divided into two lanes as per execution plan of these works and traffic continued on one part of the road. MORTH specifications also stipulated a provision of passage to traffic as a part of the existing carriageway.

### SPORTS AND YOUTH WELFARE DEPARTMENT

#### 4.4.8 Unfruitful expenditure on the sports stadium

***Unauthorised construction of sports stadium at Mahoba on forest land in violation of the Forest Conservation Act resulted in unfruitful expenditure of Rs. 75.74 lakh.***

Section 1.1 (i) of the Forest Conservation Act, 1980 (Act) prohibits use of reserve forest land for non-forest purposes without prior approval of the Government of India (GOI). Section 4.4 further provides that if the proposed work involves a forest area in some stretches, the work even on non-forest land should not commence till sanction for the use of forest land is obtained. As per directions (May 2001) of GOI, State Governments were also advised not to submit any proposal for dereservation of forest land in National Parks or Sanctuaries under the above Act without seeking prior permission of the Supreme Court.

The Government accorded (February 1997) administrative approval and financial sanction of Rs. 50.23 lakh for construction of a sports stadium in the newly created district of Mahoba. Land measuring 6.037 hectare\* including 1.612 hectare of forest land and a part of bird sanctuary at Bija Nagar village was handed over (September 1997) to the Uttar Pradesh, Jal Nigam (Nigam) for execution of the work.

Audit scrutiny (June 2003, May/July 2004) of the records of District Sports Officer (DSO), Mahoba revealed that Rs. 50.23 lakh were released to the Nigam, which started the work in November 1997. The Nigam partially leveled the ground, constructed the Pavilion and boundary wall (February 1999). The work was stopped in March 1999 due to paucity of funds. Meanwhile, the Forest department asked (August 1999) DSO to stop the work and send a proposal for the transfer of the forest land. Subsequently the Forest Department filed (19.08.2000) a suit against DM, Mahoba and others in the court of Chief Judicial Magistrate (CJM), Mahoba which was pending.

The work was however restarted in May 2003 on non-forest land and expenditure of Rs. 75.74 lakh was incurred on the work as of March 2004. Leveling of ground (22 percent) and construction of boundary wall (20 percent) on forest land was left incomplete rendering the expenditure Rs 75.74 lakh unfruitful.

The Government stated (January 2005) that the earlier plan was misconceived and that modification of the layout of the stadium with certain demolitions and reconstructions was under consideration.

Unauthorised construction of the stadium on forest land in violation of the Forest Conservation Act, 1980 and orders of Supreme Court resulted in unfruitful expenditure of Rs. 75.74 lakh since the assets created had not yet been put to use. No responsibility was fixed on the erring officers either.

\* Gata no: 35, 0.607 hectare; Gata no: 36, 1.612 hectare; Gata no: 40, 3.818 hectare

## TECHNICAL EDUCATION DEPARTMENT

### 4.4.9 Unfruitful expenditure on the Government Mahila Polytechnic

***Construction of Mahila Polytechnic without ensuring availability of water resulted in unfruitful expenditure of Rs. 5.21 crore.***

The Government sanctioned (March 1998) Rs. 5.67 crore for construction of a Mahila Polytechnic at Meja in Allahabad district for imparting technical education in Electronic Engineering, Computer Engineering and Information Technology to women. The work was allotted (March 1998) to the Uttar Pradesh Rajkiya Nirman Nigam (UPRNN) and Rs 5.67 crore\* released during 1998-99 to 2002-2003.

Audit scrutiny (January 2004) of the records of the Director, Technical Education, Kanpur, revealed that the construction of the polytechnic commenced in May 1998 despite the fact that the department and the construction agency were aware that water was scarce at the site where the terrain was Vindhyaachal hard rock. The matter was subsequently referred (December 1998) for Geophysical Resistivity Test. In view of the suggestions made by the Geophysicists, the matter was referred to the Remote Sensing Application Centre, Lucknow in December 1999. Reports received (May 2000) from RSAC indicated unavailability of water. Alternative proposals for water supply were not found feasible and finally the Government in November 2002 issued directions to fix responsibility on the defaulting officers of the department and the executing agency and also to ensure the availability of water so as to start the academic session of the polytechnic in 2003-04. Neither any responsibility was fixed nor was water supply ensured to the polytechnic (September 2004). An amount of Rs 5.21 crore was spent on the incomplete works as of August 2004.

On this being pointed out, the Government stated (September 2004) that the academic session 2004-05 had been started by giving admission to 16 girl students. The reply was not entirely correct as the Principal of the polytechnic stated in his reply dated 16 September 2004 that the polytechnic building was not taken over by the department. Arrangements of drinking water were also not made and the classes were being run in the premises of the Government Mahila Polytechnic, Telianganj in Allahabad City, about 40 km from Meja.

Thus, injudicious planning and construction of the polytechnic building without ensuring water supply rendered the expenditure of Rs.5.21 crore unfruitful and the objective of imparting technical education to women also remained unfulfilled.

## IRRIGATION DEPARTMENT

### 4.4.10 Unfruitful expenditure due to non-availability of forest land

***Commencement of canal work without obtaining Government of India's approval under the Forest Conservation Act led to unfruitful expenditure of Rs.1.92 crore.***

The Forest Conservation Act, 1980 (Act) stipulates that in case construction work involves forest land in some stretches, the work on even non-forest land should not be started unless sanction for the use of forest land for non-forest

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\* 1998-99: Rs 135 lakh; 1999-2000: Rs. 97 lakh; 2000-2001: Rs 98 lakh; 2001-2002: Rs 59 lakh; 2002-2003: Rs 178.20 lakh.

purposes is obtained from the Government of India (GOI). Financial Rules of the Government also provide that no work should be commenced on a land unless it has been duly made over by the responsible civil officers.

The 75 km long 'Meja-Jirgo Link Canal (MJLC), under the Ban Sagar Project was to be fed by the Ban Sagar Feeder Channel. In view of the delay in completion of this feeder channel, the Chief Engineer (CE), Ban Sagar Canal Project decided (May 2000) to construct a length of 13.008 km of the MJLC for immediate and proper utilization of 580 cusecs of surplus water of Meja reservoir for irrigation in Allahabad district. The CE sanctioned (November 2001) an estimate for Rs. 2.77 crore for execution of work on the link canal from km. 3.500 to km.5.765 which included stretches of forest land from km.4.100 to km 4.300. Forest land also existed in the earlier reaches of the link canal from km.1.600 to km 2.545 and km.3.100 to km.3.250 covering a total area of 5.785 hectare and State land from km.0.000 to km. 1.600 which was yet to be acquired.

Scrutiny (December 2003) of the records of the Executive Engineer (EE), Ban Sagar Canal Construction Division VI, Mirzapur revealed that the EE commenced the work of construction of link canal between km 3.500 to km 5.765 in January 2002 and incurred an expenditure of Rs. 1.92 crore on earth work leaving a gap of 200 metre of forest land which was not acquired (October 2004). The execution of the work was against the provisions of the Act as well as Financial rules.

On this being pointed out in audit, the department stated (May/October 2004) that the proposal to obtain forest land was sent to GOI in December 1993 and has since been accepted (December 2002) in principle subject to fulfillment of certain conditions. The reply is not acceptable because till October 2004 i.e. almost two years after the approval in principle, the required conditions have not been fulfilled. Also commencement of work of construction of canal even in non-forest reaches was against the spirit of the Act.

Thus, commencement of work of construction of canal without prior permission of GOI as required under the Act and without ensuring the construction of canal in its earlier reaches of forest land/state land resulted in an unfruitful expenditure of Rs.1.92 crore on the incomplete construction of canal. Besides, the intended benefit of providing immediate irrigation facility by utilizing 580 cusecs surplus water of Meja reservoir could also not be achieved.

The matter was reported to Government (March 2004). Government accepted the contention of audit during discussion (December 2004) and assured completion of the land acquisition proceedings after fulfilling the required conditions imposed by GOI for transfer of forest land.