

CHAPTER XIII : MINISTRY OF WELFARE

National Institute for the Orthopaedically Handicapped, Calcutta

13.1 Unfruitful expenditure on a project

The National Institute for the Orthopaedically Handicapped went ahead with a project without the approval of the Standing Finance Committee of the Ministry resulting in unfruitful expenditure of Rs. 20.51 lakh besides loss of interest of Rs. 5.66 lakh.

The project was started without obtaining clearance from the Standing Finance Committee of the Ministry

National Institute for the Orthopaedically Handicapped, Calcutta approached the Ministry in March 1993 for approval of the project for construction of a sports complex in the campus of the Institute at an estimated cost of Rs 64.61 lakh to provide the disabled with recreational and sports facilities. The Institute before obtaining clearance from the Standing Finance Committee (SFC) of the Ministry, requested Central Public Works Department (CPWD) to undertake the work in September 1993 and appointed a consultant for the project in December 1993. The consultant in January 1994 submitted a preliminary estimate for Rs 69 lakh which was forwarded to CPWD in January 1994 together with an amount of Rs 25 lakh. CPWD in September 1994, submitted an estimate to the Institute for Rs 94.12 lakh which was approved by the Executive Council of the Institute in the same month. The Institute further deposited an amount of Rs 20 lakh with the CPWD in October 1994 for execution of the work.

The SFC of the Ministry in May 1997 decided to keep the project pending as they were doubtful about the usefulness of the complex. The Institute in the same month directed CPWD to suspend the work. The CPWD in June 1997 informed the Institute that the pile foundation work amounting to Rs 19.58 lakh had been completed. The work had not been resumed as of April 1999. The Institute neither received the adjustment bills for the work from CPWD nor recovered the balance of Rs 25.42 lakh from CPWD till September 1999.

Expenditure of Rs 20.51 lakh remained unfruitful

Thus, as the Institute went ahead with the project without the approval of the SFC of the Ministry, in violation of the Delegation of Financial Powers Rules, the total expenditure of Rs 20.51 lakh on the project inclusive of consultancy charges of Rs 0.93 lakh remained unfruitful for over four years besides loss of interest of Rs 5.66 lakh on funds lying idle with CPWD for over two years.

The Institute stated in June 1999 that the Executive Council of the Institute was competent to take the decision for the construction work. But the view is not tenable as Ministry in March 1997 directed them to take the approval of the SFC for all the ongoing projects along with the Sports complex and the Institute did go by SFCs decision to stop this work.

The matter was referred to the Ministry in May 1999; their reply was awaited as of February 2000.