

CHAPTER VIII: MINISTRY OF RURAL AREAS AND EMPLOYMENT

Department of Rural Development

8 Misutilisation of funds

Jawahar Rozgar Yojana funds amounting to Rs 96.67 lakh were misutilised for purchase of Jeeps for use by Block Development Officers in the state of Orissa in violation of scheme guidelines and Government of India instructions.

According to the guidelines issued by Government of India governing utilisation of funds under Jawahar Rozgar Yojana (JRY), only rural works which would result in creation of durable productive assets providing employment on a sustained basis should be taken up. Ministry of Agriculture, Department of Rural Development (DRD) also prohibited (December 1989) use of JRY resources for purchase of vehicles.

Scrutiny of records of (Secretary to Government) Panchayati Raj Department of Government of Orissa (May 2000) revealed that an amount of Rs 96.70 lakh had been released out of two *per cent* administrative charges of JRY relating to the year 1994-95 for procurement of 30 diesel driven Jeeps of Mahindra and Mahindra make each costing Rs 3.22 lakh for use by thirty Block Development Officers (BDOs) in eighteen districts of the State. The Jeeps were purchased during 1997-98 at a cost of Rs 96.67 lakh in violation of the guidelines under JRY. The expenditure incurred towards purchase of Jeeps out of the funds under JRY earmarked for contingent and administration expenses amounted to misutilisation of funds under the scheme.

The matter was referred to the Ministry (May 2001) who replied (October 2001) that the purchase of vehicles was permissible in terms of the Ministry's letter of December 1994. The reply of the Ministry was not tenable since the said letter pertained to purchase of vehicles by DRDAs whereas the para deals with purchase of vehicles by BDOs.