

## CHAPTER XII : MINISTRY OF LABOUR

### 12.1 Excess release of funds

**The Ministry failed to correctly adjust the grants released in earlier years which resulted in excess release of Rs. 12.68 lakh to Bala Karmika Vikas Society, Anantapur, Andhra Pradesh.**

The Ministry under its scheme National Child Labour Projects releases grants to Bala Karmika Vikas Society, Anantapur, Andhra Pradesh (Society) for running of Special Schools. The grant is released in instalments subject to adjustment against the actual expenses admissible under the scheme. The grant is routed through the concerned District Collector who is also the Chairman of the District Project Society.

Scrutiny of records revealed (May 2004) that errors in adjusting previous year's unspent grants while releasing the next year's grants resulted in excess release of Rs. 12.68 lakh to the Society during 1998-99 (Rs. 7.88 lakh) and 1999-2000 (Rs. 4.80 lakh).

In response, the Ministry, while accepting the mistake, stated in September 2004 that the excess amount released had been deducted from the first instalment for the year 2004-05. However, the fact remained that excess grant of Rs. 7.88 lakh and Rs. 4.80 lakh remained with the Society for over six years and five years respectively. As the Government borrowed funds at the rate of 10 *per cent per annum* on the funds released, the interest cost to the Government on excess release of Rs. 12.68 lakh amounted to Rs. 7.13 lakh.