



सत्यमेव जयते

**Report of the  
Comptroller and Auditor General of India  
on  
Compliance Audit-I  
for the year ended 31 March 2021**



SUPREME AUDIT INSTITUTION OF INDIA  
लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



**Government of Uttar Pradesh  
Report No. 1 of the year 2023**



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Comptroller and Auditor General of India**

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## Preface

This Report for the year ended March 2021 has been prepared for submission to the Governor of Uttar Pradesh under Article 151 of the Constitution of India.

The Report contains significant results of the compliance audits of the Departments of the Government of Uttar Pradesh in respect of clusters under jurisdiction of Principal Accountant General (Audit-I) Uttar Pradesh including Departments of Basic Education, Higher Education, Home, Housing and Urban Planning, Irrigation and Water Resources, Medical Education, Medical Health and Family Welfare, Minority Welfare and Waqf, Prison Administration and Reform Services, Social Welfare, Technical Education, Urban Development, Vocational Education and Skill Development.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2019-21 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2020-21 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



## Overview

This Report of the Comptroller and Auditor General of India for the year ending 31 March 2021 contains following chapters:

Chapter-I: Introduction

Chapter-II: (i) Audit of Housing and Construction Activities of Prayagraj Development Authority;

(ii) Audit Paragraphs related to various Government Departments.

### Chapter-I: Introduction

The audit of 58 Departments of Government of Uttar Pradesh along with 392 Public Sector Undertakings (PSUs) and 806 other entities (Urban Local Bodies/Panchayati Raj Institutions/Autonomous Bodies/Authorities, etc.) comes under audit jurisdiction of the Principal Accountant General (Audit-I), Uttar Pradesh. During the year 2019-21, compliance audit of 1,305 units out of total 6,192 auditable units was conducted. This Report contains subject specific compliance audit on 'Housing and Construction Activities of Prayagraj Development Authority' and 16 audit paragraphs pertaining to 13 Departments.

#### *Recovery at Instance of Audit*

Audit noticed (April 2021) that Rapti Canal Construction Division-2, Tulsipur, Balrampur paid ₹ 4.86 crore on account of labour cess from Government Account instead of recovering it from the bills of a contractor. On being pointed out in Audit, the entire amount ₹ 4.86 crore of labour cess had been recovered (March 2022) from the contractor.

### Chapter-II: Compliance Audit Observations

#### **Audit of Housing and construction activities of Prayagraj Development Authority**

Government of Uttar Pradesh established (1974) Prayagraj Development Authority (PDA) under Uttar Pradesh Urban Planning and Development Act, 1973. The objective of PDA is *inter alia* to promote and secure the development of Prayagraj city according to the plan and for that purpose, PDA has power to acquire, hold, manage and dispose of land and other property. To fulfil these objectives, PDA implements various housing schemes to provide affordable houses to the urban population and executes various construction activities mainly relating to civil and electrical works. The compliance audit of Housing and Construction Activities of PDA covers the period 2016-17 to 2020-21. Significant audit findings are as follows:

- PDA failed to prepare zonal plans for 11 out of 12 zones of Prayagraj as required under Uttar Pradesh Urban Planning and Development Act, 1973. As such, developmental activities in 11 zones of Prayagraj were being carried out without availability of requisite zonal plan.

(Paragraph 2.1.2)

- During the period 2016-17 to 2020-21, the expenditure of PDA on housing schemes declined (83 *per cent*) from ₹ 104.73 crore to ₹ 17.56 crore, whereas the expenditure on other development works increased (11 *per cent*) from ₹ 63.27 crore to ₹ 70.23 crore indicating PDA's higher focus on execution of other than housing works, *viz.*, road works, *Kumbh Mela* work, smart city work, *etc.*

*(Paragraph 2.1.3)*

- PDA launched Yamuna Vihar Awas Yojana for construction of 1,200 multi-storey flats without any demand survey. Subsequently, the construction work of the project was abandoned after construction of two towers (192 flats) due to lack of demand. As a result, ₹ 38.85 crore incurred on construction of basement, stilts, floor boundary wall, *etc.*, of incomplete towers rendered infructuous. Further, 160 out of 192 flats remained unsold. Similarly, there were 357 unsold flats costing ₹ 152.92 crore which were constructed in April 2018 (Mausam Vihar) and November 2019 (Jagrati Vihar).

*(Paragraphs 2.1.5.1 and 2.1.5.4)*

- Due to slow progress in work, PDA did not provide possession to the allottees of Alaknanda Apartments under Govindpur Awas Yojana even after a lapse of more than five years from the due date of possession.

*(Paragraph 2.1.5.2)*

- PDA constructed only 312 dwelling units, besides 697 dwelling units was being developed through private developers, against the target for construction of 32,500 dwelling units under Pradhan Mantri Awas Yojana to provide housing at an affordable price to weaker sections of the society, lower income group people and urban poor.

*(Paragraph 2.1.5.3)*

- PDA incurred irregular expenditure of ₹ 4.38 crore on construction of peripheral roads of a proposed township without requisite approval for the township and without immediate requirement. In another road work, irregular payment of ₹ 1.87 crore was made to a contractor for bituminous work without obtaining requisite Consignee Receipt Certificate issued by oil companies.

*(Paragraphs 2.1.6.1 and 2.1.6.4)*

## **Audit Paragraphs**

### ***Basic Education Department***

- Construction of two Kasturba Gandhi Balika Vidyalaya buildings in Azamgarh district remained incomplete even after a lapse of ten years due to lackadaisical attitude of Basic Education Department and the executing agency (Uttar Pradesh Rajkiya Niraman Nigam), rendering an expenditure of ₹ 1.17 crore unfruitful. Besides, this delay forced the residential schools to run from transit campus in Block Resource Centre building, Azamgarh due to which girls were facing difficulties.

*(Paragraph 2.2)*

***Higher Education Department***

- Due to slackness in execution of work and delays in release of funds, construction of sports stadium in Deen Dayal Upadhyaya Gorakhpur University remained incomplete even after a lapse of seven years. As a result, expenditure of ₹ 4.61 crore on its construction remained unfruitful, besides objective of providing sports infrastructure to students of the University could not be achieved.

*(Paragraph 2.3)****Home Department***

- Delay in commencement of work, ineffective monitoring and delay in sanction of revised estimate led to not completing of Baffle Firing Range, besides expenditure of ₹ 5.81 crore on its construction remained unfruitful and the cost of work also increased from ₹ 2.41 crore to ₹ 6.39 crore.

*(Paragraph 2.4)****Irrigation and Water Resources Department***

- Irrigation and Water Resources Department, Sharda Canal Division, Lucknow made irregular payment of Centage amounting to ₹ 91.09 lakh to Uttar Pradesh Project Corporation Limited for the supply of five amphibious hydraulic excavators.

*(Paragraph 2.5)*

- In violation of the conditions of the contract, Irrigation and Water Resources Department, Flood Division, Bareilly made an excess payment of ₹ 33.66 crore to a contractor for dewatering charges in the works of Ramganga Barrage.

*(Paragraph 2.6)*

- In contravention of the provisions of the agreement, Rapti Canal Construction Division-2 paid interest free machinery advance of ₹ 20 crore to a contractor, which also led to loss of interest of ₹ 5.14 crore to the State Government.

*(Paragraph 2.7)*

- Failure to install Musical fountain imported on the basis of incomplete cost estimate for Gomati Riverfront Development Project resulted in unfruitful expenditure of ₹49.59 crore.

*(Paragraph 2.8)*

- Irrigation and Water Resources Department incurred unfruitful expenditure of ₹ 2.70 crore on restoration of syphon at Kichha-Paha feeder canal due to formulation of the project without survey.

*(Paragraph 2.9)****Medical Education Department***

- Operation of current accounts instead of saving bank accounts by Baba Raghav Das Medical College, Gorakhpur, against the government order, resulted in loss of interest of ₹ 1.62 crore.

*(Paragraph 2.10)*

***Medical Health and Family Welfare Department***

- Avoidable payment of ₹ 3.25 crore was made on account of interest, damages and employees contribution imposed by Employees' Provident Fund Organisation due to belated remittance of Employees' Provident Fund contributions by the District Health Societies.

(Paragraph 2.11)

- Chief Medical Officers/Chief Medical Superintendents of 21 districts erroneously fixed higher pay of 175 Medical Officers consequent upon implementation of Seventh Pay Commission, resulting in excess payment of ₹ 2.59 crore. On being pointed out in Audit, four CMOs recovered ₹ 20.64 lakh from 12 Medical Officers.

(Paragraph 2.12)

***Prisons Administration and Reform Services Department***

- Due to lackadaisical approach at the project formulation and appraisal stage and failure of department to ensure timely completion of work, the construction of boundary wall of District Jail Mirzapur remained incomplete even after 11 years of its sanction and the expenditure of ₹ 1.42 crore on its construction was rendered unfruitful.

(Paragraph 2.13)

***Social Welfare Department***

- Excess payment of ₹ two crore was made to executing agency by Social Welfare department in violation of Government orders for admissibility of centage charges.

(Paragraph 2.14)

***Technical Education Department***

- Laxity of Madan Mohan Malviya University of Technology Gorakhpur in payment of house tax to Nagar Nigam Gorakhpur resulted in avoidable payment of ₹ 3.08 crore on account of interest on arrears of house tax.

(Paragraph 2.15)

***Urban Development Department***

- Failure of Nagar Palika Parishad to comply statutory responsibilities under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 regarding deductions of Employees' Provident Funds contributions and timely payment to the Fund resulted in avoidable payment of ₹ 1.49 crore towards employees' contribution, interest and damages.

(Paragraph 2.16)

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

- Expenditure of ₹ five crore incurred on construction of ITI Kithore, Meerut remained unfruitful due to lackadaisical approach in preparing the detailed estimates and delay of more than seven years in sanctioning of revised estimates by the State Government.

(Paragraph 2.17)

# **Chapter - I**

## **Introduction**



## CHAPTER-I

### 1.1 Introduction

The audit of 58 Departments of Government of Uttar Pradesh along with 392 Public Sector Undertakings (PSUs) and 806 other entities (Autonomous Bodies/Authorities, *etc.*) including ULBs/PRIs thereunder, comes under audit jurisdiction of the Principal Accountant General (Audit-I), Uttar Pradesh. The details of Departments and respective entities are given in **Appendix-1.1**.

### 1.2 Audit Coverage

During the year 2019-21, the office of the Principal Accountant General (Audit-I), Uttar Pradesh conducted the compliance audit of 1,305 units out of total 1,907 units planned for audit against 6,192 auditable units under the 46 Departments of Government of Uttar Pradesh. This Report contains results of subject specific compliance audit of 'Housing and Construction Activities of Prayagraj Development Authority' and 16 audit paragraphs pertaining to 13 Departments<sup>1</sup>.

### 1.3 Audit Process and Response of Government to Audit

Audit affords a four stage opportunity to the audited units/departments to elicit their views on audit observations, *viz.*

**Audit Memos:** Issued to the head of the audited unit during the field audit to be replied during the audit itself.

**Inspection Reports (IR):** Issued within a month of the completion of audit to be replied by the head of the audited unit within four weeks.

**Draft Paragraphs:** Issued to the heads of the Departments under whom the audited units function for submission of Departmental views within a period of six weeks for consideration prior to these being included in the CAG's Audit Report.

**Exit Conference:** Opportunity is given to the head of departments and State Government to elicit Government/Departmental views on the audit observations prior to finalisation of the Audit Report.

In all these stages, Audit strives to provide full opportunity to audited units/head of Departments/State Government to provide rebuttals and clarifications and only when the departmental replies are not received or are not convincing, the audit observations are processed for inclusion in the Inspection Report or CAG's Audit Report, as the case may be. However, in most of the cases, the audited entities do not submit timely and satisfactory replies as indicated below:

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<sup>1</sup> Departments of Basic Education, Higher Education, Home, Housing and Urban Planning, Irrigation and Water Resources, Medical Education, Medical Health and Family Welfare, Minority Welfare and Waqf, Prison Administration and Reform Services, Social Welfare, Technical Education, Urban Development, Vocational Education and Skill Development.

• ***Status of Replies to Inspection Reports***

A detailed review of IRs issued up to March 2021 to 2,675 Drawing and Disbursing Officers (DDOs) pertaining to 58 Departments/PSUs/Autonomous Bodies (ABs) revealed that 49,841 paragraphs contained in 11,484 IRs were outstanding for settlement for want of convincing replies as on 31 March 2022. Of these, the DDOs submitted initial replies against 12,997 paragraphs contained in 2,806 IRs, while in respect of 36,844 paragraphs contained in 8,678 IRs, there was no response from DDOs. The status of outstanding IRs is given in **Table 1.1**.

**Table 1.1: Outstanding IRs and Paragraphs (issued up to 31 March 2021) as on 31 March 2022**

Sl. No.	Period	No. of outstanding IRs (per cent)	No. of outstanding Paras (per cent)
1	Upto one year	97 (1)	889 (2)
2	More than 1 year to 3 years	2468 (21)	13853 (28)
3	More than 3 years to 5 years	2355 (21)	10572 (21)
4	More than 5 years	6564 (57)	24527 (49)
<b>Total</b>		<b>11484</b>	<b>49841</b>

(Source: Information compiled by Audit)

During the period 2019-21, five meetings (Audit Committee Meetings) of Audit with the Departmental officers were held, in which 22 IRs and 309 Paras were settled.

• ***Status of Replies to Audit paragraphs included in the present Audit Report***

For the present Audit Report, subject specific compliance audit paragraphs on 'Housing and Construction Activities of Prayagraj Development Authority' and 17 audit paragraphs were forwarded to the Principal Secretaries/ Secretaries of the concerned administrative Departments to elicit their views on the audit observations.

Regulation 138 of the Regulations on Audit and Accounts, 2020 (Regulations, 2020) provides that the Secretary to Government of the concerned Department shall furnish the replies to the draft paragraph within the specified time. Replies/responses of the Government in respect of subject specific compliance audit paragraphs on 'Housing and Construction Activities of Prayagraj Development Authority' and thirteen audit paragraphs have been received. In case of four audit paragraphs replies were awaited (October 2022) despite reminders. However, the replies of the concerned audit units were received in respect of all paragraphs.

**1.4 Follow up action taken on earlier Audit Reports**

The Report of the Comptroller and Auditor General of India represents the culmination of the process of audit scrutiny. It is, therefore, necessary that it elicits appropriate and timely response from the executive. The Finance Department, Government of Uttar Pradesh issued (June 1987) instructions to

all the administrative Departments to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the CAG of India within a period of two to three months of their presentation to the State Legislature. The position of replies/explanatory notes not received is given in **Table 1.2**.

**Table 1.2: Explanatory notes not received (as on 31 July 2022)**

Year of the Audit Report	Audit Report Number and year	Date of placement of Audit Report in the State Legislature	Total Performance Audit (PAs) and Compliance Audit (CAs) Paragraphs in the Audit Report		Number of PAs/CAs Paragraphs for which explanatory notes were not received	
			PAs	CAs	PAs	CAs
2012-13	5 of 2014	17.11.2014	5	28	1	22
2012-13	3 of 2014	01.07.2014	1	0	1	0
2013-14	3 of 2015	26.03.2015	6	31	3	18
2014-15	1 of 2016	08.03.2016	9	30	0	12
2014-15	3 of 2016	23.08.2016	1	0	1	0
2015-16	2 of 2017	18.05.2017	2	29	1	19
2015-16	3 of 2017	21.07.2017	1	0	1	0
2015-16	4 of 2017	27.07.2017	1	0	1	0
2016-17	3 of 2018	07.02.2019	0	10	0	1
2018-19	2 of 2021	19.08.2021	1	21	1	19
<b>Total</b>			<b>27</b>	<b>149</b>	<b>10</b>	<b>91</b>

(Source: Information compiled by Audit)

### **Discussion of Audit Reports by Public Accounts Committee (PAC)**

During the years 2012-13 to 2018-19, 27 Performance Audits and 149 Compliance Audit Paragraphs related to Departments were reported in these Audit Reports. Of these, PAC had taken up 42 paragraphs (PAs/CAs) for discussion. The status of PAC discussion as on 31 July 2022 is detailed in **Table 1.3**.

**Table 1.3: Status of PAC discussion, Uttar Pradesh, Vidhan Sabha (as on 31 July 2022)**

Status	PAs/ CAs of Audit Report pertaining to General and Social Sector for the year 2012-13 to 2018-19
Number of total Audit Paras	176 (27 PAs + 149 CAs)
Taken up by PAC for discussion	42 (15 PAs + 27 CAs)
ATN Received	Nil

(Source: Information compiled by Audit)

### **1.5 Recoveries at the instance of Audit**

Scrutiny of records (April 2021) of Irrigation and Water Resources Department, Rapti Canal Construction Division-2, Tulsipur, Balrampur (EE)

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revealed that an agreement for construction of Rapti Canal and its distributaries system including Earth Work and Pucca Work between km. 80.000 to Km. 114.000 of Rapti Main Canal in district Balrampur was executed (April 2013) with a contractor at a total cost of ₹ 360.89 crore.

Audit noticed that the Division instead of recovering the labour cess from the bills of the contractor, first added the labour cess and then deducted the same from the bills of the contractor. As a result, the actual burden of labour cess was borne by the Government instead of by the Contractor. This resulted in undue benefit of ₹ 4.86 crore to the contractor (upto 85<sup>th</sup> running bill paid in January 2022).

In reply, Government stated (August 2022) that the entire amount (₹ 4.86 crore) of labour cess had been recovered from 86<sup>th</sup> running bill (March 2022) of the contractor.

#### **1.6 Conclusion**

Not submitting replies to Audit adversely affects accountability and transparency in the Government and is therefore a cause of concern.

## **Chapter - II**

- **Housing And  
Urban Planning Department**
- **Audit Paragraphs**



## Housing and Urban Planning Department

### 2.1 Audit of Housing and Construction Activities of Prayagraj Development Authority

#### 2.1.1 Introduction

The Government of Uttar Pradesh (GoUP) established Prayagraj Development Authority (PDA) in 1974 under Uttar Pradesh Urban Planning and Development Act, 1973 (Act). PDA functions under the administrative control of Housing and Urban Planning Department (HUPD) of GoUP. As per Section 4 of the Act, the Authority (PDA) shall be a body corporate consisting of Chairman, Vice Chairman appointed by the State Government, besides other members<sup>1</sup>.

The objective of PDA is *inter alia* to promote and secure the development of Prayagraj city according to the plan and for that purpose, PDA has power to acquire, hold, manage and dispose of land and other property. To fulfil these objectives, PDA implements various housing schemes to provide affordable houses to the urban population and executes various construction activities mainly relating to civil and electrical works.

The compliance audit of Housing and Construction Activities of PDA covers the period 2016-17 to 2020-21. The audit objectives were to ascertain: (i) whether housing needs of the urban population of the city was adequately fulfilled through execution of various housing schemes, and (ii) whether infrastructure works were awarded and executed in accordance with the stipulated rules and orders issued by the GoUP. The draft report was issued to the State Government in October 2021 and the audit findings were discussed with PDA during Exit conference held on 10 October 2021. The replies (March 2022) of PDA received (April 2022) through the State Government have been suitably incorporated in the report.

### *Audit Findings*

#### 2.1.2 Zonal plans not prepared

As per Section 8 of the Act, PDA was required to prepare a Master Plan for the development area. The Master Plan defines the various zones into which the development area may be divided for the purposes of development and indicate the manner in which the land in each zone is proposed to be used and the stages by which any such development shall be carried out. Section 9 of the Act further provides that simultaneously with the preparation of the Master Plan or as soon as may be thereafter, the Authority shall proceed with the preparation of a Zonal Development Plan for each of the zones.

<sup>1</sup> Secretary, Department of Housing and Urban Development, GoUP (*ex-officio*), Secretary, Finance Department, GoUP (*ex-officio*), Chief Town and Country Planner, Uttar Pradesh (*ex-officio*), Managing Director, Uttar Pradesh Jal Nigam (*ex-officio*), Mukhya Nagar Adhikari (*ex-officio*), District Magistrate, Prayagraj (*ex-officio*), District Magistrate, Kaushambi (*ex-officio*), Four Members elected by sabhasads of Nagar Nigam from amongst themselves, Members nominated by the State Government (not exceeding three)

During the period of Compliance Audit, viz., 2016-17 to 2020-21, PDA implemented Master Plan 2021 (MP 2021). Audit noticed that MP 2021 was to be implemented by PDA after the end of the envisaged plan period of MP 2001, i.e., year 2001. However, PDA prepared MP 2021 only in July 2005, which was approved by the State Government in August 2006. As a result, MP 2001 remained in operation till August 2006.

Prayagraj has been divided into 12 zones in MP 2021. Therefore, PDA was required to prepare 12 zonal plans for development of these zones. However, only one zonal plan of Zone B-4 (Civil Lines) was prepared (January 2011). As such, developmental activities in the remaining 11 zones of Prayagraj were being carried out without availability of requisite zonal plan.

In reply, PDA stated (March 2022) that preparation of Master Plan is a lengthy process which requires survey of the development area and suggestions/objections of various stakeholders are taken into consideration before its finalization. State Government further stated that the zonal plan for remaining 11 zones was to be prepared by Town and Country Planning Department and the developmental activities in these 11 zones were carried out as per the provisions of MP 2021.

The reply is not acceptable, as PDA failed to comply with the Uttar Pradesh Urban Planning and Development Act, 1973 under which Zonal Development Plans were required to be prepared by the Authority. Further, the PDA was well aware of the process involved in preparing the master plan and hence, it should have started the process well in advance so that the state government's approval on the new master plan could be obtained before the previous master plan ends. In addition, MP 2031, which was to be made operational from January 2022, i.e., after the plan period for MP 2021 is over, was yet to be finalised (August 2022).

**2.1.3 Budget provisions and expenditure on housing and other development works**

The budget provisions and actual expenditure of PDA during 2016-17 to 2020-21 in respect of housing and other development works (road construction, infrastructure, *Kumbh Mela* work, Smart City, etc.) were as detailed in **Table 2.1.1**.

**Table 2.1.1: Budget Provision and Expenditure on Housing and Road/development works by PDA during 2016-21**

Year	Housing		Road /development works	
	Budget provision	Actual expenditure	Budget provision	Actual expenditure
2016-17	138.00	104.73	92.80	63.27
2017-18	116.85	113.56	46.60	37.75
2018-19	84.00	60.98	110.00	76.20
2019-20	37.65	37.65	150.69	150.68
2020-21	24.00	17.56	86.60	70.23
<b>Total</b>	<b>400.50</b>	<b>334.48</b>	<b>486.69</b>	<b>398.13</b>

(Source: Data provided by PDA)

As evident from **Table 2.1.1**, expenditure on housing schemes declined (83 *per cent*) from ₹ 104.73 crore to ₹ 17.56 crore during 2016-17 to 2020-21, whereas the expenditure on other development works increased (11 *per cent*) from ₹ 63.27 crore to ₹ 70.23 crore during the same period. As such, PDA was focusing more on road works, *Kumbh Mela* work, smart city, *etc.*, than housing activities.

In reply, the PDA stated (March 2022) that expenditure on development work was more than housing activities as PDA also functions as an executing agency for *Kumbh Mela* and Smart City, *etc.*

Fact remains that housing activities of PDA had not received adequate attention which impacted development of Prayagraj city as discussed in the succeeding paragraphs.

#### 2.1.4 Housing activities

Development Authorities were established under Housing and Urban Planning Department of GoUP to promote and secure the development of the development area according to plan. Prayagraj Master Plan 2021 assessed the shortage of 2.64 lakh dwelling units to fulfill the housing needs of Prayagraj as detailed in **Table 2.1.2**.

**Table 2.1.2: Requirement of dwelling units in Prayagraj**

Sl. No.	Particulars	(in number)		
		Decadal year		
		2001	2011	2021
1	Population	1200000	1600000	2050000
2	Number of dwelling units required	240000	320000	410000
3	Shortage of dwelling units	94000	174000	264000

(Source: Prayagraj Master Plan 2021)

Under MP 2021, PDA planned to develop 11,164.48 hectare residential area for 20.50 lakh estimated population of Prayagraj. PDA informed that 8,168 dwelling units were developed (**Appendix-2.1.1**) in Prayagraj during 2016-21 under various housing schemes executed by PDA and private developers. However, PDA did not provide details of dwelling units constructed to meet the projected shortage of 2.64 lakh units as envisaged under MP 2021.

#### 2.1.5 Implementation of housing schemes

Test check of some of the housing schemes implemented by PDA revealed that projects were undertaken without examining the demand or economic viability, quality testing of soil of the construction site, *etc.* and there were inordinate delays in execution due to lack of coordination and above factors, lack of monitoring, *etc.*

### **2.1.5.1 Yamuna Vihar Awas Yojana**

PDA commenced Yamuna Vihar Housing Scheme<sup>2</sup> at Naini, Prayagraj in the year 2016 for lower and middle income groups. Under the scheme, a contract was signed (December 2016) with a contractor for construction of 1,200 multi-storey flats comprising 15 towers at a cost of ₹ 284.41 crore. Stipulated date of start and completion of the work were December 2016 and December 2019 respectively.

Audit scrutiny revealed that due to insufficient demand of flats under Yamuna Vihar Housing Scheme, PDA constituted (November 2019) a committee for fore-closure of the contract. However, up till this time, construction of basement, stilts, floor, boundary wall and underground water tank for the entire project and 192 flats (two towers) out of 1,200 flats (15 towers) were already completed. It was observed that only 32 flats, out of 192 constructed could be allotted. PDA decided (December 2019) to complete the work of two towers (192 flats) along with associated work and stop the construction of remaining towers. Subsequently, PDA submitted (March 2020) a proposal before its Board to auction the incomplete towers. However, Board directed PDA to examine the economic viability of the proposal and determine the responsibility of PDA and contractor in such case of sale. Further decision on the auction of incomplete towers was still pending (March 2022).

Audit noticed that Finance Controller of PDA had noted (October 2016) that demand survey for the sale of flats under the project was essential before inviting tender for its construction. However, no demand survey was carried out and PDA informed Audit that demand survey would be conducted after approval of costing and the demand of such flats remained high.

Further scrutiny revealed that the contractor was paid ₹ 83.13 crore (March 2022), out of which ₹ 38.85 crore was paid for construction of basement, stilts, floor boundary wall, etc., of incomplete towers and remaining ₹ 44.28 crore for construction of two towers and allied works. Keeping in view the fact that PDA had decided to abandon the construction work of incomplete towers, the expenditure of ₹ 38.85 crore on their development became wasteful. Thus, failure of PDA to carry out demand survey before commencing construction of 1,200 flats in Yamuna Vihar Housing Scheme resulted in wasteful expenditure of ₹ 38.85 crore on development of 10 incomplete towers<sup>3</sup> and the future of sale of 160 unsold flats remained uncertain due to lack of demand.

### **2.1.5.2 Alaknanda Apartments under Govindpur Awas Yojana**

PDA published a scheme for allotment of 140 flats under the title ‘Alaknanda Apartments’ under Govindpur Awas Yojana. Allotment of 136 flats had been made on 1 September 2014. As per the scheme brochure, possession of flats was to be given to the allottees within 24 months from the date of allotment.

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<sup>2</sup> Under *Samajwadi Awas Yojana* (December 2014), an affordable housing Scheme of the State Government.

<sup>3</sup> Proportionate expenditure worked by PDA on 10 incomplete towers

Audit observed that PDA awarded (September 2014) the construction work to a contractor with stipulated dates for start and completion of construction as 1 November 2014 and 30 September 2016 respectively. However, the work remained incomplete (July 2021) with physical and financial progress as 78 per cent and 75 per cent respectively. The pace of work was found to be very slow due to swampy soil. As such, possession of these flats could not be provided to the allottees.

On being pointing out in Audit, PDA stated (October 2021) that time extension had been given by Real Estate Regulatory Authority (RERA) till 29 June 2021 and PDA had applied for further extension.

The fact remained that possession of the flats had not been provided to allottees even after the lapse of five years from the due date of possession.

### **2.1.5.3 Pradhan Mantri Awas Yojana**

Government of India (GoI) launched (2015) *Pradhan Mantri Awas Yojana* (PMAY) to provide housing at an affordable price to the weaker sections of the society, lower income group people and urban poor. GoUP directed (September 2017) PDA to construct 6,500 dwelling units at an affordable price. Under the scheme, the housing projects were to be funded by GoI (₹ 1.50 lakh per dwelling unit), State Government (₹ 1.00 lakh per dwelling unit) and remaining (₹ 2.00 lakh) from the beneficiary. As against this target, PDA proposed (November 2017) to construct 312 economically weaker sections (EWS) dwelling units on its vacant land (8,540.75 square meter), which was approved (January 2018) by Central Sanctioning and Monitoring Authority for PMAY, Government of India.

GoUP again directed (June 2018) to construct 26,000 EWS dwelling units in phases: 2018-19 (9,750 units), 2019-20 (13,000 units) and 2020-21 (3,250 units). State Government further directed (July 2018) that land for the construction of dwelling units under PMAY would be provided free of cost to PDA by a committee constituted under the chairmanship of District Magistrate, Prayagraj. PDA requested district administration to provide 65 hectare to meet the earmarked target of 26,000 dwelling units. However, land was not provided to PDA.

Thus, against the target of 32,500 units, PDA could plan and construct only 312 units. Besides, 697 dwelling units were also being developed under PMAY in two projects through private developers. Hence, the objective to provide housing at an affordable price under PMAY could not be fulfilled by PDA.

In reply, PDA stated (March 2022) that it had requested (February 2021) to the State Government to exempt PDA from constructing the remaining units. PDA further stated that targets under the Scheme could not be achieved due to unavailability of land despite repeated requests to district administration.

The fact remained that the target of developing EWS housing units under PMAY was not achieved due to lack of coordination between PDA and district administration despite GoI funding to the Scheme.

#### **2.1.5.4 Unsold flats**

PDA launched two housing schemes, Mausam Vihar in the year 2013 and Jagriti Vihar in the year 2015, comprising construction of 792 flats. The construction of these flats were completed in April 2018 (Mausam Vihar) and November 2019 (Jagriti Vihar). However, PDA could sell only 435 flats in these schemes, that too after five to eight repeated advertisements between June 2013 to December 2020. Remaining 357 flats costing ₹ 152.92 crore was lying vacant, which was indicative of incorrect assessment of demand prior to launch of both the housing schemes (*Appendix-2.1.2*).

PDA stated (March 2022) that registration for these unsold inventory had been open and these would be disposed of soon.

#### **2.1.6 Development activities of PDA**

Section 7 of the Act provides that PDA shall *inter alia* provide various services and amenities including roads, street lights and public works etc. Accordingly, PDA executes construction, widening and maintenance of various road works. Apart from this, works relating to Kumbh Mela 2019 and Prayagraj Smart City Limited (PSCL) was also being executed by PDA as Deposit Works<sup>4</sup>. Audit findings related to such development activities of PDA are discussed in succeeding paragraph.

##### **2.1.6.1 Irregular expenditure on peripheral roads**

PDA proposed development of a township at *Naini*, Prayagraj for which layout plan was prepared in June 2018. In anticipation of approval of layout map of the township, PDA decided (June 2018) to construct two peripheral road works (**Table 2.1.3**) under the township project citing that the construction of these roads would be useful for Kumbh Mela 2019 (January - March 2019) as the place would be used as parking space for Mela and also by the devotees.

**Table 2.1.3: details of peripheral road of Naini township**

<i>(₹ In crore)</i>		
Sl. No.	Name of the road	Estimated cost
1	24 metre wide peripheral road, parallel to Arail road in proposed township at Naini	10.27
2	24 metre wide peripheral road, parallel to New Yamuna Bridge in proposed township at Naini	9.91
<b>Total</b>		<b>20.18</b>

Tenders were invited for both road works in July 2018 and the work was awarded (November 2018) to contractors with schedule date of

<sup>4</sup> Cost of these works are borne by the requesting Departments.

commencement and completion of works as 20 November 2018 and 19 March 2019. However, the work was not started till September 2020, *i.e.*, even after 18 months of completion of Kumbh Mela 2019. The reason for not commencing the road work was not apparent from records produced in Audit. However, PDA granted time extension for completion of both works till 15 January 2021.

Audit noticed that earth work of ₹ 4.38 crore could be carried out in both road works till February 2021. No further progress was noticed in Audit (August 2021). PDA attributed the delay in work to pending deep sewage, drainage and water line works at the site.

Audit further noticed that the approval of layout plan for residential portion of the township was approved by the PDA's Board in December 2020. However, the land use change for the proposed commercial area in the township was awaited (August 2021) from the State Government. The costing of project to ensure its financial viability was also not done. Thus, PDA carried out road works without requisite approval for the township and without immediate requirement which led to irregular expenditure of ₹ 4.38 crore on road work. Further, the road could also be not used for Kumbh Mela 2019 which was cited as immediate reason for commencing the work.

#### **2.1.6.2 Construction of Barat Ghar**

PDA constructed three community centres (Barat Ghar) to operate on rental basis, details of which is given in **Table 2.1.4**.

**Table 2.1.4: Construction cost of community centres**

(₹ in crore)

Name of the Community Centre (Barat Ghar)	Completion date	Construction cost
Gangotri under Trivenipuram Awas Yojana	July 2018	5.57
Yamunotri under Kalindipuram Awas Yojana	July 2017	2.32
Trivenipushpa Barat Ghar	May 2019	3.29
<b>Total</b>		<b>11.18</b>

In spite of the completion of the construction of above three Barat Ghars two to four years ago, the operation of these Barat Ghars could not be successfully started by PDA (August 2021). As such PDA incurred expenditure of ₹ 11.18 crore on construction of three Barat Ghars, which remained unfruitful.

In reply, PDA stated (March 2022) that Request for Proposal (RFP) had been prepared which was under approval.

#### **2.1.6.3 Inflated estimates due to excess rate of machinery in analysis of rates**

The road construction works are required to be carried out as per the specification given in the Ministry of Road Transport and Highways (MoRTH) data book. Accordingly, rate of machinery in rate analysis of any items is to be taken from MoRTH data book. Further, as per Public Works

Department (PWD) order (July 2012), the rate of machinery was to be taken from MoRTH data book of 2001-02 with five *per cent* price escalation for each passing year.

Prayagraj Smart City Limited (PSCL) assigned (May 2018 and February 2020) the strengthening and widening of thirteen road works costing ₹ 84.30 crore to PDA (*Appendix-2.1.3*).

Scrutiny of records of these works revealed that excess rate of machinery had been taken in the rate analysis of items ranging from 2.37 to 5.74 *per cent*, viz., Granular Sub Base (GSB), Dense Grade Bituminous Macadam (DGBM), Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) (*Appendix-2.1.4*). Due to inclusion of inflated rates in the estimates, possibility of excess payment to contractors could not be ruled out.

In reply, PDA stated that the rate analysis was prepared by a project management consultant appointed by PSCL, which was examined by PWD and the technical sanction of these estimates had been accorded by a technical committee constituted by the Chairman, PSCL. PDA further stated that necessary legal and technical process would be ensured in respect of the excessive cost that had come to notice after the audit objection and accordingly the payment amount of the firms concerned would be withheld.

#### ***2.1.6.4 Irregular payment for road works without obtaining the Consignee Receipt Certificates***

Engineer-in-Chief (E-in-C) Public Works Department (PWD) directed (October 2008) that payments should not be made to the contractors for bituminous work without obtaining original Consignee Receipt Certificate (CRC) issued by the oil companies. Further, the State Government also ordered (May 2009) that the executing agency would pay for bituminous works only when CRCs is submitted by contractor.

PDA awarded (January 2021) the work of widening, strengthening and beautification of Dr. Lohia Marg (Nawab Yusuf Road to Muir Road) to a contractor (M/s Dhyan Singh). As per condition of contract, work was to be carried out as per specification of UPPWD and latest circulars/instructions issued from time to time. However, Audit noticed that PDA made payment of ₹ 1.87 crore to the contractor for bituminous items of work<sup>5</sup> up to the third running bill (July 2021) without obtaining CRCs from the contractor.

In reply, PDA stated (October 2021) that CRCs would be obtained from the contractor.

Reply was not acceptable, as the CRCs were to be obtained before making payment. As such irregular payment of ₹ 1.87 crore was made to the contractor without obtaining the requisite CRCs.

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<sup>5</sup> dense graded bitumen macadam, tack coat with bitumen VG -10 and bituminous concrete

**2.1.6.5 Employees Provident Fund Contribution not paid**

Para 29 of Employees' Provident Fund (EPF) Scheme, 1952 provides that EPF Contribution at the prescribed rate should be deposited into the EPF accounts of the employees. Para 30 of the Scheme further provides contribution of the employees engaged through contractors were either to be deposited by the employer (contractor) or by the principal employer.

Audit noticed that PDA deducted ₹ 1.53 crore from contractors' bill towards EPF contribution as per details given in **Table 2.1.5**.

**Table 2.1.5: Details of EPF deduction from contractors' bills**

(₹ in lakh)

Period	Amount deducted from contractor's bills on account of EPF
2019-20	93.66
2020-21	54.62
2021-22 (up to 5/2021)	4.55
<b>Total</b>	<b>152.83</b>

(Source: Data collected from PDA)

PDA, however, failed to deposit the said EPF contribution amount of ₹ 1.53 crore into EPF Accounts of the employees, due to which the employees were deprived of the intended social security.

In reply, PDA stated (October 2021) that the said amount had been deducted from contractors' bills since they failed to deposit EPF contribution. PDA further stated that deducted amount would be refunded to contractors as soon as they deposit employees' contribution into EPF accounts.

Reply was not acceptable, as it was the responsibility of PDA as principal employer to deposit the deducted amount of ₹ 1.53 crore into the EPF accounts of the employees. Moreover, the amounts were pending since 2018-19 which also attracts penal interest and penal damage under Section 7Q and 14B of Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

**2.1.6.6 Centage charges not recovered**

GoUP order (February 1997 and November 2014) provided that centage charge at the rate of 12.5 per cent after deducting 5 per cent on the total cost of work would be admissible on deposit works carried out by Public Sector Undertakings/Autonomous Bodies/other construction agencies.

Audit observed that PDA executed works costing ₹ 32.17 crore of Prayagraj Smart City Limited (PSCL) till date, however, PDA did not realize the admissible centage charges of ₹ 3.82 crore (₹ 32.17 crore x 95 per cent x 12.5 per cent).

In reply, PDA stated (June 2021) that demand for centage charges was being made from PSCL. However, PDA informed (August 2022) that centage charges were not received.

### **2.1.7 Conclusion**

Prayagraj Development Authority failed to comply with the provisions of the Uttar Pradesh Urban Planning and Development Act, 1973, as it did not prepare Zonal plans for 11 out of 12 zones in Prayagraj. In the last five years, expenditure of PDA on housing activities declined significantly while expenditure on construction of roads and other infrastructure development activities remained high indicating that the PDA's focus shifted to the development of infrastructure rather than on housing schemes. Further, housing schemes were implemented without adequate planning which resulted in large number of unsold flats, besides slow progress in works led to delay in providing possession of houses to allottees.

Audit noticed various non-compliance issues in execution of development works by PDA, such as inflated estimates of works, irregular expenditure, non-payment of statutory contribution, *etc.*

### **2.1.8 Recommendations**

1. PDA should prepare zonal plans for development of Prayagraj as required under the Uttar Pradesh Urban Planning and Development Act, 1973.
2. PDA should take up housing projects only after thoroughly surveying the demand at the proposed location. Adequate steps should also be taken for sale of unsold flats.
3. PDA should fix the responsibility for construction of flats without conducting demand survey under Yamuna Vihar Awas Yojana.
4. PDA should take effective steps for timely completion of incomplete housing projects.
5. PDA should adhere to the prescribed norms and specification during preparation of estimates and the procedure for contract management in execution of contracts should be strictly adhered to.

## AUDIT PARAGRAPHS

### BASIC EDUCATION DEPARTMENT

#### 2.2 Delay in action against substandard work leading to unfruitful expenditure on construction of buildings

**Construction of two Kasturba Gandhi Balika Vidyalaya buildings in Azamgarh district remained incomplete even after a lapse of ten years due to lackadaisical attitude of Basic Education Department and the executing agency (Uttar Pradesh Rajkiya Nirman Nigam), rendering an expenditure of ₹ 1.17 crore unfruitful. Besides, this delay forced the residential schools to run from transit campus in Block Resource Centre building, Azamgarh due to which girls were facing difficulties.**

To ensure access of quality education to female children belonging to disadvantaged groups of society, Government of India (GoI) accorded approval (2010-2011) for setting up of 15 residential Kasturba Gandhi Balika Vidyalayas (KGBVs) under *Sarv Shiksha Abhiyaan* (SSA) in educationally backward blocks of Azamgarh district.

Scrutiny of records (November 2019 and December 2021) of State Project Director, *Sarv Shiksha Abhiyaan*, Uttar Pradesh, Lucknow (SPD) and information collected from District Basic Education Officer, Azamgarh (DBEO) revealed that District Magistrate (DM), Azamgarh awarded<sup>6</sup> (March 2011) the work for construction of 15 KGBVs to Uttar Pradesh Rajkiya Nirman Nigam (UPRNN) and an agreement was executed (June 2011) between the DBEO and UPRNN. As per conditions of agreement, the work was to be completed at the estimated cost of ₹ 62.49 lakh per school within six months of release of fund and the availability of land to the executive agency. The agreement further provided that the work would be stopped if the quality of construction was found substandard and fund allotted including interest at the rate of 12 *per cent* would be recovered from UPRNN.

Audit noticed that the construction of two KGBVs in Lalganj and Thekma blocks of Azamgarh district out of 15 sanctioned KGBVs was yet to be completed<sup>7</sup> (June 2022). The construction of KGBVs Lalganj and Thekma was started in August 2011 and October 2011 respectively with the scheduled date of completion as January 2012. However, UPRNN did not complete the work despite release<sup>8</sup> of ₹ 1.17 crore between July 2011 and September 2014 for both schools. Subsequently, on the direction (January 2016) of Secretary, Basic Education Department, the District Education Project Committee, Azamgarh nominated (March 2016) Provincial Division, PWD, Azamgarh as nodal agency for construction of incomplete buildings of KGBVs. PWD prepared an estimates of ₹ 2.01 crore for reconstruction of KGBVs Thekma

<sup>6</sup> SPD directed (February 2011) the DM, who was the chairman of the District Level Committee, for selection of a suitable agency for the work from the list of selected State level agencies.

<sup>7</sup> 75 *per cent* of the construction work was completed in KGBVs Thekma and Lalganj as of June 2022.

<sup>8</sup> 1<sup>st</sup> instalment (₹ 31.245 lakh) in July 2011, 2<sup>nd</sup> instalment (₹ 24.496 lakh) in March 2012 and 3<sup>rd</sup> instalment (₹ 3.125 lakh) in September 2014 for each school.

and Lalganj after dismantling of existing structure due to sub-standard roof work. In view of this, DM Azamgarh (June 2016) as well as SPD (April 2017) requested Principal Secretary, PWD to recover the required amount from UPRNN so as to complete the remaining construction works of KGBVs.

Several correspondences were made by DBEO, DM and SPD with UPRNN during 2016-18, however, the work was remained incomplete. Further, DM constituted (April 2018) a committee<sup>9</sup> to look into the structural soundness of KGBV Lalganj and Thekma, which recommended (February 2019) various measures, such as reconstruction of chhajja, grouting of brick works, proper covering of reinforcement to restore the health of buildings instead of reconstruction. The committee also recommended that the construction and maintenance should be immediately taken up to stop further deterioration as the work had been stopped since 2012. Audit further noticed that UPRNN submitted (October 2019) to SPD a revised estimates of ₹ 1.46 crore for the completion of remaining work and in turn, SPD requested<sup>10</sup> the State Government for additional fund of ₹ 1.40 crore<sup>11</sup> to complete the works. But, the fund was neither released nor was the work completed and also, no action was taken by the Government against UPRNN (May 2022) for recovery of additional expenditure on the construction due to sub-standard work.

In reply, the Government stated (June 2022) that the second installment (March 2012) and the third installment (September 2014) were released to UPRNN without obtaining the quality report, despite the direction of Chief Development Officer, Azamgarh to release succeeding instalments after obtaining the report of the quality/technical check of the work done. The work was later found (August 2015) substandard and therefore, UPRNN terminated the employees responsible and lodged an FIR against them. The Government further stated that 50 *per cent* of revised estimates had been released (January 2022) to complete the incomplete work of KGBVs and the release of fund to UPRNN was in progress by district authorities.

The reply was not acceptable as State Government did not take any action against UPRNN for recovery on account of additional expenditure on KGBV buildings due to sub-standard quality of work and inordinate delay in work for more than ten years. Besides, DBEO, Azamgarh failed to ensure that second and third instalments were paid to UPRNN only after obtaining quality report. Thus, lackadaisical attitude of department and executive agency resulted in unfruitful expenditure of ₹ 1.17 crore on construction of substandard and incomplete KGBV buildings, besides this delay forced to run these schools from transit campus in Block Resource Centre building, Azamgarh due to which girls were facing difficulties<sup>12</sup>.

Responsibility should be fixed for failure to obtain quality reports, not recovering the fund allotted to UPRNN and not taking any action against it as

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<sup>9</sup> Committee consisted of Professor, Civil Engineering Department, IIT BHU, Varanasi; Executive Engineer, Provincial Division, PWD, Azamgarh; Assistant Engineer, Construction Division, PWD, Azamgarh; District Co-ordinator, BSA Office, Azamgarh; Sub-Engineer, UPRNN, Bhadohi Unit.

<sup>10</sup> Letters issued dated 09.09.2020, 17.09.2021.

<sup>11</sup> After deducting the balance of ₹ 6.25 lakh lying with the school.

<sup>12</sup> DBEO Azamgarh in its letter dated 24 April 2018 to UPRNN mentioned that both schools were running in Block Resource Centre building, Azamgarh due to which girls were facing difficulties.

per the agreement, undue delay in retendering, re-allotment of work to same agency responsible for earlier sub-standard work and providing further funds to it and blacklist agency for delay.

### Higher Education Department

#### 2.3 Unfruitful expenditure on construction of incomplete sports stadium

**Due to slackness in execution of work and delays in release of funds, construction of sports stadium in Deen Dayal Upadhyaya Gorakhpur University remained incomplete even after a lapse of seven years. As a result, expenditure of ₹ 4.61 crore on its construction remained unfruitful, besides objective of providing sports infrastructure to students of the University could not be achieved.**

As per Rule 212 of Uttar Pradesh Budget Manual, the departmental officers concerned shall exercise close supervision on the work agencies and ensure that the work progresses as per time schedule without compromising with the quality thereof and funds are released as per physical progress of the work. Paragraph 318 of Financial Hand-Book Volume-VI stipulates that the technical sanction to the estimate must be obtained before commencement of work.

In a follow-up to the Chief Ministers' declaration (March 2013) for establishment of Sports Stadium with Pavilion, State Government accorded administrative and financial sanction (November 2013) of ₹ 4.85 crore for its construction<sup>13</sup> in the campus of Deen Dayal Upadhyaya Gorakhpur University (DDUGU), Gorakhpur and Uttar Pradesh Rajkiya Nirman Nigam (UPRNN) was nominated (November 2013) as the executing agency. The administrative and financial sanction provided that DDUGU would execute agreement with UPRNN before commencement of work to ensure timelines and high-quality execution of work. State Government released entire fund of ₹ 4.85 crore to DDUGU in four instalments of ₹ 2.42 crore (November 2013), ₹ 95 lakh (August 2015), ₹ 66.47 lakh (December 2016) and ₹ 80.97 lakh (August 2019).

Scrutiny of records (March and April 2021) of DDUGU, Gorakhpur revealed that DDUGU finalised (June 2014) the site for construction of sports stadium after six months of financial sanction. As a result, the work was started in August 2014 after eight months of release of the first instalment by the State Government. The work was scheduled to be completed by August 2015. However, UPRNN could utilise only ₹ 1.35 crore to achieve physical progress of 28 per cent up to the September 2015, though an amount of ₹ 1.07 crore was lying with them as balance in the first instalment. Further, amount of ₹ 85.50 lakh was released (June 2016) to UPRNN which was utilised (November 2016) by achieving physical progress of 59 per cent. Thereafter,

<sup>13</sup> Having Basketball court, Volleyball court, Lawn tennis court, and Cricket field (tube well, submersible and pump house) with two Open pavilion site for Volleyball and Tennis court and one Open pavilion site for Cricket field along with changing room and toilet.

UPRNN made several requests<sup>14</sup> to DDUGU for release of succeeding instalment for completion of work without interruption. Though the Government released ₹ 66.47 lakh in December 2016 as third instalment, DDUGU released ₹ 47 lakh in November 2017 and ₹ 28.97 lakh in June 2019 to UPRNN, *i.e.*, after the delay of 11 months and 29 months respectively of making first request (December 2016) for release of fund. Further, Government sanctioned (August 2019) ₹ 80.97 lakh as final instalment after two years eight months.

Audit further noticed that DDUGU executed (March 2019) agreement with the UPRNN after more than four years of the start of work, but it did not provide any commitment for schedule date of completion, which indicates lack of seriousness on the part of DDUGU as well as UPRNN. As per progress report submitted (May 2021) by UPRNN, all the sanctioned work of three sports courts, cricket field and pavilion were incomplete. In Joint physical verification of the construction work of sports stadium conducted (September 2021) by officials of DDUGU and audit party it was found that the construction work was incomplete and work was stopped since November 2019. The appointment to the posts of warden, sports trainer, instructor and guard to make the sports stadium functional was yet to be done.

In reply, State Government accepted (May 2022) the facts that work was started after a delay of eight months due to delay in approval of maps, soil testing, vetting of structural map and preparation of detailed estimates. Government further stated that ₹ 4.61 crore had been so far released to UPRNN and 30 *per cent* of the work of sports stadium was still incomplete (April 2022) and executing agency was requested (May 2022) to complete the work expeditiously and hand over the same by 31 May 2022. In this context, DDUGU informed (July 2022) that construction work was stopped for the last three years and the construction of the stadium was yet to be completed. However, a joint physical verification (November 2022) by Audit and officials<sup>15</sup> of DDUGU and UPRNN revealed that basketball court and tennis court were completed for which handing over was in progress while other miscellaneous work<sup>16</sup> were yet to be completed. Besides, volleyball court, cricket ground and cricket pavilion remained incomplete and no construction activity was taking place.

The fact remained that slackness in execution of work by executing agency as well as delay in release of fund led to not completing of the construction of sports stadium even after a lapse of seven years. As a result, expenditure of ₹ 4.61 crore on incomplete stadium could not be put to use resulting in denial of benefits to sportspersons in DDUGU.

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<sup>14</sup> 21 December 2016, 31 March 2017, 10 July 2017, 20 July 2017.

<sup>15</sup> Draftsman, Junior Engineer, Assistant Engineer and Work Superintendent.

<sup>16</sup> Toilet, changing room, coach room, instructor room, locker room, internal water supply, internal electrification, furnishing and purchase of sports item.

## Home Department

### 2.4 Ineffective monitoring leading to unfruitful expenditure

**Delay in commencement of work, ineffective monitoring and delay in sanction of revised estimate led to not completing of Baffle Firing Range. Besides expenditure of ₹ 5.81 crore on its construction remained unfruitful and the cost of work also increased from ₹ 2.41 crore to ₹ 6.39 crore.**

State Government sanctioned (October 2011) ₹ 2.41 crore for construction of Baffle Firing Range<sup>17</sup> at 10<sup>th</sup> Battalion, Provincial Armed Constabulary (PAC) in district Barabanki and appointed Uttar Pradesh *Rajkiya Nirman Nigam* (UPRNN) as executing agency. The sanction provided that (i) UP Police Headquarters/ concerned Senior Superintendent of the Police would be responsible for the specifications, standard and quality of the work; (ii) UP Police Headquarters would ensure that the work would be completed within prescribed time limit; (iii) the work would be commenced within one month from the date of financial sanction; (iv) Memorandum of Understanding (MoU) would be entered into with the executing agency to ensure that there was no time and cost overrun; and (v) the work would be completed and handed over to the department by 30 September 2012.

Scrutiny of records (October 2018) of Police Headquarters (PHQ) and information collected (May 2021) from PHQ revealed that the Government released ₹ 2.41 crore in three instalments<sup>18</sup>, which was transferred<sup>19</sup> by PHQ to UPRNN during November 2011 to May 2015. However, the construction of Baffle Firing Range remained incomplete due to the following:

- MoU was not signed by PHQ with UPRNN, as was required in the context of the Financial Sanction. In May 2012, i.e., after seven months from the release of first instalment of ₹ one crore, UPRNN submitted the site plan to 10<sup>th</sup> Battalion PAC for approval. However, no action was taken by the PAC till September 2012. Subsequently, UPRNN forwarded (November 2012) the technical specifications of the work to Terminal Ballistic Research Laboratory (TBRL), Chandigarh for their vetting. TBRL sought (December 2012) consultation fee of ₹ 6.62 lakh which was approved by PHQ in June 2013 and paid by UPRNN in September 2013. The revised plan submitted (March 2014) by UPRNN on the basis of recommendations of TBRL was approved by PHQ in April 2014. Thereafter, the work was commenced by UPRNN in May 2014. Thus, there were avoidable delays on the part of UPRNN as well as PHQ in providing site plan, finalising technical specification for the project, approval of consultation fee to TBRL, which led to delayed commencement of the construction work after lapse of about two and a half years from the date of its sanction instead of within one month of the Financial Sanction.

<sup>17</sup> Baffle firing ranges are constructed to provide a suitable place to police personnel to perform mandatory annual firing practice.

<sup>18</sup> ₹ 100 lakh, ₹ 70 lakh and ₹ 71.18 lakh in October 2011, December 2014 and May 2015 respectively.

<sup>19</sup> ₹ 100 lakh, ₹ 70 lakh and ₹ 71.18 lakh were transferred to UPRNN in November 2011, December 2014 and May 2015 respectively.

- The entire released amount of ₹ 2.41 crore was utilised in full by November 2015 with physical progress of only 35 *per cent* and due to unavailability of funds, the execution of work was stopped in January 2016. Meanwhile, UPRNN revised (July 2014) the estimates on the ground that the original estimate was prepared on the basis of Schedule of Rates (SOR) for the year 2010 and structural design changes were made as per the specification recommended by TBRL. PHQ forwarded the revised estimates to Government in August 2015. However, Government took more than five years in according sanction of revised estimates, which was approved in October 2020 for ₹ 6.39 crore. However, the State Government's sanction did not delineate any timeline for completion of work. Further fund for the work was released ₹ 3.98 crore in two instalments<sup>20</sup>. As a result of delay in approval of the revised estimates and consequent lack of fund during intervening period, construction of the Baffle Firing Range was stopped between January 2016 and November 2020.

- As of July 2022, physical progress in the work was 85 *per cent* after incurring expenditure of ₹ 5.81 crore.

Thus, delay in commencement of work despite availability of funds, ineffective monitoring and delay in approval of the revised estimate led to not completing of Baffle Firing Range, besides expenditure of ₹ 5.81 crore on incomplete work could not be put to use. Further, the cost of work also increased from ₹ 2.41 crore to ₹ 6.39 crore.

In reply (May 2022), the Government stated that the work was of non-standardised nature and thus approval from TBRL was required, due to which delay occurred in commencement of work. The cost of work increased due to changes in specifications as advised by TBRL. Government further stated that UPRNN had been asked to furnish MoU for execution of work at the earliest.

The reply is not tenable, as the necessary consultation from TBRL should have been obtained before preparation and approval of estimates and before release of funds to UPRNN. In addition, the Government took more than five years to approve the revised estimates, leading to the closure of the project between January 2016 and November 2020.

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<sup>20</sup> ₹ 2.50 crore and ₹ 1.48 crore in October 2020 and September 2021 respectively.

## Irrigation and Water Resources Department

### 2.5 Irregular payment on purchase of excavators

**Irrigation and Water Resources Department, Sharda Canal Division, Lucknow made irregular payment of Centage amounting to ₹ 91.09 lakh to Uttar Pradesh Project Corporation Limited for the supply of five amphibious hydraulic excavators.**

As per the Uttar Pradesh Government Order (March 2006<sup>21</sup>), no centage charges will be paid to the State Government's construction agencies on works other than construction works, such as furnishing, furniture and other bought out items.

Scrutiny of records (March 2019) of the Executive Engineer, Sharda Canal Division, Lucknow (Division) revealed that for smooth functioning of Gomti River front and allied works, the State Government accorded permission<sup>22</sup> (December 2015) for execution of Memorandum of Understanding (MoU) with Uttar Pradesh Project Corporation Limited, Lucknow (UPPCL) for purchase of five amphibious hydraulic excavators (AHEs). The administrative and financial sanction for 'Project of supply, management and operation of AHE' was accorded by the Government (March 2016) at a cost of ₹ 19.76 crore. Accordingly, MoU<sup>23</sup> was signed (March 2016) with UPPCL and Sharda Canal Division paid (March 2016) ₹19.23 crore<sup>24</sup> to UPPCL which included payment for the supply and commissioning of five AHEs (₹ 13.25 crore), their operation charges (₹ 2.70 crore) and maintenance charges (₹ 1.88 crore) for three years, Centage charge (₹ 1.23 crore<sup>25</sup>) and labour cess (₹ 0.17 crore).

Further scrutiny revealed:

- As centage charges was not payable on bought out items, the payment of Centage charge of ₹ 91.09 lakh<sup>26</sup> to UPPCL for the supply and commissioning of five AHEs was irregular.
- Labour cess was also not deposited to Uttar Pradesh Building and Other Construction Workers Welfare Board despite its payment to UPPCL in March 2016. On being point out in Audit, UPPCL returned (July 2022) ₹ 13.25 lakh to the Division on account of labour cess.

In reply, the Government stated (August 2022) that MoU was executed with UPPCL after approval of the State Government and the Centage charge was paid as the work was inclusive of operation and maintenance.

The reply was not tenable, as the audit observation does not pertain to Centage charge on operation and maintenance of AHEs, rather it pertains to the Centage

<sup>21</sup> GoUP order no. E-8-303/10-06-89/2004 dated 2 March 2006.

<sup>22</sup> The permission was granted on the basis of recommendation of Engineer-in-chief, Irrigation and Water Resources Department.

<sup>23</sup> No.01/S.E. 12<sup>th</sup> Circle, IW/Dated 30 March 2016.

<sup>24</sup> Voucher no. 611 H dated 30.3.2016.

<sup>25</sup> Centage charges of ₹ 91.09 lakh on supply of excavators and ₹ 31.44 lakh on maintenance and operation of excavators for three years.

<sup>26</sup> @ 6.875 per cent of cost of five Amphibious Hydraulic Excavators (₹13.25 crore).

charges paid on the cost of five AHEs for which Centage charge was not admissible. Thus, Sharda Canal Division made an irregular payment of Centage charge of ₹ 91.09 lakh to UPPCL against the supply of five AHEs.

## **2.6 Excess payment to the contractor**

**In violation of the conditions of the contract, Irrigation and Water Resources Department, Flood Division, Bareilly made an excess payment of ₹ 33.66 crore to a contractor for dewatering charges in the works of Ramganga Barrage.**

Paragraph 367 of Financial Handbook Volume-VI stipulates that engineers and their subordinates are responsible for ensuring that the terms of contract are strictly enforced.

Irrigation and Water Resources Department executed (October 2011) a contract bond<sup>27</sup> for construction of Ramganga Barrage and allied works with a contractor at a cost of ₹ 187.09 crore with scheduled date of start and completion of the work as October 2011 and October 2014 respectively. The scheduled completion date was extended in phases upto June 2019. The work was yet to be completed (July 2022). The work was being executed by the Flood Division, Bareilly.

The contract provided<sup>28</sup> for ‘dewatering of foundation’ work for which payment was to be made on the basis of electricity consumption measured in kilo watt hour (KWH). As per contract, 20 lakh KWH was to be paid at full tendered rates (₹ 39 per KWH) and thereafter, the tariff rate per KWH of UPSEB<sup>29</sup> was payable. However, in case dewatering had to be carried out after due date of completion on account of reason beyond the control of the contractor, the payment for dewatering would be made at tendered rates above the limit of 20 lakh KWH. The contract further provided that the payment in any working season was to be made at the full tendered rate for the first six lakh KWH and the payment for the consumption of power in excess thereof will be made at the tariff rate per KWH of UPSEB at that period.

Scrutiny of the records (January-February 2020) of Executive Engineer, Flood Division, Bareilly (EE) revealed that the Division made payment for dewatering of foundation at the full tender rate of ₹ 39 per KWH for entire power consumed (122.36 lakh KWH) during fourth and fifth working seasons<sup>30</sup> in the extended period of contract. Audit further noticed that keeping in view the increase in volume of dewatering work, the payment was made at full tender rate as per instructions (March 2016) of the Chief Engineer (East Ganga). However, this was in violation of conditions of agreement which specifically provided for payment at the full tendered rate for the first six lakh KWH and the remaining electric consumption for dewatering of foundation was to be paid at the tariff rate per KWH of UPSEB in any working Season. Failure of the Department to regulate payment as per the

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<sup>27</sup> Agreement no.5/SE/2011-12

<sup>28</sup> Clauses 20.060 (d) and (e) of the Contract.

<sup>29</sup> Uttar Pradesh State Electricity Board.

<sup>30</sup> 21.14 lakh KWH power consumed was yet to be paid (July 2022) pending decision on the rate.

terms of the contract resulted in excess payment of ₹ 33.66 crore<sup>31</sup> to the contractor on account of payment of 110.36 lakh KWH<sup>32</sup> at full tendered rate.

In reply, State Government stated (August 2022) that there was increase in the quantity of dewatering due to change in design during execution of the work and the contractor was to be paid at full tendered rate during the extended period of contract in view of directions of the Chief Engineer (East Ganga) as per clause 20.06(d) of the contract.

Reply was not acceptable, since the clause 20.060 (e) of the contract specifically provided to regulate payment of power consumption on ‘dewatering of foundation’ on season basis, which was an overriding condition<sup>33</sup> of the contract and as such, it was applicable for dewatering done in the extended period of contract. The Department should investigate the matter and take disciplinary action against the delinquent Chief Engineer and other responsible officers.

## 2.7 Unauthorised aid to the contractor

**In contravention of the provisions of the agreement, Rapti Canal Construction Division-2 paid interest free machinery advance of ₹ 20 crore to a contractor, which also led to loss of interest of ₹ 5.14 crore to the State Government.**

Paragraph 367 of Financial Handbook Volume VI, *inter alia*, stipulates that engineers and their subordinates are responsible that the terms of contracts are strictly enforced and that no act is done tending to nullify or vitiate a contract.

Audit noticed that an agreement was executed (April 2013) by Superintending Engineer, Rapti Nahar Nirman Mandal-2, Basti (SE) with a contractor for ₹ 360.89 crore for ‘Construction of Rapti main canal and its distribution system between Km. 80.000 to 114.000’. Clause 4 (a) of General Conditions of the Contract provided that an advance for new plant and machinery (T&P advance) required for the work and brought to site by the contractor would be given if requested by the contractor. The maximum of such advance would be 10 *per cent* of the contract amount and limited to 90 *per cent* of the price of such new plant and equipment paid by the contractor for which contractor would produce satisfactory evidence. The condition further stipulated that no advance for plant and equipment would be granted after six months from the date of notice to proceed with the work. Further under Clause 3 of General Conditions of the Contract, T&P advance was admissible during the first ¼<sup>th</sup> period for completion work.

<sup>31</sup> The payment was made at the rate of tendered rate ₹ 39 per KWH instead of Uttar Pradesh Power Corporation Limited tariff of ₹ 8.50/KWH for LMV-9 consumer connection during 2017-18 (the last payment for dewatering was made in September 2017).

<sup>32</sup> Power consumed in fourth and fifth working season (122.36 lakh KWH) minus payment allowed on full tendered rate (12 lakh KWH)

<sup>33</sup> Notwithstanding anything stipulated to the contrary effect in the contract, the payment for dewatering of foundation shall be governed by the following condition: during the working seasons (October to June), the payment for the first six lakh KWH consumption of power shall be at the full tendered rate for this item, as given in the scheduled of quantities and bids and the payment for the consumption of power in excess thereof will be made at the tariff rate per KWH of UPSEB at that period. {Clause 20.060 (e)}.

Scrutiny of records (April 2021) of Executive Engineer, Rapti Canal Construction Division-2, Tulsipur, Balrampur (EE) revealed that the contractor was notified<sup>34</sup> 19 April 2013 as the date to start for execution of work under the agreement 'Construction of Rapti main canal and its distribution system between Km. 80.000 to 114.000'. In October 2014, the contractor applied for T&P advance of ₹ 36.63 crore and in compliance of directions (November 2014) of Chief Engineer (Saryu Pariyojana-2), EE sanctioned (January 2015) ₹ 20 crore to contractor for the purchase of new tools and plant. Thus, T&P advance was granted to the contractor even though the contractor had applied for it after more than 17 months of date of start of work<sup>35</sup>. Further, the advance should have been given for new plant and equipment purchased by the contractor. However, the copy of invoices provided (October 2021) by EE in support of purchase of machinery by the contractor revealed that these invoices pertained to machinery purchased by the contractor during period between March 2010 and November 2013. As such, the payment of interest free machinery advance of ₹ 20 crore resulted in unauthorised aid to the contractor.

In reply, State Government stated (August 2022) that the requirement of new machinery was felt in the year 2014 due to a new concrete work 'under reamed piles' and therefore, the contractor requested for machinery advance by relaxing the terms of the contract. The contractor was granted machinery advance in the interest of work in view of directions of CE. Government further stated that machinery advance paid to the contractor had since been recovered.

Reply was not acceptable as the machinery advance was paid after six months from the date of commencement of work which was in violation of the terms of the contract. Further, there was no evidence on record that the contractor purchased new machinery in/after the year 2014 when the said requirement for new machinery was felt. Thus, failure of the Department to ensure compliance of conditions of contract not only resulted in unauthorised financial aid to the contractor but loss of ₹ 5.14 crore to the Government on interest<sup>36</sup>.

## **2.8 Unfruitful expenditure on musical fountain**

**Failure to install Musical fountain imported on the basis of incomplete cost estimate for Gomati Riverfront Development Project resulted in unfruitful expenditure of ₹49.59 crore.**

(i) Paragraph 13.2 (5) of the Uttar Pradesh Procurement Manual (Procurement of Goods) 2016 provides that where the department feels that the goods of the required quality, specifications, *etc.*, may not be available in the country and/or it is also necessary to look for suitable competitive offers from abroad, the department may send copies of the tender notice to the Indian Embassies abroad as well as to the Foreign Embassies in India requesting

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<sup>34</sup> Vide letter dated 19.04.2013 issued by Superintending Engineer Rapti Canal Construction Circle-2, Basti.

<sup>35</sup> The work was to be completed in 30 months.

<sup>36</sup> Calculated till adjustment of advance on the basis of average interest rate of Outstanding public debt of that period, i.e., calculated at the interest rate of 8.19, 7.79, 8.34, 7.99, 8.06 and 7.83 *per cent per annum* incurred by the State Government on Public Debt in the years 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 respectively.

them to give wide publicity of the requirement in those countries for global tender enquiry. The Manual further provided that ordinarily, minimum four weeks/30 days' time may be allowed for submission of bids where the department also contemplates obtaining bids from abroad.

Scrutiny of the records of Executive Engineer, Lucknow Division Sharda Canal, Lucknow (August 2017 and March 2019) revealed that the Government of Uttar Pradesh decided (April 2016) to install a 'musical fountain water show of international standard at the bank of Gomati River' as a part of Riverfront Development Project. The Expenditure Finance Committee (EFC) approved (April 2015) an amount of ₹ 45.00 crore for musical fountain water show on the ground that such fountains are not manufactured in India and would have to be procured from a foreign company. Superintending Engineer, Seventh Circle, Irrigation Works, Lucknow (SE) requested (8 July 2016) Department of Information and Public Relations to publish a 'global quotation' for procurement of 'musical fountain water show of international standards' in two national English and Hindi newspapers each. The request of SE was received in Department of Information and Public Relations on 18 July 2016 and notice inviting quotation was published in four newspapers on 21 and 22 July 2016.

Audit noticed that though the tender was termed as 'global quotation', Department did not follow the procedure for global tender enquiry under Paragraph 13.2 (5) of the Uttar Pradesh Procurement Manual (Procurement of Goods) 2016. Tender enquiry should have been sent to the Indian Embassies abroad as well as to the Foreign Embassies in India. But, tender was published only in newspapers. Further, only 16 days was given for submission of quotation as against prescribed minimum four weeks. As a result, bidding process lacked competition and only two firms participated in the process. Out of these bids, Department adjudged the quotation of Euro 55,95,000 (equivalent to ₹ 41.43 crore) from M/s Aquatique Show, a foreign firm, as the lowest and another quotation of ₹ 51.26 crore from M/s Premier World Technology Limited, Kolkata as 2<sup>nd</sup> lowest. The Department awarded contract to M/s Aquatique Show. However, the Department failed to take into account the custom duty payable on supply from M/s Aquatique Show and taxes applicable on the quotation of M/s Premier World Technology Limited while comparing the two bids. In the absence of these, the comparability of two bids could not be vouched.

Thus, there was professional failure in inviting and finalising bids for musical fountain which should be reviewed by the State Government from vigilance angle.

(ii) Paragraph 318 of Financial Hand Book Vol. VI of Uttar Pradesh (FHB) stipulates that technical sanction of a work is a guarantee that the proposals are structurally sound and the estimates are accurately calculated and based on adequate data.

Scrutiny further revealed that Technical sanction of ₹ 44.69 crore for the design and supply of musical fountain was issued (August 2016) without

including the cost of associated civil/electrical works and without making provision for payment of custom duty on import of the fountain.

The Chief Engineer (Sharda Sahayak) Lucknow (CE) issued (September 2016) the supply order to the M/s Aquatique Show for purchase and designing of the musical fountain at the cost of Euro 55.95 lakh (equivalent to ₹ 41.43 crore) and as per agreement, the show of musical fountain was to be launched in January 2017. An amount of Euro 50.36 lakh (equivalent to ₹ 37 crore) was paid<sup>37</sup> to the firm for supply of the musical fountain and the remaining 10 *per cent* was payable after commissioning of the fountain. Department also incurred custom duty and other charges of ₹ 12.59 crore on the procurement of musical fountain equipment. Thus, total expenditure of ₹ 49.59 crore incurred on musical fountain exceeded the EFC approved cost of ₹ 45.00 crore. However, the associated civil/electrical works were yet to be executed and their estimated cost had still not been worked out. The musical fountain equipment was lying uninstalled as of July 2022, i.e., for more than five years.

In reply, State Government stated (August 2022) that at present Gomati River Project is under investigation of CBI/ED and installation of musical fountain was proposed after completion of such investigation.

The fact remained that the prescribed procedure for tender enquiry and bid evaluation was not followed for purchase of musical fountain for Gomati Riverfront Development Project, besides cost estimate for the musical fountain was prepared/approved without providing for associated electrical/civil work due to which it could not be installed, thereby, resulting in unfruitful expenditure of ₹ 49.59 crore.

## **2.9 Unfruitful expenditure on restoration of syphon at Kichha-Paha feeder canal**

**Irrigation and Water Resources Department incurred unfruitful expenditure of ₹ 2.70 crore on restoration of syphon at Kichha-Paha feeder canal due to formulation of the project without survey.**

Paragraph 318 of Financial Handbook, Volume VI (FHB), *inter alia*, provides that technical sanction of a work is a guarantee that the proposals are structurally sound and the estimates are accurately calculated and based on adequate data. Paragraph 174 (16) of UP Budget Manual considers any uneconomical or apparently wasteful expenditure due to the inception of works without conducting proper preliminary surveys as financial irregularity.

Audit noticed that a 6.1 km long Kichha-Paha (KP) feeder originating from the right bank of the Kichha barrage located on the Gaula river in Udham Singh Nagar, Uttarakhand provided irrigation facility through canals in Udham Singh Nagar and Bareilly districts. A syphon constructed on the *Hansia Nala* at km 1.20 of KP feeder was damaged by the flood (September 1993). Therefore, Ruhelkhand Canal Division, Bareilly proposed (August 2013) a project for reconstruction of the syphon and other allied

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<sup>37</sup> Euro 22.38 lakh in September 2016 and Euro 27.98 lakh in December 2016.

works<sup>38</sup> for which the State Government accorded administrative and financial approval (August 2014) of ₹ 2.70 crore.

Scrutiny of records (February 2020) of Executive Engineer, Ruhelkhand Canal Division, Bareilly (EE) revealed that technical sanction (TS) to the project was accorded (February 2014) by the Chief Engineer (Sharda), Irrigation Department, Uttar Pradesh, Lucknow (CE). The works were executed during 2014-17 incurring expenditure of ₹ 2.70 crore up to March 2017.

Audit noticed that to divert the water into KP feeder, the water level at the barrage was to be maintain at 203.00 meter. However, on completion of the project (March 2017) when efforts were made to operationalise the KP Feeder, it was noticed by the Department that the farms situated on the right bank upstream of the barrage started flooding even at 202.35 metre water level at the barrage. As a result, the KP feeder could not be operationalised due to the opposition of the affected farmers<sup>39</sup>.

Audit further noticed from the records of the Division that river had changed its course during the last about 20 years, i.e., between 1993 and 2013 when the KP feeders was not in operation due to damaged syphon. However, Department did not take into account this factor and no survey was conducted before according Technical Sanction to the project. As a result of failure of the Department in adequate formulation of project, KP feeder could not be operationalised even after incurring expenditure of ₹ 2.70 crore on construction of syphon and other allied works.

In reply, EE accepted (February 2020) that no survey for the work was done as KP Feeder syphon on *Hansia Nala* was reconstructed at the place of the earlier structure. EE also accepted that the feeder was inoperative as the low lying catchment area upstream of the barrage would submerge if water is released in the Feeder. The State Government further stated (August 2022) that it was not appropriate to call the restoration of syphon as unfruitful expenditure because whenever there would be opportunity to run canal the utility of syphon will always be there.

The fact remained that the reconstruction of KP feeder works were carried out without adequate survey which led to unfruitful expenditure of ₹ 2.70 crore, as irrigation facility could not be restored in KP feeder despite completion of project in March 2017. Responsibility needs to be fixed for the same.

<sup>38</sup> Construction of 200 metre long guide bunds on both sides of *nala* upstream of syphon, Jungle/Silt clearance, repair of gates and strengthening of the sides of the canal and service road.

<sup>39</sup> A report prepared by an Assistant Engineer of the Division indicated that since the level of agricultural land ranged between 202.10 metre and 202.75 metre above sea level; filling of KP feeder upto 203.30 metre would submerge the agricultural land of farmers.

## Medical Education Department

### 2.10 Loss of interest

**Operation of current accounts instead of saving bank accounts by Baba Raghav Das Medical College, Gorakhpur, against the government order, resulted in loss of interest of ₹ 1.62 crore.**

The Finance Department, Government of Uttar Pradesh issued (March 2012) instructions to all Departments that keeping Government funds in bank/ post office after its withdrawal from treasury by Departments/Public Sector Undertakings/ Local Bodies was not in accordance with the provisions of Treasury Rules and Financial Handbook and directed that in cases where bank accounts of the Departments/ Institutions, etc. had been opened with the specific approval of the State government, then action should be taken to open savings bank account in place of current account.

Scrutiny of records (January-February 2020) of the Principal, Baba Raghav Das (BRD) Medical College, Gorakhpur revealed that out of 11 bank accounts being operated by the BRD Medical College, four current accounts<sup>40</sup> were being operated in State Bank of India (SBI) and seven other accounts were operated as savings accounts. As a result, no interest was received on the balances of funds ranging between ₹ 1.01 lakh and ₹ 15.42 crore on those days during the period when they were kept in these current accounts during April 2016 to November 2020. This resulted in loss of interest of ₹ 1.62 crore (*Appendix-2.2*) calculated at the rate of interest applicable from time to time on saving bank account.

The Principal, BRD Medical College accepted (July 2022) the facts & figures and stated that sweep mode had been implemented (November 2020) in these current accounts on expressing inability by the Bank to convert these current accounts into saving bank accounts and now there was no loss of interest on these accounts.

The fact remained that the failure of the Government to monitor and BRD Medical College to take timely action for opening saving bank account in place of four current accounts resulted in loss of revenue of ₹ 1.62 crore to the State government as of July 2022.

The matter was reported to the Government (June 2021); reply was awaited (October 2022).

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<sup>40</sup> (i) State bank of India, Current Account No.-10346036304 Name- Principal BRD Medical College, Gorakhpur, opened on 18.10.2003 (ii) State bank of India, Current Account No.- 10346036393 Name- Upper Mahanideshak CSPK, BRD Medical College, Gorakhpur, opened on 18.10.2003 (iii) State bank of India, Current Account No.- 10346036064 Name- BRD Medical College, Gorakhpur, opened on 18.10.2003 (iv) State bank of India, Current Account No.-30825556762 Name-Rajya Arogya Nidhi (CM Swasthya Surakhsha Kosh) BRD Medical College, Gorakhpur, opened on 21.02.2009.

## Medical Health and Family Welfare Department

### 2.11 Avoidable payment of ₹ 3.25 Crore

**Avoidable payment of ₹ 3.25 crore was made on account of interest, damages and employees contribution imposed by Employees' Provident Fund Organisation due to belated remittance of Employees' Provident Fund contributions by the District Health Societies.**

The Employees' Provident Funds Scheme, 1952 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act) provide that employer shall deduct the employee's contribution from his wages and pay the same to the Employees' Provident Fund Organisation (EPFO) along with employer's contribution, failing which the employer shall be liable to pay interest and damages from the due date till the date of its actual payment. Further, if any amount is in arrear, recovery would be made from the employer and such recovery shall not be deducted<sup>41</sup> from the wages of the employees concerned.

Under the provision of Section 16 of the EPF Act, Government of India had exempted (May 2010) certain establishments<sup>42</sup> from operation of the EPF Act up to 31<sup>st</sup> March 2015, which included District Health Societies (DHS) under National Health Mission (NHM). GoI did not extend the exemption to these establishments, hence, all such establishment came under the purview of EPF Act with effect from 1 April 2015. Further, GoI notified<sup>43</sup> (December 2016) that employer shall not be required to pay the employee's contribution if the same has not been deducted from the wages of the employees till 30<sup>th</sup> June 2017.

During the audit of the records of the offices of the Chief Medical Officers (CMOs) of seven districts<sup>44</sup>, all of whom are ex-officio secretary of DHS, it was found that EPF contributions were not deposited timely from April 2015 onwards (*Appendix-2.3*), due to which CMOs had to pay interest and damages amounting to ₹ 2.31 crore u/s 7-Q and 14-B of the EPF Act. In case of DHS Varanasi, employees' contribution amounting to ₹ 94.27 lakh was also recovered by EPFO. Audit noticed that delays in depositing EPF contribution were due to delay at the level of State Project Management Unit (NHM) in issuing (November/December 2016) directions to CMOs for payment of EPF contribution in respect of contractual employees. SPMU released (March 2017) fund to CMOs for depositing EPF contribution, besides there were delays at the level of CMOs in depositing EPF contribution within prescribed time.

<sup>41</sup> Chapter V, Paragraph 32 of the EPF Scheme: 'Where deduction of EPF contribution has not been made on account of an accidental mistake or a clerical error, such deduction may, with the consent in writing of the Inspector, be made from the subsequent wages.'

<sup>42</sup> Wholly financed by Grant-in-Aid received from the Central Government or/and State Government or State Governments or partly by Central Government & partly by one or more State Governments.

<sup>43</sup> This was a special scheme – 'Employee's Enrolment Campaign, 2017' which was in force during 1.1.2017 to 31.3.2017. This scheme was further extended to additional three months from 1.4.2017.

<sup>44</sup> CMO, Ghaziabad (May 2019), CMO, Barabanki, (August 2019), CMO, Kannauj (August 2019), CMO, Varanasi (November 2019/February 2022), CMO, Mirzapur (December 2019), CMO, Jhansi (February 2020) and CMO, Sonbhadra (March 2020).

Thus, due to belated compliance of the provisions of the EPF Act by SPMU and lackadaisical approach of CMOs in depositing EPF contribution, avoidable payment of ₹ 3.25 crore was incurred towards EPF employees' contribution, interest and damages amounting to ₹ 3.52 crore was created. Responsibility should be fixed for the delay in depositing the EPF contribution and loss to the Government.

The matter was referred to the Government (January 2022); reply was awaited (October 2022).

## **2.12 Excess payment due to erroneous pay fixation**

**Chief Medical Officers/Chief Medical Superintendents of 21 districts erroneous fixed higher pay of 175 Medical Officers consequent upon implementation of Seventh Pay Commission, resulting in excess payment of ₹ 2.59 crore. On being pointed out in Audit, four CMOs recovered ₹ 20.64 lakh from 12 Medical Officers.**

Government of Uttar Pradesh issued instructions<sup>45</sup> (December 2016) regarding pay fixation in revised pay matrix due to implementation of seventh pay commission. As per Para 5(1)(B)(1) of the above instruction, in the case of medical officers in respect of whom Non Practicing Allowance (NPA) was admissible, the existing basic pay was to be multiplied by 2.57 and the figure so arrived at would be added to by an amount equivalent to Dearness Allowance on the pre-revised NPA. The figure so arrived at was to be located in that Level in the Pay Matrix and if such an identical figure corresponded to any Cell in the applicable Level of the Pay Matrix, the same would be the pay, and if no such Cell was available in the applicable Level, the pay would be fixed at the immediate next higher Cell in that applicable Level of the Pay Matrix. The pay so fixed shall be added by the pre-revised NPA until NPA is revised. However, according to Para 6 of above instructions, the pay of employees appointed by direct recruitment on or after 1 January 2016 shall be fixed at the minimum of the applicable level in the revised pay matrix, applicable to the post to which such employees are appointed. Finance Controller (FC), Medical and Health Services also clarified (January 2020) that pay fixation of those medical officers, appointed by direct recruitment on or after 1 January 2016 was to be fixed at the minimum of applicable pay level and in addition, applicable NPA would be paid separately.

Scrutiny of records of 22 Chief Medical Officers (CMOs)/Chief Medical Superintendents (CMSs)<sup>46</sup> of 21 districts conducted during May 2019 to March 2020 revealed that pay was fixed as basic pay ₹ 61,300<sup>47</sup> of medical officers appointed on or after 01 January 2016 as per Para 5(1)(B)(i) of above instructions, while the Para 5(1)(B)(i) was applicable for medical officers

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<sup>45</sup> G.O.-67/2016/ve.- aa-1447/10-04(m)/2016 dated 22.12.2016.

<sup>46</sup> CMO Firozabad, CMO Kanpur Dehat, CMO Baghpat, CMO Pilibhit, CMO Amethi, CMO Pratapgarh, CMO Muzaffarnagar, CMO Varanasi, CMO Shahjahanpur, CMO Mahoba, CMO Mirzapur, CMO Kanpur Nagar, CMO Lalitpur, CMO Ayodhya, CMO Aligarh, CMO Mau, CMO Kushinagar, CMO Jhansi, CMO kaushambi, CMO Ghazipur, CMS Babu Mohan Singh, District Hospital, Deoria and SIC, Divisional District Hospital, Jhansi.

<sup>47</sup> ₹ 21,000 (Basic Pay)\*2.57 multiplying factor+ ₹ 6,563 {DA@125% on NPA (@25% of basic pay)}= ₹ 60533 or ₹ 60550, amount of next higher cell ₹ 61300.

appointed prior to 01 January 2016. Pay of such medical officers, appointed by direct recruitment on or after 01 January 2016 was to be fixed as ₹ 56,100, i.e., at the minimum of applicable level of revised pay matrix (amount of first cell of applicable level) as per Para 6 of above instructions and as per clarification of FC. Thus, the basic pay of medical officers appointed on or after 01 January 2016 was erroneously fixed by ₹ 5,200 more. Consequently, an excess pay of ₹ 2.59 crore<sup>48</sup> was paid by the Department (*Appendix-2.4*) which also had cascading effect on payment of NPA, increment and dearness allowance paid to these medical officers.

On being pointed out by audit, four CMOs<sup>49</sup> had recovered ₹ 20.64 lakh from 12 Medical Officers. CMO, Ghazipur had also directed Medical Officers for recovery of excess disbursed pay.

The matter was referred to the Government (February 2022), reply is awaited (October 2022).

## Prisons Administration and Reform Services Department

### 2.13 Unfruitful expenditure on incomplete boundary wall of Jail

**Due to lackadaisical approach at the project formulation and appraisal stage and failure of department to ensure timely completion of work, the construction of boundary wall of District Jail Mirzapur remained incomplete even after 11 years of its sanction and the expenditure of ₹ 1.42 crore on its construction was rendered unfruitful.**

State Government accorded (February 2011) administrative and financial approval of ₹ 1.42 crore for construction of 461.10 metre long new main boundary wall outside the existing main boundary wall of District Jail, Mirzapur and nominated Uttar Pradesh Rajkiya Nirman Nigam (UPRNN) as executing agency (EA). As per the said Government Order, the Inspector General, Prisons Administration and Reform Services (IG) was responsible to ensure that the timeline and quality of construction would be adhered to by the EA. The construction work was to be completed by 30 June 2011. The entire sanctioned amount was released in two instalments of ₹ 71 lakh each in February 2011 and March 2013.

Scrutiny of the records (August 2018) of Office of the Superintendent, District Jail, Mirzapur (SDJ) revealed that the construction work was commenced in March 2011. During execution of work, it was noticed that eight Type-I residential quarters were coming in alignment of new main boundary wall and therefore, in the meeting (August 2011) chaired by the IG, it was decided to revise the layout plan for the construction of wall. Accordingly, EA was requested (August 2011) to submit revised estimates and layout plan within a week so that these could be sent to the Government for approval. However, EA took more than two years to submit (October 2013) the layout plan and revised estimate of ₹ 2.39 crore. The revised layout plan provided for a

<sup>48</sup> Excess on account of basic pay, except excess on amount of increment and dearness allowance.

<sup>49</sup> CMO Varanasi, Aligarh, Lalitpur and Kaushambi.

turning wall into a parabolic shape due to presence of residential buildings in the alignment of the new wall which also involved increase in the scope of work<sup>50</sup>. The revised estimates remained pending with the office of IG, Prisons Administration and Reform Services. Meanwhile, EA submitted (July 2014) another revised estimates of ₹ 2.53 crore, which was returned to EA in November 2014 with certain observations<sup>51</sup>. EA submitted (December 2016) another revised estimate of ₹ 2.58 crore, which was returned (January 2017) to EA by Additional Director General of Police, Prisons Administration and Reform Services on the ground that the EA delayed the submission by two years' delay.

In March 2018, a review meeting was held under the chairmanship of the Chief Secretary, Uttar Pradesh wherein EA was directed to fix a timeline to ensure the completion of work, reconcile the released amount vis-à-vis required funds. EA was also asked to inform how much amount would be borne by EA from its own sources. However, neither the department nor EA took any appropriate action to complete the work. As a result, despite release/utilisation of entire sanctioned amount of ₹ 1.42 crore, the physical progress of the work was only 60 *per cent* and the work was stopped since May 2019.

Thus, the construction of a boundary wall outside the District Jail, Mirzapur, which was supposed to be completed by June 2011, i.e., within four months of administrative and financial sanction (February 2011), remained incomplete even after 11 years of its sanction due to lackadaisical approach of EA as well as Department and an expenditure of ₹ 1.42 crore was rendered unfruitful.

In reply, the Government stated (December 2021) that the second instalment was embezzled by certain officers/officials of EA and the case was being investigated by a Special Investigation Team. Government further stated that several officers/officials of EA had been dismissed, action for recovery was taken and the remaining work would be completed after release of funds by EA.

The reply was not tenable, as the department as well as EA did not exercise due diligence while preparing the original estimate/layout plan for the construction work of new boundary wall. This necessitated revision of layout plan for construction of boundary wall and the revised layout plan as well as revised estimate was yet to be approved.

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<sup>50</sup> Partition wall of 3 meter height and 35.50 meter in length, New pipe line of 231.52 meter, demolition of old boundary wall in some parts and shifting of 6 electric poles.

<sup>51</sup> The revised layout plan was not duly signed by Jail Superintendent, Mirzapur & DIG Jail, Allahabad Zone, schedule of rates (SoR) of PWD, Lucknow was applied in the revised estimate instead of SoR of PWD, Mirzapur, the revised estimate was not approved by GM (Technical) UPRNN, etc.

## Social Welfare Department

### 2.14 Excess payment of centage charges

**Excess payment of ₹ two crore was made to executing agency by Social Welfare department in violation of Government orders for admissibility of centage charges.**

Government order<sup>52</sup> (GO) of Uttar Pradesh stipulates that when Government works are carried out as deposit works by Public Sector Undertakings, Corporations or Other Construction Agencies/Autonomous Bodies, centage charges will be admissible to these executing agencies at the rate of 12.5 *per cent* on the cost of works arrived at after deducting five *per cent* from the total cost of works.

Scrutiny of records of Director, Social Welfare (DSW) April 2021 revealed that Financial Approval of ₹ 80.84 crore was accorded in March 2018<sup>53</sup> for installation of Solar Power Plant, Solar Water heating System, UV water purifier, LED streets lights, LED Bulb and Inverter Point in 96 *Rajkiya Ashram Paddhati Vidyalayas* (RAPV<sup>54</sup>) run by Social Welfare Department. The total amount of ₹ 80.84 crore was released (March 2018) based on preliminary estimate of ₹ 84.21 lakh per RAPV to Uttar Pradesh State Construction and Infrastructure Development Corporation Limited (UPSIDCO). Meanwhile the Government decided (June 2019) to split the above work in two parts. Five items<sup>55</sup> costing ₹ 41.97 crore was allotted (June 2019) to UPSIDCO and remaining one item<sup>56</sup> costing ₹ 38.87 crore was allotted to Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA). Technical sanction of ₹ 41.97 crore for works to be carried out by UPSIDCO was accorded (June 2019) by Chief Engineer, UPSIDCO. UPSIDCO completed the work in 92 out of 96 RAPV by June 2022 and work was under progress in the remaining RAPV. Since the total amount of sanctioned work was released to UPSIDCO, the funds for the cost of work allotted to UPNEDA (₹ 38.87 crore) had to be given to UPNEDA, against which only ₹ 21.87 crore was provided (June 2022) by UPSIDCO.

Further, scrutiny of records revealed that UPSIDCO had not adhered the provisions of centage charges and made an erroneous estimate on basis of which work was sanctioned. In the estimate UPSIDCO included 12.5 *per cent* centage charge on the total cost without deducting 5 *per cent* of work cost. Due to erroneous calculations in the estimate the work cost of one RAPV was increased computed as ₹ 43.72 lakh instead of ₹ 41.64 lakh, which resulted in excess payment of ₹ two crore (96 RAPV x ₹ 2.08 lakh) to UPSIDCO (*Appendix-2.5*).

<sup>52</sup> No. A-2-1606/das-2014-17(4)/75 Dated 11Nov 2014

<sup>53</sup> GO No.103/2018/998/26-3-2018 Dated 31-03-2018

<sup>54</sup> RAPVs were being run by the Social Welfare Department to provide excellent residential education free of cost to the poor and talented students of rural and urban areas belonging to Scheduled Castes and Scheduled Tribes/nomads in the State.

<sup>55</sup> Solar Water Heating System, UV purifier, LED streetlights, LED Bulb and Inverter Point

<sup>56</sup> Solar Power Plant

In the reply (May 2022), the State Government stated that out of three works, rates for two works<sup>57</sup> were not available in UPPWD Schedule of Rates, therefore, the preliminary estimate was prepared by UPSIDCO on market survey basis and centage charge was charged at the rate of 12.5 *per cent* without deducting five *per cent* of total cost of work which was approved by Social Welfare Department.

Reply was not acceptable, since Government Orders cited above clearly specified applicability of centage charge at the rate of 12.5 *per cent* on the cost arrived after deducting of five *per cent* of work cost. Therefore, levy of centage charges without deducting five *per cent* of work cost was irregular.

## **Technical Education Department**

### **2.15 Avoidable payment on arrears of house tax**

**Laxity of Madan Mohan Malviya University of Technology Gorakhpur in payment of house tax to Nagar Nigam Gorakhpur resulted in avoidable payment of ₹ 3.08 crore on account of interest on arrears of house tax.**

Section 84 of the Chapter VIII of Municipal Corporation Act, 2000 (Act) provides the power to Municipal Corporation to impose taxes on building and land at such rate as State Government may from time to time specified by notification. The taxes shall be assessed and collected in accordance to the provision of the Act and by-laws made thereafter. Section 121 of the Act also provides that if tax or fees is not paid within one month of the due date, an interest at the rate of one *per cent* shall be charged for every calendar month or part thereof.

Scrutiny of records (January 2021) of Madan Mohan Malviya University of Technology, Gorakhpur (MMMUT) revealed that the house tax ranged between ₹ 6.41 lakh to ₹ 15.39 lakh per annum on MMMUT building<sup>58</sup> was levied every year by Nagar Nigam (NN), Gorakhpur since March 1999 to March 2021. The NN, Gorakhpur also levied interest on outstanding house tax at the simple interest rate of one per cent per month. Further, scrutiny revealed that arrear of house tax of ₹ 1.50 crore and interest on the arrear amount of ₹ 1.66 crore was pending on MMMUT upto 31<sup>st</sup> March 2015, which clearly indicated that MMMUT did not pay the house tax dues regularly to the NN Gorakhpur. However, MMMUT paid the partial amount of interest ₹ 2.40 crore<sup>59</sup> from April 2015 to September 2020, but did not make full payment of dues. Finally, MMMUT paid full and final amount of ₹ 3.10 crore<sup>60</sup> in March 2021 which resulted in avoidable payment of interest of ₹ 3.08 crore<sup>61</sup> from March 2015 to March 2021 including previous balances due to delayed payment of house tax.

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<sup>57</sup> Water Heater System and Installation of Water Purifier.

<sup>58</sup> Building No. 97, Mahadev Jharkhandi, Tukda no. 2, Zone no.1, Madan Mohan Malviya University of Technology, Gorakhpur.

<sup>59</sup> ₹ 50.50 lakh during 2015-16, ₹ 40.00 lakh during 2016-17, ₹ 40.00 lakh during 2017-18, ₹ 50.00 lakh during 2018-19, ₹ 40.00 lakh during 2019-20 and ₹ 20.00 lakh during 2020-21.

<sup>60</sup> Principal amount ₹ 2.42 crore and remaining interest amount ₹ 0.68 crore.

<sup>61</sup> ₹ 2.40 crore paid during April 2015 to September 2020 and ₹ 0.68 crore in March 2021.

The MMMUT, in its reply (August 2021) stated that repeated request<sup>62</sup> (since March 2015) had been made by the Registrar, MMMUT to the Technical Education Department for the full payment of outstanding house tax as a special sanction or waive off the house tax in the interest of student/public, but the Government neither released the budget nor replied the letters. However, in reply, the State Government stated (January 2022) that MMMUT was given clear directions (September 2008 and March 2011) that there was no provision of separate grant for payment of house tax dues of the institute, nor can any exemption be given from payment of house tax. Government further stated that MMMUT unnecessarily filed a court case<sup>63</sup>/made unnecessary communications with the Government and delayed the payment of house tax despite availability of fund. This led to increased liability on house tax for which MMMUT administration was prima facie responsible. In this context, a committee has been constituted to fix responsibility.

The fact remained that laxity of MMMUT in payment of house tax and lack of coordination between State Government and MMMUT in the matter resulted in the avoidable interest payment of ₹ 3.08 crore on arrears of house tax during the years 2015-16 to 2020-21.

## Urban Development Department

### 2.16 Avoidable payment

**Failure of Nagar Palika Parishad to comply statutory responsibilities under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 regarding deductions of Employees' Provident Funds contributions and timely payment to the Fund resulted in avoidable payment of ₹ 1.49 crore towards employees' contribution, interest and damages.**

The Employees' Provident Funds (EPF) Scheme, 1952 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act) provide that employer shall deduct the employee's contribution from his wages and pay the same to the Employees' Provident Fund Organization (EPFO) along with employer's contribution, failing which the employer shall be liable to pay interest and damages from the due date till the date of its actual payment. EPF Scheme further stipulates<sup>64</sup> that it shall be the responsibility of the principal employer to pay both the contribution in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor. The amount of employees' contribution shall be recoverable by means of deduction from the wages, provided that no such deduction may be made from any wages other than that which is paid in respect of the period or part of the period in respect of which the contribution is payable, *i.e.*, if the employee's contribution is not deducted in time, the employer will be liable to pay both the contributions.

<sup>62</sup> July 2015, July 2016, October 2016, January 2017 and December 2018.

<sup>63</sup> MMMUT filed (December 2015) a case in the District Court, Gorakhpur against the demand of NN Gorakhpur for house tax on MMMUT properties. The court case was dismissed (February 2021) due to absence of both parties.

<sup>64</sup> Paragraph 33 of the Scheme.

In January 2011, the Government of India notified that the provisions of the EPF Act would also apply to Municipal Councils. The Government of Uttar Pradesh (GoUP) directed (April 2011) the Director, Local Bodies to make available the details of every employee to the Regional Office of Employees' Provident Fund Organisation (EPFO) to cover them under the Scheme.

Scrutiny of the records (December 2019) of Executive Officer, Nagar Palika Parishad, Maunath Bhanjan, Mau (NPP) and further information collected (October 2020) therefrom revealed that EPFO<sup>65</sup> allotted (February 2012) the Establishment Code to NPP and directed to deposit EPF contributions of 209 employees. However, NPP neither deducted employees' contribution from contractual employees nor deposited the EPF contributions despite pursuance<sup>66</sup> by EPFO. As a result, EPFO passed an order (September 2015) under the EPF Act for payment of EPF contributions of ₹ 87.88 lakh for the period January 2011 to November 2014 within ten days. However, NPP failed to pay the ordered sum in stipulated time and subsequently, EPFO recovered (July 2016) ₹ 87.88 lakh from the bank account<sup>67</sup> of NPP. EPFO further asked (September 2016) NPP for payment of ₹ 1.08 crore on account of interest and damages for belated payments of EPF contribution<sup>68</sup> which was also recovered (September 2018) by EPFO from the bank accounts<sup>69</sup> of NPP. Thus, inaction of NPP to ensure deduction of EPF contribution and timely payment to EPFO resulted in avoidable payment of ₹1.49 crore<sup>70</sup> on account of payment of employees' contribution, interest and damages.

On being pointed out in audit, NPP stated (December 2019) that EPF contribution could not be paid to EPFO due to lack of funds and financial condition of NPP. NPP further stated (July 2022) that EPF contributions had been paid for the period from January 2019 to June 2022 and necessary action being done for payment of EPF contributions for the remaining months between April 2015 to December 2018. However, NPP did not provide action taken with reference to payment of EPF contributions for the period December 2014 to March 2015.

Reply was not acceptable, as NPP failed to comply the statutory liability to ensure deductions of EPF contributions from eligible employees and timely payment of the contributions to EPFO which led to avoidable payment of ₹1.49 crore. Further, NPP had not yet paid the EPF contribution for the period December 2014 to December 2018, which not only created further liability towards interest but also deprived the eligible employees of the intended benefits under the EPF Act.

The matter was reported to the Government (February 2021); reply was awaited (October 2022).

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<sup>65</sup> Varanasi sub regional office of EPFO.

<sup>66</sup> Letter dated 10.12.2013 and summon dated 06.01.2015

<sup>67</sup> Saving bank account no. 34872050592 of State Bank of India

<sup>68</sup> Interest amounting to ₹37.01 lakhs under Section 7Q and damages amounting to ₹ 71.22 lakhs under Section 14B

<sup>69</sup> Saving bank account nos. 06242191058840 and 06242191057263 of Oriental Bank of Commerce

<sup>70</sup> Employees' contribution of ₹41.18 lakh (which was not recovered from employees), interest of ₹ 37.01 lakh and damages of ₹ 71.22 lakh.

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

### 2.17 Unfruitful expenditure

**Expenditure of ₹ five crore incurred on construction of ITI Kithore, Meerut remained unfruitful due to lackadaisical approach in preparing the detailed estimates and delay of more than seven years in sanctioning of revised estimates by the State Government.**

Ministry of Minority Affairs, Government of India (MoMA) approved (September 2014) a Government Industrial Training Institute (ITI) at Kithore in Machara block, Meerut district under Multi-sectoral Development Programme (MsDP<sup>71</sup>) at a cost of ₹ 9.37 crore (Central share of ₹ 5.00 crore for construction works and State share of ₹ 4.37 crore for procurement of equipment and furniture). As per MsDP guidelines, any proposal relating to escalation in cost of the sanctioned project, for any reason whatsoever would not be considered and the State Government would make up the shortfall, in all such cases. MsDP guidelines further required that the trades under ITIs would be affiliated to National Council for Vocational Training (NCVT).

MoMA released grants-in-aid in two equal instalments of ₹ 2.50 crore each to the Government of Uttar Pradesh (GoUP) in September 2014 and February 2016. GoUP released the fund to Director, Minority Welfare, Uttar Pradesh (DMW) in two equal instalments of ₹ 2.50 crore in December 2014 and August 2016 with the conditions that work would be completed within three months of the released amount, Memorandum of Understanding (MoU) would be executed with the executive agency and no additional amount to the approved cost would be sanctioned. In addition, Principal Secretary, Vocational Education and Skill Development Department (VESDD) was requested to take action for utilisation of ITI building.

Scrutiny of records (March 2021) and information collected (December 2021 and May 2022) from Principal, ITI Saket-Meerut revealed that Construction and Design Services, Uttar Pradesh Jal Nigam was nominated (December 2014) as executing agency and undated Memorandum of Understandings (MoU) were executed in two parts<sup>72</sup> for construction of ITI at Kithore. The first instalment of ₹ 2.50 crore was released by DMW to the executing agency in December 2014 and the land was provided to the executing agency in March 2015. The work for construction of ITI building was started in March 2015 and the utilisation certificate of the first instalment (₹ 2.50 crore) was submitted in November 2015. However, the second instalment (₹ 2.50 crore) was released to the executing agency in September 2016 after nine months due

<sup>71</sup> MsDP was a Centrally Sponsored Scheme which aimed at improving the socio-economic condition of minorities and reducing imbalances in identified minority concentration areas by providing better infrastructure for education, skill development, health, sanitation, etc.

<sup>72</sup> First MoU was signed after release of first instalment of ₹ 2.50 crore in December 2014 and second MoU was signed after release of second instalment of ₹ 2.50 crore in August 2016.

to which progress in work remained slow<sup>73</sup> between December 2015 to September 2016.

Audit further noticed that even before commencement of work, the executing agency prepared (February 2015) a detailed estimate of ₹ 12.18 crore citing that (i) the previous estimates of ₹ 9.37 crore for project was sanctioned (September 2014) on Public Works Department's old Scheduled of Rates of October 2011, and (ii) extra provision of ₹ 66.99 lakh was required for earth filling due to low lying land of the proposed work site. However, despite being aware of the fact that the sanctioned estimate was insufficient to complete the proposed work, the executing agency proceeded with the work and technical sanction (TS) was accorded (March 2015) for the cost of ₹ 9.37 crore. As per conditions of the TS, work should be planned to the extent of sanctioned cost of ₹ five crore for building work in such a way that the work done can be useful in relation to the amount spent and approval of revised estimate should be obtained through client department to get the enhanced estimated cost of ₹ 2.81 crore. Subsequently, the executing agency prepared and submitted a revised estimate of ₹ 12.76 crore in February 2018 to District Minority Welfare Officer, Meerut for its approval from the GoUP. Further revised estimates were also submitted (July 2019 and March 2021). Meanwhile, the entire amount of ₹ five crore released for the civil work was utilised by March 2018 and only 82 *per cent* of work<sup>74</sup> could be completed. The work was stopped for the last four years, as the revised estimates submitted by the executing agency to the Minority Welfare and Waqf Department was not sanctioned (May 2022).

In reply, State Government stated (February 2022) that the construction work of ITI building could not be completed as the estimates of building was based on Public Works Department's SoR 2011 though the scheme was sanctioned in the year 2014-15. Moreover, the land provided for the ITI building was low lying due to which there was increase in the costs of earth filling, foundation of buildings and boundary wall. Therefore, the executing agency prepared (March 2015) revised estimates of ₹ 12.38 crore out of which technical sanction was accorded for ₹ 9.37 crore and the revised estimates was forwarded to the Government for approval. The work of main building and one workshop had been completed out of released fund of ₹ five crore and the physical progress of work was 82 *per cent*. However, expenditure of ₹ 5.00 crore was not unfruitful, rather the construction work could not be completed with the released fund due to above circumstances. The incomplete work would be completed after approval of the increased cost of the work.

The reply of State Government did not specify the reason due to which revised estimates could not be sanctioned despite being aware of inadequacy of

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<sup>73</sup> Progress of work during December 2015 to January 2016 was 50 *per cent*, February 2016 to May 2016 was 57 *per cent* and June 2016 to September 2016 was 58 *per cent*.

<sup>74</sup> The work of main building, one workshop and over-head tank was completed with some deficiency and the work of one workshop, boundary-wall, two residence building (Type-1) and one residence (Type III) with one main gate and external development works were not completed.

the originally sanctioned estimates for ITI at Kithore, Meerut. Besides, there was lackadaisical approach in preparing the detailed project report for construction of ITI, Kithore due to which the low lying land and consequent requirement for earth filling was not visualised. As a result of preparing incorrect detailed project report and delay of more than seven years in sanctioning revised estimates, the construction work of ITI, Kithore was stopped since March 2018 and expenditure of ₹ five crore incurred on incomplete construction remained unfruitful.



**(BIJAY KUMAR MOHANTY)**  
Principal Accountant General (Audit-I)  
Uttar Pradesh

PRAYAGRAJ  
THE **30 JAN 2023**

**COUNTERSIGNED**



**(GIRISH CHANDRA MURMU)**  
Comptroller and Auditor General of India

NEW DELHI  
THE **- 2 FEB 2023**



# **Appendices**



**Appendix-1.1**  
**Details of Departments and respective entities**  
*(Reference: Paragraph 1.1)*

Sl. No.	Name of the Departments(s)	Number of Audit Units along with Apex Units			
		Civil Units	Public Sector Undertakings (PSUs)	Other Entities (Autonomous Bodies/ Authorities, etc.)	Total
1	A B (Human Rights Commission and State Legal Authority)	0	0	2	2
2	Administrative Reform	1	0	0	1
3	Agriculture and Krishi viparan (Agriculture Marketing)	211	0	0	211
4	Agriculture research and Education	0	0	6	6
5	Animal husbandry.	88	0	0	88
6	Ayush	155	2	0	157
7	Backward Class Welfare	76	1	0	77
8	Basic Education	277	0	0	277
9	Child Development & Nutrition	76	1	0	77
10	Co-operatives	78	14	0	92
11	Dairy Development	52	0	0	52
12	Director, Local Fund Audit	68	0	0	68
13	Election	142	0	0	142
14	Empowerment of persons with disabilities	77	0	0	77
15	Estate Department	7	0	0	7
16	Fisheries	57	0	0	57
17	Food & Civil Supply and Consumer	161	0	0	161
18	Handloom and Sericulture Department	17	0	0	17
19	Higher Education	168	0	15	183
20	Home	242	0	0	242
21	Home (Jail Administration)	69	0	0	69
22	Home Guard	75	0	0	75
23	Horticulture and Food Processing	106	0	0	106
24	Housing and Urban Planning Department	0	102	34	136
25	Information and Public Relation	74	0	0	74
26	Irrigation and Water Resources, Soil and Water Conservation (Land Development and Water Resources)	560	0	0	560
27	Irrigation DMU	0	9	0	9
28	Judiciary	96	0	0	96
29	Labour	71	0	1	72
30	Language	2	0	0	2
31	Madhya Nished Department	8	0	0	8
32	Medical Education & Training	18	0	12	30
33	Medical Health & Family welfare (Food Safety and Drug Administration)	285	2	5	292
34	Minor Irrigation and Ground Water	67	0	0	67

**Audit Report (Compliance Audit-I) for the year ended 31 March 2021**

Sl. No.	Name of the Departments(s)	Number of Audit Units along with Apex Units			
		Civil Units	Public Sector Undertakings (PSUs)	Other Entities (Autonomous Bodies/ Authorities, etc.)	Total
35	Minority Welfare	76	0	0	76
36	Panchayati Raj Department	77	0	75 (Panchayati Raj Institutions/PRIs)	152
37	Personnel (Training and other Expenses) & Employment	74	0	0	74
38	Personal (Public Service Commission)	1	0	0	1
39	Project Corporation, Irrigation	0	9	0	9
40	Prosecution(Home)	70	0	0	70
41	Revenue(Collectorate & Land revenue)	123	0	0	123
42	Revenue(Except Collectorate & Land revenue)	23	0	0	23
43	Rural Development Department	203	0	0	203
44	Secondary Education	211	0	0	211
45	Secretariat Administration	13	0	0	13
46	Social Welfare	77	7	0	84
47	Soldier Welfare	77	0	0	77
48	Sports & Youth Welfare	146	0	0	146
49	Sugar & Cane Development	62	10	0	72
50	Technical Education	82	0	3	85
51	Urban Development	0	232	0	232
52	Urban Development Department	2	0	653 (Urban Local Bodies/ULBs)	655
53	Urban Employment and Poverty Alleviation	76	0	0	76
54	Urban Planning and Land Ceiling	55	0	0	55
55	Vigilance	11	0	0	11
56	Vocational Education	74	0	0	74
57	Waqf Evam Alpshankhyak Kalyan	0	2	0	2
58	Women Welfare	77	1	0	78
<b>Total</b>		<b>4994</b>	<b>392</b>	<b>806</b>	<b>6192</b>
In addition to the above, 5,72,716 implementing units as a part of their respective audit units were also under jurisdiction of the Principal Accountant General (Audit-I) Uttar Pradesh.					

**Appendix-2.1.1**  
**Details of dwelling units constructed by Prayagraj Development Authority**  
**and private builders during 2016-21**  
*(Reference: Para 2.1.4)*

Year	Total number of housing schemes implemented during the year <sup>1</sup>	Number of dwelling units				
		HIG	MIG	LIG	EWS	Total
<b>Prayagraj Development Authority</b>						
2016-17	1	0	456	16	16	488
2017-18	0	0	0	0	0	0
2018-19	1	0	192	192	48	432
2019-20	0	0	0	0	0	0
2020-21	1	0	0	32	0	32
<b>Total</b>	<b>3</b>	<b>0</b>	<b>648</b>	<b>240</b>	<b>64</b>	<b>952</b>
<b>Private Developments</b>						
2016-17	04	88	162	0	0	250
2017-18	04	388	580	0	0	968
2018-19	11	1151	1721	374	434	3680
2019-20	08	488	904	71	71	1534
2020-21	06	282	502	0	0	784
<b>Total</b>	<b>33</b>	<b>2397</b>	<b>3869</b>	<b>445</b>	<b>505</b>	<b>7216</b>

(Source: Data provided by PDA)

<sup>1</sup> 2016-17: Jagriti Vihar Awas Yojana, 2018-19: Yamuna Vihar Awas Yojana, 2020-21: Janhvi Apartment Yojana Phase III, Naini.

**Appendix-2.1.2**  
**Details of unsold flats of Prayagraj Development Authority as on March 2021**  
*(Reference: Para 2.1.5.4)*

Name of Housing Scheme	Covered Area (in sqm.)	Year of Start	No. of Total Properties	No. of Properties Sold	No. of Vacant Properties	Cost of Properties at Present Rate (in ₹)	Total Cost of Vacant Properties (₹ in lakh)
<b>Mausam Vihar</b>							
Sharad 3 BHK	133.67	2013	56	45	11	8528665.00	938.15
Shishir 2 BHK	102.94	2013	140	90	50	6477355.00	3238.68
Hemant 2 BHK	85.51	2013	56	23	33	5336775.00	1761.14
Basant 2 BHK	80.25	2013	84	52	32	5026730.00	1608.55
<b>Sub total</b>			<b>336</b>	<b>210</b>	<b>126</b>		<b>7546.52</b>
<b>Jagrati Vihar</b>							
MIG-I Phase-1	75.83	2015-16	168	143	25	3741000.00	935.25
Mini MIG-II Phase-2	54.30	2015-16	96	82	14	3306000.00	462.84
Mini MIG-II Phase-3	54.30	2015-16	192	0	192	3306000.00	6347.52
<b>Sub total</b>			<b>456</b>	<b>225</b>	<b>231</b>		<b>7745.61</b>
<b>Total</b>			<b>792</b>	<b>435</b>	<b>357</b>		<b>15292.13</b> <b>Say 152.92 crore</b>

(Source: Data provided by PDA)

**Appendix 2.1.3**  
**Strengthening and widening of road works in respect of Prayagraj Smart City Limited**  
*(Reference: Para 2.1.6.3)*

*(Amount in ₹ in lakh)*

Sl. No.	Name of work	Estimated cost
1	Widening, Strengthening and Beautification of Pannalal Road	796.94
2	Widening, Strengthening and Beautification of Sobhnath Singh Road	316.63
3	Widening, Strengthening and Beautification of Mission Road	364.37
4	Widening, Strengthening and Beautification of Subhash Nagar Road	324.38
5	Widening, Strengthening and Beautification of Clive Road	528.44
6	Widening, Strengthening and Beautification of Strechy Road	559.92
7	Widening, Strengthening and Beautification of Cooper Road	733.87
8	Widening, Strengthening and Beautification of Tashkent Road	1350.15
9	Widening, Strengthening and Beautification of Babu Bindeshwari Road	346.32
10	Widening, Strengthening and Beautification of Dr Mumfordganj Road	392.88
11	Widening, Strengthening and Beautification of Lohia road	1276.60
12	Maharana Pratap square to anand Hospital Mod raod	641.04
13	Maharana Pratap square to Manmohan Park Mod road	798.59
<b>Total</b>		<b>8430.13</b>

**Appendix-2.1.4**  
**Excess rate of machinery taken in Rate Analysis**  
*(Reference: Para 2.1.6.3)*

Sl. No.	Details	Unit	Quantity	Rate as per DPR in ₹	Rate as per Data book in ₹	Difference in ₹	Excess rate in ₹	
<b>GSB by Mix in place method (Rate of machinery)</b>								
1	Motor Grader 110 HP @50 cum	Hour	6	2781	1545	1236	7416	
2	Vibratory roller 8-10 tonne	Hour	6	1789.2	994	795.2	4771.2	
3	Tractor Rotavator	Hour	12	441	245	196	2352	
4	Total Amount of Machinery							14539.2
5	Total Amount Inclusive of Escalation 80 %							26170.56
6	Total Amount Inclusive of Overhead charges 6%							27740.79
7	Total Amount Inclusive of Contractor profit 10%							30514.87
8	Excess calculation per cum (₹ 30514.87/Output 300 cum)							₹ 102
<b>Rate as per DPR – ₹ 1776; Excess Rate – ₹ 102 (5.74 per cent)</b>								
Sl. No.	Details	Unit	Quantity	Rate as per DPR	Calculated by Audit as per MoRTH rate	Difference	Excess rate in ₹	
<b>Dense Grade Bituminous Macadam (Rate of machinery)</b>								
1	Generator 250 KVA	Hour	6	1125	450	675	4050	
2	Escalation 85% on Generator			956.25	382.5	573.75	3442.5	
3	Total of Generator 250 KVA (A)			2081.25	832.5	1248.75	7492.5	
4	Tipper 10 tonne capacity	tonne/KM	450 * Lead*1.74	23490 (lead 30 km)	7830 (lead 10 km)	15660	15660	
5	add 10 %			2349	783	1566	1566	
	Total of Tipper (B)			25839	8613	17226	17226	
6	Escalation 85 % on Tipper (C)			21963	7321.05	14642.1	14642.1	
7	<b>Total Amount for Machinery (A+B+C)</b>							39360.6
8	Total Amount Inclusive of overhead charges 6 %							41722.24
9	Total Amount Inclusive of contractor profit 10%							45894.46
10	Excess rate per cum (₹ 45894.46/Output 195 cum)							₹ 235
<b>Rate as per DPR – ₹ 9302; Excess Rate – ₹ 235 (2.53 per cent)</b>								
<b>Bituminous Concrete (Rate of machinery)</b>								
1	Generator 250 KVA	Hour	6	1125	450	675	4050	
2	Escalation 85% on Generator			956.25	382.5	573.75	3442.5	
3	Total of Generator 250 KVA (A)			2081.25	832.5	1248.75	7492.5	
4	Tipper 10 tonne capacity	tonne/KM	450 * Lead*1.74	23490 (lead 30 km)	7830 (lead 10 km)	15660	15660	
5	add 10 %			2349	783	1566	1566	
	Total of Tipper (B)			25839	8613	17226	17226	
6	Escalation 85% on Tipper (C)			21963	7321.05	14642.1	14642.1	

7	<b>Total Amount for Machinery (A+B+C)</b>						39360.6
8	Total Amount Inclusive of overhead charges 6 %						41722.24
9	Total Amount Inclusive of contractor profit 10%						45894.46
10	Excess rate per cum (₹ 45894.46/Output 191 cum)						<b>240</b>
	<b>Rate as per DPR – ₹ 10138; Excess Rate – ₹ 240 (2.37 per cent)</b>						
	<b>Bituminous Macadam (Rate of machinery)</b>						
1	Generator 250 KVA	Hour	6	1125	450	675	4050
2	Escalation 80% on Generator			900	360	540	3240
3	Total of Generator 250 KVA (A)			2025	810	1215	7290
4	Tipper 10 tonne capacity inclusive Escalation	tonne/KM	450 * Lead*3.03 (with escalation)	40905 (lead 30 km)	13635 (lead 10 km)	27270	27270
5	add 10 %			4090.5	1363.5	2727	2727
6	Total of Tipper (B)			44995.5	14998.5	29997	29997
7	<b>Total Amount for Machinery (A+B)</b>						37287
8	Total Amount Inclusive of overhead charges 6 %						39524.22
9	Total Amount Inclusive of contractor profit 10%						43476.64
10	Excess rate per cum (₹ 43476.64/Output 205cum)						<b>₹ 212</b>
	<b>Rate as per DPR – ₹ 7838.60; Excess Rate – ₹ 212 (2.70 per cent)</b>						
	<b>Semi Dense Bituminous Concrete (Rate of machinery)</b>						
1	Generator 250 KVA	Hour	6	1125	450	675	4050
2	Escalation 85% on Generator			956.25	382.50	573.75	3442.50
3	Total of Generator 250 KVA (A)			2081.25	832.50	1248.75	7492.50
4	Tipper 10 tonne capacity	tonne/KM	450*Lead* 1.74	23490 (lead 30 km)	7830 (lead 10 km)	15660	15660
5	add 10 %			2349	783	1566	1566
	Total of Tipper (B)			25839	8613	17226	17226
6	Escalation 85% on Tipper (C)			21963.15	7321.05	14642.10	14642.10
7	<b>Total Amount for Machinery (A+B+C)</b>						39360.60
8	Total Amount Inclusive of overhead charges 6 %						41722.24
9	Total Amount Inclusive of contractor profit 10%						45894.46
10	Excess rate per cum (₹ 45894.46/Output 195 cum)						<b>₹ 235</b>
	<b>Rate as per DPR – ₹ 9212; Excess Rate – ₹ 235 (2.55 per cent)</b>						
Note: Lead of 10 km in tipper was taken in calculation by Audit on the basis of lead taken by PDA in the estimates for work of 'Stanley Road Traffic Chauraha to Anand Hospital Mod'							

**Appendix 2.2**  
**Loss of interest due to money kept in savings bank account in**  
**violation of State Government's directions**  
*(Reference: Para 2.10)*

Sl. No.	Account No.	Period	Interest Amount (in ₹)
1	10346036304	02.04.2016 to 27.11.2020	97,82,822.02
2	30825556762	15.06.2016 to 27.11.2020	2,71,652.48
3	10346036393	01.04.2016 to 27.11.2020	55,35,181.92
4	10346036064	01.04.2016 to 27.11.2020	6,03,189.28
<b>Total</b>			<b>1,61,92,845.70</b>

**Appendix 2.3**  
**Avoidable payment of ₹ 3.25 Crore**  
*(Reference: Para 2.11)*

Sl. No.	Name of the Unit	Month of Wages	Amount of interest and damages as per Section 7Q & 14B of the Act ( in ₹)		Date of Payment
			Paid	Balance	
1	CMO, Gaziabad	April 2015 to September 2015	10,41,306	0	31-05-2018
		October 2015 to April 2016	10,90,255	0	31-05-2018
		May 2016 to July 2016	3,95,347	0	31-05-2018
		January-February 2017, April-July 2017, September and November 2017	96,976	0	23-03-2018
<b>Total</b>			<b>26,23,884</b>	<b>0</b>	
2	CMO, Barabanki	March 2017 to December 2017	1,99,870	0	21/12/2018
		April 2015 to December 2015	9,94,919		21/12/2018
		June 2017 to December 2017	50,387		31-03-2019
		December 2018	7,858		31-03-2019
		January 2018 to July 2018	1,49,086		31-03-2019
		January 2016 to March 2017 & January 2018	725,096		31-03-2019
<b>Total</b>			<b>21,27,216</b>	<b>0</b>	
3	CMO, Kannauj	April 2017 to February 2018	1,97,576	0	31-05-2018
		April 2015 to March 2017, March 2018	20,42,364		30-07-2018
		December 2016	837		13-09-2018
<b>Total</b>			<b>22,40,777</b>	<b>0</b>	
4	CMO, Varanasi	April 2015 to March 2018	62,04,782	0	31-03-2020
		April 2019 to December 2019 & Jan 2020	0	1252376	
<b>Total</b>			<b>62,04,782</b>	<b>1252376</b>	
5	CMO, Mirzapur	April 2015 to March 2019	4,11,419	1488129	31-03-2018
			9,23,706		28-03-2019
			1,65,013		31-03-2019
			1,11,621		15-05-2019
<b>Total</b>			<b>16,11,759</b>	<b>1488129</b>	
6	CMO, Jhansi	April 2016	1,73,790	0	Apr-16
		May 2016	1,51,416	0	May-16
		June 2016	1,51,464	0	Jun-16
		July 2016	1,38,104	0	Jul-16
		August 2016	1,24,706	0	Aug-16
		September 2016	1,10,746	0	Sep-16
		October 2016	98504	0	Oct-16

Sl. No.	Name of the Unit	Month of Wages	Amount of interest and damages as per Section 7Q & 14B of the Act ( in ₹)		Date of Payment
			Paid	Balance	
		November 2016	84,912	0	Nov-16
		December 2016	52,605	0	Dec-16
		April 2015 -March 2016	2,410,418	0	March-April-16
		Jan 2017-Nov 2017	510,696	0	March-April-17
		Jan 2017-Feb 2017, April 2017-April 2018	246,836	0	March-April-18
		May 2018	1,474	0	May-18
		October 2018	3,950	0	Oct-18
		May 2019	1,191,824	0	May-19
		June 2019	593	0	Jun-19
		August 2019	400	0	Aug-19
		September 2019	1,619	0	Sep-19
		October 2019	2,722	0	Oct-19
<b>Total</b>			<b>54,56,779</b>	<b>0</b>	
7	CMO, Sonbhadra	April 2015 to Nov 2017	1864644	0	06-03-2020
		April 2015 to Nov 2017	961565	0	06-03-2020
<b>Total</b>			<b>2826209</b>	<b>0</b>	
<b>Total of Damages and Interest</b>			<b>23091406</b>	<b>2740505</b>	
8	CMO, Varanasi	Employees' share charged from Employer for the period April 2015 to October 2016	<b>9426679</b>	<b>0</b>	27-01-2017
<b>Total</b>			<b>9426679</b>		

**Appendix 2.4**  
**Excess payment due to erroneous pay fixation**  
*(Reference: Para 2.12)*

Sl. No.	Name of Districts	Name of units	No of cases	Excess Payment ( in ₹)
1	Firozabad	CMO, Firozabad	13	18,57,063
2	Kanpur nagar Dehat	CMO, Kanpur nagar Dehat	13	12,46,756
3	Bagpat	CMO, Bagpat	16	12,74,895
4	Pilibhit	CMO, Pilibhit	3	4,69,640
5	Amethi	CMO, Amethi	2	2,67,626
6	Pratapgarh	CMO, Pratapgarh	34	53,97,813
7	Muzaffarnagar	CMO, Muzaffarnagar	10	16,24,216
8	Varanasi	CMO, Varanasi	5	5,06,001
9	Shahjahanpur	CMO, Shahjahanpur	10	12,55,883
10	Mahoba	CMO, Mahoba	3	5,70,153
11	Mirzapur	CMO, Mirzapur	3	5,15,899
12	Kanpur Nagar	CMO, Kanpur Nagar	10	14,88,323
13	Lalitpur	CMO, Lalitpur	1	1,96,291
14	Ayodhya	CMO, Ayodhya	5	9,90,988
15	Aligarh	CMO, Aligarh	6	10,59,706
16	Mau	CMO, Mau	10	19,18,883
17	Kushinagar	CMO, Kushinagar	18	30,45,824
18	Jhansi	CMO, Jhansi	4	5,99,004
		SIC, Divisional District Hospital, Jhansi	1	1,29,384
19	Deoria	CMS, Babu Mohan Singh, District Hospital, Deoria	1	1,98,024
20	Kaushambi	CMO Kaushambi	2	3,18,049
21	Gazipur	CMO Gazipur	5	9,61,175
<b>Total</b>			<b>175</b>	<b>258,91,596</b>

**Appendix 2.5**  
**Excess payment of centage charges**  
*(Reference: Para 2.14)*

Particulars	Calculation as per Unit (Amount in ₹)	Calculation as per Audit (Amount in ₹)
Estimated Cost of one unit	3401354	34,09,975*
Add contingency @ 1%	34014	34,100
Total (A)	3435368	34,44,075
Deduct 5% of Cost	0	1,72,204
Total (B)	3435368	32,71,871
Add Centage charges @ 12.5%	429421	4,08,984
Total (C)	3864789	36,80,855
Add GST @ 12%	463775	4,41,703
Total (D)	4328564	41,22,558
Add labours Cess @1%	43286	41,226
Total Cost of One Unit	₹ 4371850 Say ₹ 43.72 lakh	₹ 41,63,784 Say ₹ 41.64 lakh
Excess cost paid for One Unit	(₹ 43.72 lakh – ₹ 41.64 lakh) = ₹ 2.08 lakh	
Excess cost paid for 96 Units (₹ in crore)	96 Units x ₹ 2.08 lakh = ₹ 199.68 lakh Say ₹ 2.00 crore	

\*inclusive of ₹ 8621 already deducted by Unit in one item of LED street light)