

CHAPTER VIII: MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION

8.1 Unproductive expenditure due to defective planning

Erroneous planning of the Ministry in establishing a National Institute of Sugarcane and Sugar Technology at Mau when a similar Institute was already in existence at Kanpur, resulted in unproductive expenditure of Rs 16.72 crore.

Ministry of Consumer Affairs and Public Distribution decided to establish National Institute of Sugarcane and Sugar Technology (NISST) at Mau during 1993-94 to undertake research in sugarcane and to provide training and extension programmes for development of sugar industry. The Institute was to be completed by 1995-96.

Test check of the records of the Institute in January 2001 revealed that after incurring an expenditure of Rs 14.84 crore, Ministry realised that there would be a duplication of activities performed by National Sugar Institute, Kanpur and NISST, Mau. Accordingly, Ministry constituted a Committee in September 2000 to examine the feasibility of transferring NISST, Mau to Ministry of Agriculture or any other agency.

The decision of the Ministry was based on the recommendations made by Central Monitoring Group (CMG), Ministry of Finance, Department of Expenditure in their meeting held in January 2000. The Committee, in its meeting held in September 2000 expressed the view that Indian Council of Agricultural Research (ICAR) should come out with a clear decision within a month after examining the issue. The proposal of ICAR for taking over the assets of NISST was awaited as of September 2001. Despite the decision of the Ministry to wind up the project and transfer the land and buildings to ICAR or any other agency, the expenditure on the Project was allowed to continue, which went up to Rs 16.72 crore as of September 2001. Neither land and buildings could be transferred either to any other agency or Ministry of Agriculture as of date.

Injudicious planning of Ministry in establishing NISST at Mau, when a similar Institute (NSI, Kanpur) already existed, which was involved in sugar cane research, training and extension programmes, resulted in unproductive expenditure of Rs 16.72 crore as of September 2001.

The matter was referred to Ministry in September 2001; their reply was awaited as of November 2001.