

CHAPTER XV : MINISTRY OF TOURISM

15.1 Excess release of grants-in-aid

Ministry of Tourism's failure to scrutinise the project proposal of State Government properly resulted in excess release of Rs. 2.39 crore.

The Ministry of Tourism received a proposal (July 2002) from the State Government of Andhra Pradesh for setting up of a tourist facilitation Centre "Balayogi Paryatak Bhawan" at Hyderabad at a cost of Rs. 10.25 crore with a request for Central Financial Assistance (CFA) of Rs. 4 crore and the remaining amount was to be arranged by the State Government. In addition, land measuring 2.15 acres was to be arranged by the State Government free of cost for the project. After consideration, the Ministry approved the proposal under the scheme for Development of Tourist Centres.

The Ministry sanctioned (March 2003) Central Financial Assistance of Rs. 5 crore to the project against an assistance of Rs. 4 crore sought by the State Government by assuming the total cost of Rs. 22.25 crore after including Rs. 12 crore on account of the cost of land provided by the State Government for the project. No fresh proposal from the State Government was obtained. The sanction of Rs. 5 crore was justified on the ground that the Ministry had already agreed to sanction Rs. 5 crore for the project during 2001-02 itself.

The Ministry released the first instalment of Rs. 1.89 crores in March 2003 and the second instalment of Rs. 2.50 crore in April 2004 against the utilization certificate of Rs. 3.09 crore received from the State Government in March 2004. The project was actually completed (March 2005) at a lower cost of Rs. 7.20 crore against the initially projected cost of Rs. 10.25 crore (excluding the cost of land). Thereafter, the Ministry advised the State Government to adjust the excess release of Rs. 0.88 crore against some other project as the CFA of Rs. 3.51 crore was considered to be admissible against total release of Rs. 4.39 crore for the project costing Rs. 7.20 crore. The excess release of Rs. 0.88 crore was neither recovered nor adjusted as of October 2006.

Audit noted that as per the guidelines of the scheme of Development of Tourist Centers, CFA upto Rs. 2 crore only could have been provided, whereas under the scheme of large revenue generating projects, CFA at 25 per cent of project cost or Rs. 10 crore whichever was less, was admissible. As the Ministry had approved the project under the scheme of Development of

Tourist Centers, the eligible CFA for the project could have been only upto Rs. 2 crore and therefore, sanctioning Rs. 5 crore (after including Rs. 12 crore in the total cost of the project on account of the cost of the land) was irregular. Thus, the Ministry need to recover Rs. 2.39 crore instead of Rs. 0.88 crore as calculated by them on proportionate basis.

The Ministry in their reply (May 2006) stated that the amount of Rs. 0.88 crore would be adjusted against other project. It further stated (November 2006) that when the project was conceptualised the maximum ceiling of grants-in-aid under Tourist Centres was Rs. 2 crore but when the project was sanctioned, the revised guidelines were in place under which the upper ceiling for each destination was Rs. 5.00 crore.

The replies (May 2006 and November 2006) of the Ministry are not tenable because although the project was sanctioned after the new scheme guidelines were notified but it was sanctioned under the old scheme where the eligible CFA could have been only upto Rs. 2 crore. Besides, sanctioning Rs. 5 crore against the demand of Rs. 4 crore by State Government was irregular and not called for.

15.2 Injudicious Release of Funds

Injudicious release of funds without ascertaining the availability of land for the proposed project resulted in wasteful expenditure of Rs. 31.31 lakh.

The Ministry of Tourism (MOT) decided (January 2004) to develop “Yamuna River Front – Development of Great Green Tourist Complex, Delhi” in the area lying between Yamuna River Front, National Samadhis and Red Fort through the ITDC¹. Pending preparation of plans/drawings/blue prints, detailed estimates of the work and transfer of land to the project executing agency, the Ministry released an amount of Rs. 5.00 crore to the ITDC (February 2004) as an advance to start the work. As per the sanction, the ITDC was asked to furnish land availability certificate within six weeks from the date of the sanction as the land belonged to the Central Government. The work was required to be completed by 15 February 2005 i.e. within a period of one year from the date of issue of sanction. After completion of project, the assets created were to be handed over to the DDA² for maintenance and management.

¹ India Tourism Development Corporation Limited

² Delhi Development Authority

The ITDC requested (March 2004) the L&DO³ for permission to carry out the sanctioned work and also submitted a project proposal to MOT at an estimated cost of Rs. 787.33 lakh, including 3 *per cent* contingencies and 5 *per cent* centage charges. The L&DO, however, intimated MOT (December 2004) that the land was not available for the project as the same had already been transferred to the DDA for the purpose of integrated development of Yamuna River Front.

Thereafter, MOT directed the ITDC (December 2004) to refund the amount of Rs. 5.00 crore released in February 2004. The ITDC refunded (June 2005) Rs. 4.69 crore after deducting Rs. 31.31 lakh which included expenditure of Rs. 28.94 lakh incurred mainly on hiring a project consultant and security guards and contingencies and centage charges of the ITDC.

The release of Rs. 5.00 crore in anticipation of sanction of detailed estimates and handing over of land for the project to the ITDC resulted in idling of public funds for over fifteen months.

Thus, injudicious sanction and release of funds without ascertaining the availability of land for the proposed project resulted in wasteful expenditure of Rs. 31.31 lakh.

The matter was reported to the Ministry in January 2006; their reply was awaited as of December 2006.

³ Land and Development Office