

## CHAPTER XII : MINISTRY OF OVERSEAS INDIAN AFFAIRS

### 12.1 Questionable expenditure on dinner and liquor

**Disregarding the protocol norms, liquor worth Rs. 5.87 lakh was served in the dinner for Pravasi Bhartiya Divas and lack of management and control of Ministry of Overseas Indian Affairs on the guests for the dinner resulted in extra expenditure of Rs. 14.92 lakh.**

For Pravasi Bhartiya Divas 2006 organised by the Ministry of Overseas Indian Affairs (MOIA) at Hyderabad during 6 to 9 January 2006, a dinner was hosted by the Minister of State, Ministry of External Affairs (MEA) on 08 January 2006. As per the list of invitees approved by the competent authority, 1300 persons were to be invited for the dinner. MOIA placed orders on the caterer for dinner for 1300 guests only. The caterer, however, submitted a bill for Rs. 22.52 lakh for dinner to 3850 persons, which was three times the number of approved invitees. In addition, the caterer also preferred bill worth Rs. 5.87 lakh towards charges for serving liquor at the dinner.

The Ministry of External Affairs, which had hosted the dinner agreed as a *fait accompli* to make payment to the caterer for 2000 persons against its approval for only 1300 persons thereby incurring additional expenditure of Rs. 4.10 lakh over and above the original sanction. It declined to entertain the bill for Rs. 5.87 lakh towards liquor, stating that as per the protocol norms, ministries do not serve liquor in their parties.

Subsequent to refusal by the Ministry of External Affairs to make the full payment of the bill for 3850 persons, MOIA made payment of Rs. 10.82 lakh for the remaining 1850 persons to the caterer. The bill for the liquor was yet to be settled as of June 2007. Since MOIA had given orders to the caterer to serve liquor during the dinner, the liability stands. Further, the Ministry did not examine the correctness of the bill from the point of view of the caterer's ability to provide dinner to 3850 persons, against the confirmed order for only 1300 persons.

On being pointed out by Audit, the Ministry stated in September 2007 that increase in number of participants was due to the fact that State Government, who was a partner in organising Pravasi Bhartiya Divas, had also invited guests for the cultural evening and these guests were over and above the expected guests. It also stated that the liquor was served as a part of registration package at the reception of cultural evening. It added that the

caterer was a seven star hotel and on analysing the number of guests the caterer made necessary arrangements to serve dinner to 3850 persons.

The reply of the Ministry is not tenable due to the following:

- (i) It is not supported by documents indicating that the State Government had in fact invited such a large number of guests;
- (ii) Ministry's assertion on the capacity of the caterer to provide dinner to 3850 persons against the firm order for 1300 persons on the basis of their on-the-spot realisation of three fold increase in the number of guests is a post audit response without any basis, since it had not examined this aspect prior to the matter having been raised by Audit; and
- (iii) The Ministry's contention regarding serving of liquor at the reception of the cultural evening rather than during the dinner is factually incorrect as it had placed written order with the caterer to serve liquor during the dinner and the bill of the caterer for liquor served was for NTR garden at 8.00 PM, which was the venue and time for dinner.

The case clearly demonstrated lack of management and control on the part of the Ministry to limit the guests strictly as per the list of invitees leading to extra expenditure of Rs. 14.92 lakh on dinner to 2550 additional guests.