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**Report of the
Comptroller and Auditor General
of India**

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for the year ended March 2000

**MEMBER OF PARLIAMENT
LOCAL AREA DEVELOPMENT SCHEME**

Union Government (Civil)
Performance Appraisal
No.3A of 2001

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OF INDIA, 2001

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LOCAL AREA DEVELOPMENT SCHEME**

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**Ministry of Statistics and Programme
Implementation**

**MEMBER OF PARLIAMENT
LOCAL AREA DEVELOPMENT SCHEME
(MPLADS)**

Ministry of Finance and Economic
Development

MEMBER OF PARLIAMENT
LOCAL AREA DEVELOPMENT SCHEME
(L.A.D.S.)

CONTENTS

SI No.		Page
1.	Prefatory Remarks	iii
2.	Highlights	1
3.	Member of Parliament Local Area Development Scheme	3
4.	APPENDIX	
	Extract of Chapter - V of CAG's Report No. 3 of 1998	65



PREFATORY REMARKS

This Report of the Comptroller and Auditor General of India containing a review on the '**Member of Parliament Local Area Development Scheme**' has been prepared for submission to the President under Article 151 of the Constitution of India.

The findings contained in the review are those which came to the notice in the course of test audit.

Highlights

In its present form, the scheme, which is in operation since December 1993 has hardly served its main objectives. The scheme had envisaged taking up of the works, which were developmental in nature and were based on local felt needs, with emphasis on creation of durable assets. Audit findings, however, suggest that besides the fact that a significant part of released money was not utilised, the works that were carried out in a large number of cases did not qualify for the definition of durable assets. A large number of them remained incomplete. Several others were either inadmissible or were not recommended by the Members of Parliament.

● Since inception of the scheme in December 1993, Rs 5017.80 crore have been released against which Rs 3221.21 crore were spent. Utilisation was thus 64.2 per cent only. This will go down even more if the inflated expenditure detected in test check is reckoned. There was great regional variation in that utilisation. One has to view this reported utilisation in the light of audit observations.

● During the period from 1997-98 to 1999-2000, the Ministry released 84.43 per cent (Rs 2668 crore) of the allotted budget provision of Rs 3160 crore. From its inception till the end of March 2000, 35.80 per cent of the total releases by the Ministry, amounting to Rs 1796.59 crore, remained unspent with the District Collectors and the implementing agencies involving 20874 incomplete works out of a total of 41955 sanctioned works.

● Even after seven years of the operation of the scheme the Ministry did not have a suitable accounting procedure. This was a contributory factor in its financial maladministration.

● The scheme guidelines contain contradictory provisions. One provision related the release of instalments to the actual progress in expenditure and execution of works, while another provision related it to funds sanctioned by the District Collectors to the implementing agencies. The Ministry continued to sanction funds based on the amounts sanctioned by the District Collectors, regardless of actual utilisation. Consequently, there were large unspent balances with the implementing agencies.

● The Ministry did not submit any Action Taken Notes to the CAG's Audit Report of 1998 on the scheme. Many irregularities pointed out not only persisted but actually worsened. Some of these were:

- the implementing agencies did not submit the utilisation certificates to the District Collectors;
- they did not refund unspent balance;
- there was misreporting of the financial progress of works by them;
- they irregularly clubbed the scheme funds with the other schemes;

- diverted funds to inadmissible purpose;
 - there were executions of inadmissible works;
 - the District Collectors sanctioned works for commercial and private organisations, for repairs and maintenance works and on places of religious worship;
 - there were unauthorised purchases of stores & stock items;
 - District Collectors sanctioned and executed the works without the recommendation of the MPs, without technical sanction and administrative approval;
 - the nodal agencies did not maintain any asset records.
- In addition, there were inadmissible expenditure on memorials, on sanction of loans, grants, and donations.
 - Short achievements in the physical progress of the scheme were noted in the previous audit report period from 1993-94 to 1996-97; during the current audit period there was further slow down in the physical progress of the scheme. There were delays in sanction and completion of works.
 - There were cases of irregular award of contracts as also deficient execution of works. There were instances of excess expenditure, excess payment, overpayments to contractors, wasteful expenditure, miscellaneous irregularities in purchases, abandonment of works, execution of petty works, irregular payment of supervision and centage charges, frauds and misappropriation.
 - The Ministry of Statistics and Programme Implementation, who administer the scheme and are responsible for its monitoring and evaluation, admitted that they were not in a position to effectively monitor the scheme at the operational level. In fact the Ministry did not have any picture of works under implementation and quoted the Committee of Secretaries decision that central monitoring of large number of works was neither practicable nor desirable. It thus, did not keep its implicit promise it made in the scheme to use information technology and internet to facilitate instantaneous monitoring of the constituency-wise progress. They limited their role to having an overall picture of the amount released and expended. The Ministry's view runs counter to the stated role of the Ministry in the area of monitoring as provided in the guidelines. The Ministry's role, in effect, was confined to providing resources only without any responsibility for its use.
 - In consideration of the various persistent instances of poor administration of the scheme, involving wastages, idling of funds, irregular and inadmissible expenditure and frauds highlighted in this and the earlier 1998 Report of the CAG, the Central Government needs to re-evaluate the need, manner and modality of resource transfer under the scheme as at present.

Introduction

The Prime Minister announced the Member of Parliament Local Area Development Scheme (MPLADS) in the Parliament on 23 December 1993 to enable the MPs to identify small works of capital nature based on locally felt needs in their constituencies*. Under the scheme, each MP could suggest to the District Collectors (DCs) works to the tune of rupees one crore (two crore from 1998-99) per year for being taken up in his/her constituency. The scheme does not permit revenue expenditure in any form; the expenditure on works relating to offices/ residential buildings, and purchase of inventory or stock of any kind. It requires the DCs to ensure that concerned user agencies provide for maintenance and upkeep of the assets created under the scheme.

Organisational arrangement

2. The Ministry of Rural Development administered the scheme up to October 1994. The Ministry of Planning & Programme Implementation, now Ministry of Statistics & Programme Implementation, is the administrative ministry for the MPLADS. The designated departments of the State Governments, generally the Planning Department, have a general kind of role of overall state level co-ordination. But it is the head of district, i.e. the DC, who is directly responsible for the implementation of the scheme at the community level. It is with him that the scheme vests the authority and power to receive the MPLADS funds from the centre and to sanction expenditure on the works of the scheme. In National Capital Territory of Delhi, the Municipal Corporation of Delhi (MCD) has that authority.

Operational arrangements

3. The general requirements of the scheme are as follows:

- a) The DCs should sanction, as far as possible, all the MPLADS works within 45 days from the date of receipt of proposals from the MPs, and

* For the purpose of MPLADS, the term 'constituency' includes, besides the parliamentary constituency, the district, which a Rajya Sabha MP may choose in his/her state for deployment of his/her MPLADS funds allocation.

to get them implemented through Government agencies or Panchayati Raj Institutions or any other reputed and capable Non Government Organisation (NGO).

- b) Each State Government/UT Administration to designate one nodal department for physical monitoring through field inspection and for coordination with the Ministry.
- c) The DCs should visit the work locations along with the MPs and furnish monitoring reports once in two months to the MPs and to the Ministry.
- d) The Senior Officers of the implementing agencies, sub-divisional and block level officers of the district should also visit the work spots regularly to ensure satisfactory progress of the works, per the prescribed procedures and specifications.

Financial arrangements

4. From 1998-99, the Government has doubled the allocation of the MPLADS funds to Rs two crore per year per MP. The Government has classified this release of funds as grants-in-aid. The MPLADS funds do not lapse; after release in a particular year, the unutilised balance carries itself forward without affecting fresh allocation.

5. Table 1 contains the cumulative figures of central releases of the MPLADS funds and expenditure. **Annex-I** contains the state-wise details as on 31 March 2000.

Table 1: Inflow and outflow of the MPLADS funds

(Rs in crore)

Date up to	Cumulative release of funds	Cumulative expenditure	Percentage utilisation
31.3.1997	2349.80	1285.50	54.71
31.3.1998	2837.80	1549.00	54.58
31.3.1999	3627.30	2315.40	63.83
31.3.2000	5017.80	3221.21	64.20

Source: Ministry of Statistics & Programme Implementation

N.B.: The reported financial utilisation must be read together with the audit comments in the following paragraphs.

6. The Prime Minister had announced in December 1998 up scaling of MPLADS allocation from Rs 1 crore to Rs 2 crore from the year 1998-99 itself. The government, however, increased the corresponding budget allotment only from the next year, *i.e.*, from 1999-2000. During the period from 1997-98 to 1999-2000, the Ministry released Rs 2668 crore for the MPLADS which constituted 84.43 *per cent* of the allotted budget provision of Rs 3160 crore.

Scope of audit

7. The CAG's Report No.3 of 1998 reviewed the MPLADS covering the period from 1993-94 to 1996-97. This review, covering the period 1997-2000, seeks to update the findings with particular emphasis on asset creation. Audit reviewed implementation of the scheme in 26 States and four UTs through sample check in 241 out of 786 constituencies. Audit also examined the records of the Ministry, and at the state level of the DCs and the implementing agencies. **Annex-II** contains the details of the sample constituencies selected from each State/UT.

Absence of accounting controls

8. The central government transfers the funds for the scheme directly to the DCs. These funds do not lapse at the end of the financial year. The usual check and balances, which automatically become applicable to government expenditure when government expenditure flows through the normal state budgetary route, do not, therefore, apply in the administration of the MPLADS funds. It was necessary for the Ministry to have devised appropriate accounting procedures at the stage of formulation of the scheme itself. The CAG's previous report of 1998 had pointed this out. The Ministry replied in July 2000, that they had constituted an inter-departmental committee for the purpose. The draft accounting rules were under process with the CGA and were expected to be finalised soon. Absence of such rules contributed to the poor financial administration of the MPLADS.

Contradictory provisions for sanction and release of funds by the Ministry

9. The Ministry's guidelines on release of funds provides that 'the release of funds will be made with reference to the actual progress achieved in expenditure and in execution of works'. The guidelines go on to amplify that 'Instalment of Rs 50 lakh (*quarterly limit on the annual quota of Rs 2 crore per MP since May 2000*) in respect of an MP would be released once the balance amount after taking in to account the cost of all the works sanctioned comes to less than Rs 50 lakh'. While the first provision clearly linked the release of central funds to the 'actual progress in expenditure and in execution of works', the latter provision linked it to the 'cost of all the works sanctioned'. As the 'actual progress in expenditure and in execution of works' and 'cost of all the works sanctioned' are separate things, the aforesaid provisions have sent confusing and contradictory signals. Consequently, as Audit found, large unspent balances have remained with the implementing agencies after the sanction and release of funds by the DCs.

Continued poor administration of utilisation of the MPLADS funds

10. The Ministry reported an overall utilisation of 64.2 *per cent* of the MPLADS funds, which it released since the inception of the scheme in 1993 till 31 March 2000, as detailed in Annex I. The Table 2 shows regional stratification of utilisation amongst the States and UTs compiled from the Ministry's records.

Table 2: Regional stratification of use of MPLADS funds

Percentage utilisation	Number of States/UTs	Names of States/UTs
> 80	7	Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, A&N Island and Daman & Diu.
50 to 80	20	Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal, Chandigarh & Delhi.
<50	5	Jammu & Kashmir, Tripura, Dadra & Nagar Haveli, Lakshdweep & Pondicherry.

11. The reasons for low expenditure, as reported to audit, were non-recommendation of works by the MPs, delay in sanction of works by the DCs, and the restrictions imposed by the election code of conduct etc. during frequent parliamentary elections. In the period covered by the previous audit review, 44.71 *per cent* of the total releases by the Ministry for the MPLADS, amounting to Rs 1039.10 crore, remained unspent with the DCs and the implementing agencies as on 31 March 1997. The unspent funds as on 31 March 2000, i.e. at the end of the period covered by present audit, were Rs 1796.59 crore, which constituted 35.80 *per cent* of total releases. Clearly, the Ministry failed to make much headway in ensuring that there was better utilisation of scarce public financial resources it sanctions for the MPLADS.

The Ministry released the MPLADS funds without any correlation with their end use

12. It is incumbent on any authority vested with the power to sanction grants out of public financial resources to obtain proof of satisfactory application of those resources from the grantees at appropriate intervals in form of the utilisation certificates (UCs). The Ministry failed to obtain utilisation certificates, release-wise as required by the sanctions and continued to release funds without any correlation with their end use. The Ministry stated in July 2000 that they released the funds on the basis of 'approved criteria' in consultation with their Finance Division, i.e. the release of the next instalment of funds upon unsanctioned balance reaching the half-level of per MP annual allocation; and, therefore, did not insist upon the UCs. This reply is yet another indicator of the flawed financial administration of the scheme at the Ministry's level because it is essential condition precedent of sanction of grants on a recurring basis that the sanctioning authority should ensure fruitful end-use of funds released earlier for the similar purpose.

The DCs did not obtain the UCs from the implementing agencies

13. The Government required the DCs, in the MPLADS sanctions, to have a comprehensive picture of the utilisation of the funds, by keeping a close watch over the utilisation of the funds released. In the CAG's Report of 1998, a mention was made of many cases where the DCs did not obtain the UCs after

completion of works. This malady persisted in the present audit also. In the audit sample of 111 constituencies, covering 17 States and UTs, audit found that the DCs had obtained the UCs only in 29.78 *per cent* of total works, per details in **Annex-III**. The amount involved for the works not supported by the UCs was over Rs 161 crore.

The implementing agencies did not refund the unspent balance

14. **Annex-IV** contains the details of the cases where the DCs had cancelled works after release of funds, or where the implementing agencies completed the works at lower than estimated costs, or did not take up works for some reasons. The implementing agencies did not refund the amount to the DCs, as prescribed, in all the three situations. In audit sample of 241 constituencies, there were 85 constituencies, involving 1418 cases, where implementing agencies retained Rs 8.13 crore out of Rs 24.55 crore released to them, which worked out to 33.12 *per cent* of total funds released to them during 1997-2000. The malady persisted despite mention in the CAG's earlier Report of 1998.

Mis-reporting of financial progress of work by the DCs

15. Audit found that the DCs reported inflated expenditure to the Ministry, by reckoning the amount released to the implementing agencies as the final expenditure, ignoring the basic requirement of checking the utilisation of funds release-wise as prescribed. In an audit sample of 106 constituencies of 11 States and UT, 30.93 *per cent* of booked expenditure (Rs 265.34 crore) was in effect not incurred as detailed in **Annex-V**. The malady persisted, here again, despite mention in the CAG's earlier Report of 1998.

The DCs irregularly clubbed MPLADS funds with the funds of other schemes

16. The MPLADS prescribes that its funds may not to be used for other schemes except for partially meeting the cost of a larger work only in case where it results in completion of the work and the part of work requiring such resource application is clearly identifiable. This prescription is well designed,

as mixed application of funds would vitiate financial and technical evaluation of the MPLADS. Audit examination of 96 cases in 18 constituencies of 10 States revealed irregular clubbing involving Rs 3.21 crore of scheme funds, as detailed in **Annex-VI**. The malady persisted despite mention in the CAG's Report of 1998.

Irregular diversion of funds to inadmissible purposes

17. The CAG's earlier Report of 1998 had mentioned detailed instances of irregular diversion of the MPLADS funds to inadmissible purposes. The present audit again found that in the audit sample of 18 constituencies in eight States, the DCs accorded sanctions totalling Rs 18.33 crore to inadmissible works as per details in **Annex-VII**.

Execution of inadmissible works

18. In audit sample of 48 constituencies of 16 States, the DCs spent Rs 4.78 crore on 1220 inadmissible construction works. The malady persisted despite mention in the CAG's Report of 1998, as detailed in **Annex-VIII**.

Sanctions of works for commercial and private organisations

19. The MPLADS provisions prohibit expenditure on works of commercial organisations, trusts, registered societies, and private institutions. The CAG's previous Report of 1998 had highlighted prohibited expenditure of that kind. The audit again found that the DCs in audit sample of 47 constituencies of 17 States and UTs sanctioned an expenditure of Rs 9.16 crore on 518 such works of commercial organisations, trusts, clubs, societies, private institutions, etc. per details in **Annex-IX**.

Irregular sanction of repair and maintenance works

20. The MPLADS provisions prohibit expenditure on repairs and maintenance works other than special restorative repair of a durable asset. The CAG's earlier Report of 1998 had pointed out irregular expenditure on repair and maintenance works. Presently again, audit found that in a audit sample of 53 constituencies of 21 States and UT, a total expenditure of Rs 26.59 crore was

incurred on 1552 repair and maintenance works such as repair/ resurfacing of roads, streets, repair of school buildings, walls, ponds, drains, community halls, parks, inspection bungalows etc. as detailed in **Annex-X**.

Purchases of stores out of the MPLADS funds

21. The DCs in the audit sample of 18 States and UTs involving 38 constituencies purchased stores and stocks valuing Rs 5.46 crore, as detailed in **Annex-XI**, despite clear prohibition for such action in the scheme. The malady persisted despite the mention in the previous CAG's Report of 1998.

Irregular expenditure on places of religious worship

22. A test check revealed that, contrary to the guidelines, in the audit sample of seven States involving 13 constituencies, the DCs allowed expenditure of Rs 74.12 lakh (Assam: Rs 18.40 lakh, Bihar: Rs 9.86 lakh, Himachal Pradesh: Rs 8.11 lakh, J & K: Rs 28.21 lakh, Madhya Pradesh: Rs 2.11 lakh, Orissa: Rs 4.64 lakh and Sikkim: Rs 2.79 lakh) on 66 works belonging to places of religious worship such as development work of Ram Krishna Mission, construction of fishery tanks with masjids, boundary walls of temples, sarai/guest houses in temples, construction of Gumpa etc. Similar observations in the CAG's Report of 1998 remained ignored.

Irregular expenditure on memorials

23. The MPLADS does not permit works of construction of memorials. The audit found irregular expenditure of Rs 54.55 lakh in the audit sample of 13 works of memorial buildings in five States involving seven constituencies (Assam: Rs 5.00 lakh, Bihar: Rs 31.05 lakh, Karnataka: Rs 1.00 lakh, Manipur: Rs 3.00 lakh and West Bengal: Rs 14.50 lakh).

Irregular sanction for works on private land

24. The MPLADS enjoins upon the DCs to ensure clear title on the land before sanctioning any work so that the assets created are available for public use; and, therefore, provides that works could be executed only on such land as was surrendered by Municipal and Panchayat bodies, private trusts and

private individuals etc. The audit found in test-checked cases in six States that there was an expenditure of over Rs 1.85 crore on execution of works on private land without surrender of title, as detailed in **Annex-XII**.

Other inadmissible works

25. There were 533 inadmissible works of other kind amounting to Rs 4.60 crore noticed in the audit sample of 39 constituencies in 12 States as detailed in **Annex-XIII**.

Irregular sanction of loans, grants and donations

26. There was irregular sanction of loans, grants and donations totalling Rs 81.45 lakh, in contravention of the scheme provisions as detailed in **Annex-XIV**, in the audit sample of six constituencies in five States.

Deficiencies in the maintenance of Cash Book

27. **Annex-XV** lists discrepancies and deficiencies in maintenance of the Cash Book in selected constituencies of the 10 States.

Continuing shortfall in physical progress of the MPLADS works

28. **Annex-XVI** gives the state-wise details of works recommended by the MPs, works sanctioned, works taken up and works completed during the period 1997-2000 in the test checked constituencies. Table-3 below shows in respect of test checked constituencies of 12 States/UTs^ψ, the position of works recommended by the MPs, works sanctioned by DCs, works taken up by the implementing agencies, works completed and works not taken up during the period 1993-97 and 1997-2000. Clearly, as compared to the period covered by previous audit i.e. from 1993-94 to 1996-97, there was an overall shortfall in the matter of completion of works and in the number of sanctioned works taken up.

^ψ Andhra Pradesh, Arunachal Pradesh, Gujarat, Himachal Pradesh, Madhya Pradesh, Manipur, Nagaland, Rajasthan, Sikkim, Tripura, West Bengal, A & N Islands.

Table 3: Physical progress of MPLADS works

	1993-1997			1997-2000		
	Number of works	Value (Rs in crore)	Percentage value of sanctioned work	Number of works	Value (Rs in crore)	Percentage of value of work sanctioned
1. *Recommended by MP	41592	414.44	--	21651	277.20	--
2. Sanctioned by DC	36608	363.61	--	19469	244.57	--
3. Taken up	33739	323.61	89.00	17930	211.34	86.41
4. Completed	19391	204.11	56.13	8680	95.93	39.22
5. Not taken up	2869	40.00	11.00	**1563	34.23	14.00

*Sample grouping during 1993-97 was 113 districts of 12 states whereas in 1997-2000 it is 45 districts of the same number of states

** It includes works of previous years also

From the above details, it would be seen that the percentage of value of works taken up, out of the works sanctioned by the DCs came down from 89 during 1993-97 to 86.41 in 1997-2000. The percentage of works completed out of those which were taken up, has also sharply deteriorated during these years from 56.13 to 39.22 *per cent*. On the other hand, the percentage of works not taken up by the implementing agencies although sanctioned by DCs has increased from 11 *per cent* during 1993-97 to 14 *per cent* during 1997-2000. However, during 1997-2000, an overall state-wise position in 13 States[§] from where such information was available, indicated that number of works sanctioned by the DCs (77719) constituted 76 *per cent* of the total number of works recommended by the MPs (101697); in other words, the DCs did not sanction 24 *per cent* of works which the MPs had recommended.

Delay in sanction of works

29. Audit noted delays, as detailed in **Annex-XVII**, in sanction of works by the DCs in 17 constituencies of six states and two UTs, in certain cases extending upto 761 days. The reasons for delay as given to audit were: non-receipt of technical sanctions in time, change of site by the MP, shortage of funds, announcement of code of conduct for elections, late receipt of plans and

[§] Andhra Pradesh, Arunachal Pradesh, Bihar, Goa, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Tripura, West Bengal.

estimates etc. These reasons indicate lack of sincere application and cannot be held as genuine excuses for delays, excepting the application of code of conduct of election, which too would have applied to only initiation up of new works.

Delay in completion of works

30. Test check of records of seven states, viz. Assam, Bihar, Gujarat, Madhya Pradesh, Mizoram, Rajasthan and Tripura and one UT, Chandigarh disclosed that in the completion of 568 works at a total cost of Rs 7.30 crore, the delay in completion was upto five years. Audit could not secure reasons for such inordinate delays by any of the States/UTs, showing that there was little importance attached to enforcing or monitoring some time frame.

Non-commencement of works

31. The audit found that in the sample constituencies in seven states during 1997-2000, the implementing agencies did not take up 775 sanctioned works of total estimated cost of Rs 10.18 crore as given in the Table 4 below.

Table 4: Non-commencement of works

State and place	No. of Works	Estimated cost (Rs in crore)	Reasons
1. Andhra Pradesh; East Godavari (45) and Vishakhapatnam (87) Districts, during February 1995 to March 1999	132	1.2700	Did not commence due to land dispute and non-finalisation of agreement
2. Himachal Pradesh; Hamirpur and Shimla constituencies, during April 1997 and March 2000	22	0.1880	
3. Rajasthan	480	6.4100	Works did not start as of June 2000 even after release of Rs 0.92 crore for 252 works to the executing agencies

State and place	No. of Works	Estimated cost (Rs in crore)	Reasons
4. Orissa; Cuttack, Jajpur, Bhubaneshwar and Koraput constituencies, during 1997-2000	61	0.4225	The implementing agencies did take up the work, and did not either refund the unspent amount.
5. Meghalaya	11	0.5350	Attributed to lack of plan and estimates, land and funds
6. Tripura and J&K	69	1.3500	No reasons given
Total	775	10.1755, or 10.18	

Execution of works without recommendation of the MPs

32. In an audit sample of eight States, the DCs incurred an expenditure of Rs 3.97 crore on 570 works not recommended by the MPs, per details in **Annex-XVIII**. This serious breach in propriety persisted despite similar mention in the CAG's Report of 1998.

Execution of works without technical sanction/administrative approval

33. The scheme provides that no work can be taken up for execution without detailed design and estimates approved and technically sanctioned by the competent authority. In an audit sample of 20 constituencies of 10 States and one Union Territory, 3397 works at an estimated cost of Rs 35.79 crore were taken up for execution without technical sanction while eight works at an estimated cost of Rs 2.90 lakh in three constituencies of one State were taken up for execution without any administrative approval during 1997-2000, per detailed in **Annex-XIX**. The practice of getting the works executed without technical sanction/ administrative approval persisted despite mention in the CAG's Report of 1998.

Irregular award of contracts

34. In 23 test checked constituencies in 10 States and UT, 1688 contracts were awarded by the DCs irregularly involving works costing Rs 35.74 crore, per details in Annex-XX.

Deficiencies in quality of works

35. Annex-XXI contains details of deficient execution of works as noticed in the test audit.

Miscellaneous observations

36. The following are some sundry audit observations on the implementation of the scheme.

- (a) **Short recovery from the contractors.** In Patna, Bihar, test check of 139 works in 12 Blocks, revealed that the rates charged for cement issued to the contractors by the implementing agencies were Rs 115 per bag in 1997-98 and Rs 125 per bag in 1998-2000, against Rs 155 per bag as reflected in the approved estimates, resulting in short recovery of Rs 21.47 lakh from them. Besides, in Patna Sadar Block there were inadmissible payments totalling Rs 2.26 lakh of the contingent charges in 15 works.
- (b) **Unnecessary expenditure on bore wells with hand pump.** In Godhra district of Gujarat, the GWSSB executed 407 works of bore wells with hand pump at a cost of Rs 85 lakh. It carried out the boring works upto 60-90 metres depth, and fitted 30 metres rising pipes, even though the average water table in Godhra district was under 10.5 metres and the designed capacity of India Mark II hand pump was upto 36 metres. The boring beyond 30 metres was, therefore, unnecessary in any case, resulting in wasteful expenditure of Rs 23 lakh.
- (c) **Supply of computers to non-entitled schools and other purchase and expenditure irregularity.** To promote computer awareness amongst students, the Government of India, Department of Electronics, New Delhi issued guidelines on implementation of electronics projects under the MPLADS. According to these guidelines selection of schools was to be made by DCs on the advice of the MPs. Outline of syllabus was for class

XI and XII. The total cost of one system valued at Rs 1.43 lakh was to be met from the MPLADS funds whereas other recurring expenditure on items such as computer teacher, maintenance of system, training, supply of software and consumable was required to be met by the selected schools. Test check at four districts of Orissa, viz. Cuttack, Jajpur, Keonjhar and Nayagarh disclosed that 69 computer systems were provided to 69 schools by incurring an expenditure of Rs 188.10 lakh during 1997-2000. All the schools selected had classes upto X level only against the required XII level. The systems were not purchased from any of the firms enlisted in the illustrative list of indigenous manufactures contained in the project guidelines; neither was open tender system for purchase resorted to. The total expenditure of Rs 188.10 lakh also included recurring expenditure of Rs 89.70 lakh, which was inadmissible. Information as regard the training imparted to staff, students enrolled, completion of course module, utilisation of assets etc. was not available on record.

- (d) **Non-recovery of outstanding amount from a closed Sansthan.** The Rajasthan Government closed the Rajasthan Avas Vikas Sansthan in April 1999 and transferred its liabilities to the Rajasthan Housing Board. An amount of Rs 139.36 lakh from the MPLADS fund was outstanding against the Sansthan on the date of its closure for pending works entrusted to it. The State Government did not take any action to transfer the MPLADS liability to the Rajasthan Housing Board. The details of pending works were not available.
- (e) **Excess payment.** The DC Ajmer, Rajasthan accorded sanction of Rs 24.15 lakh for 15 electrification works during 1997-98 and allotted the work to the Rajasthan State Electricity Board (RSEB) Ajmer. On completion of works the RSEB claimed Rs 26.84 lakh against the advance and the payment was made. The scrutiny of the RSEB's records revealed, however, that they had booked only Rs 21.24 lakh as expenditure on material and labour charges for the MPLADS works, and claimed and received Rs 5.60 lakh in excess.
- (f) **Expenditure of Rs 95.30 lakh on petty works.** In 10 constituencies of the West Bengal, viz. Arambag, Barasat, Diamond Harbour, Dum Dum, Hooghly, Jadavpur, Joynagar, Malda, Serampur, Tamluk, 433 petty works

aggregating to Rs 95.30 lakh valuing Rs three to thirty thousand each were extended. Such petty works could not have led to the creation of durable assets, and were in violation of the guidelines.

Suspected fraud/misappropriation of funds

37. There were 13 cases of suspected fraud/misappropriation of funds in seven sample States, involving Rs 118.36 lakh. While in one case (Tamil Nadu) the amount had been refunded and in another case (Madhya Pradesh), recovery was stated to be in process. **Annex-XXII** has the details.

Incomplete/abandoned works

38. In 31 sample constituencies of 14 States/UTs, 99 works were either abandoned or left incomplete midway due to dispute over title to land, insufficient provisions of funds, objection raised by local people/ government department; unsatisfactory progress of works etc. Rs 1.10 crore was spent on these works prior to their abandonment, per details in **Annex-XXIII**, which is rendered wasteful.

Loss of interest

39. During 1997-2000 instances of loss of interest aggregating Rs 98.87 lakh (Punjab: Rs 2.30 lakh in three constituencies; Orissa: Rs 18.16 lakh in two constituencies; Himachal Pradesh Rs 3.86 lakh in two constituencies; Chandigarh: Rs 0.94 lakh; A&N Island: Rs 0.96 lakh, Kerala: Rs 7.43 lakh in four constituencies; Tamil Nadu: Rs 28.38 lakh in two constituencies and Tripura: Rs 36.84 lakh in one constituency) were noticed in various counts. While earning interest on idle money is not the purpose of resource transfer in the MPLADS, it only underlines financial as well as operational mismanagement that even as large funds idle away, they do so in an interest deficient manner. **Annex-XXIV** contains the details.

Irregular payment of supervision, centage charges

40. The MPLADS does not allow the implementing agencies to collect any administrative charges, centage etc. for their services of preparatory work, implementation, supervision etc. Yet, the audit found that centage charges of

Rs 278.75 lakh were charged in 480 cases in 17 States/UTs during 1997-2000, which had the effect of reducing the net availability of funds for use on the scheme. Annex-XXV gives the details.

Non-maintenance of records of assets

41. Despite mention in the CAG's Report of 1998, the nodal agencies mostly did not maintain asset registers, as required in the MPLADS.

Mishandling of assets

42. In most of the States/UTs, the DCs did not plan the upkeep and maintenance of assets before their creation. Completed assets were not handed over properly to the user agencies. In some cases, assets created under the scheme were not found useful. The DCs and implementing agencies did not adequately follow up the transfer of assets leading to mishandling of assets, as detailed in Annex-XXVI.

Failure of monitoring

43. As one would see generally from the above and the following specific instances, the Ministry failed to monitor the MPLADS:

- (a) Nodal department was not designated in the States of Himachal Pradesh, Mizoram and Meghalaya.
- (b) Inspection of 10 *per cent* of works every year by DCs was either not conducted or the relevant records of such inspection were not maintained/furnished in test checked districts. In four States Assam, Haryana, Mizoram and Orissa and the A&N Islands, it was stated that necessary inspections were conducted but no supporting records could be shown to audit. Regarding non-conducting of inspection and non-maintenance of relevant records no plausible reasons could be put forth by any of the district authorities.
- (c) The Ministry failed to lay down any schedule of inspections prescribing the minimum number of field visits for each supervisory level functionary of the implementing agency as envisaged in the guidelines. In response to the audit query the Ministry stated that the Committee of Secretaries (COS) in their meeting held on 6 August

1997 had already decided that central monitoring of large number of works was neither practicable nor desirable. The Committee of Secretaries, as stated by the Ministry, had decided that since works were being implemented at district level, close monitoring of works would have to be done at that level and at best at the State level. This, however, runs counter to the intent of the provisions contained on the subject in the guidelines which, *inter alia*, provide that the Ministry would always have with it a complete and updated picture of works under implementation. The fact was that the Ministry did not have even this picture and were, therefore, unable to give any worthwhile directions for keeping the scheme on course. In fact Ministry's role was confined to providing resources only without taking any responsibility for its use.

- (d) The Ministry did not prescribe any schedule of inspections with the minimum number of field visits for each supervisory level functionary of the implementing agency, as envisaged in the guidelines. The Ministry told audit that the Committee of Secretaries (COS) in their meeting held on 6 August 1997 had decided that central monitoring of large number of works was neither practicable nor desirable. The Committee of Secretaries, the Ministry stated, had decided that since works were being implemented at district level, close monitoring of works would have to be done at that level and at best at the State level. As already mentioned earlier, this was a flawed decision, as the financial rules make it obligatory for any sanctioning authority to ensure fruitful application of resources whose transfer they sanction.
- (e) According to the provisions contained in the General Financial Rules, for effective control of expenditure, the department of Central Government should also obtain from the department concerned, statement showing the details of physical progress of the scheme, for which they are responsible. This statement should show the name of scheme, budget provision for each scheme, the progressive expenditure on each scheme, the progress of this scheme in physical terms and the detailed reasons for any shortfall or excess, both financial and physical. This data should be analysed at the Ministry level for necessary prescriptions to the states concerned.

- (f) The Ministry did not submit any ATN on the CAG's earlier Report of 1998. As is clear from the report on its own, the Ministry did not get any evaluation conducted in all seven years of the scheme. The Ministry intimated that the process of getting the MPLAD Scheme evaluated started in March 1999 by the Programme Evaluation Organisation of the Planning Commission, the study has already been launched and the field survey was underway. The report was expected by March 2001.

Conclusion and Recommendation

44. This review covering the period 1997-2000, was in the nature of updation of the findings of the previous review of the Comptroller and Auditor General on the subject covering the period 1993-1997. The findings of the present review point out to the fact that the implementation of the scheme has become worse during the years 1997-2000 as evidenced by the low utilization (64.2 per cent) of the released funds and a very poor record of completion of the works as revealed in test check according to which percentage of completed works came down from 56.13 (as per the 1998 report) to 39.22. In other words even the 64.2 per cent utilised expenditure has not yielded commensurate assets. Added to this are significant percentage of irregular and inadmissible works that were detected in test audit. If these are reckoned, the real utilisation figures will be much lower. Overall, the audit findings reveal failures: in operationalising the MPLADS; in meeting its stated objectives; in conforming to the prescription of the scheme by the MPs at the recommendation stage and by the District Officers at the execution stage; and, last but not the least, admitted failure of the Ministry to effectively administer and monitor the scheme.

45. In summary, in its present form, the scheme, which is in operation since December 1993 has hardly served its main objectives. In view of these findings and the findings of the 1998 audit report, the Central Government

needs to have a thorough review of the present arrangements for the implementation of the scheme. Such a review should cover the present manner of resource transfer along with the technical and administrative arrangements.



(H.P.DAS)
Director General of Audit
Central Revenues

New Delhi
Dated : 12-04-2001

Countersigned



(V.K. SHUNGLU)
Comptroller and Auditor General of India

New Delhi
Dated : 12-04-2001

Annex-I
(Refer to paragraphs 5 and 10)
Statement of release/expenditure of Lok Sabha & Rajya Sabha MPs as on
31 March 2000

(Rs in lakh)

State/UT	1993-2000				
	Release by G.O.I	Amount Sanctioned	%Sanction over Release	Expenditure Incurred	%Utilisation over Release
1. Andhra Pradesh	40345	36383.0	90.2	25948.1	64.3
2. Arunachal Pradesh	1815	1620.9	89.3	1315.6	72.5
3. Assam	12905	10795.0	83.7	8848.6	68.6
4. Bihar	46210	40165.0	86.9	30541.5	66.1
5. Goa	1665	1225.1	73.6	1041.3	62.5
6. Gujarat	25185	27989.0	111.1	14075.7	55.9
7. Haryana	9175	8014.1	87.3	6710.6	73.1
8. Himachal Pradesh	4885	4461.5	91.3	3599.6	73.7
9. Jammu & Kashmir	3350	2664.7	79.5	1264.4	37.7
10. Karnataka	28050	25043.0	89.3	18056.5	64.4
11. Kerala	17595	15253.0	86.7	9789.9	55.6
12. Madhya Pradesh	36975	32133.0	86.9	25962.4	70.2
13. Maharashtra	43025	37607.0	87.4	23771.9	55.3
14. Manipur	2165	2014.8	93.1	1823.9	84.2
15. Meghalaya	1815	1869.2	103.0	1583.1	87.2
16. Mizoram	1460	1374.1	94.1	1214.1	83.2
17. Nagaland	1260	1110.0	88.1	1110.0	88.1
18. Orissa	20250	17801.0	87.9	11051.0	54.6
19. Punjab	11705	9981.5	85.3	6323.4	54.0
20. Rajasthan	22875	19169.0	83.8	13721.3	60.0
21. Sikkim	1610	1615.9	100.4	1407.6	87.4
22. Tamil Nadu	44485	42170.0	94.8	32622.6	73.3
23. Tripura	1965	1737.3	88.4	844.1	43.0
24. Uttar Pradesh	78045	68091.0	87.2	53501.6	68.6
25. West Bengal	31685	27295.0	86.1	19961.1	63.0
26. A & N Islands	405	327.1	80.8	327.1	80.8
27. Chandigarh	555	385.3	69.4	320.4	57.7

State/UT	1993-2000				
	Release by G.O.I	Amount Sanctioned	%Sanction over Release	Expenditure Incurred	%Utilisation over Release
28. D & N Haveli	605	403.5	66.7	242.8	40.1
29. Daman & Diu	505	429.6	85.1	429.6	85.1
30. Delhi	7395	7071.7	95.6	4239.5	57.3
31. Lakshdweep	655	567.7	86.7	217.2	33.2
32. Pondicherry	1060	867.6	81.8	254.8	24.0
Exp. in r/o two MPs reconciled subsequently as intimated vide Ministry letter No.C/28/2000- MPLADS dated 16.2.2001	100	--	--	--	--
Grand Total	501780	447635.6	89.2	322121.3	64.2

Annex-II
(Refers to paragraph 7)
Scope of audit

State/UT	No. of MP				No. of selected constituencies				Names of selected constituencies
	LS	RS	N	T	LS	RS	N	T	
1. Andhra Pradesh	42	18	2	62	10	6	--	16	LS – Siddipet, Medak, Srikakulam, Kakinada, Rajahmundry, Amalapuram, Tirupathi, Chittoor, Nalgonda, Miryalguda RS – Medak, Srikakulam, East Godavari, Vishakhapatnam (2), Chittoor
2. Arunachal Pradesh	2	1	--	3	2	1	--	3	LS – Arunachal East, Arunachal West RS – Arunachal Pradesh
3. Assam	14	7	-	21	5	2	--	7	LS – Guwahati HPC, Barpeta HPC, Tejpur HPC, Autonomous Districts (ST) HPC, Silchar HPC RS – Kamrup, Sivasagar
4. Bihar	54	21	-	75	8	7	--	15	LS – Barh, Giridih, Khunti, Muzaffarpur, Nalanda, Patna, Ranchi, Vaishali, RS – Nalanda, Patna (6)
5. Goa	2	1	-	3	2	1	--	3	LS – Panaji, Mormugoa RS – South Goa
6. Gujarat	26	11	-	37	6	2	--	8	LS – Valsad, Godhra, Rajkot, Sabarkantha, Kheda, Ahmedabad RS – Ahmedabad, Godhra
7. Haryana	10	5	-	15	3	3	--	6	LS – Ambala, Faridabad, Sirsa RS – Ambala, Panchkula, Sirsa
8. Himachal Pradesh	4	3	-	7	2	--	--	2	LS – Hamirpur, Shimla
9. Jammu & Kashmir	6	3	1	10	2	1	1	4	LS – Srinagar – Badgam, Jammu – Rajouri – Poonchh RS – Jammu-Udhampur N – Srinagar

State/UT	No. of MP			No. of selected constituencies				Names of selected constituencies	
	LS	RS	N	T	LS	RS	N		T
10. Karnataka	28	12	4	44	9	6	3	18	LS – Bangalore (North, South), Bijapur, Davangere, Gulbarga, Kolar, Koppal, Shimoga, Udupi, RS – Bangalore, (North, south), Shimoga, Udupi
11. Kerala	20	9	-	29	10	8	--	18	N – Bangalore (2), Gulbarga. LS – Thiruvananthapuram(2), Kollam, Alappuzha(2), Kottayam, Ernakulam(2), Malappuram(2) RS – Kollam(2), Alappuzha(2), Kottayam, Ernakulam, Malappuram(2)
12. Madhya pradesh	40	16	-	56	5	7	--	12	LS – Bilaspur, Raipur, Bastar, Bhopal, Khargone RS – Bilaspur(2), Raipur, Bhopal(4)
13. Maharashtra	48	20	1	69	16	13	1	30	LS – Mumbai (south, central, north), Thane, Dahanu, Nashik, Malegaon, Dhule, Jalgaon, Jalana, Beed, Nagpur, Akola, Pune, Satara, Karad, Kulaba RS – Mumbai (south, central, north), Thane, Dhule, Beed, Nagpur, Pune, Kulaba N – Mumbai north
14. Manipur	2	1	-	3	2	1	--	3	LS – Manipur (Inner, Outer) RS – Manipur
15. Meghalaya	2	1	1	4	1	1	1	3	LS – Shillong RS – Meghalaya N – Meghalaya
16. Mizoram	1	1	-	2	1	1	--	2	LS – Mizoram RS – Mizoram
17. Nagaland	1	1	-	2	1	1	--	2	LS – Nagaland RS – Nagaland
18. Orissa	21	10	-	31	5	2	--	7	LS – Bhubhaneshwar, Cuttack, Jajpur, Keonjhar, Koraput RS – Cuttack, Keonjhar
19. Punjab	13	8	-	21	4	2	--	6	LS – Jalandhar, Phillaur, Ropar, Sangrur RS – Jalandhar, Jalandhar (N)

State/UT	No. of MP				No. of selected constituencies				Names of selected constituencies
	LS	RS	N	T	LS	RS	N	T	
20. Rajasthan	25	10	-	35	6	2	--	8	LS – Ajmer, Alwar, Bharatpur, Bhilwara, Jhunjhunu, Udaipur RS – Ajmer, Jhunjhunu
21. Sikkim	1	1	-	2	1	1	--	2	LS – Sikkim RS – Sikkim
22. Tamil Nadu	39	18	2	59	16	7	1	24	LS – Salem, Rasipuram, Tiruchengode, Vellore, Cuddalore, Chidambaram, Tirunelveli, Tenkasi, Coimbatore, Pollachi, Sivakasi, Nagapattinam, Mayiladuthurai, North Chennai, South Chennai, Central Chennai RS – Salem, Vellore, Tirunelveli(3), Coimbatore, Nagapattinam N – Chennai
23. Tripura	2	1	-	3	2	1	--	3	LS – East, West Tripura RS – West Tripura
24. Uttar Pradesh	85	34	1	120	14	4	1	19	LS – Almora, Amroha, Bansgaon, Ghosi, Gorakhpur, Lucknow, Maharajganj, Meerut, Mohanganj, Muzaffarnagar, Robertsganj, Saharanpur, Saidpur, Shahjahanpur RS – Saharanpur, Shahjahanpur, Muzaffarnagar(2) N – Mau
25. West Bengal	42	16	--	58	12	--	--	12	LS – Malda, Murshidabad, Berhampore, Basirhat, Diamond Harbour, Dum Dum, Calcutta NW, Calcutta NE, Hoogly, Purulia, Bishnupur, Birbhum
26. A & N Islands	1	--	-	1	1	--	--	1	LS – Andaman & Nicobar Island
27. Chandigarh	1	--	-	1	1	--	--	1	LS – Chandigarh
28. D & N Haveli	1	--	-	1	1	--	--	1	LS – Dadra & Nagar Haveli
29. Delhi	7	3	--	10	2	1	--	3	LS – Sadar, Karol Bagh RS – Delhi
30. Pondicherry	1	1	-	2	1	1	--	2	LS – Pondicherry RS – Pondicherry

LS - **Lok Sabha**
RS - **Rajya Sabha**
N - **Nominated**
T - **Total**

Annex-III
(Refers to paragraph 13)
The DCs did not obtain the UCs from the implementing agencies

(Rs in crore)

	State/UT	Constituencies	No. of works completed	No. for which UCs pending	Amount	
1.	Andhra Pradesh	16 (Sampled constituencies)	2533	2062	20.63	
2.	Arunachal Pradesh	3 (LS East, LS West, RS)	250	220	7.70	
3.	Assam	4 (Karbianglong, Barpeta, Guwahati, Kamrup)	86	86	2.82	
4.	Goa	3 (Panaji, Mormugoa, North Goa)	75	58	3.68	
5.	Gujarat	6 (Valsad, Ahmedabad, Sabarkantha, Kheda, Rajkot, Godhra)	2814	2738	17.98	
6.	Haryana	4 (Ambala, Faridabad, Panchkula, Sirsa)	718	718	7.29	
7.	Karnataka	6 (Bijapur, Davangere, Gulbarga, Kolar, Koppal, Shivaganga)	951	749	15.35	
8.	Madhya Pradesh	8 (Bilaspur, Raipur, Bastar, Bhopal, Kharagon, Gwalior, Dhar, Jhabua)	2044	653	8.78	
9.	Maharashtra	3 (Akola, Dhule, Jalna)	389	389	9.08	
10.	Meghalaya	4 (Sampled constituencies)	236	226	0.99	
11.	Punjab	4 (Jalandhar, Ropar, Phillaur, Sangrur)	1561	1561	12.32	
12.	Tamil Nadu	24 (Sampled constituencies)	3428	1956	45.32	
13.	Tripura	3 (East Tripura, West Tripura, West(RS))	107	41	1.85	
14.	Uttar Pradesh	13 (Almora, Amroha, Bansaon, Gorakhpur, Maharajganj, Muzaffarnagar(LS+2RS), Robertsganj, Saharanpur(LS+RS), Shahjahanpur(LS+RS))	1496	350	6.11	
15.	West Bengal	8 constituencies	195	61	0.98	
16.	A&N Islands	1 (Andaman)	12	8	0.19	
17.	Chandigarh	1 (Chandigarh)	73	39	0.67	
Total		17(15+2)	111	16968	11915	161.74

Annex-IV
(Refers to paragraph 14)
The implementing agencies did not refund the unspent balance:

(Rs in lakh)					
States/UTs	No. of constituencies	No. of works	Amount released	Amount spent	Unspent balances not refunded
A. Cases where works were cancelled after release of funds					
1. Andhra Pradesh	1	3	2.40	--	2.40
2. Assam	2	2	3.40	--	3.40
3. Bihar	4	7	10.72	1.90	8.82
4. Gujarat	2	2	3.05	--	3.05
5. J&K	2	3	1.08	--	1.08
6. Madhya Pradesh	5	12	13.00	--	13.00
7. Manipur	1	47	3.68	-	3.68
8. Tamil Nadu	2	3	6.74	---	6.74
9. Uttar Pradesh	1	1	0.83	--	0.83
Sub-Total(A)	20	80	44.90	1.90	43.00
B. Cases where works were completed at lower than estimated cost					
1. Andhra Pradesh	6	191	453.51	440.95	12.56
2. Assam	1	7	51.65	48.52	3.13
3. Bihar	4	347	NA	NA	69.91
4. Gujarat	6	NA	827.73	763.42	64.31
5. Haryana	2	22	31.60	27.09	4.51
6. J&K	3	74	140.39	130.86	9.53
7. Madhya Pradesh	5	88	105.00	103.00	2.00
8. Orissa	3	23	54.00	48.00	6.00
9. Uttar Pradesh	5	40	105.77	93.59	12.18
10. A&N Island	1	8	23.80	21.72	2.08
11. Chandigarh	1	22	53.50	40.78	12.72
12. Pondicherry	1	117	NA	NA	17.04
Sub-Total(B)	38	939	1846.95	1717.93	215.97
C. Cases where works were not taken up by implementing agencies					
1. Bihar	4	23	25.69	--	25.69
2. Gujarat	3	--	72.61	--	72.61
3. Haryana	4	15	78.76	0.15	78.61
4. J&K	3	12	14.52	--	14.52
5. Madhya Pradesh	5	270	280.00	8.00	272.00
6. Orissa	4	61	43.00	--	43.00
7. Tamil Nadu	1	2	7.00	--	7.00
8. Uttar Pradesh	2	7	4.10	--	4.10
9. Chandigarh	1	9	37.16	0.27	36.89
Sub-Total(C)	27	399	562.84	8.42	554.42
Grand total (A+B+C)	85	1418	2454.69	1728.25	813.39

Annex-V
(Refers to paragraph 15)
Misreporting of financial progress of work by the DCs

(Rs in crore)

State/UT	No. of Constituencies	Expenditure reported by DCs	Amount of expenditure booked but not incurred	Percentage of expenditure booked but not incurred
1. Assam	7	25.44	3.01	11.83
2. Goa	3	9.75	3.07	31.49
3. Gujarat	1	3.11	0.99	31.83
4. Haryana	2	2.82	1.94	68.79
5. Karnataka	11	51.71	17.88	34.58
6. Kerala	18	18.18	1.93	10.61
7. Madhya Pradesh	56	126.75	33.75	26.63
8. Nagaland	2	7.08	4.90	69.21
9. Sikkim	2	9.41	5.32	56.54
10. Tripura	3	9.40	8.28	88.08
11. A&N Islands	1	1.69	0.99	58.58
Total	106	265.34	82.06	30.93

Annex-VI
(Refers to paragraph 16)
The DCs irregularly clubbed MPLADS funds with the funds of other schemes

(Rs in lakh)

State/UT	Constituencies	Nature of works	Estimated cost of works	Amount shared from MPLADS	Remarks
1. Andhra Pradesh	4(Srikakulam, Kakinada, Nalgonda Vishakhapatnam)	Construction of bridges, OHSRs RWS Schemes, Roads etc – total 20 projects	169.57	49.90	Shared with EAS, MNP, MWS grant and Social Welfare department of State Government
2. Bihar	2(Muzaffarpur, Patna)	6-Works of construction of bridges, roads causeway and culverts	140.48	94.14	--
3. Gujarat	2(Valsad/Dang, Sabarkanta)	7-Works of schools, library building in women college, ST Bus Stand etc.	41.11	21.00	Shared with DRDA for school building
4. Himachal Pradesh	2(Shimla, Hamirpur)	31-Projects of roads, buildings, water supply etc.	--	28.70	Shared with other projects
5. Madhya Pradesh	1-Bilaspur	23 works of small buildings, roads etc.	26.95	24.77	Shared with other schemes like JRY etc.
6. Orissa	1-Koraput	Bridge at Kochianala	18.00	5.00	Shared with EAS
7. Rajasthan	3(Alwar, Bharatpur, Jhunjhunu)	4-Projects of construction of room in schools, retaining wall and roads	14.44	9.64	Shared with JRY, EAS, small savings scheme and Nagar Parishad
8. Tamil Nadu	1-North Chennai	Construction of Silver Jubilee Building in Dr.Ambedkar Government Arts College at Vyasarpadi	61.00	36.00	Shared with MLACD funds.
9. Tripura	1-East Tripura	College building	52.84	10.00	Shared with Education Deptt. of State Government

State/UT	Constituencies	Nature of works	Estimated cost of works	Amount shared from MPLADS	Remarks
10. West Bengal	1 – Bishnupur	2 works of construction of auditorium at Bishnupur and Dumnisol bridge under Joypur Panchayat Samiti	111.00	42.00	Shared with district plan, department of Culture and Information, Govt. of West Bengal and EAS
Total	18 constituencies		635.39	321.15	--

Annex-VII

(Refers to paragraph 17)

Irregular diversion of funds to inadmissible purposes

(Rs in lakh)

States	Constituencies	Amount	Inadmissible purposes
1. Andhra Pradesh	Medak, Vishakhapatnam, Nalgonda, Chittoor	20.83	Construction of municipal building, payment of electrical charges, shifting of power lines, purchase of computers, salaries of employees
2. Assam	Sivasagar	13.77	Building materials procured for MPLADS were diverted to various poverty alleviation schemes
3. Himachal Pradesh	Hamirpur	4.49	Diverted to other District Planning Schemes.
4. Jammu & Kashmir	Jammu	11.00	Utilised for execution of Jawahar Rojgar Yojna.
5. Karnataka	Koppal	5.00	Diverted to Employment Affirmation Scheme.
6. Maharashtra	Pune	20.60	Utilised either on construction of additional portion or extra items not included in original estimates.
7. Rajasthan	Ajmer, Alwar, Bharatpur	384.35	Diverted to Personnel Deposit Accounts.
8. Tamil Nadu	Virudhunagar, Salem, Vellore, Coimbatore, Nagapattinam, Cuddalore	1372.86	Deposited into Post Office Saving accounts during 1997-2000 for the purpose of mobilization of small savings so as to enable the State Government to get larger loan assistance from Government of India. Rs 127 lakh have not been recouped till June 2000.
Total	18	1832.90	

Annex-VIII
(Refers to paragraph 18)
Execution of inadmissible works

(Rs in lakh)

State/UT	Constituencies	No. of works	Year	Amount	Remarks
1. Andhra Pradesh	5 (Nalgonda, Sangareddy, East Godavari, Srikakulam (RS), Vishakhapatnam)	1076	1997-2000	94.52	Construction of 1052 houses for weaker section, 24 construction works of Government offices.
2. Arunachal Pradesh	3 (RS-Papampare LS - West Along, East Lohit-Tezu)	4	1998-2000	4.41	Construction of Police Beat, Stadium at SSB Centre, Basar, Computer Rooms at District Planning Offices at Tezu and Khonsa
3. Assam	3 (Karbianglong, Barpeta, Tejpur)	4	1997-99	6.30	Construction of building for police personnel, PWD Inspection bungalow, construction of Doctors' recreation hall at Kanaklata Civil Hospital
4. Bihar	2 (Nalanda, Patna)	4	1997-2000	5.48	Construction of office buildings.
5. Gujarat	3 (Rajkot, Kheda, Banaskantha)	10	1997-2000	10.98	Construction of Panchayat ghars.
6. Himachal Pradesh	2 (Shimla, Hamirpur)	5	1997-2000	5.85	Construction of Panchayat ghars and PWD rest house.
7. Karnataka	2 (Bijapur, Davangere)	4	-do-	29.00	Construction of Panchayat ghars and community halls for police.
8. Kerala	1 (Thiruvananthapuram)	1	1998-99	1.00	Construction of office building for Government, LPS, Kulathoor.
9. Madhya Pradesh	10 (Bhopal, Sehore, Raipur, Bastar, Bilaspur, Dhar, Khargon, Rajgarh, Jhabua, Gwalior)	35	1997-2000	64.29	Construction of building in Police lines, Police Training Centres, Courts etc.
10. Maharashtra	1 Satara	18	1995-99	24.55	Construction of office buildings for gram panchayat.
11. Mizoram	2 (Aizawl-LS, Aizawl-RS)	8	1997-2000	19.19	Beautification, renovation, fencing, boundary wall of DC's offices, SDO's quarters, shifting of S. Dy. M'qtrs etc.
12. Nagaland	2 (Nagaland-LS, Nagaland-RS)	13	1997-2000	38.53	Construction of Government buildings, residential buildings.

State/UT	Constituencies	No. of works	Year	Amount	Remarks
13. Orissa	1 (Koraput)	7	-do-	12.08	Construction of waiting hall at Courts, boundary wall to police station, rest shed at Collector's residence.
14. Rajasthan	3 (Ajmer, Bhilwara, Bharatpur)	13	-do-	54.08	Development work of Prithvi Raj Smarak, Construction of Panchayat Bhawan, Faryadi Pratikshalaya etc.
15. Uttar Pradesh	7 (Ghosi, Muzaffarnagar, Shahjahanpur, Lucknow, Gorakhpur, Mohan Lalgaaj, Bansaon)	17	-do-	102.04	Boundary wall to DM residence, DM & Police campus, railing to bridge, stadium and swimming pool in police line, library and computer room in Collectorate, construction works in tehsil etc.
16. West Bengal	1 (Diamond Harbour)	1	-do-	6.00	Construction of Indoor Stadium in Government premises.
Total	48	1220	--	478.30	

Annex-IX
(Refers to paragraph 19)
Sanctions of works for commercial and private organisations

(Rs in lakh)

State/UT	Constituencies	No. of works	Year	Amount	Remarks
1. Andhra Pradesh	13(Medak, Srikakulam, Siddipet, East Godavari, Chittoor, Nalgonda, Vishakhapatnam (2), Kakinada, Rajahmundry, Amlapuram, Tirupathi, Miryalguda)	153	1997-2000	227.82	Construction of private and commercial institutions, youth club, youth buildings, computer centre etc.
2. Assam	3 (Silchar, Kamrup, Tejpur)	58	1997-99	52.45	Construction work at private garden, private schools, clubs, Samiti, and computer training centre at NERIM belonging to a Minister in State Government.
3. Bihar	2 (Patna, Giridih)	2	1997-2000	6.99	Works of private trusts/institutions.
4. Karnataka	2 (Davangere, Gulbarga)	2	1998-99	35.91	Construction of officer's club at Davangere and Kalyan Mandap at Surpur Math (a trust)
5. Manipur	1(Manipur outer)	2	1997-99	6.75	Establishment of floriculture and horticulture farms at Urkhul and Manjarrang Khunou village
6. Meghalaya	1(Shillong)	4	1998-99	50.27	Construction work at Aurobindo Institute of Art and Culture
7. Mizoram	1(Aizawl)	19	1997-99	51.65	Construction of halls for Gorkha Youths, Nari Samaj, MHIP, YMA, MUP and computers to Zonal Audio Visual Institution, Aizawl.
8. Nagaland	1 (Nagaland)	149	-do-	114.85	For setting up PCOs, shops, private clinics, individual farms and private educational institutions etc.
9. Orissa	1 (Koraput)	3	1997-98	15.00	Construction of Press

State/UT	Constituencies	No. of works	Year	Amount	Remarks
					Club, officer's club and bus stand.
10. Rajasthan	2 (Ajmer, Bhilwara,)	2	1997-2000	12.59	Construction of Bar Association building, DJ courts.
11. Tamil Nadu	6(Rasipuram, Tiranelveli, Salem, Pollachi, Sivakasi & Coimbatore)	11	-do-	38.71	Construction of commercial complexes, Milk Producers Co-Operative Societies, shops at bus stand, in panchayats and compound wall for new bus stand.
12. Tripura	1(Tripura West)	3	1999-2000	15.00	Construction at Tripura Road Transport Corporation complex, construction of stalls and spinning centre.
13. Uttar Pradesh	5 (Ghosi, Maharajganj, Muzaffarnagar, Robertsganj, Shahjahanpur)	75	-do-	153.43	Construction of unrecognized/unaided schools, library buildings in private schools, private ashrams, motel and bar associations.
14. West Bengal	5 (Coochbehar, Krishnanagar, Baloreghat, Malda, Raiganj)	17	1997-2000	67.28	Construction of buildings for private institutions, private library, private club, hospital, Bar association, Mahurar Association, Press Club etc.
15. A & N Islands	1(Andaman)	9	1997-99	29.91	Construction of youth clubs, Mahila Mandal Buildings, Boy hostel for RK Mission.
16. Chandigarh	1(Chandigarh)	2	1998-2000	8.24	Construction of Rehra Stands and Labour sheds in various sectors.
17. Pondicherry	1(Pondicherry)	7	1997-2000	29.28	Provision of computers to Centre for Tourism studies, sheds for Sarvodaya Sangh, Silk Weavers, and buildings for M/s Trueman English School (a commercial institution)
Total	14+3	47		518	-
				916.13	--

Annex-X
(Refers to paragraph 20)
Irregular sanction of repair and maintenance works

(Rs in lakh)

State/UT	Constituencies	No. of works	Year	Amount	Nature of works
1. Andhra Pradesh	4(Medak, Sangareddy, Srikakulam and Nalgonda)	240	1997-98	121.79	Repair of roads, school buildings etc.
2. Assam	2(Karbianglong, Barpeta)	3	1998-99	5.70	Renovation of Kala Krishti Sangh, repair and extension of inspection bungalow
3. Bihar	5(Giridih, Patna, Muzaffarpur, Nalanda & Ranchi)	71	1997-2000	116.82	Repair and Kutcha works
4. Gujarat	2(Rajkot & Khera)	6	1998-99	24.32	Resurfacing of roads, repair of school building etc.
5. Haryana	1 – Panchkula	3	1997-99	7.73	Repairs of schools and ponds.
6. Himachal Pradesh	2(Shimla, Hamirpur)	14	1997-2000	8.07	Repair of roads, parks, buildings etc.
7. J&K	2(Jammu- Udhampur, Jammu- Rajauri-Poonch)	5	1996-97	3.24	Repair and maintenance works
8. Kerala	1(Alappuzha)	4	1998-99	2.04	Maintenance and allowances for computer instructors in schools.
9. Madhya Pradesh	5(Bhopal, Raipur, Bilaspur, Dhar, Jhabua)	58	1997-2000	78.15	Repair of roads, schools, Government buildings, wire-fencing, leveling of fields etc.
10. Maharashtra	2(Mumbai city, Thane)	67	1997-2000	98.00	Footpath repair, repairs to boundaries, providing pipe water connection etc.
11. Manipur	1(Manipur inner)	4	-do-	46.85	Providing shingling for maintenance and improvement of inter-village roads
12. Mizoram	2(Aizawl-LS, Aizawl-RS)	81	1997-98	12.47	Repair of school building
13. Orissa	1(Bhubhaneshwar)	10	1997-2000	2.85	Road repairs, repairs

State/UT	Constituencies	No. of works	Year	Amount	Nature of works
					of school buildings, community halls etc.
14. Punjab	2(Jalandhar, Ropar)	85	1997-98	33.64	Repairs of streets, drains, dharmshalas etc.
15. Rajasthan	2(Bhilwara, Jhunjhunu)	16	1997-2000	8.47	Repair & deepening of wells, repair of pensioners associations quarters
16. Tamil Nadu	6(Rasipuram, Salem, Mayiladuthurai, Chidambaram, Pollachi, Sivakasi)	19	1997-99	30.17	Repair of schools, roads etc.
17. Tripura	1(West Tripura)	2	1999-2000	6.00	Maintenance of SPT bridge on Larmachera
18. Uttar Pradesh	4(Lucknow, Gorakhpur, Bansgaon, Robertsganj)	17	1997-99	113.82	Repair of roads, parks, nala, drains etc.
19. West Bengal	4 (Hoogly, Murshidabad, Calcutta NE, Calcutta NW)	199	1997-2000	354.91	Repairing of schools, Govt. buildings, street lightings etc.
20. Delhi	3 (LS - Karol Bagh, Sadar;Rajya Sabha)	597	-do-	1444.28	Improvement of roads, lanes, galis, footpath, drainage, parks, repairs to quarters etc.
21. Pondicherry	1(Pondicherry)	51	-do-	139.73	Repair/improvement of roads/streets
Total	20+1	53		2659.05	--

Annex-XI

(Refers to paragraph 21)

Purchases of stores out of the MPLADS funds

(Rs in lakh)

State/UT	Constituencies	Year	Amount	Particulars	
1. Bihar	1 – Giridih	1997-2000	0.16	--	
2. Goa	2 (North Goa, South Goa)	1997-2000	87.22	Purchase of 25 ambulances and 9 hearse vans for village panchayats, public trusts, clubs etc.	
3. Gujarat	3(Ahmedabad, Kheda, Valsad)	1997-2000	193.33	Purchase of hospital equipments, water coolers, purchase of computers for district panchayats.	
4. Haryana	3(Ambala, Faridabad, Panchkula)	1998-2000	18.79	Purchase of screw-air compressor, ambulance for an Association, and for an Aggrawal Sabha, Panchkula	
5. J&K	2(Srinagar, Jammu-Rajauri-Udhampur,)	1996-2000	19.16	Purchase of materials for victims of militancy, tipper vehicles, computers, books POL etc.	
6. Karnataka	1-Devangere	1998-99	16.00	Purchase of vehicle for Municipal Council	
7. Kerala	1-Kottayam	1997-98	0.32	Purchase of 2 CTV sets for Arts Club, South Pampudi	
8. Madhya Pradesh	2(Raipur, Rajgarh)	1999-2000	7.57	Purchase of multi media projector for police	
9. Meghalaya	1-Shillong	1997-99	32.32	Purchase of ambulance, computers, mortuary vans for a sports club, furniture & equipments for a dance club, ambulance and mortuary vans for SPs-Tura, Williamnagar and Baghmara	
10. Mizoram	1 (Aizawl)	1998-99	1.50	Computer materials for Mizoram Teachers Association	
11. Nagaland	2(Nagaland-LS, Nagaland-RS)	1997-2000	33.75	Procurement of inventories, stocks etc.	
12. Orissa	2(Cuttack, Koraput)	1997-98	0.40	Purchase of furniture for schools	
13. Punjab	1-Sangrur	1997-2000	3.31	Books for bar association and furniture for schools	
14. Rajasthan	1-Jhunjhunu	1997-2000	4.49	Purchase of generation sets, motor & pipes, motor pump sets, sub-mercible motors	
15. Tamil Nadu	6(Coimbtore, Pollachi, Sivakasi, Thiranelveli, South Chennai, North Chennai)	1997-2000	22.13	Tata Sumo vehicle for Medical College, Coimbatore, Furniture for schools, sodium lamps TV sets for panchayats, 75 HP Engine for Aliar Dam etc.	
16. West Bengal	7 (Diamond Harbour, Bishnupur, Malda(2), Katwa, Asansol, Raiganj, Rajya Sabha)	1997-2000	68.13	Purchase of inventory/stock and ambulances for private organisations.	
17. Chandigarh	1(Chandigarh)	1999-2000	33.96	Purchase of water tankers, funeral vans, patient vans, Gypsy, Tata-LP, Pollution testing machine, books etc.	
18. Pondicherry	1(Pondicherry)	-do-	3.65	Purchase of ambulance to St. Joseph Hospital, a commercial institution	
Total	16+2	38 constituencies	--	546.19	--

Annex-XII

(Refers to paragraph 24) Irregular sanction for works on private land

(Rs in lakh)				
States/UTs	Constituencies	Year	Amount	Remarks
1. Assam	Cacher	1997-98	31.40	Construction of 48 community halls on private lands.
2. Gujarat	-	1997-2000	13.00	Construction of class rooms of a school without surrendering the title of the land to government.
3. Karnataka	Davangere	March 1999 to May 2000	29.91	Construction of private club
4. Maharashtra	Nasik	1997-2000	12.69	Incurred on construction of a sports complex on the land owned by a cooperative sugar factory.
5. Manipur	Imphal Chandel	1997-2000	43.40	Construction of Manipur Vocational Institute (a private institution) at Mekola and Hiyangthang Bazar and two private computer centres.
	Ukhrul and Tamenglong	1997-2000	6.75	Released to a private firm for establishing another private floriculture and horticulture farm.
	Imphal West	1999-2000	8.73	Construction of a pond on the land of Utlou Joint Farming Cooperative Society Limited.
6. Sikkim	East Sikkim	1997-99	39.44	Approved for the cultivation of Cymbidium, Anthurium, Orchid cut flower cultivation on private land.
Total			185.32	

Annex-XIII
(Refers to paragraph 25)
Other inadmissible works

(Rs in lakh)

State/UT	Constituencies	No. of works	Year	Amount	Particulars	
1. Arunachal Pradesh	2 (LS – West Along; RS – Papumpare)	7	1998-2000	28.94	Construction of porters track, mule-track, improvement of porters tracks etc.	
2. Bihar	2(Nalanda, Patna)	12	1997-2000	48.00	Beautification of parks, electrical amenities in other than slum areas	
3. Gujarat	1-Ahmedabad	141	-do-	59.50	Construction of compound walls, electrification in municipal areas	
4. Haryana	1-Sirsa	1	1997-98	4.97	Widening of railway crossing	
5. Himachal Pradesh	1-Hamirpur	1	1997-2000	10.00	Fish farm in village Sidhpur, Distt. Mandi	
6. Madhya Pradesh	9(Bhopal, Raipur, Bastar, Bilaspur, Khargon, Rajgarh, Gwalior, Dhar, Jhabua)	175	-do-	112.48	Construction of chabutaras, deepening of canals etc.	
7. Manipur	1-Manipur Outer	1	1999-2000	8.73	Construction of pond on land belonging to cooperative society	
8. Orissa	4(Cuttack, Jajpur, Bhubhaneshwar, Koraput)	76	1997-2000	19.55	Construction of Yuva clubs, reading/library rooms on private lands	
9. Tamil Nadu	9(Vellore, Tirunelveli, Mayiladutharai, Nagapattinam, Chidambaram, Coimbtore, Sivakasi, North Chennai, South Chennai)	53	-do-	53.81	Formation of thrashing floors, gravelling works, compound walls, providing Internet lease connections to nodal Centres for High School/Higher Secondary Schools.	
10. Uttar Pradesh	3(Ghosi, Robertsganj, Shahjahanpur)	50	-do-	83.24	Temporary earth works, acquisition of land, POL etc.	
11. West Bengal	3 (Purulia, Hoogly, Malda)	7	-do-	10.20	Construction of boundary walls and guard walls	
12. Delhi	3 (Karol Bagh, Sadar, Rajya Sabha)	9	-do-	20.77	Retro reflective boards, MS boards, ornamental lightings and beautification of city.	
Total	12	39 constituencies	533	--	460.19	--

Annex-XIV

(Refers to paragraph 26)

Irregular sanction of loans, grants and donations

(Rs in lakh)

States	Constituencies	Amount	Remarks
1. Andhra Pradesh	Nalgonda	1.80	Sanctioned to two group leaders of Water Users Association for their contribution for execution of a Lift Irrigation Schme.
2. Maharashtra	Raigad	10.00	Released to Orissa Uttakal Dipanna Sahayata Samiti.
3. Manipur	Imphal West Imphal East	64.00	Paid as donation to two private committees.
4. Madhya Pradesh	Bhopal	2.40	Paid as loan to the centrally sponsored scheme of Mid-Day Meals. The loan was adjusted in July 1997.
5. Nagaland	Kohima	3.25	Allowed as grant-in-aid/relief/ rehabilitation etc. in 10 cases.
Total	6	81.45	

Annex-XV
(Refers to paragraph 27)
Deficiencies in the maintenance of Cash Book

Nature of irregularity	State/UT	Constituency/ Districts	Remarks
1. Non-maintenance of cash book	Karnataka	Gulbarga, Kolar, Shimoga	No cash book for scheme funds maintained.
	Nagaland	BDO, Kohima	No cash book for scheme funds maintained.
	Jammu & Kashmir	DDCs	Did not maintain separate cash book for each MP.
	Andhra Pradesh	DC, Vishakhapatnam	Did not maintain separate cash book for each MP.
2. Separate bank account for each MP.	Punjab	Jalandhar	Separate bank account for each MP not operated.
	Andhra Pradesh	Srikakulam	Separate bank account for each MP not operated.
	Haryana	ADCs	Operated separate bank account for one MP.
3. Irregular transactions	Assam	Kamrup	DC released Rs 44.50 lakh during 1998-2000 but only Rs 40 lakh were accounted for in cash book.
		Shivsagar	There was a short credit of Rs 1.31 lakh due to non-reconciliation of bank balances.

Nature of irregularity	State/UT	Constituency/ Districts	Remarks
	Meghalaya	Six BDOs	Released Rs 61.50 lakh in cash from Rs 0.05 lakh to Rs 1.5 lakh in 265 cases during 1997-2000.
	Madhya Pradesh	Bhopal and Bastar	Nine CEOs of Janpad Panchayats did not produced/ maintained relevant records of execution of 214 works involving Rs 188.86 lakh.
	Orissa	Cuttack	BDO, Cuttack raised the opening balance of Rs 13.76 lakh as on 1 April 1997 to Rs 18.17 lakh without any supporting entry.

Annex-XVI
(Refers to paragraph 28)
Continuing shortfall in physical progress of the MPLADS works

(Rs in lakh)

State/UT	No. of constituencies test checked	Works recommended by MPs		No. of works sanctioned by district admn.		Works actually taken up		Works completed		Works abandoned		Works not taken up	
		No. of works	Expected value	No. of works	Expected Value	No. of works	Expected Value	No. of works	Value	No. of works	Expected Value	No. of works	Expected Value
1. Andhra Pradesh	16	6407	7607.00	6114	7047.00	5709	6232.00	2533	2544.00	--	--	405	815.00
2. Arunachal Pradesh	3	253	979.30	260	952.92	250	870.48	250	870.48	--	--	34*	183.53
3. Assam	7	1909	2177.21	1741	2051.08	798	1302.43	293	448.82	--	--	943	748.65
4. Gujarat	8	3287	2481.41	2936	2333.01	2936	2333.01	1880	1246.28	--	--	--	--
5. Haryana	6	2480	2716.87	1293	1519.29	1042	1179.41	718	728.62	6	28.93	251	339.88
6. Himachal Pradesh	2	918	736.00	841	674.00	764	585.00	171	92.00	--	--	77	89.00
7. Karnataka	9	3276	6759.38	3090	6165.70	2831	5756.09	1695	3277.84	1	10.00	259	409.61
8. Madhya Pradesh	4	2991	3969.86	2214	2605.87	2013	2090.86	1015	1011.62	998	370.29	201	515.01
9. Manipur	3	1292	1118.00	1285	1110.00	1277	1085.00	874	762.00	28	23.90	8	25.00
10. Meghalaya	3	780	1410.36	436	716.29	425	662.79	236	347.70	-	--	11	53.50
11. Mizoram	2	1049	1096.98	1049	1096.98	1049	1096.98	992	984.72	--	--	--	--
12. Nagaland	2	444	752.32	425	708.32	425	708.32	102	217.93	--	--	--	--
13. Orissa	7	5119	3080.33	3671	2381.20	3078	1867.77	1106	810.90	--	--	593	513.43
14. Punjab	6	2322	2163.62	2099	1827.34	2099	1827.34	690	567.09	--	--	--	--
15. Rajasthan	8	3449	4181.00	3113	3619.00	2633	2978.10	1369	1387.00	24	32.00	480	641.00
16. Sikkim	1	245	1080.83	245	1080.83	245	1080.83	166	829.54	--	--	--	--
17. Tamil Nadu	23	4889	10767.27	4618	10366.23	4576	10289.96	3428	7044.32	--	--	42	76.27
18. Tripura	3	217	1096.00	217	1096.00	81	479.00	18	112.00	--	--	136	617.00
19. Uttar Pradesh	19	3167	4571.26	3290	5218.16	3226	4947.10	2482	3713.97	8	18.72	64	271.06

* It includes figures of previous year

State/UT	No. of constituencies test checked	Works recommended by MPs		No. of works sanctioned by district admn.		Works actually taken up		Works completed		Works abandoned		Works not taken up	
		No. of works	Expected value	No. of works	Expected Value	No. of works	Expected Value	No. of works	Value	No. of works	Expected Value	No. of works	Expected Value
20. West Bengal	12	2098	3549.59	1769	3060.60	1547	2523.43	290	487.71	--	--	222	537.17
21. A&N Islands	1	50	168.83	50	168.83	50	168.83	12	32.07	--	--	--	--
22. Dadra & Nagar Haveli	1	295	789.71	220	600.96	198	432.47	105	160.25	--	--	22	168.49
23. Delhi	3	717	1737.00	717	1737.00	546	1294.00	498	1146.00	13	31.00	171	443.00
24. Pondicherry	2	584	1819.07	262	816.83	204	622.59	158	406.01	2	7.13	58	194.24
Total	151	48238	66809.20	41955	58953.44	38002	52413.79	21081	29228.87	1080	521.97	3977	6640.84

Annex-XVII
(Refers to paragraph 29)
Delay in sanction of works

State/UT	No. of constituencies	No. of works	Delay	Remarks
1. Gujarat	2	137	180 days to 365 days	Two works recommended in 1995-96 but not sanctioned as of July 2000.
2. Himachal Pradesh	1	8	Four months	Recommended in December 1999 but not sanctioned as of March 2000 by DC Sirmour.
	1	7		Non-availability of funds in respect of 4 cases and non-finalisation of institutions where computers were to be installed.
3. Madhya Pradesh	3	61	58 to 585 days	Late receipt of estimates and different elections during the period
4. Meghalaya	3	344	one month to 25 months (761 days)	Non-submission of drawings, plans and estimates by the concerned beneficiaries.
5. Rajasthan	2	556	one to 21 months	Non receipt of technical sanction in time, change of site by MPs, shortage of funds, announcement of model code of conduct for elections.
6. Orissa	3	463	upto 671 days	Delay in receipt of plan and estimates for the works.
7. A&N Islands	1	14	one to 11½ months	Delay in receipt of plans and estimates.
8. Chandigarh	1	92	45 days to two years	Planning of Chandigarh town, late receipt of plans etc.
Total	17	1682	--	--

Annex-XVIII
(Refers to paragraph 32)
Execution of works without recommendation of the MPs

(Rs in lakh)			
States/UTs	Constituencies	Amount	Remarks
1. Assam	Karbi-Anglong	12.72	DC accorded sanction to the five works not approved by the MPs during 1997-98.
2. Bihar	Patna (RS)	39.91	Construction of double storeyed hospital and approach road during 1999-2000 without MPs proposal.
3. Haryana	Panchkula	3.85	While preparing estimates, ADC, Jhajjar included two works viz. construction of retaining wall of cow ghat and akhara shed.
4. Madhya Pradesh	--	228.41	494 works (258 in 1997-98, 74 in 1998-99 and 162 in 1999-2000) sanctioned without obtaining approval of the concerned MPs.
5. Mizoram	Aizawl	7.50	52 works sanctioned on the recommendations of the Speaker, Chief Minister and other Ministers etc.
6. Orissa	Koraput	9.61	District authorities sanctioned piped water supply and electrification of Bus Stand.
7. Sikkim	Sikkim	47.94	10 works sanctioned without recommendation from concerned MPs.
8. Uttar Pradesh	Lucknow	46.75	Four works got executed without the recommendation of the MP.
Total		396.69	

Annex-XIX

(Refers to paragraph 33)

Execution of works without technical sanction/ administrative approval

(Rs in lakh)

State/UT	No. of Constituencies	No. of works taken up	Estimated cost	No. of works completed	Cost involved	Reasons/remarks
1. Assam	1	3	30.00	--	--	No technical sanctions.
2. Haryana	2	5	81.71	--	--	No technical sanction obtained. Rs 31.25 lakh spent as of 3/2000.
3. Manipur	3	638	440.00	--	--	Works orders issued during 4/97 to 3/2000. No technical sanctions.
4. Mizoram	2	1049	1096.98	992	984.72	No technical sanction obtained due to lack of technical manpower and technical guidance.
5. Nagaland	2	425	708.32	102	--	Works executed between 4/97 to 3/2000 without technically approved estimates
6. Orissa	3	8	2.90	8	2.90	Works executed without administrative approval
7. Punjab	1	325	108.66	325	108.66	Got executed by village panchayat without getting technical estimates
8. Rajasthan	1	48	50.00	48	41.00	-do-
9. Sikkim	2	20	92.34	20	92.34	No technical sanctions
10. West Bengal	2	798	691.00	--	--	No technical sanctions
11. Chandigarh	1	86	279.80	73	155.60	No technical sanctions
Total	20	3405	3581.71	1568	1385.22	--

Annex-XX
(Refers to paragraph 34)
Irregular award of contracts

(Rs in lakh)

States/UTs	Constituencies	No. of works	Amount	Remarks
1. Andhra Pradesh	2 (Chittoor, Medak)	1	99.96	Installation of computer projects entrusted to agencies recommended by MP concerned.
2. Arunachal Pradesh	3 (Lohit District, Tezu, West Siang District, Along and Papumpare District, Itanagar)	212	925.00	Executed through contractors
3. Assam	2 (Barpeta, Tezpur)	99	71.25	Executed through construction committees.
	2 (Kamrup & Sivasagar)	123	517.92	Directly allotted to construction committees.
4. Bihar	4 (Muzaffarpur, Nalanda, Patna, Ranchi)	578	884.00	Directly allotted to contractors
	1 (Patna)	1	0.94	10 tonne of bitumen purchased from an unauthorized private supplier.
5. Meghalaya	1 (Shillong)	137	186.80	Allotted to grantee institutions and village level committees.
6. Mizoram	2 (Mizoram-LS & RS)	-	-	All works costing Rs 5 lakh and above allotted to head of beneficiary institution, President of village councils and other non-governmental organisations.
7. Nagaland	1 (Nagaland)	414	674.22	Awarded to individual contractors and agencies.
8. Orissa	1 (Keonjhar)	15	12.25	Awarded to contractors on the recommendations of MP.

States/UTs	Constituencies	No. of works	Amount	Remarks
	1 (Cuttack)	17	10.05	Awarded to the Secretary/ President, committee members of concerned club/ headmaster of High School etc.
9. West Bengal	1 (Malda)	88	166.39	Allotted to contractors.
	1 (Jalpaiguri)	2	20.00	Allotted construction of Stadium and Sports Complex to the Secretary, District Sports Society, a private agency.
10. Pondicherry	1 (Pondicherry)	1	5.00	Entrusted the work of construction of a private school building to a private party.
Total	23	1688	3573.78	

Annex-XXI
(Refers to paragraph 35)
Deficiencies in quality of works

(Rs in lakh)

State/UT	Name of the constituency	Year	Details of work	Expdr. incurred	Remarks
1. Bihar	(i) Patna (BDO, Patna, Sadar)	1998- 99	Construction of PCC road from Chitragupta More to house of Ranjeet Bahadur Singh	13.24	53% grade II and 41% grade III stone metals utilised against specifications. There is no evidence of use of road roller for compaction. Utilisation of stone chips was only 85%. Besides, only brick on edge soling was done on road shoulders against technical sanctions of two layers of three feet wide brick soling work, weakening the strength of road shoulder.
	(ii) Patna (BDO, Fatuha)	1997- 98	Construction of RCC bridge on Dhaba river near Lasgarichak	4.97	There was wide variation in consumption of cement, stone, sand and MS rod in comparison with estimate. 905 bags of cement against 1195 bags were used.
	(iii) Patna (BDO, Ghoswari)	1997- 98	Construction of RCC cause way over river Mohane in village Trimuhane	5.49	PCC foundation was less than the thickness prescribed in

State/UT	Name of the constituency	Year	Details of work	Expdr. incurred	Remarks
	(iv) -do-	-do-	Construction of RCC cause way over river Mohane between village Kadra and Mokama.	8.71	estimate. In RCC brick works and humepipe laying, substandard material was utilised. DDC's instructions in March 2000 for rectification at the expense of executing agent not complied by BDO, JE and AE as of July 2000.
	(v)Patna BDO, Danapur	1997- 98	Construction of community hall at Raghapur	3.99	425 against 479 bags of cement and 2882 Kg. against 2987 Kg steel were utilised ignoring the estimated specifications. Payment was made without quality checks.
	(vi)Patna BDO, Fatuha	1998- 99	Construction of two rooms of state dispensary at Fatuha	2.80	Flooring, plastering, doors, windows, started disintegrating just after completion. Sub-standard execution confirmed by independent EE. Rectification not done till July 2000.
	(vi)Muzaffarpur	1997- 98	(a) Strengthening of Saraiya Motipur road Km 0 to 15 (15 split up estimates)	42.19	Quality of works was sub-standard due to use of sub-standard materials, lack of adequate
			(b) -do- Km 16 to 27.4 Km (10 split up estimates)	21.55	compaction and black topping

State/UT	Name of the constituency	Year	Details of work	Expdr. incurred	Remarks
			(c) Strengthening of Marvan-Kanti road Km 7 to 11 (5 split up estimates)	11.45	was not done as per specifications as was confirmed during inspection in May 1998 by Supdt. Engg. REO(W), Muzaffarpur.
			(d) -do- Km 3 to 6 and 12 to 14 (4 split up estimates)	17.34	No remedial work done. No responsibility fixed.
	Nalanda (BDO, Parwalpur)	1997-98	Construction of hard surface road Aluma to Yogia village	3.03	Six hume pipes of one foot dia were not provided for clearance of water flow as required in the estimate.
	Ranchi (EE, NREP, Ranchi)	1998-99	Construction work behind Kusum Vihar, Morabadi from house of GS Dixit to the house of Sh. BBP Singh.	0.51	The MP complained to the DC, Ranchi that the work was sub-standard and asked them to initiate an enquiry. The result of enquiry was not reported till July 2000.
2. Gujarat	Godhra	1997-98	Construction of a Ren Basera	5.00	As per specifications, the foundation filling work was to be done with kapchi; sand and cement. The first agency to which work was awarded in March 1997, failed to start the work. In Feb. 2000, work was awarded to another agency who did the filling work with

State/UT	Name of the constituency	Year	Details of work	Expdr. incurred	Remarks
					brick pieces, sand and cement which was lesser in strength and cheaper in cost.
3. Kerala	5 districts	1997-2000	15 buildings	--	Joint physical verification revealed defective or poor quality of work leading to sagging of foundation, wetting, cracking of roof-slabs, walls and leaking of roofs.
4. Tripura	(i)BDO, Jirania	1999-2000	Construction of drain with culvert retaining walls and brick soling at Kalikrishna Ashram road.	2.30	25000 bricks against actual requirement of 55000 as per estimate were utilised. This indicated poor quality of work and ignoring of estimated specifications.
	(ii) BDO, Bishalgarh	1997-98	Construction of boundary wall, retaining wall and flat brick soling at Balakbaba Ashram	3.72	33800 bricks as against 47,800 and 240 bags of cement as against 315 bags were utilised.
	(iii) Agartala Municipal Corporation	1997-99	Construction of Children Park, metalling, carpeting and black topping of two roads.	6.29	10600 Kgs of bitumen was utilised as against 11635 Kgs as per estimated specifications.
Total	--	--	16 works	152.58	--

Annex-XXII
(Refers to paragraph 37)
Suspected fraud/misappropriation of funds

(Rs in lakh)

States/UTs	Constituencies	Amount	Remarks
1. Assam	Sivasagar	6.83	Cement and MS Rod purchased but not accounted for in the stock account.
2. Bihar	Patna Sadar	3.40	Actual expenditure on the project was Rs 9.84 lakh instead of Rs 13.24 lakh
	Patna	1.40	Execution of work was doubtful as there was no proof for dismantling of pucca drain and brick works.
	Patna	3.72	Payment made on the basis of fake records viz. muster roll and measurement books in respect of three works.
	Ranchi	0.97	Amount paid on fake, fabricated and fictitious muster rolls.
	Patna Sadar	7.28	
	Giridih, Nalanda, Patna and Ranchi	56.45	
3. Madhya Pradesh	Bhopal, Bastar	1.66	Though the payments were made during 1997-99 for four works, the works were not started as of May'2000.
	Raipur	0.50	The amount was misappropriated by a Subedar of the office of the Superintendent of Police.
4. Mizoram	Aizawl	3.00	The cash memos, muster rolls were not relevant and the genuineness of expenditure was doubtful.
5. Nagaland	Kohima	29.85	Purchased 88 Solar lanterns without any bills/challans, stock entry.
6. Tamil Nadu	Vellore	1.77	The amount was sanctioned for construction of additional class rooms in Government High School in Karunbur village which does not exist.
7. Tripura	Mohanpur	1.53	Payment of Rs 0.16 lakh was made for engagement of labour before the supply of bricks at worksite renders the whole expenditure doubtful.
Total		118.36	

Annex-XXIII
(Refers to paragraph 38)
Incomplete/abandoned works

(Rs in lakh)

State/UT	Constituencies	No. of works	Amount	Year	Remarks
1. Andhra Pradesh	Medak, Vishakhapatnam	3	2.25	1997-2000	Paucity of funds.
2. Assam	Barpeta, Guwahati, Tejpur	7	5.81	-do-	Land dispute/objection raised by local people in six works and unsatisfactory progress in one work
3. Bihar	4 constituencies	10	5.71	-do-	Road works and water fall in rock garden left incomplete
4. Gujarat	Sabarkantha, Rajkot	2	0.77	-do-	Local problem in one work. No reason stated for other work.
5. Haryana	Pinjore (Panchkula), Ambala	5	28.32	-do-	4 works of drilled tube wells declared abandoned due to non-functioning. One work abandoned due to objection of local residents.
6. J & K	Jammu-Udhampur, Jammu-Rajauri-Punchh	6	8.54	-do-	Work abandoned due to land dispute. Drawing also not approved.
7. Karnataka	Koppal	1	9.93	1999-2000	Further work in the bridge stopped/abandoned due to concerns expressed by the Deptt. of Archaeology and Museum.
8. Manipur	Manipur (Inner), Manipur (outer)	28	13.99	1997-99	No reasons.
9. Orissa	Cuttack	2	2.47	1997-2000	Tube-wells constructed at a cost of Rs 2.25 lakh was not found operative. Rs 0.22 lakh spent on construction on private land on which there was a legal restriction for construction.
10. Punjab	Jalandhar	1	1.86	1999-2000	Development of cricket ground abandoned after dispute with cricket association.

State/UT	Constituencies	No. of works	Amount	Year	Remarks
11. Rajasthan	Ajmer, Alwar, Udaipur, Jhunjhunu	24	18.00	1997-2000	No reasons.
12. Tamil Nadu	Sivakasi	1	1.34	-do-	Court stay due to hygiene related problems.
13. Uttar Pradesh	5 constituencies	7	9.92	-do-	Land dispute, non-release/less release of funds.
14. Pondicherry	Pondicherry	2	1.08	1998-2000	Dispute in the ownership of land.
Total	31	99	109.99	--	

Annex-XXIV
(Refers to paragraph 39)
Loss of interest

(Rs in lakh)

State/UT	Constituencies	Amount	Period	Agency/bank A/c in which deposited	Loss of interest	Remarks
1. Himachal Pradesh	Sirmour	53.67		PLA	1.70	DC stated that funds were drawn in 8/99 and kept in PLA of executive officer, Panchayat Samiti, Naham on verbal instructions of the State Government
	Bilaspur	84.17		--	0.99	The funds were kept out of the savings Account/transferred from one bank account to another by 5 executing agencies.
				Savings Bank Account	1.17	Rs 1.17 lakh as interest accrued in savings bank accounts of 3 executing agencies was deposited into the treasury as revenue receipt.
2. Kerala	Trivendrum, Kollam, Alappuzha, Ernakulam	75.55	95-96 to 99-2000	--	7.43	Advances released to executing agencies remained unutilised.
3. Orissa	Cuttack	66.12	-do-	PLA	4.97	3 BDOs kept the MPLADS funds in PLA accounts.
	Koraput	50.12		--	13.19	Bank draft for Rs 50 lakh was received by DC Rayagada after a gap of two years and 233 days.
4. Punjab	Ropar	15.00	23.6.97 to 11.10.98	Savings A/c in Canara Bank	0.94	Bank did not allow the interest on savings A/c deposit during 23.6.97 to 11.10.98
	Jalandhar	23.44	3/96 to 5/98	Implementing agency	0.90	The funds were retained by the executing agencies and not utilised due to non-availability of land.
	Sangrur	4.80	97-2000	-do-	0.46	Amount retained by executing agencies from 14 to 30 months due to non-availability of land.

5.	Tamil Nadu	South Chennai, Central Chennai	--	1997-2000	--	28.38	No interest was allowed by the Bank on deposits from 8/97 to 3/2000.
6.	Tripura	Agartala	--	-do-	PL account, Current account	36.84	--
7.	A&N Islands	A&N Islands		1/98 to 3/2000	--	0.96	5 Panchayati Raj Institutions deposited the funds in current account of banks.
8.	Chandigarh	Chandigarh	50.00		--	0.94	Ist installment of Rs 50 lakh for the year 1998-99 was retained by DC in the shape of bank draft for 5 months.
Total		16	--	--	--	98.87	--

Annex-XXV
(Refers to paragraph 40)
Irregular payment of supervision, centage charges

(Rs in lakh)

State/UT	Constituencies	Details of works	Year	Percentage of charges	Amount charged	Remarks
1. Andhra Pradesh	16 constituencies	-	1997-2000	--	101.92	Administrative/petty supervision charge
2. Assam	6 constituencies	338	-do-	10	67.58	Contractor profit, salary & Misc. expdr.
3. Bihar	Giridih	15 electrical works	-do-	--	4.50	Paid to Bihar State Electricity Board
4. Goa	Goa	--	-do-	--	17.24	Centage/departmental/administration charges charged by PWD
5. Gujarat	Valsad, Godhra	3 works (computers, construction of bus stand & tube wells)	-do-	10	3.31	Supervision charges
6. Haryana	Ambala, Panchkula	9 works(Public Health & purchase of computers)	-do-	6 to 10	3.97	--
7. Himachal Pradesh	4 constituencies	20 works	-do-	0.75 to 3	2.69	Petty contingent expenses
8. Kerala	Kottayam, Thiruvananthapuram, Chiranyinkeezh	21 works (construction of library, hospital, PH Centre, school building etc.)	-do-	4.34 to 12.5	5.26	Executional charges
9. Manipur	Imphal, Thoubal, Chandel	--	-do-	3	11.51	Contingency charges
10. Meghalaya	Shillong, Tura	--	-do-	--	1.54	Contingencies, pay and allowance of DRDA staff. Maintenance of vehicles
11. Orissa	Koraput	4 works(railway subway and power supply etc.)	-do-	--	3.74	Supervision charges
12. Rajasthan	Ajmer	10 electrification works	-do-	15	2.21	Supervision charges to RSEB
13. Tamil Nadu	Chidambaram	2 works (Street light, construction of overhead tank)	-do-	18.50 to 22	1.03	--
14. Uttar Pradesh	Ghosi, Mohanlalganj,	52 Projects	-do-	4.5 to 15	27.66	Charged by RES, Mau, UP Jal Nigam &

State/UT	Constituencies	Details of works	Year	Percentage of charges	Amount charged	Remarks
15. West Bengal	Shahjahanpur, Mau 12 constituencies	--	-do-	2 to 5	20.30	Electricity board Service/centage/contingent charges
16. A&N Islands	A&N Islands	6 works (construction of classrooms, study hall, wire rope bridge)	1997- 1999	11.5 to 12	2.35	
17. Pondicherry	Pondicherry	--	1997- 2000		1.94	Administrative expdr. Wages & Misc. expdr.
Total	61 constituencies	480	--		278.75	

Annex-XXVI
(Refers to paragraph 42)
Mishandling of assets

(Rs in lakh)

States	Constituencies	Year/Period	Description of Asset	Cost	Brief particulars
1. Bihar	Patna	1999-2000	Five high mast flood lights	42.50	Patna Municipal Corporation refused to pay two months electricity consumption bill for Rs 1.68 lakh
	Biharsharif (Nalanda)	-do-	Electrification work	10.49	-
2. Kerala	11 LS + 10 RS	1997-2000	27 buildings for housing ICU, Blood Bank, IP Ward, Labour Room, Conference Hall etc.	149.74	The buildings were unfit or insufficient for IP Ward.
3. Maharashtra	Mumbai	1996-1997	Study and Balwadi Room	4.20	The doors and windows have been stolen and is used for dumping garbage/misused by the public.
	Beed	1999-2000	Computers	9.81	Lying unused for want of qualified teachers and fault repairs.
4. Manipur	Imphal	1998-2000	Computers	10.00	Documentary evidence to establish supply of computers to Mekola Gulab Higher Secondary School by Manipur Vocational Institute was not produced to audit.
5. Orissa	Jajpur, Bhubaneswar	1999-2000	Computer	--	Lying idle for want of qualified teacher.
6. Delhi	Sadar and RS	1999-2000	16 Computers and eight printers	10.84	Lying idle out of 48 computers and 24 printers purchased for Rs 32.53 lakh
Total				237.58	

**CHAPTER V : Ministry of Planning and Programme
Implementation**

Department of Programme Implementation

**5 Member of Parliament Local Area Development
Scheme (MPLADS)**

5.1 Introduction

"Member of Parliament Local Area Development Scheme (Scheme)" was announced in the Parliament on 23 December 1993 by the Prime Minister to enable the Members of Parliament (MPs) to identify small works of capital nature in their constituencies. The Scheme provides for a member of Rajya Sabha to select works for implementation in one or more districts of his/her choice from the State from which he/she has been elected and for the nominated MP to select works for implementation in any one district of any State/Union Territory of his/her choice. The Scheme was initially administered by the Ministry of Rural Development and from October 1994 by the Department of Programme Implementation, Ministry of Planning and Programme Implementation.

Under the Scheme each MP could suggest to the District Collector (DC), works up to Rs one crore per annum for being taken up in his/her constituency.

The salient features of the Scheme are as under.

- Each MP is to furnish to the collector of the district, works selected by him/her for implementation under the Scheme.
- The DC is to get them implemented through Government agencies such as Public Works, Irrigation, Agriculture, Health and Education Departments, Panchayati Raj Institutions, Area Development Authorities, Water Supply and Sewerage Boards, etc. after following the established procedures.
- Individual works of developmental nature based on locally felt needs costing up to Rs 10 lakh could be taken up under this Scheme. The works are to lead to creation of durable assets and are to be completed in one or two working seasons.
- Repair and maintenance works, completion of other incomplete works, sharing of funds of the Scheme with other projects, purchase of equipment, etc. are not permitted under the Scheme.
- The works to be taken up under this Scheme include construction of buildings for schools, hostels, libraries and educational institutions

belonging to Government or local bodies, construction of tubewells, roads, bridges, drains, public toilets, cremation grounds, etc.

- The funds released under the Scheme do not lapse.

5.2 Organisational set up

The Ministry of Planning and Programme Implementation, Department of Programme Implementation is responsible for overall administration and budgetary control of the Scheme at the Centre.

The State Planning Department was to issue general instructions to all the planning and implementing agencies at the district level to cooperate and assist in the Scheme and to implement the works referred to them under the Scheme by DCs.

At district level DCs of the respective districts were the nodal agencies for co-ordination and overall supervision of the works under the Scheme.

5.3 Scope of Audit

The implementation of the Scheme from 1993-94 to 1996-97 was reviewed in 24 States and six Union Territories through sample check in 165 of the 488 districts. The relevant records maintained by the DCs and in the Department of Programme Implementation were examined. The details of sample selected from each State and Union Territory are given in Appendix XVIII.

The main objective of the review was to find out how far the Scheme had been implemented economically, efficiently and in an effective manner and to assess how far the objectives had been fulfilled.

5.4 Highlights

- **During 1993-97 Ministry released Rs 2324.55 crore against which District Collectors (DCs) spent only Rs 1285.45 crore. Unspent amount of Rs 1039.10 crore was lying in account with commercial banks. The percentage of shortfall in utilisation of funds ranged between 0.01 to 92.40 per cent.**

(Paragraphs 5.5.1 and 5.5.2)

- **In 332 districts of 24 States and six UTs, MPs recommended 120242 works during 1993-97. DCs sanctioned 105959 works, 98695 works were taken up for execution out of which only 60698 works were completed as of March 1997. 4569 works were executed and Rs 51.52 crore were spent without the recommendation of MPs in 28 districts of 13 States. Rs 24.89 crore were sanctioned on the recommendations of MP's representatives in five States.**

(Paragraphs 5.6, 5.7.1 and 5.7.2)

- Implementing agencies in 37 districts of eight States/ UTs did not refund unspent amount of Rs 3.08 crore even though works were completed/cancelled/not taken up as of March 1997. Utilisation certificate for Rs 339.57 crore had not been received in 150 districts of 16 States and three UTs. 11 cases of suspected fraud involving Rs 50 lakh came to notice in six States.

(Paragraphs 5.5.4, 5.5.5 and 5.5.6)

- Rs 5.75 crore was wasted as 802 works in 33 districts of 15 States were abandoned midway.

(Paragraph 5.6.1)

- Percentage charges of Rs 3.90 crore were debited at rates ranging from one to 24 per cent in violation of guidelines. An expenditure of Rs 2.72 crore was incurred on 182 works entrusted to contractors sponsored by MPs/DCs in nine districts of four States in violation of Scheme guidelines.

(Paragraphs 5.5.8 and 5.7)

- The accounting procedure for the Scheme funds has not yet been finalised though the Scheme came into existence with effect from December 1993.

(Paragraph 5.8)

- In 40 districts of 15 States/UTs, loss of interest was Rs 3.67 crore due to operating non-interest bearing account, non-refund of interest earned by implementing agencies, transfer of funds to Revenue Deposit/Civil Deposits of State governments.

(Paragraph 5.8.1)

- In 15 districts of nine States, Rs 46.70 lakh was utilised for assets and consumables out of interest earned in contravention of Ministry's instructions prohibiting such utilisation. In 29 districts of 14 States, Rs 2.05 crore were spent on purchase of stock items in violation of Scheme provisions.

(Paragraphs 5.8.2 and 5.9.5)

- Rs 4.06 crore were spent on 229 works not admissible under the Scheme for construction of office buildings, residential buildings, etc. Besides, Rs 1.53 crore were spent in 17 districts in seven States on 93 inadmissible works belonging to commercial organisations, trusts, co-operative institutions, registered societies, etc.

(Paragraphs 5.9.1 and 5.9.2)

- Grants and loans involving Rs 17.02 crore were sanctioned from out of the funds for MPLADS in utter disregard of the guidelines.

(Paragraph 5.9.4)

- Contrary to the guidelines, in 14 districts of six States, Rs 58.75 lakh were spent on 64 works relating to religious places.

(Paragraph 5.9.6)

- In 28 districts of 10 States, 2190 works with total outlay of Rs 20.44 crore were executed without obtaining technical sanction and administrative approval.

(Paragraph 5.11.1)

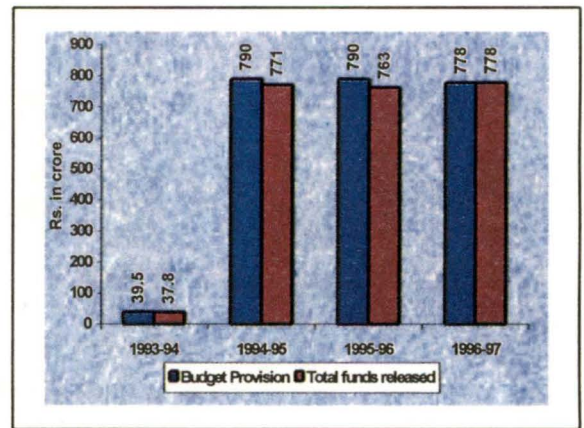
5.5 Financial arrangement

Ministry releases funds under the Scheme directly to DCs without routing them through State Governments. During 1993-94, however, the Ministry released the funds through the respective State Governments.

The budget provision and funds released by the Government of India during 1993-97 were as under: -

(Rupees in crore)

Year	Funds released per MP	Budget provision	Total funds released
1993-94	5 lakh	39.50	37.80
1994-95	1 crore	790.00	771.00
1995-96	1 crore	790.00	763.00
1996-97	1 crore	778.00	778.00
Total	—	—	2349.80



Funds are normally to be released by the Ministry twice a year on the basis of physical and financial progress of works. Examination disclosed that the Ministry by and large released the funds without reference to progress of works resulting in accumulation of funds with DCs. The Ministry stated that for 1996-97 it was initially decided to release funds after adjusting balances available with DCs up to 1995-96. However, the MPs demanded release of total amount for the year and the Speaker Lok Sabha advised release of the entire amount of Rs one crore.

5.5.1 Financial outlay and expenditure

The Department of Programme Implementation, the nodal agency at the centre, failed to provide details of yearwise release of funds to States/UTs and expenditure incurred by them for the period under review.

However, 26 State/Union Territory level nodal agencies furnished such details as under whereas four State nodal agencies did not provide the same.

(Rupees in crore)

Year	Opening balance	Funds received from GOI	Expenditure incurred	Closing balance	Percentage of funds utilised
1993-94	—	33.19	19.14	14.05	57.66
1994-95	14.05	696.94	438.03	272.96	62.85
1995-96	272.96	687.25	503.46	456.75	73.25
1996-97	456.75	674.42	221.33	909.84	32.81
(a) Sub-Total		2091.80	1181.96	909.84	56.50
(b) For 4 States*		232.75	103.49	129.26	44.46
Grand Total		2324.55	1285.45	1039.10	55.29

* Assam, Meghalaya, Punjab and Orissa.

It would be evident from the above that utilisation of funds during 1993-97 was only 55.29 per cent.

State/Union Territory wise details of funds received and expenditure incurred during 1993-94 to 1996-97 are given in Appendix-XIX.

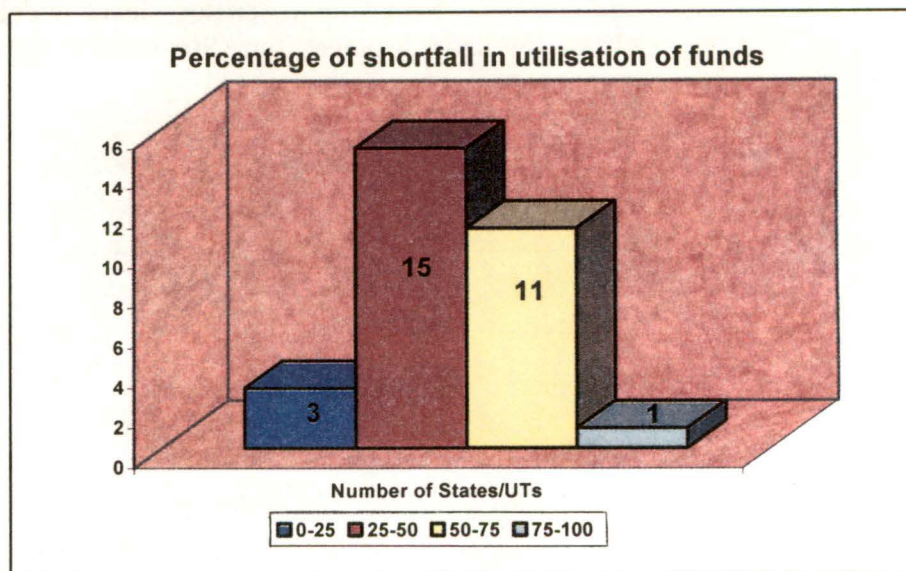
5.5.2 Shortfall in utilisation of funds

Against available funds of Rs 2324.55 crore only Rs 1285.45 crore were utilised leaving an unspent balance of Rs 1039.10 crore.

Heavy balance of Rs 1039.10 crore was lying unspent with the District Collectors as of March 1997 as detailed in Appendix XX. The major States having large unspent balances were Andhra Pradesh (Rs 98.74 crore), Bihar (Rs 100.64 crore), Gujarat (Rs 75.35 crore), Karnataka (Rs 69.95 crore), Kerala (Rs 57.50 crore), Maharashtra (Rs 109.83 crore), Orissa (Rs 56.83 crore), Tamil Nadu (Rs 74.04 crore), Uttar Pradesh (Rs 104.07 crore) and West Bengal (Rs 74.57 crore).

Percentage of shortfall in utilisation of funds ranged between 0.01 to 92.40 per cent in different States/Union Territories as detailed below:-

S. No.	Percentage shortfall	Number of States/UTs	States/UTs
1.	0-25	3	Arunachal Pradesh, Haryana and Nagaland
2.	25-50	15	Bihar, Himachal Pradesh, Madhya Pradesh, Mizoram, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal, A & N Islands, D & N Haveli, Daman & Diu and Delhi.
3.	50-75	11	Andhra Pradesh, Assam, Goa, Gujarat, Karnataka, Kerala, Maharashtra, Manipur, Meghalaya, Orissa and Chandigarh
4.	75-100	1	Pondicherry



The expenditure figures reported were erroneous

5.5.3 Unspent balance shown as expenditure

In 158 districts of nine States the expenditure reported during 1993-97 included amounts not actually spent as under:-

(Rupees in crore)

Year	Total expenditure reported	Expenditure booked but not actually incurred
1993-94	8.57	0.17
1994-95	232.18	35.33
1995-96	247.28	72.68
1996-97	100.99	60.00
Total	589.02	168.18

Year-wise break up is given in Appendix XXI.

5.5.4 Unspent balances not refunded by implementing agencies

Unspent amount of Rs 3.08 crore were not refunded by implementing agencies.

Implementing agencies in 37 districts of eight States/UTs did not refund Rs 3.08 crore lying unspent with them as of March 1997 even though the works awarded were completed or cancelled or had not been taken up. The details are given in Appendix XXII.

5.5.5 Non-submission of utilisation certificates

Utilisation certificates for Rs 339.57 crore not submitted.

(i) The implementing agencies were required to submit utilisation certificates in prescribed forms to District Collectors after completion of works for onward submission to the Ministry.

Utilisation certificates for Rs 339.57 crore had not been received as detailed in Appendix XXIII.

(ii) In Faridabad district of Haryana, against the actual expenditure of Rs 1.41 crore during 1993-96, ADC submitted utilisation certificates for Rs 1.81 crore.

5.5.6 Cases of suspected fraud

Cases of suspected fraud involving Rs 50 lakh were noticed

Test check disclosed 11 cases of suspected fraud involving Rs 50 lakh as per the details given below:-

(a) Nagaland:

- (i) DC, Kohima paid Rs 1.50 lakh in February 1995 for construction of a bridge over a seven feet nullah across a footpath in Khuzama village after approving the work recommended by the MP, without preparing any estimate. Examination of documents disclosed that the DC made payment on the basis of a certificate from the Block Development Officer, Kohima about completion of the bridge alongwith an attested photograph of the bridge which clearly indicated that the bridge consisted of only six local bamboo laid horizontally across the nullah alongwith side railings supported by wooden poles which *prima facie* could not be expected to cost more than Rs four to five thousand. The DC released the total payment of Rs 1.50 lakh without examining the correctness of the cost/claims.
- (ii) DC, Kohima sub-allotted and remitted Rs 39.50 lakh during 1995-96 to the ADC Dimapur. However, as per the latter's records only Rs 38.75 lakh were shown to have been received. Similarly, DC Kohima remitted Rs 5.75 lakh to DC Mon during the same year but in the latter's records only Rs 5.44 lakh were accounted for. The difference of Rs 1.06 lakh was suspected to have been misappropriated.

(b) Bihar

- (i) Block Development Officer, Nirsa in Dhanbad district paid Rs 1.05 lakh during June 1995 to July 1996 towards carriage charge of morrum for construction of two roads, one in Potdih village and another from Kurkuri gate to Patherkuia. Audit scrutiny through cross-verification of records in local transport office revealed that the truck numbers shown in vouchers for carriage of morrum were that of motor cycle and public bus. Thus, actual carriage of morrum was fictitious.
- (ii) Under the same works, BDO Nirsa paid Rs 0.30 lakh as hire charge of road roller to a driver of Rural Engineering Organisation Division, Dhanbad. However, there was no record of its receipt in the division.
- (iii) BDO Nirsa also paid Rs 1.25 lakh through muster rolls to 45 labourers working on the same date at two different places 12 km apart rendering the expenditure doubtful.

(c) Himachal Pradesh

Rs 0.70 lakh transferred in March 1995 by DRDA Shimla to BDO . Mashobra were not traceable in the books of the latter.

(d) Manipur

- (i) DRDA, Urkhul executed four works in 1995-96 through beneficiary committees. 380 muster roll labourers were shown to have been engaged but actual payees receipts were obtained in respect of 79 labourers only Payment of Rs 2.08 lakh to 301 labourers was not supported by payees receipts.
- (ii) During 1995-96, DRDA, Churachandpur executed 33 works through beneficiary committees. 1161 muster roll labourers were shown to have been engaged and Rs 10.35 lakh paid as wages. The payment was not supported by payees receipts.
- (iii) DRDA, Churachandpur withdrew Rs 5.08 lakh during November 1995 to April 1996. Of these, he disbursed only Rs 3.56 lakh The remaining amount of Rs 1.52 lakh was not accounted for.

(e) Karnataka

In Bidar district, out of Rs 102.30 lakh released to the Executive Engineer Zilla Panchayat Engineering Division, Rs 99.80 lakh only was accounted for and deposited into the bank account. There was no account of the remaining Rs 2.50 lakh.

(f) West Bengal

In two different cases, nine works costing Rs 5.14 lakh and four works costing Rs 1.95 lakh were shown as completed and the BDO Bijanbari furnished utilisation certificates to the DM Darjeeling. But entries recorded in the Measurement Books indicated that the works had not been completed at all and fake UCs were furnished.

5.5.7 Sharing of funds

According to provisions of Scheme, DCs were to undertake the works only against the funds provided for this Scheme. Resources of this Scheme or funds provided under other Schemes were not to be mixed for sharing the expenditure on any works. Test check, however, disclosed cases in nine States where expenditure on 66 projects was partly charged to this Scheme and partly met from other sources as indicated in Appendix XXIV.

5.5.8 Supervision/centage charges

The Minister of State for Planning and Programme Implementation addressed a letter in August 1995 to all the Chief Ministers requesting them to consider MPLADS as an exception for levy of supervision/centage

The Scheme funds were shared with those of other Schemes in contravention of the provisions.

charges by implementing departments. The Ministry reiterated this in the revised guidelines of February 1997.

Centage charges of Rs 3.90 crore at the rate ranging between one to 24 per cent were levied during 1993-97.

Test check, however, disclosed cases where centage charges of Rs 3.90 crore were charged at rates ranging from one to 24 per cent during 1993-97 as detailed in Appendix XXV.

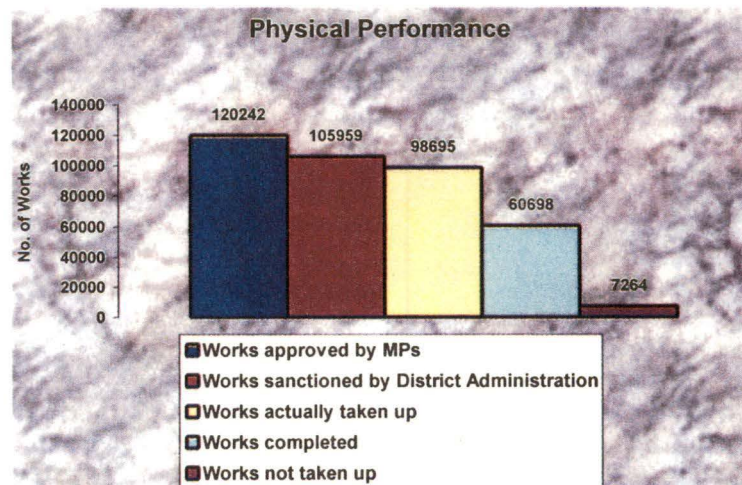
The Ministry stated, in March 1998, that some of the States/UTs like Andhra Pradesh, A & N Islands, Himachal Pradesh, Meghalaya, Mizoram, etc. had acceded to their request whereas some others had expressed their inability to do so. Some had, however, reduced their centage charges. The levy of supervision/centage charges reduced the funds available for use on the Scheme.

5.6 Physical performance

(a) The Scheme envisaged that works taken up should be such as could be completed in one or two working seasons. Examination of documents disclosed the following:

In 122 districts of 12 States and two UTs, where the value of works were available, the MPs recommended 44151 works at an estimated cost of Rs 463.52 crore during 1993-97. The District Collectors sanctioned 38564 works at an estimated cost of Rs 408.68 crore which works out to 88.16 per cent of value of the works recommended by MPs. The number of works actually taken up was 35694 at an estimated cost of Rs 368.58 crore which was 90.19 per cent of value of total works sanctioned.

Only 20219 works costing Rs 220.93 crore were completed as of March 1997 representing 54.07 per cent of value of total works sanctioned. 2870 works at expected value of Rs 39.02 crore were not taken up as of March 1997, though these were recommended by MPs and sanctioned by DCs concerned. The Statewise details are given in Appendix XXVI (A).



(b) In another 210 districts of 12 States and four UTs, where the values were not available, MPs recommended 76091 works during 1993-97, against which 67395 works (88.57 per cent) were sanctioned by the

District authorities. 63001 works (93.48 per cent of sanctioned works) were taken up for execution and only 40479 works (60.06 per cent of sanctioned works) were completed and 4394 works could not be taken up for execution as of March 1997. The details are given in Appendix XXVI (B).

5.6.1 Incomplete/abandoned works

Works were abandoned after spending Rs 5.75 crore on them.

During the period 1994-97, 802 works in 33 selected districts of 15 States were either abandoned or left incomplete midway due to dispute over title to land, insufficient provision of funds, wrong selection of executing agency, etc. An amount of Rs 5.75 crore had been spent as shown in Appendix XXVII on these works prior to their abandonment.

Scrutiny revealed that with this expenditure no durable asset, as required under the Scheme, was created and the entire expenditure was a waste.

5.7 Entrustment of works to contractors

Rs.2.72 crore spent on 182 works entrusted to contractors sponsored by MPs/DCs.

The guidelines prohibit engagement of contractors. DCs are required to get the works done departmentally except where the established procedures of the respective State Governments permit engagement of contractors.

Test check disclosed 182 cases valued at Rs 2.72 crore where the works were entrusted to the contractors, some of them sponsored by MPs as under.

(Rupees in crore)

SI. No.	State	District	No. of works	Year	Expenditure	Remarks
1.	Bihar	Dumka Katihar	43	1994-97	0.64	Works allocated by the Collector to contractors.
		Madhepura	39	1994-97	0.58	
		Madhubani Ranchi	17	1994-97	0.40	
			1	1994-97	0.29	
			60	1994-97	0.47	
2.	Andhra Pradesh	Medak	2	1994-95	0.07	Works were sanctioned by the collector in February 1995 and entrusted to the contractors sponsored by MP.
		Adilabad	8	1994-97	0.15	
3.	Tamil Nadu	Sivaganga	6	1994-96	0.09	Works were entrusted to private individuals recommended by MP.
4.	Orissa	Bhawanipatna	6	1995-96	0.03	Works were awarded to contractors recommended by MP.
Total		9	182		2.72	

Rs 51.52 crore spent by DCs on 4569 works not recommended by MPs.

5.7.1 Works executed without recommendation by MPs

Works, permissible under the Scheme, recommended by MPs are only to be taken up for execution by DCs concerned. In 28 districts in 13 States, DCs incurred an expenditure of Rs 51.52 crore on execution of 4569 works, which were not recommended by MPs concerned. The details of such works are as under:

(Rupees in lakh)

SI. No.	State/UT	District	No. of works	Year	Expenditure incurred	Nature of work
1.	Andhra Pradesh	Kurnool	11	1995-96	5.75	Providing additional distribution transformers.
2.	Bihar	Patna	13	1996-97	52.70	Renovation of roads, special repair to Dargah path etc.
3.	Harayana	Ambala	84	1994-95	97.64	Drilling and commissioning of tube wells, renovation of old water supply line, providing new sewerage line, etc.
		Gurgaon	30	1995-96	46.48	Construction of school buildings, cricket pavilion, Panchayat Ghar, metalled road, pavement of streets etc.
4.	Himachal Pradesh	Shimla	10	1995-96	12.75	Water supply scheme, mahila mandal/yuvak mandal bhavans, roads, etc.
		Solan	1	1995-96	1.00	Water supply scheme
5.	Mizoram	Saiha	12	1994-95	10.35	Jeepable roads, irrigation channels, school buildings, etc.
6.	Manipur	Ukhrul	3	1994-95	3.00	Construction of playground, youth club, village authority court, etc.
7.	Maharashtra	Nanded	2	1995-96	0.96	Construction of bridges and approach roads.
		Mumbai city	3	1995-96	9.61	Beautification of Custom House building.
8.	Orissa	Cuttack	144	1995-96	36.20	Improvements of roads, construction of buildings of cultural centres, library cum community centres, high schools and colleges, etc.
		Khurda	32	1995-96	100.00	Construction of roads, drains, drinking water supply schemes, etc.
9.	Punjab	Patiala	8	1994-95	43.92	Construction of roads and bridges.
10.	Tamil Nadu	Tiruchirapalli	4	1995-97	9.19	Construction of school buildings, etc.

Sl. No.	State/UT	District	No. of works	Year	Expenditure incurred	Nature of work
		Madurai	17	1995-96	18.23	Construction of school buildings, metalling of roads, etc.
11.	West Bengal	Calcutta	4	1993-94	12.00	Construction of library, indoor sports complex, health centre and repair work of school building.
12.	Madhya Pradesh	11 Districts (Bhopal, Sehore, Indore, Ujjain, Chhindwara, Jabalpur, Satna, Bilaspur, Raipur, Bastar, Gwalior)	4123	1993-97	4522.94	Yearwise Break up Year Works Rs in lakh 1993-94 116 91.26 1994-95 1768 1977.48 1995-96 1846 1995.38 1996-97 393 458.82 Totals 4123 4522.94
13.	Sikkim	Gangtok	68	1994-97	168.91	Construction of link roads, minor irrigation channel, footpath, etc.
Total		28	4569		5151.63	

The Collector, Patna in Bihar sanctioned 13 Schemes unauthorisedly during 17 January 1997 to 12 May 1997 at an estimated cost of Rs 95.86 lakh and released Rs 52.70 lakh during 08 April 1997 to 28 May 1997 to the executing agency i.e. Executive Engineer, Road Division, Patna City, out of funds received for 1996-97 for Shri I. K. Gujral MP Rajya Sabha though the MP had not recommended these Schemes. The Chief Minister performed the foundation laying ceremony for these Schemes on which the DM spent Rs 5.30 lakh during January and February 1997 from funds received by him under Urban Basic Service for Poor Scheme.

5.7.2 Works recommended by MPs representatives

Rs 24.89 crore were Sanctioned on recommendations of representatives of MPs in violation of the guidelines of the Scheme.

Under the Scheme recommendations made by the MP on his letter head and under his signature alone is to be entertained by DCs and recommendations made by any representative of the MP is not to be considered even if such representative may have been authorised by the MP concerned.

It was, however, noticed that in following five States works amounting to Rs 24.89 crore were sanctioned by the DCs on the recommendation of the representatives of the MPs. Details are given below.

5.7.2.1 Maharashtra

Nine works involving expenditure of Rs 33 lakh were recommended by Shri Ashok Chavan on behalf of his father Shri S. B. Chavan, MP Rajya Sabha during 1994-95. The works were accepted and approved by the Collector, Nanded.

5.7.2.2 Haryana

Shri Dinesh Singh, MP, Rajya Sabha authorised the Chief Minister, Haryana to utilise Rs one crore released for 1994-95 anywhere and on any works. The Chief Minister recommended works at estimated cost of Rs 51 lakh in Ambala district and authorised five MLAs of Ambala district to suggest works for the remaining amount of Rs 49 lakh against which an expenditure of Rs 46.44 lakh had been incurred.

5.7.2.3 Orissa

- (i) In Cuttack district Rs 36.20 lakh were sanctioned during 1995-96 by the Collector, Cuttack for 144 works on the recommendation of MLAs, ex-ministers and ex-speaker of Orissa Legislative Assembly on behalf of Shri Narendra Pradhan, MP, Rajya Sabha.
- (ii) The Collector, Khurda sanctioned (1994-95) works worth Rs one crore forwarded by the Resident Commissioner, Government of Orissa on behalf of Shri S. R. Bommai, Member Rajya Sabha, though the same did not bear the signature of Shri Bommai. The Collector released funds to various implementing agencies for execution of 28 out of 32 projects forwarded to him.

5.7.2.4 Tamil Nadu

Seventeen works for Rs 18.30 lakh suggested by Shri K. V. V. Rajamanickam MLA on behalf of Shri A. G. S. Rambabu MP Lok Sabha were sanctioned by DC Madurai in 1995-96 and were completed at a cost of Rs 18.23 lakh.

5.7.2.5 Uttar Pradesh

The District Magistrates of Allahabad, Lucknow and Sonbhadra sanctioned 920 works costing Rs 22.01 crore on the basis of recommendations made by representatives of the MPs concerned.

5.8 Accounting procedure

The Scheme came into existence from December 1993. The accounting formats for the Scheme were to be finalised by the office of the Controller General of Accounts in consultation with the office of the Comptroller & Auditor General of India. The accounting procedure has not yet been finalised.

The Ministry stated, in October 1997, that an inter-departmental committee had been constituted for the purpose which had its first meeting in September 1997. Further progress was awaited.

5.8.1 Loss of interest

Operation of non-interest bearing accounts, non-refunding of interest by implementing agencies etc. resulted in loss of interest of Rs 3.67 crore.

Test check disclosed large number of cases in 40 districts of 15 States/UTs, indicating operation of non-interest bearing account, non-refunding of interest earned by executing agencies to the Scheme funds, transfer of funds to Revenue Deposits/Civil Deposits of State Governments on the instruction of State Government which resulted in loss of interest aggregating Rs 3.67 crore during 1993-97. (Andhra Pradesh:Rs 80.09 lakh in six districts; Assam:Rs 2.12 lakh in two districts; Haryana:Rs 9.35 lakh in three districts; Kerala: Rs 57.82 lakh in five districts; Maharashtra: Rs 55.31 lakh in four districts; Meghalaya: Rs 2.28 lakh in two districts; Mizoram: Rs 8.23 lakh in two districts: Tamil Nadu: Rs 18.17 lakh in six districts; West Bengal: Rs 70.79 lakh in five districts and Delhi Rs 52.33 lakh). Details are given in Appendix XXVIII.

5.8.2 Interest accrued and its utilisation

Rs 46.70 lakh, out of interest earned, were utilised, though prohibited.

The Ministry issued instructions that interest accrued on the funds released under the Scheme should not be utilised till a decision was taken by the Government in that regard.

In three Union Territories and 72 districts of nine states, Rs 11.06 crore was earned as interest on the Scheme funds during 1993-97. Details are given in Appendix XXIX.

Information regarding accrual of interest on Scheme funds during 1993-97 in remaining States was neither provided by Ministry nor by the concerned State nodal agencies.

Test check disclosed that out of the interest, Rs 46.70 lakh were utilised as under in 15 districts of nine States in contravention of the instructions of the Ministry.

(Rupees in lakh)

Sl. No.	State/UT	Name of the Districts	Period	Amount	Purpose
1.	Arunachal Pradesh	Lohit (Tezu)	1995-96	4.44	Utilised towards construction of boys' hostel on the recommendation of MP.
2.	Assam	Kamrup	1994-96	4.65	Details not provided by the DC office.
		Nagaon	1994-96	0.30	Purchase of petty articles in DC office without approval from Mp.
3.	Karnataka	Bidar	1996-97	1.82	On the tour programme of Prime Minister in August 1996 on order of DC and without MP's recommendations.
4.	Kerala	Alappuzha	1995-96	5.24	Purchase of two jeeps in Collectorate on the order of DC without MP's approval.

Sl. No.	State/UT	Name of the Districts	Period	Amount	Purpose
				0.10	Installation of telephone in the Collectorate on the orders of DC without MP's approval.
5.	Manipur	Imphal	1994-97	1.20	Utilised as office contingencies on orders of DC.
		Bishnupur	1994-97	0.68	Utilised as office contingencies on orders of DC.
6.	Orissa	Cuttack	1995-96	2.00	Construction of TLC building approved by DC and not by MP.
		Jharsuguda	1995-96	1.49	Construction of Sanchaya Bhavan/temporary residence for Collector approved by DC and not by MP.
		Phulbani	1996-97	3.40	Construction of stand posts, purchase of pump set, establishment of book bank, repair of furniture in circuit house etc.
7.	Tamil Nadu	Chengai Anna	1995-97	7.52	Construction of roads on the recommendation of MP.
8.	Uttar Pradesh	Jaunpur	1995-96	0.65	Construction of Sumitra Nandan park without approval from MP.
		Ghazipur	1996-97	4.10	On purchase of Gypsy and its maintenance without approval from MP.
9.	West Bengal	Murshidabad	1994-96	8.75	Purchase of furniture and other accessories for conference hall in administrative block without approval from MP.
		Burdwan	1995-96	0.36	Construction charges to meet the expenses of meetings at block level, no approval was obtained from concerned MP.
Total		15	-	46.70	

5.9 Execution of works not covered under the Scheme

In the following cases works not permissible under the Scheme were carried out:-

5.9.1 Construction of office buildings, residential buildings, etc.

Rs 4.06 crore was spent on inadmissible works of construction of office/residential buildings.

Funds released under the Scheme were not to be utilised for construction of office buildings, residential buildings and other buildings relating to Central or State Governments, agencies or organisations. In the test check districts, Rs 4.06 crore was spent on 229 works relating to construction of residential units for weaker sections. Gram Panchayat office buildings, shopping complex, building for village extension office, guard's room attached to DC's Inspection Bungalow, rest houses, Railway rest houses, buildings for Bar Association, Camp office for District Magistrate, etc. The details are given in Appendix XXX.

5.9.2 Works relating to commercial organisations, trusts, registered societies, private institutions or cooperative institutions

Rs 1.53 crore was spent on works belonging to commercial organisations, trusts etc. in violation of the guidelines.

Expenditure on works belonging to commercial organisations, trusts, cooperative institutions, registered societies etc. were not allowed under the Scheme. It was, however, noticed that an amount of Rs 1.53 crore was spent in 17 districts selected in seven States on 93 such works as detailed below. All the works except the works in Kurnool district of Andhra Pradesh, were recommended by the MP concerned.

(Rupees in lakh)

Sl. No.	State/UT	District	No. of works	Amount	Year	Name of Trust/commercial institutions etc.
1.	Andhra Pradesh	Kurnool	2	10.90	1995-96	Work relating to Nandyal Cooperative Sugars Ltd. was done without the approval of MP.
		Medak	1	0.48	1994-95	Labour Service Cooperative Society.
2.	Assam	Kamrup	25	25.34	1993-97	Works for private institutions.
		Sibsagar	16	16.55	1993-97	Private institutions like Sanghas, Clubs, Ashrams etc.
3.	Mizoram	Aizawal Lunglei	13	34.30	1994-97	Construction of buildings for Registered Society & Private Christian Hospital.
4.	Maharashtra	Latur	1	10.00	1995-96	Work relating to charitable trust hospital buildings.
		Pune	3	10.60	1996-97	Roads of a Housing Society.
5.	Orissa	Balasore	2	0.34	1995-96	Building at Sai Nritya Sangeet Vidyalaya at Padhuenpada and Fishermen's cooperative house at Kashpal (Commercial institutes).
		Cuttack	18	2.37	1995-96	Construction of Private club Bahuda Das club, Jawahar youth club, Netaji Sangram club, etc.
6.	Punjab	Ferozepur	1	10.00	1995-96	Construction of cane yard at Kissan Sugar Mill Ltd., a commercial unit.
		Amritsar	1	5.00	1994-95	Building for cultural and sports activities of Aviation club at Raja Sansi International Airport.
		Ludhiana	2	7.00	1995-97	Library of District Bar Association, Bhagwan Ram Charitable Trust Hospital.
7.	Tamil Nadu	Coimbatore	3	11.52	1995-97	Post literacy cum vocational training centre at Vaikalpalayam, a registered charitable trust.
		Madurai	2	2.75	1995-97	Mandapam at Vadipati owned by Temple Trust Board.

Sl. No.	State/UT	District	No. of works	Amount	Year	Name of Trust/commercial institutions etc.
		South Aroot	2	4.50	1995-97	Godown at Perumathur for handloom weavers cooperative society & fishermen cooperative society.
		Chennai	1	1.56	1995-97	Compound wall to YMCA playground at Gray nagar, a private institutions.
Total	7	17	93	153.21		

5.9.3 Repair and maintenance works

Rs 4.86 crore was spent on repair and maintenance works which were not permissible.

Expenditure on repair and maintenance works of any type other than special repairs for restoration/upgradation of any durable asset is not permissible under the Scheme. In 45 districts in 13 States expenditure of Rs 4.86 crore was incurred for repair and maintenance of 675 works as detailed in Appendix XXXI in disregard of the guidelines. The works done included repairs of roads, resurfacing of roads, maintenance work of metalling of roads, repair of irrigation channels and drains, repair of drinking water supply lines etc.

5.9.4 Grants and loans

Grants and loans amounting to Rs 17.02 crore were sanctioned out of MPLADS fund.

The Scheme prohibits the utilisation of funds for giving loans/grants to other organisations. However, in the following cases, DCs sanctioned loans/grants in contravention of Scheme provisions.

- (i) The Deputy Commissioner, Imphal, Manipur paid Rs 10 lakh to Project Officer, IWDP in January 1995 and Rs 2.77 lakh to the Project Officer, Jawahar Rozgar Yojna (JRY) in March 1995 as a short term loan. The loans, however, were received back on 30 March 1995 .
- (ii) In Tamil Nadu, DCs of Kancheepuram, Trichy, Coimbatore, Sivaganga and Madurai diverted Rs 16.09 crore to various other Schemes like Jawahar Vela Vaipu Thittam (JVVT), Integrated Rural Development Programme (IRDP), SIDA assisted projects etc. during 1993-97. Rs 13.46 crore was, however, recouped after 20 days to 19 months leaving an amount of Rs 2.63 crore unrecouped as of March 1997.
- (iii) In Andhra Pradesh, DC, Chittoor, based on the recommendations of MPs from Tirupati and Chittoor, sanctioned a grant of Rs 19.90 lakh during 1996-97 for the purchase of computers to two private educational institutes run by a Trust at A Rangampeta.
- (iv) In Nagaland, grant of Rs 59.70 lakh was given to different institutions, cultural, sports, student bodies and cash relief to poor and sick etc.

5.9.5 Purchase of stock

Purchase of store or stock was not permissible under the Scheme In 29 districts of 14 States, Rs 2.05 crore were spent on the purchase of generators, submersible pumpsets, stabilizers, furniture items, fixtures with tube lights and lamps, water cooler, tractor with dozer, boats, books, TV, VCR, duplicating machine, electric typewriter, deep freezer, air conditioner etc. as per details given in Appendix XXXII.

Store/stock costing Rs 2.05 crore were purchased in violation of guidelines.

5.9.6 Places of religious worship

Incurring of expenditure on places of religious worship is not permissible under the Scheme. 64 works costing Rs 58.75 lakh in 14 districts of six States relating to religious places were carried out in violation of the provisions as per details given below.

Rs 58.75 lakh was spent on works relating to religious places.

(Rupees in lakh)

SI. No.	State/UT	District	No. of works	Amount	Year	Remarks
1.	Andhra Pradesh	Adilabad	1	0.32	1996-97	The work "construction of compound wall to Edgah" in Nirmal Town was recommended by MP of Adilabad Lok Sabha constituency.
		Medak	1	0.25	1995-97	The work "construction of platform to Edgah" at Medak town was sanctioned by DC on the recommendation of MP of Medak Lok Sabha constituency.
2.	Manipur	Imphal	1	1.00	1994-95	"Construction of community Hall" in the complex of ISKON (a religious body) was recommended by an MP.
3.	Nagaland	Kohima Mon Mokokchung	3	10.64	1993-97	Construction of churches, approach roads and boundary walls for churches recommended by MP.
4.	Orissa	Balasore	21	1.88	1994-96	Construction of compound wall of Sahaspur Mosque. Construction of Sankeswar Mahadev Temple. Construction of Alekh Brahma Math at Khurda. Construction of Mahalakshmi Mandap. Construction of Kali Temple at Tikrapada etc.
		Cuttack	11	8.05	1995-96	Construction of Mandap near Hansanath Temple. Dharamshala near Nilakantha Mahadev Pandal near Bodhkant Mandir. Sri Ram Dharamshala

SI. No.	State/UT	District	No. of works	Amount	Year	Remarks
		Phulbani	4	3.60	1995-96	Construction of boundary wall of Mahadev Bari, Kailashahar. Construction of community centre at Jagannath Mandir, Phulbani. Community centre near Rama Mandir at Hatapada.
5.	Tripura	DM-North	2	2.53	1995-96	Construction of Manipuri Mandap at Ichabpur.
		DM-West	14	24.09	1995-96	Construction pucca ghatla on the tank of Manipuri Nat mandir at Radhnagar. Block at Kumilla Iswar Pathsala Agartala. Protection wall at Balak Baba Anath Seva Ashram Bishalgarh etc.
		DM-South	1	1.55	1995-96	Construction of community hall in the Mahalaxmi Tilla Buddhist Temple complex.
		DM-Dhalai	4	4.04	1995-96	Community hall at Anantha Ashram building Boundary wall at Anantha Ashram Community hall at Kamapur Kalibari.
6.	Uttar Pradesh	Almora	1	0.80	1995-96	Beautification of Ram Mandir.
Total		14	64	58.75		

5.10 Failure to maintain asset register

The works undertaken under the Scheme were to be of developmental nature, based on the locally felt needs which should lead to creation of durable assets. In support of the existence of assets created, nodal authorities are required to maintain an Asset Register. In 23 States/UTs, asset registers were not maintained for the completed works as detailed below:-

(Rupees in crore)				
SI. No.	State/UT	District	No. of completed works	Amount
1.	Andhra Pradesh	Adilabad	162	2.02
		Chittoor	421	1.99
		Kurnool	144	3.56
		West Godavari	279	3.06
		Medak	214	2.55
2.	Assam	Barpeta	10	0.05
		Sonitpur	12	0.15

SI. No.	State/UT	District	No. of completed works	Amount
		Nagaon	14	0.12
3.	Bihar	11 districts	1915	*
4.	Daman & Diu	1	25	0.72
5.	Delhi	2	129	*
6.	Gujarat	4 districts	2995	9.78
7.	Goa	North Goa, South Goa.	21	1.05
8.	Haryana	Ambala	167	0.93
		Faridabad	386	2.81
		Karnal	668	2.38
		Hissar	555	2.79
		Sirsa	171	2.08
9.	Himachal Pradesh	10 districts	650	3.42
10.	Karnataka	Banglore rural, Bellary, Shimoga	*	8.23
11.	Kerala	8 districts	816	0.16
12.	Manipur	8 districts	758	2.51
13.	Meghalaya	East Khasi Hills, Shillong, West Garo Hills, Tura.	336	-
14.	Madhya Pradesh	40 districts	8331	94.54
15.	Nagaland	7 districts	686	5.06
16.	Punjab	Amritsar, Ferozepur, Hoshiarpur, Ludhiana, Patiala.	1112	*
17.	Pondicherry	1	5	0.07
18.	Rajasthan	12 districts	1876	22.15
19.	Sikkim	East Gangtok	90	2.11
20.	Tripura	West Tripura, South Tripura, North Tripura, Dhalai.	370	3.22
21.	Tamil Nadu	Chennai	446	5.12
		Chengai Anna	752	8.18
		Villupuram	269	4.03
		Coimbatore	537	7.28
		Trichy	655	7.06
		Madurai	781	3.75
		Sivaganga	575	6.60

SI. No.	State/UT	District	No. of completed works	Amount
22.	Uttar Pradesh	14 districts	15266	*
23.	West Bengal	11 districts	1990	32.25

* Information not available with nodal agencies.

5.11 Miscellaneous shortcomings

2190 works with total estimated cost of Rs 20.44 crore were executed without technical/administrative approval.

5.11.1 Irregular sanction of works

In 28 districts of 10 States, 2190 works with total outlay of Rs 20.44 crore were carried out without technical sanction and administrative approval. The details are given below:

(Rupees in lakh)

SI. No.	State/UT	Name of the District	Year	No. of works	Amount	Remarks
1.	Assam	4district (Nagaon, Sonitpur, Barpeta & Kamrup).	1994-97	105	90.39	Without administrative sanction.
2.	Harayana	5 district (Hissar, Sirsa, Ambala, Karnal, Faridabad).	1994-96	750	618.00	Without obtaining technical sanction.
3.	Maharashtra	1 district (Nagpur)	-	5	71.70	-do-
4.	Madhya Pradesh	2 districts (Raipur, Ujjain)	-	709	337.48	-do-
5.	Mizoram	2 districts (Chamka, Lunglei)	1995-96	2	18.00	Without soil testing & technical sanction.
6.	Rajasthan	2 districts (Bikaner, Rajasamand)	1993-97	155	234.00	Without technical sanction.
7.	Sikkim	4 districts (East, West, North & South)	1994-97	177	448.89	Without administrative and technical sanction.
8.	Karnataka	4 districts (Banglore rural, Bidar, Dharwar & Tumkur)	1995-97	12	20.35	-do-
9.	Meghalaya	1 district (East Khasi Hills)	1996-97	13	8.79	-do-
10.	Tripura	3 districts (North Tripura, South Tripura, Dhalai).	1995-97	262	196.80	-do-
Total	28			2190	2044.40	

5.11.2 Transfer of land not ensured

The Scheme provided for construction of building for Government aided educational institutions subject to the ownership of land being transferred in favour of Government during the life of the building. DM, West Tripura sanctioned Rs 58.98 lakh to 15 Government aided schools between June 1995 and March 1996. In no case, the ownership of land was transferred to the Government as required in the Scheme.

Director of School Education stated, in July 1997, that the department had asked the schools concerned to hand over the land to the Government.

5.11.3 Works completed but not useful in providing drinking water

Four Schemes to provide drinking water were taken up during October 1995 to April 1996 at an estimated cost of Rs 24.78 lakh in Bangalore (Urban) district in Karnataka. The works were completed during 1996-97 at a cost of Rs 16.95 lakh. However, the water was not supplied to the locality due to insufficient water to conduct hydraulic testing, incomplete linking works, lack of feeder mains etc. rendering the expenditure on the works infructuous.

5.12 Monitoring, Evaluation and Reporting

5.12.1 Monitoring

The Department of Programme Implementation, Government of India is the nodal authority for this Scheme at the Centre. For effective implementation of the Scheme, each State Government/UT Administration was required to designate one nodal department for physical monitoring through field inspections and for coordination with the Department of Programme Implementation.

The DCs were required to visit and inspect at least 10 *per cent* of works under the Scheme every year. Senior officers of implementing agencies, were to visit work spots regularly to ensure satisfactory progress. Officers of the districts at sub-division and block level were required to closely monitor implementation through visits to work sites.

The DCs were to involve the Member of Parliament in such inspections and monitoring to the extent possible. They were also required to furnish monitoring reports once in two months to the MPs and to the Department of Programme Implementation. A schedule of inspections prescribing the minimum number of field visits for each supervisory level functionary of the implementing agencies was to be drawn up by the Department of Programme Implementation.

The DCs were required to communicate information on the progress of works under the Scheme on the internet for which connectivity was available in the Parliament. Copies of such reports were also to be forwarded to MPs. Software required for reporting were to be furnished by the Department of Programme Implementation in co-ordination with the Lok Sabha Secretariat and Rajya Sabha Secretariat for instantaneous monitoring of the Scheme.

A senior Commissioner level officer at the State Headquarters was to conduct an annual meeting involving DCs and MPs to assess the progress of works once in a year.

Despite the above envisaged mechanism for monitoring the Scheme, test check of records in the Ministry and various States revealed following weaknesses/shortcomings :-

- ◆ Nodal department was not designated in the States of Meghalaya, Manipur, Arunachal Pradesh, Himachal Pradesh, West Bengal and Mizoram.
- ◆ Inspection of 10 *per cent* of works every year by DCs was either not conducted or relevant records of such inspection not maintained/furnished in test checked districts. In four States of Maharashtra, Bihar, Tamil Nadu and Orissa, it was stated that necessary inspections were conducted but no supporting records could be made available to audit.
- ◆ The Department of Programme Implementation has not laid down schedule of inspection prescribing the minimum number of field visits for each supervisory level functionary of the implementing agency as envisaged in the Scheme though the Scheme is in operation for more than three years.

5.12.2 Reporting

Initially six monitoring formats were devised by the Department of Programme Implementation for the purpose of reporting by the DCs. On the district authorities expressing reservations, the Department later prescribed two forms for reporting. The reports in the revised proforma were not submitted regularly. The Department, however, stated that a net work based information system has been devised wherein the details of each work would be directly entered into the computers at NIC District Cells. The same would be transmitted to them as well as to the concerned States through NIC net work.

The system was still at pilot testing stage.

5.12.3 Evaluation

The Scheme has been in operation since 1993-94 but no evaluation has been done on achievement of the objectives of the Scheme.

The Department stated, in March 1998, that a detailed proposal was formulated to get the MPLADS evaluated through a reputed organisation but neither the Finance Ministry nor the Planning Commission had agreed to provide additional resources for the review.

