

CHAPTER XVI: MINISTRY OF TEXTILES

16.1 Ill-monitored financial releases: Doubtful recovery

Releasing funds without verifying earlier utilisation and inadequate monitoring of the Census Project resulted in blocking of funds of Rs 16.62 lakh for more than five years and loss of interest of Rs 5.72 lakh.

With a view to having a regular system of feedback of economic, social, aesthetic and promotional aspects of various crafts and artisans in the handicraft sector, the Development Commissioner, Handicrafts launched an All India Census of Handicraft Artisans through State level research institutions under the overall guidance and supervision of the National Council of Applied Economic Research.

The Business School, a voluntary organisation, located in New Delhi, was assigned the work of conducting census in the area of Jammu and Kashmir, Punjab and Chandigarh and sanctioned an amount of Rs 12.55 lakh and Rs 7 lakh respectively for this work. Funds to the extent of Rs 10.67 lakh and Rs 5.95 lakh respectively were released (in instalments) to the organisation for carrying out the census in both the places between February 1995 and July 1996.

The work of census was required to be completed by October 1995 i.e. within six to eight months after the release of first instalment. The organisation could not complete the work till date even after seeking further extension of time till 24 November 1997.

On realising that there was no progress in the work, the Development Commissioner, Handicrafts issued a formal order in January 1998 for recovery of the entire amount of Rs 16.62 lakh plus interest at the rate of 6 *per cent per annum* amounting to Rs 2.14 lakh, up to December 1997.

Failure of the department in releasing funds in instalments without ensuring their earlier utilisation and inadequate monitoring of the Census Project resulted in doubtful recovery of Rs 16.62 lakh for a period of more than five years, besides loss of interest (at the rate of 6 *per cent per annum*) of Rs 5.72 lakh for the period February 1995 to July 2001. The objective of conducting census and building a reliable database also remained unfulfilled.

The Ministry in their reply in August 2001 accepted the audit observations and intimated that they were taking action for recovery of the funds and fixing responsibility on the officers concerned, besides black listing the NGO.