



**REPORT OF THE**

**COMPTROLLER AND AUDITOR GENERAL**

**OF INDIA**

**FOR THE YEAR ENDED 31 MARCH 1987**

**NO. 9 OF 1988**

**UNION GOVERNMENT**  
**(OTHER AUTONOMOUS BODIES)**

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

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## PREFATORY REMARKS

As mentioned in the Prefatory Remarks of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1987—Union Government—Civil (No. 1 of 1988), the results of test audit of the Central Autonomous Bodies (other than Scientific Bodies included in Report No. 7 of 1988) audited by the Comptroller and Auditor General of India under the various provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are set out in this Report.

2. The Report includes, among others, reviews on Raja Rammohun Roy Library Foundation; Indian Council of Historical Research; National Council of Educational Research and Training; Indian Institute of Technology, Kanpur; Central Social Welfare Board, etc.

3. The cases mentioned in this Report are among those which came to notice in the course of test audit during the year 1986-87 as well as those which came to notice in earlier years but could not be dealt with in previous Report; matters relating to the period subsequent to 1986-87 have also been included wherever considered necessary.

4. Chapter I gives an 'Overview' of the Report bringing out the significant Audit findings.





## CHAPTER I

### Overview

1. The Audit Report for the year 1986-87 contains 23 paragraphs including 5 reviews. The points highlighted in the Report are summarised below :

1.1 *Raja Rammohun Roy Library Foundation, Calcutta.*—Although the Foundation took the responsibility of assisting libraries all over the country in modernising their infrastructure, its efforts were concentrated largely on supply of books to libraries. Out of 29 objectives as listed out in the Memorandum of Association, the programme actually taken up by the Foundation was almost confined to one namely providing technical and financial assistance to libraries.

(Paragraph 4)

1.2 *Indian Council of Historical Research.*—The conditions for the release of grants in many cases were not fulfilled. Out of 93 research projects financed during 1978-79 to 1983-84, 75 projects remained incomplete. Out of 564 fellowships awarded, 137 fellowships were not covered under the rules. Out of 771 cases of study-cum-travel (contingency) grants, 579 cases remained incomplete. Out of 192 completed cases, theses of 37 cases were only received. In 74 per cent of the completed cases, the utilisation certificates and audited statements of accounts were not received. In most of the cases, the results of research were neither got evaluated nor utilised for promotion of historical research as per provisions of the Memorandum of Association. The fellowship/research projects/foreign travel grants continued to be paid to the scholars who had not completed projects allotted to them earlier. Out of 7 special projects assigned by the Government during 1972-75, one project involving a total expenditure of Rs. 37.11 lakhs was discontinued as per orders of the Government in September 1978. None of the remaining 6 projects on which a sum of Rs. 135.76 lakhs had been incurred, were completed. The work relating to preparation of Survey Reports for formulating a long term programme of research promotion had made no progress since 1981.

The first Review Committee, appointed by Government of India in June 1981 to review the work and progress of the Council with reference to its objectives and to enquire into the management and administrative procedures, submitted its Report in October 1982. The Council took 4 years to examine the said Report and submitted its comments in January 1987. The Government had not taken a decision.

(Paragraph 5)

1.3 *National Council of Educational Research and Training.*—A review on the working of the Publication Department of the National Council of Educational Research and Training (NCERT) revealed that due to non-preparation of the profit and loss account for its publications, it was not possible to conclude whether

textbooks produced by them were on 'No profit, no loss basis'. While fixing the pricing formula in the year 1981, the provision of discount was made at the rate of 20 per cent instead of 22½ per cent being allowed to the Sales Emporia. This resulted in underpricing of textbooks to the extent of Rs. 48.95 lakhs during the years 1982-83 to 1986-87. There was considerable delay by the Sales Emporia in remitting the sales proceeds to the NCERT ranging from 2 to 38 months resulting in loss of Rs. 37.15 lakhs to the NCERT. Though there is a large accumulation of stores from 1974-75, no action had been taken to dispose them of, 2.80 lakh volumes of general books valued at Rs. 25.65 lakhs remained unsold for more than five years. 3.88 lakh volumes of obsolete titles valued at Rs. 12.44 lakhs were lying in stock. A review on the working of the Department of Policy, Research, Planning and Programmes of the NCERT revealed that 93 research projects were running behind the time schedule ranging from 1 to 18 years.

(Paragraph 6)

1.4 *Indian Institute of Technology, Kanpur.*—In some of the doctorate courses, intake capacity ranging upto 90 per cent and in certain post-graduate courses, capacity ranging upto 67 per cent remained unfilled. Imported equipment valuing more than Rs. 22 lakhs had not been commissioned for more than 2 to 8 years. The Institute has surplus land of about 500 acres which was not being put to use like agriculture, establishment of industrial estate having relevance to its research and development activities despite recommendations to this effect made by the Reviewing Committee in March 1973.

(Paragraph 7)

1.5 *Central Social Welfare Board.*—The Board has not taken up any specific programme for the family and for assistance in cases of unemployment, underemployment, old age, sickness, etc. The amount of grants including the loan component which is recoverable were charged as revenue expenditure and no record showing the amounts of loan included therein was maintained by the Board. Out of the loans given during 1978-79 to 1979-80 for specific purposes, a sum of Rs. 71.48 lakhs was still recoverable in March 1987. Necessary bond required to be executed by the grantee institutions to safeguard the interest of the Board was not got executed in any case under the Socio-economic programme (Production).

(Paragraph 12)

1.6 *Calcutta Port Trust.*—(i) For handling salt and sulphur at Haldia dock, Calcutta Port authorities spent about Rs. 124.38 lakhs on conveyor system of finger jetty which was not commissioned. Out of Rs. 124.38 lakhs, Rs. 41.55 lakhs proved to be infructuous as the scheme of mechanical handling of cargo at the finger jetty had to be given up.

(Paragraph 14)



(ii) During 1980—87, ore and coal handling plants at Haldia remained unutilised to the extent of 99 per cent to 100 per cent and 41 to 80 per cent respectively. The idleness of the plants resulted in loss of revenue of Rs. 9874.75 lakhs. The Port Trust also abandoned the construction of bunkering arrangement at Haldia for storage of iron ore after incurring an expenditure of Rs. 79.99 lakhs which became infructuous.

(Paragraph 16)

(iii) The total investment of Rs. 15.03 crores made upto March 1986 in a fertiliser handling project at Haldia Dock had remained blocked owing to delay in completing the work awarded to a public sector firm in September 1976.

(Paragraph 15)

(iv) During 1981-82 to 1986-87, the hire charges payable to the Railways by the Port Trust exceeded the amount of demurrage charges recoverable from consignees by Rs. 373.32 lakhs. Chronic detention of wagons within the Port area due to delayed placement of wagons at the sidings, holding of damaged wagons, pilferage of wagon parts, etc. led to payment of excessive hire charges to the Railways.

(Paragraph 17)

(v) In spite of recommendations for utilisation of sheds of Kantapukur Grain Depot for leasing out sheds not required for pre-shipment cargo, made by a working group appointed by the Port authorities in March 1981, 4.09 lakh square feet of shed space on an average remained vacant upto October 1986 on the ground that a new policy of land utilisation and tenancy was being evolved. Besides, 2.70 lakh square feet of shed space was retained by the Port for use

as storage space for pre-shipment cargo which was not required. Thus during April 1981 to October 1986, revenue to the extent of Rs. 263.98 lakhs was lost due to not letting out 6.79 lakh square feet of space of Grain Depot.

(Paragraph 18)

(vi) The Port Trust incurred an expenditure of Rs. 786.60 lakhs on dredging operation in the shipping channel leading to Haldia, between December 1977 and May 1986. The scheme was abandoned in June 1986 and the objective of the scheme viz., a draft of 12.2 metres by 1980 was not achieved. The actual draft during 1982-83 to 1986-87 ranged between 5.72 and 5.22 metres.

(Paragraph 20)

1.7 Other topics.—(i) A radio therapy treatment planning system, imported from UK in November 1983 at a cost of Rs. 10.35 lakhs was commissioned only in October 1987 at the Regional Cancer Centre, Trivandrum.

(Paragraph 3)

(ii) During June 1985 to August 1987, Jute Manufactures Development Council, Calcutta incurred an expenditure of Rs. 6.40 lakhs on rent etc. of 2 hired flats having a total carpet area of 7500 square feet. While during June 1985 to June 1986, 3800 square feet remained completely vacant; during June 1986 to the date of shifting of the office in August 1987, 2972 square feet remained vacant. Due to hired space remaining vacant, Rs. 5.69 lakhs, paid as rent, proved to be infructuous.

(Paragraph 23)



## CHAPTER II

### 2. General

2.1 The accounts of autonomous bodies which receive financial assistance from Government are being audited by the Comptroller and Auditor General of India under various provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

As on 31st March 1987, there were 52 Central autonomous bodies (other than scientific) whose annual accounts were to be audited by the Comptroller and Auditor General of India under Section 14(1) and (2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. During 1986-87, grants amounting to Rs. 3529.09 lakhs were paid by the Union Government to 20 bodies. The annual accounts for 1986-87 in respect of 32 bodies were awaited.

As on 31st March 1987, there were 168 Central autonomous bodies (other than scientific) including 9 Universities whose annual accounts were to be audited by the Comptroller and Auditor General of India as sole Auditor of these bodies under Sections 19(2) and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. During 1986-87 grants and loans amounting to Rs. 85917.74 lakhs and Rs. 22388.81 lakhs respectively were paid by the Union Government to 159 autonomous bodies and grants to the extent of Rs. 12356.11 lakhs were received by 9 Universities from University Grants Commission/Central Government. The audited accounts of these autonomous bodies alongwith the Separate Audit Reports on each individual body/organisation are issued to the Government of India every year for being placed before the Parliament.

2.2 *Delay in submission of accounts by autonomous bodies.*—“The Committee on Papers Laid on the Table of the House” recommended in its First Report (5th Lok Sabha) 1975-76 that after the close of the accounting year every autonomous body should complete its accounts within a period of 3 months and make them available for Audit and that the reports and the audited accounts should be laid before the Parliament within 9 month of the close of the accounting year. For the year 1985-86 audited accounts together with Separate Audit Reports thereon of 166 Central autonomous bodies (other than scientific) which were under audit by the Comptroller and Auditor General of India, were to be placed before the Parliament. Out of these, the accounts of 66 autonomous bodies only were made available for Audit within the prescribed time limit of 3 months of the close of the accounting year. Submission of accounts of 100 autonomous bodies was delayed as indicated below :—

Delay upto one month	55
Delay of over one month upto 3 months	31
Delay of over 3 months upto 6 months	8
Delay of over 6 months upto 12 months	6
	<hr/>
	100

2.3 *Outstanding utilisation certificates of grants.*—Consequent on the departmentalisation of accounts in 1976, certificates of utilisation of grants were required to be furnished by the Ministries/Departments concerned to the Controllers of Accounts in respect of grants released to statutory bodies, non-Government institutions, etc. for specific purposes specifying that the grants had been properly utilised on the objects for which they were sanctioned, and that, where the grants were conditional, the prescribed conditions had been fulfilled. The Ministry/Department-wise details, indicating the position of outstanding utilisation certificates, are given in Appendix I.



**CHAPTER III**  
**Ministry of Health and Family Welfare**  
**Regional Cancer Centre Trivandrum**

**3. Purchase of a Radio Therapy Treatment Planning System**

The Regional Cancer Centre, Trivandrum sanctioned (June 1983) the purchase of a Radio Therapy Treatment Planning System from a UK firm at a cost of £ 68,000 (Rs. 10.35 lakhs) excluding local taxes and customs duty. The equipment was to be delivered at Trivandrum before the end of November 1983. Eighty *per cent* of the cost was payable on proof of despatch from the UK and the balance 20 *per cent* on satisfactory installation. The equipment reached the Bombay air port on 4th November 1983. It was cleared from the Bombay air port through Indian Airlines, by a transporting agency at Bombay on 26th March 1984. When the equipment reached the Centre at Trivandrum on 27th March 1984, it was in damaged condition. The UK firm supplied spare parts worth £ 25,000 in October 1984. The engineers of the firm, who arrived at the Centre in March 1985, could not complete the installation as there was some problem with the control system of the equipment. The following points were noticed in Audit :—

Even though 20 *per cent* of the cost was payable after installation, the Centre paid full cost in August 1983. The Centre stated (October 1987) that the bank was agreeable to open a letter of credit for the import on the basis of the *proforma* invoice only, which was for the full cost and opening of two letters of credit was not resorted to as the firm abroad would not be agreeable to issue the invoice in two instalments.

There was no agreement with the transporting agency for the safe transportation from Bombay to Trivandrum. The Centre stated that, when the equipment reached the Bombay air port, there was a major prolonged labour strike and hence, the transportation from Bombay to Trivandrum was delayed and it was arranged through an authorised Indian Airlines transporting agency. The fact, however, remained that the responsibility for the damages could not be fixed either on the supplier firm or on the transporting agency.

According to the Centre, the spare parts supplied by the firm in October 1984 were free of cost. However, the firm has raised claim for £33,475 (May 1985) which included value of spare parts (£25,000) and cost incurred by them in resolving the equipment damage problem (£8,475). The firm had observed that according to the enquiry made by their insurance agents, the consignment was in good condition at the time of clearance by the transporting agency from the Bombay air port and hence they were not responsible for the damages. The claim has not been settled (December 1987).

The contract included provision to give free training in England by the firm to one customer personnel, including his cost of travel between India and England. The facility has not been availed of by the Centre.

As the entire cost was paid in advance, the Centre could not make adjustments towards expenditure incurred by it on warehouse charges and transportation charges (Rs. 0.27 lakh), non-availing of training facilities and non-installation of the equipment by the firm's engineers.

The matter was reported to Ministry in September 1987. The Ministry stated in November 1987, that with the assistance of the All India Institute of Medical Sciences, Delhi and the Kerala State Electronics Development Corporation Limited, Trivandrum, the equipment could be commissioned from October 1987 and that fees payable to them would be nominal.

**Ministry of Human Resource Development**  
(Department of Culture)

**4. Raja Rammohun Roy Library Foundation**

4.1 *Introduction.*—The Raja Rammohun Roy Library Foundation was set up by the Government of India in May 1972 as an autonomous body registered under the West Bengal Societies Registration Act, 1961 with a view to promoting and supporting the public library movement in the country by providing adequate library services and popularising the reading habit particularly in the rural areas. The objectives of the Foundation, inter alia, are to :—

- (i) enunciate a national library policy;
- (ii) help to build up a national library system by integrating the services of libraries at National, State and District levels through inter-library lending systems;
- (iii) provide financial and technical assistance to libraries;
- (iv) extend financial assistance to organisations engaged in promotion of library development;
- (v) establish regional library services centres to assist in the reproduction and proper preservation of reading materials;
- (vi) advise the Government of India on all matters pertaining to library development; and
- (vii) promote research in problems of library development.

4.2 *Scope of Audit.*—The Foundation was brought under section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 from the year 1978-79. The annual accounts of the foundation were accordingly audited every year and Separate Audit Report thereon prepared and the same together with certified accounts were placed before both the Houses of Parliament through the Ministry concerned. A review on the Working of the Foundation was taken up by Audit for the first time in February-March 1986.



4.3 *Organisational set up.*—The Foundation is assisted by an Administrative Committee headed by the Chairman of the Foundation and such other authorities as may be constituted by the Foundation. The Chairman is the Union Minister, Department of Culture or his nominee.

#### 4.4 Highlights

- During the Sixth Five Year Plan period the Foundation spent Rs. 210.19 lakhs against an outlay of 200 lakhs for implementation of seven schemes. Although the foundation took the responsibility for assisting libraries all over the country in modernising their infrastructure, its efforts were concentrated largely on supply of books to libraries. While expenditure on supply of books to libraries was 130 per cent of Sixth Plan outlay, the assistance for other library services ranged between 7 and 27 per cent.
- The contributions by State/Union Territory as also the assistance by the Foundation were very irregular during the Sixth Plan period.
- Out of the total cash grant of Rs. 19.87 lakhs paid by the Foundation under three different schemes of assistance to 1506 libraries upto the end of 1986-87, utilisation certificates and audited statement of accounts had not been received for Rs. 12.14 lakhs from 1004 libraries.
- The number of libraries inspected annually by the Foundation during 1980-81 to 1985-86 ranged between 9 and 26; percentage of inspection is below 1 per cent.
- Out of 29 objectives as listed in the Memorandum of Association, the programme actually taken up by the Foundation was almost confined to one namely providing technical and financial assistance to libraries.

4.5 *Recommendations of the Evaluation Committee.*—During the Fifth Five Year Plan the Foundation concentrated on (1) building up of adequate stocks of books and reading and visual materials, (2) development of rural book deposit centres and mobile library services and (3) cataloguing, classification, binding and preservation of out of print rare books/manuscripts. The Foundations programmes fared better in States which had enacted library legislation and possessed the basic organisations for development of public library system (Andhra Pradesh, Karnataka, Maharashtra and Tamil Nadu). An Evaluation Committee set up to assess the impact of the Foundation on the library service in the country reported (August 1978) that the guidelines for selection of books required revision, that book deposit centres should be chosen with greater care, that mobile library services should bank more on bicycles and autorickshaws especially for rural areas and that preservation of old and rare books/manuscripts should be continued. For the Sixth Five Year Plan period the Committee recommended (1) consolidation of

work already done (2) further expansion of book supply programmes and (3) undertaking of new activities and programmes. Besides recommending expenditure on mobile libraries, preservation of rare books, publication, seminars, etc. the Committee suggested that the number of village libraries to be covered should be increased and the library movements should be an important instrument of adult education.

4.6. *Utilisation of grants and contributions from 1980-81 to 1986-87.*—The Foundation is financed by grants from the Government of India and contributions from different State Governments and Union Territories. In addition, the Foundation has some miscellaneous receipts from internal sources. The expenditure under various assistance schemes is met from plan grants and the quantum of financial assistance rendered for each State and Union Territory is generally given on a matching basis.

During the period upto 31st March 1987 the Foundation received total grants and contributions of Rs. 481.51 lakhs, of which Rs. 293.71 lakhs were received from the Government of India and the balance from the States and Union Territories. The details are as follows :—

Year	Unspent balance at the end of previous year	Grants from Government of India	Contributions from State/Union Territory	Internal Receipts	Expenditure	Unspent balance
(Rupees in lakhs)						
1980-81	12.54	23.75	23.49	0.43	42.16	18.05
1981-82	18.05	26.45	18.26	0.64	38.42	24.98
1982-83	24.98	27.47	19.88	1.40	65.32	8.41
1983-84	8.41	32.61	18.04	0.86	56.87	3.05
1984-85	3.05	37.21	20.41	0.96	58.15	3.48
1985-86	3.48	97.40	25.02	0.91	75.17	51.64
1986-87	51.64	48.82	62.70	2.86	165.05	0.97

Although the Foundation did not maintain any accounts separately for each State Government contributions and Central Government grants, it was able to segregate the unspent balance of Rs. 51.64 lakhs at the end of the year 1985-86 as follows :—

(a) Central Government grants	Rs. 24.90 lakhs
(b) State Government contributions	Rs. 26.74 lakhs

At the end of the year 1986-87, the closing balance of Rs. 0.97 lakh was stated to be entirely the unutilised portion of State Government contributions.

4.7 *Inter-state distortions in assistance rendered.*—Financial assistance to State and Union Territories is rendered on a matching basis. The maximum assistance is to be limited to Rs. 2.00 lakhs in a year upto the end of the Sixth Five Year Plan period. The rate of matching assistance to the States and Union Terri-



ories during the Seventh Plan period, was revised as follows :—

States and Union Territories	Rupees in lakhs per year
1. Andhra Pradesh, Bihar, Maharashtra and Uttar Pradesh	5.00
2. Gujarat, Karnataka, Orissa, Tamil Nadu and West Bengal	4.00
3. Assam, Haryana, Kerala, Madhya Pradesh, Punjab and Rajasthan	3.00
4. Himachal Pradesh, J&K, Manipur, Sikkim and Tripura	0.70
5. Union Territories	0.50

The Administrative Committee of the Foundation may, however, vary the share of matching assistance in deserving cases. The contributions by the States| Union Territories as also the assistance by the Foundation were very irregular during the Sixth Plan period.

Out of 22 States and 9 Union Territories as many as 20 States and 8 Union Territories failed to send their contributions regularly. The Foundation on its part failed to render any assistance for the period upto 31st March 1987 to the State of Jammu and Kashmir and the Union Territories of Chandigarh, Dadra and Nagar Haveli and Delhi mainly due to non-receipt of proposals. The Foundation thus failed to make any perceptible contributions to the library movement in these States|Union Territories.

**4.8 Committed Liability.**—The Foundation has a large committed liability on different schemes against contributions already received but remained unspent due to various reasons viz., proposals not received, bills awaited, bills awaiting adjustment etc. and also due to incurring excess expenditure in respect of some States viz., Rs. 2.81 lakhs for Karnataka and Rs. 0.34 lakh for Madhya Pradesh in 1981-82. Rs. 3.31 lakhs for Karnataka in 1982-83 and Rs. 0.07 lakh for Orissa in 1983-84 by diversion of Contributions received from other States to be adjusted against their future contributions.

The extent of such committed liability stood at Rs. 100.69 lakhs at the end of the year 1986-87 out of which liability of the Foundation appeared to be considerable in respect of Andhra Pradesh (Rs. 18.34 lakhs), Bihar (Rs. 4.21 lakhs), Gujarat (Rs. 4.78 lakhs), Himachal Pradesh (Rs. 6.31 lakhs), Karnataka (Rs. 7.96 lakhs), Kerala (Rs. 6.94 lakhs), Madhya Pradesh (Rs. 2.73 lakhs), Maharashtra (Rs. 10.25 lakhs), Tamil Nadu (Rs. 10.85 lakhs), Tripura (Rs. 2.01 lakhs), Uttar Pradesh (Rs. 11.86 lakhs) and West Bengal (Rs. 8.67 lakhs).

**4.9. Sixth Plan Programmes.**—The Sixth Plan Programmes as adopted by the Foundation in the beginning of the year 1978-79 were modified later on in the light of the recommendations submitted by the Evaluation Committee. The financial outlays on the scheme of assistance as finally adopted for implementation during the Sixth Plan period, and the expenditure actually incurred during the period are in-

dicated below :—

Name of the scheme	Outlay during the VI Plan period	Actual expenditure	Percentage
	(Rupees in lakhs)		
1. Assistance towards building up of adequate stock of books reading and visual materials.	155.00	201.01	129.68
2. Assistance towards development of rural book deposit centres and mobile library service.	5.00	0.39	7.80
3. Assistance towards binding and preservations of rare books, journals and manuscripts.	5.00	0.96	19.20
4. Assistance towards storage of books.	30.00	6.46	21.53
5. Assistance towards organisation of seminars, workshops, training courses, etc.	5.00	1.37	27.40
Total	200.00	210.19	

It may be seen from the above that although the Foundation set itself the task of assisting libraries all over the country in modernising their infrastructure, its efforts were concentrated largely on supply of books to libraries through large publishers and book shops. Whereas the expenditure on supply of books was about 130 per cent of the outlay, that on assistance for other library service varied from a meagre 7.8 per cent to 27.4 per cent of the outlay.

Expenditure on books accounted for over 95 per cent of the total outlay under the Sixth Plan as against 77.5 per cent in the budget provision. Binding, preservation and storage of books, Seminars and training were not given the importance by the Foundation under the Sixth Plan. The Foundation stated (January 1987) that it has to depend largely on State Governments and State Library Planning Committee for utilisation of funds under a particular scheme. Due to paucity of such proposals from these authorities, the funds could not be properly utilised. The Foundation was of the view that book assistance was more useful than any other assistance to the library.

**4.10 Wanting acknowledgements for books.**— Assistance under the Matching Book Assisatnce Scheme was given from two sources (i) matching source and (ii) Central Sources. When assistance was rendered from the matching source, the responsibility for selection, purchase and distribution of books was vested in the State authority, and when assistance was rendered from the Central Sources, the Foundation was responsible for selection and supply of books.

When the Foundation placed order 75 per cent payment was made to the publishers|suppliers on receipt of proof of despatch (along with list of books despatched) and the balance on receipt of acknowledgement of the books by the recipient libraries|consignees.

It was observed that pending receipt of acknowledgement of the books from the recipient libraries|consignees (the reasonable time being 90 days from



the date of first payment) a sum of Rs. 6.64 lakhs representing 25 per cent amount of the bills remained as outstanding liabilities of the Foundation as per accounts of the Foundation as at the end of 1986-87. The year-wise break up of the amount of the outstanding liabilities of Rs. 6.64 lakhs upto the end of 1986-87 as worked out in Audit from a detailed scrutiny of the personal ledger accounts was as follows :—

Period	Amount (Rs. in lakhs)
Upto 1978-79	0.36
1979-80	0.07
1980-81	0.08
1981-82	0.13
1982-83	0.40
1983-84	0.09
1984-85	0.39
1985-86	0.95
1986-87	4.17
<b>Total</b>	<b>6.64</b>

This implied that the recipient libraries had not acknowledged books worth Rs. 26.56 lakhs upto the close of 1986-87, of this Rs. 1.44 lakhs related to books which were supposed to have been delivered in 1978-79 or earlier.

4.11 *Financial Assistance to different libraries.*—The Foundation rendered financial assistance to the libraries under the following schemes :—

- (i) Assistance towards binding and preservation of rare books, journals and manuscripts;
- (ii) Assistance towards organisation of library workshops, seminars and book exhibitions; and
- (iii) Assistance towards storage of books.

The libraries and organisations receiving cash grants were required to furnish utilisation certificates and audited statement of accounts in support of expenditure incurred against the grants to the Foundation, after the close of the financial year in which the grants were paid. Of the total cash grants of Rs. 19.87 lakhs to the end of 1986-87, utilisation certificates and audited statements of accounts had not been received (March 1987) for Rs. 12.14 lakhs from 1004 libraries as detailed below :—

Name of the schemes	Amount paid to the end of 1986-87 (Rs. in lakhs)	Number of libraries/organisations covered	Utilisation certificates audited state-ments etc. not received (Rs. in lakhs)	Number of libraries/organisations involved
1. Binding and preservation of rare books etc.	7.51	461	3.32	295
2. Workshops, Seminars and Exhibitions.	3.80	56	2.16	33
3. Storage of Books.	8.56	989	6.66	676
	<b>19.87</b>	<b>1506</b>	<b>12.14</b>	<b>1004</b>

4.12 *Inspection of libraries.*—In order to survey the need of the beneficiary libraries and also to monitor utilisation of assistance provided by the Foundation, there was a Field Officer at the Headquarters of the Foundation. The Evaluation Committee Report as accepted by the Foundation in 1979 had laid emphasis on such survey and recommended strengthening of staff for such purpose. Libraries assisted by the Foundation had, however, neither been inspected regularly nor were any norms laid down by the Foundation in this regard. The number of libraries test checked by the Foundation since 1980-81 were as follows :—

Year	Number of libraries covered	Number of Libraries inspected
1980-81	4998	10
1981-82	6676	9
1982-83	2057	10
1983-84	3369	18
1984-85	2961	26
1985-86	2224	20
1986-87	(not yet compiled)	12

The Foundation made only a sample check of the books provided by the Library. Though the inadequacy of inspection and verification of records of the libraries which were to receive books under the different assistance scheme was being repeatedly pointed out in earlier Separate Audit Reports, the position did not improve.

The Foundation, however, reiterated (January 1987) that according to the present status, they had to depend on State Governments and State Library Planning Committees for ensuring proper utilisation of assistance, library service being a State subject. The Foundation has since recruited four field officers for the purpose.

4.13 *Fulfilment of aims and objectives.*—The objectives of the Foundation as defined in the Memorandum of Association assign it a very important role in the promotion of the library movement in the country, and the development of an efficient and integrated library system. These objectives are very wide ranging and comprehensive. Out of the 29 objectives as listed in the Memorandum of Association the programme actually taken up by the Foundation was almost confined to one viz., providing technical and financial assistance to libraries.

The Foundation stated in January 1987 that within the limitation of resources, financial and manpower, it was able to achieve the target set for the Sixth Plan period.

#### Ministry of Human Resources Development (Department of Education)

#### 5. Indian Council of Historical Research

5.1. *Introduction.*—The Indian Council of Historical Research (hereafter referred to as Council) was established as an autonomous organisation in



February 1972 and was registered under the Societies Registration Act, 1860. Its main objects are to :---

- sponsor historical research programmes| projects and assist institutions and organisations engaged in historical research.
- provide technical assistance for the formulation of historical research programme by individuals or institutions and support institutional arrangements for training in research methodology;
- institute and administer scholarships and fellowships for historical research by students, teachers and other research workers;
- organise, pursue and support seminars, workshops and conferences for the promotion and utilisation of historical research;
- develop and support centres for documentation and reference service on historical research;
- undertake the compilation and publication of source material as would facilitate historical research and historical working;
- promote publication of historical research of high standard and undertake publication of digests, periodicals and journals devoted to such research and
- take all such measures as may be found necessary from time to time to promote historical research and its utilization in the country.

5.2 *Scope of Audit.*—The review on various activities of the Council was conducted by Audit in June to October 1987 covering the period from 1978-79 to 1986-87. The last review on the working of the Council was included in paragraph 38 of the Report of the Comptroller and Auditor General of India for the year 1980-81—Union Government (Civil).

5.3 *Organisational set up.*—The Council consists of a Chairman, a Member Secretary and 25 other members which include eminent historians, representatives of the Government of India and certain other organisations. It functions in accordance with the provisions of its Memorandum of Association and Rules. The Council is empowered, *inter alia* to, approve Annual Reports, Accounts, Budget estimates, constitute Administrative and Research Project Committees, appoint and dissolve Advisory panels or Committees, frame and amend regulations on various matters including terms and conditions governing grants-in-aid, fellowships, etc. Its Administrative Committee looks after the administrative and financial affairs of the Council and the Research Projects Committee scrutinizes and sanctions grants-in-aid to research projects and other proposals for financial assistance.

#### 5.4 *Highlights*

- The affairs of the Council are managed by three Statutory Committees. The meetings of these committees were not held regularly.
- Since the inception of the Council, the first ever Review Committee appointed by the

Government of India in June 1981, submitted its report in October 1982. The Council, however, took 4 years to examine the said report and submitted its comments in January 1987. The Government had not taken a decision.

- Under the grants-in-aid schemes, the grants are sanctioned for research projects, fellowships, study-cum-travel contingency, foreign travel, etc. Quite a number of projects under these schemes had not been completed. Moreover, the conditions attached for award of grants were not fulfilled in many cases.
- Out of the 93 research projects financed during 1978-79 to 1983-84 (grant paid Rs. 8.69 lakhs), 75 projects (Rs. 6.36 lakhs) remained incomplete. The audited statement of accounts and utilisation certificates in 69 cases (grant paid Rs. 6.02 lakhs) were not received.
- Out of 564 fellowships awarded (grant paid Rs. 143.11 lakhs). 137 fellowships (Rs. 52.35 lakhs) were not covered under rules. The final reports of 185 cases (Rs. 52.05 lakhs) had not been received. These of 9 scholars only were published and 3 were placed in Documentation Centre. The audited statement of accounts and utilisation certificates in 293 and 120 cases respectively (grant paid Rs. 63.62 lakhs and Rs. 26.20 lakhs) had not been received.
- National Fellowships were initially awarded in all the 4 cases without receipt of research proposals|themes of research and scrutiny by the Research Projects Committee. The contingency funds utilised by National Fellows had little to do with the themes chosen by them.
- Out of 771 cases of study-cum-travel contingency grants (grant paid Rs. 10.34 lakhs) 579 cases (Rs. 7.13 lakhs) remained incomplete. Out of 192 completed cases, theses of 37 cases only were received. The utilisation certificates and audited statement of accounts were not received in 74 per cent of the completed cases.
- Of the 74 cases of foreign travel grant (grant paid Rs. 6.78 lakhs), in 62 cases (Rs. 5.78 lakhs), the reports had not been received. In 42 cases (Rs. 4.32 lakhs), the utilisation certificates/air tickets, etc. were not received.
- The fellowship/research projects/foreign travel grants were being paid to the scholars who had not completed the projects allotted to them earlier.



- In most of the cases, the results of research were neither got evaluated nor utilised for promotion of historical research as per provisions of the Memorandum of Association.
- Under the cultural exchange programmes, delegates were sent abroad without the approval of Research Projects Committee (expenditure incurred Rs. 2.50 lakhs).
- The work relating to preparation of Survey reports for formulating a long term programme of research promotion had made no progress since 1981. No meeting of the Survey Committee was held after January 1980.
- The Government assigned 7 special projects during 1972—75. One of the projects (Translation Project) was discontinued as per orders of the Government in September 1978 and an expenditure of Rs. 37.11 lakhs was incurred on it upto 1983-84. None of the remaining 6 projects (Towards Freedom, Praja Mandal, Role of Central State Legislatures in Freedom Struggle, Study of the Civilisation of Central Asia, Source Book on Indian History and Culture and History of the Second World War) had been completed though a sum of Rs. 135.76 lakhs had been incurred thereon and there has already been delays ranging upto 14 years in their completion. Files pertaining to 2 special projects (Role of Central State Legislatures in Freedom Struggle and Study of Civilisation of Central Asia) were not traceable in the Council, consequently no further action for their completion was taken.

5.5 Meetings of the Council.—The Council and Committees were required to meet periodically as per provisions of rules. The Council was required to meet at least twice a year and Administrative and Research Project Committees were to hold at least three meetings every year. The number of the meetings held are given below :—

Name of the Council/ Committee	Period	Number of meetings required to be held	Number of meetings actually held
Council (Governing Body).	1981-82 to 1986-87	12	7
Administrative Committee.	—do—	18	7
Research Projects Committee.	—do—	18	14

It was stated (March 1987) that due to delay in appointing the Chairman by the Government of India, the Council functioned without Chairman for

over two years and the meetings could not be convened as scheduled.

#### 5.6 Review Committee

5.6.1 The rules of the Council provide that the Government may appoint one or more persons to review the work and progress of the Council and to hold enquiries into its affairs and to report thereon. The Government decided to appoint the first Review Committee for the purpose. The Review Committee consisting of a Chairman and 2 other members was actually appointed in June 1981 with the following objectives :—

- (i) to review the work and progress of the Council with reference to its objectives;
- (ii) to inquire into the management and administrative procedures of the Council; and
- (iii) to make necessary recommendations with regard to its future functioning.

The Review Committee examined different aspects of the functioning of the Council and noted certain inadequacies, delays and managerial lapses which included lack of follow-up action in respect of different programmes, poor progress in completion of projects under different grants-in-aid schemes, delay in completion of projects, unsatisfactory publication of completed projects. The Review Committee also observed that the Council was not merely a fund distributing institution but had to provide all intellectual infrastructure for promotion of historical research and offer inducement to pursue deeper and more extensive study of history in all its aspects. Accordingly, the Review Committee recommended that the Council should undertake a more detailed examination of priorities amongst its tasks, arrange wider publicity in areas of research amongst prospective researchers, set up one or more monitoring cells to review the progress, deploy academic staff more purposefully, prepare an approved panel of experts, etc. The Committee also suggested that :—

- (i) a record of scholars who had not completed projects under different schemes in spite of 2 extensions should be kept and it should be ensured that such scholars are not sanctioned any other project till they complete the earlier project and render account to the satisfaction of the Council.
- (ii) the possibility be examined for incorporating a contractual obligation on the part of the recipients of grants-in-aid to refund any amounts released in their favour for completion of the project should it not be fulfilled to the satisfaction of the Council.

5.6.2 The Review Committee submitted its report in October 1982. The Council took over 4 years to examine the report and sent its comments on the recommendations of the Review Committee to the Government of India in January 1987. Further communication from the Government of India was awaited (June 1987).



The Ministry stated in January 1988 that after the present Chairman took office in September 1986 all the recommendations were scrutinised afresh and those which had not been implemented earlier were put into effect. The particulars of meetings of the Council, Research Projects Committee, etc. wherein decisions to implement each of the recommendations of the Report were taken, had not been furnished by the Council.

### 5.7 Finance and Accounts

The Council is mainly financed by the grants received from Government of India, Ministry of Human Resource Development. The grants so received are further allocated by the Council under different schemes. Yearwise summary of receipts and payments from 1981-82 to 1986-87 is given below :—

...	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	Total
	(Rupees in lakhs)						
<i>Receipts</i>							
Opening balance	1.88	3.12	1.76	1.49	2.87	15.04	26.16
Grants from Government	45.39	61.03	69.65	79.97	116.93	116.64	489.61
Sale of books and royalties	0.53	.47	.16	.33	.64	1.66	3.79
Receipts from other sources	.79	.90	1.28	.50	1.67	1.92	7.06
<b>Total :</b>	<b>48.59</b>	<b>65.52</b>	<b>72.85</b>	<b>82.29</b>	<b>122.11</b>	<b>135.26</b>	<b>526.62</b>
<i>Payments</i>							
Administration	17.00	22.31	24.43	29.44	33.04	42.50	168.72
Capital Expenditure	1.12	2.43	3.15	3.14	4.97	10.42	25.23
Direct expenditure on various activities	6.49	10.76	9.94	13.32	22.51	17.41	80.43
Grants disbursed under various schemes	20.39	27.50	33.29	30.79	43.18	53.67	208.82
Debt deposit advances, etc.	.47	.76	.55	2.73	3.37	7.10	14.98
Closing balance	3.12	1.76	1.49	2.87	15.04	4.16	28.44
<b>Total :</b>	<b>48.59</b>	<b>65.52</b>	<b>72.85</b>	<b>82.29</b>	<b>122.11</b>	<b>135.26</b>	<b>526.62</b>

### 5.8 Grants paid by the Council

5.8.1 *Research Projects*.—In order to encourage research in hitherto neglected aspects of history, the Council gives financial support for research projects in a specific topic in any branch of history or any other subject with a strong historical base. Under this scheme, research projects are entertained from groups of historians, economists, sociologists etc. Normally the project is sanctioned for 2 years and may be extended in exceptional cases.

During the period 1978-79 to 1983-84 the Council financed 93 projects which were due for completion by 1986-87 and released Rs. 8.69 lakhs for research projects in Indian History. Out of these 93 projects 17 projects were completed in prescribed or in extended time and one project was completed after prescribed/extended time. The remaining 75 projects for which the Council had paid grants of Rs. 6.26 lakhs were incomplete. Thus 81 per cent of the total projects financed were still (July 1987) incomplete and were going on. Besides, 22 projects (grant paid Rs. 2.75 lakhs) financed upto 1977-78 were still not completed (July 1987). The Council could not give a satisfactory reply for the delay except in 6 cases.

Rules for release of grants for research projects provide that the Project Director should give wide

and timely publicity to the research results and submit to the Council alongwith his final report, a short summary for publication in the Council's journal. The Council had not maintained any records to watch the receipt of summaries and/or the results of the projects on their completion and in what way these were used by the Council. The Council stated in September 1987 that in all the 18 completed projects, final reports as well as summary had been received. Neither any action was taken by the Council to get the final reports evaluated and to publish the summaries in the Council's journal nor any action was taken to enlighten the scholars with the research results received from the Project Directors. The Ministry stated in January, 1988 that reports after each year would be evaluated by an expert.

The audited statement of accounts and utilisation certificates in 69 cases involving grant of Rs. 6.02 lakhs had not been received from recipients till September 1987. No action was taken to get these documents from the grantees.

5.8.2 *Fellowship grant*.—Council sanctions fellowship and contingency grants generally for a period of 2 years duration to historians in universities/colleges and other institutions who have established their reputation for research or who have the potential for professional growth.



The rules provide that a historian eligible under the rules may apply for a research fellowship through the institution where he/she is working. The rules further lay down that every research fellow shall be attached to an institution of his choice which is approved by the ICHR through which fellowship amount shall be disbursed.

A total grant of Rs. 143.11 lakhs was released during 1978-79 to 1986-87 for award of fellowships to 584 research fellows. Of these 137 fellowships (grant released Rs. 52.35 lakhs) were not covered under the rules as the research fellows were not working/attached to any university, college or institution. The research fellows had applied direct to the Council and not through any college/university institution. The Council admitted (December 1987) that there had been certain deviations in some cases as per existing rules and it could not exercise proper control over such scholars. The Ministry stated that Research Projects Committee decided in December 1987 that only national senior fellows of professional status who wished to be attached directly to the Council might be permitted in cases where there were genuine difficulties for affiliation with other institutions.

The terms of fellowship required the recipients to submit a final report to the Council within six months of the conclusion of fellowship. Out of the 348 fellowships (grant released Rs. 98.88 lakhs) for which the final report was due between 1980-81 and 1986-87, 185 reports (grant released Rs. 52.05 lakhs) had not been received (September 1987). There was no system of monitoring to ensure timely completion of work.

Out of 69 recipients (grant released Rs. 32.52 lakhs) who were independent scholars/retired university professors to whom fellowships were awarded, only 7 recipients submitted the final report. The report of 62 recipients (grant released Rs. 29.05 lakhs) remained outstanding (September 1987), though they had become due between 1980-81 and 1986-87. The Council had also not laid down any follow up action for the final reports/theses received in the Council after the completion of fellowship projects. Theses of 9 scholars only (grant released Rs. 3.50 lakhs) had been evaluated and published (September 1987). Theses/final reports of only 3 scholars (grant released Rs. 1.19 lakhs) had been placed in the Documentation Centre (September 1987). The Review Committee stated (October 1982) that the actual publication of the completed projects had been comparatively unsatisfactory. The projects were meant for scholars and students and if these remain unpublished, much of the purpose of having these projects completed would not be served.

Fellowship rules provide that grant shall be paid in advance in six monthly instalments and subsequent instalments shall be released only on receipt of six

monthly progress report and the statement of expenditure during the preceding six months. In 39 cases (grant released Rs. 2.10 lakhs), the six monthly progress report and the statement of expenditure in respect of the previous instalments had become due between September 1979 and March 1987 but these had not been received so far (September 1987).

In another 6 cases (grant released Rs. 0.50 lakh) the scholars dropped/resigned in the middle of the fellowship. 4 research fellows (grant released Rs. 0.84 lakh) had since died.

No provision had been made in the rules for effecting refund from the defaulters (September 1987). The Ministry stated that Council was considering whether some legal undertaking could be obtained from the grantees.

The audited statement of accounts in 293 cases (grant released Rs. 63.62 lakhs) and utilisation certificates in 120 cases (Rs. 26.20 lakhs) became due between 1980-81 and 1986-87, but these had not been received so far from the research fellows (September 1987).

It was further revealed that :—

- (1) The research proposals of the scholars were examined by one or two experts before the fellowship proposal was placed in the Research Projects Committee. However, there was no panel of experts in the Council (September 1987). The Review Committee stated (October 1982) that the Council should take steps through its Research Projects Committee to prepare an approved panel of experts for various topics, sub-topics of research.

Two of the experts to whom fellowships were sanctioned in 1982-83 and 1983-84 (grant released Rs. 1.34 lakhs) had not submitted the final report of their projects (September 1987) which had become due in 1985-86.

- (2) One recipient of fellowship grant, was neither a Ph.D nor a senior scholar but the Council sanctioned her senior fellowship @Rs. 1600 per month and contingent grant @ Rs. 3000 per annum in 1983-84 (total grant released Rs. 0.37 lakh) instead of junior fellowship @ 600 per month and contingent grant Rs. 2000 per annum. Neither had the scholar sent the final report which became due in March 1986 nor had the Council followed it up (September 1987). Even though the Ministry admitted that the research scholar was no longer pursuing research, but she could not be treated as a junior research fellow.



- (3) One research fellow for whose research proposal, the expert had given adverse remarks, was sanctioned fellowship for two years in 1981-82 (grant released Rs. 0.25 lakh). The research fellow had not furnished the final report so far (September 1987). The Ministry stated that there were two experts who gave opinions, one opinion was broadly favourable and other adverse. The Research Project Committee decided the proposal taking into consideration the opinions of two experts. The relevant agenda was however not made available.
- (4) As per rules, the research fellow shall engage himself on his research work on a whole time basis and shall not accept, during the period of fellowship, any other assignment without the prior permission of the Council. A scholar who was employed in an institution at the time of sanctioning of fellowship in 1983-84 had been paid fellowship and contingent grant amounting to Rs. 0.51 lakh. The Council was unable to furnish a reply as to whether the recipient of the fellowship continued to hold his previous job.

5.8.3 *National Fellowship*.—The Council sanctions National Fellowship for such eminent historians, social scientists/exceptionally talented scholars in humanities who possess proven capacity for outstanding work and real desire to pursue a creative project exploring new possibilities in their chosen fields. The tenure of the national fellowship is for three years and carries a monthly fellowship of Rs. 3000 per month plus a contingent grant of Rs. 10,000 per year.

The Council sanctioned 3 national fellowship in 1985-86 and one in 1986-87 on the recommendation of their Selection Committee. One of the scholars to whom national fellowship had been awarded was also the member of the Selection Committee. The Ministry stated that from the point of view of propriety it would have been better if no member of the Selection Committee had been chosen as National Fellow. A scholar who had not furnished the final report in respect of his research projects sanctioned to him in 1972-73 (grant released Rs. 0.14 lakh) was also among the 4 recipients.

The National Fellowship was sanctioned to all the 4 scholars without the receipt of research proposals/themes of research and scrutiny by the Research Projects Committee (March 1987). The total grant released to all the four National Fellows up to March, 1987 amounted to Rs. 2.64 lakhs including the Secretarial assistance at the rate of Rs. 1000 per month (total amount released Rs. 0.41 lakh) for which there was no approval of the Council. The Council also reimbursed the foreign travel cost of Rs. 0.16 lakh to one National Fellow who had not sent prior intimation to the Council for going abroad.

against contingent expenditure limited to Rs. 10,000 per annum.

The National Fellowship awarded to 4 scholars was subsequently approved by the Research Projects Committee in April 1987. However, it was pointed out in the Committee by the Chairman of the Council that :-

- (i) "The National Fellows did not in fact indicate the themes on which they were to work in their letters of acceptance nor were they asked to do so in the letters containing the offers of the National Fellowships. It was only when the Director wrote on 8 January 1987 to the three National Fellows they gave some information on the theme of their work. It would appear that except possibly for one scholar, the other National Fellows have considered the work under National Fellowship to be a simple continuation in possibly more favourable conditions of the work they were doing already.
- (ii) The Contingent expenses utilised by scholars had little to do with the actual preparation of the work on the theme chosen by National Fellows. The postal expenses debited to contingent expenditure in the case of 2 National Fellows had been on private letters. The books purchased had nothing to do with the subject of research and they were ordinary college text books. On the other hand, there were hardly any expenses for Photo-copying Xeroxing or travel to libraries.
- (iii) The conclusion is that the National fellowship scheme has been far too casually handled both by the Council and by the recipients of the Fellowships."

On the advise of the Research Projects Committee, the Council requested the National Fellows (July 1987) to submit a detailed report of the work done by them.

5.8.4 *Study-cum-travel-contingency grants*.—The Council awards study-cum-travel contingency grants to facilitate collection of source material for research on history and allied subjects to doctoral/post-doctoral and other research scholars. The rules provide that if a scholar gets a study grant exceeding Rs. 1000 directly he would be required to sign an agreement. A summary/abstract/monograph besides a complete copy of the work was to be submitted and in case work or research paper was published a copy of the same was also required to be submitted.

During 1978-79 to 1983-84, the Council awarded study-cum-travel contingency grant to 771 scholars (grants paid Rs. 10.34 lakhs), of which the work



was completed only in 192 cases (grants paid Rs. 3.21 lakhs) and 579 cases (grant paid Rs. 7.13 lakhs) remained incomplete.

Out of 192 cases wherein the work was completed, copy of the theses was received in 37 cases (grants paid Rs. 0.55 lakh) of which 9 theses (grants paid Rs. 0.10 lakh) were published and the remaining 28 theses (grants paid Rs. 0.45 lakh) were sent to the library. In the remaining 155 cases (grants paid Rs. 2.66 lakhs) even copy of abstract/manuscript/summary was not received. The utilisation certificates and audited statement of accounts were not received in 74 per cent cases wherein work was completed.

In 54 cases (grants paid Rs. 0.80 lakh), the payments exceeding Rs. 1000/- was made without getting the agreement signed.

The following further observations are made :—

- (i) Lack of follow-up action, (i) During the period 1978-79 to 1980-81 grants were being paid in one instalment only and 70 per cent of the work for which grants were paid remained incomplete. Later the Council started payment of grants in 2 instalments, but the position of incomplete cases deteriorated.
- (ii) Reminders were not issued to institutions/scholars for periods ranging to over 5 years after release of first instalment of the grant.
- (iii) The Council did not terminate any grant by giving one month's notice in cases wherein the progress was not found to be satisfactory or the rules and conditions for payment of grant were violated.

(2) *Unauthorised payment of study-cum-travel contingency grants.*—The Research Projects Committee is authorised to sanction payment of grants-in-aid under different programmes. The applications for study grants are to be placed before the Study Grant Committee for decision and minutes of this Committee were required to be placed before Research Projects Committee for approval. The procedure was not being followed. The Ministry stated that the minutes of the Study Grant Committee would be placed before Research Projects Committee.

(3) *Recovery of Grant.*—In 5 cases grants (Rs. 0.08 lakh) were recoverable on account of its non-utilisation or inadmissibility as per provisions of the rules. The Ministry stated that efforts would be made to recover the amount.

5.8.5 *Foreign travel grant.*—The Council sanctioned foreign travel grants to scholars (i) to participate in international conferences or (ii) for the collection of source material abroad. No rules had been framed by the Council for the sanctioning of foreign

travel grant (May 1987). However, the following conditions were found laid down in the sanction letters issued to the scholars.

- (i) Scholars should submit a report and statement of expenditure supported by necessary vouchers.
- (ii) Grant is sanctioned subject to production of air ticket in original/air ticket number and a report about performance in the conference.

Out of 49 scholars who were sanctioned foreign travel grant (grant released Rs. 3.83 lakhs) between 1980-81 and 1986-87 for participating in international conferences held outside India, 19 scholars (grant released Rs. 1.35 lakhs) had submitted the papers before proceeding for the conference. The papers of these scholars had neither been published in the Journal of the Council nor placed in the 'Documentation Centre' (September 1987). The Ministry stated that the Journal would contain on a selective basis, papers read at conferences by scholars subsidized by the Council.

Of the 49 scholars from whom report of performance in the conferences held abroad was due between 1980-81 and 1986-87, only 7 scholars (grant released Rs. 0.48 lakh) had submitted the reports about their performance.

In another 25 cases (grant released Rs. 2.09 lakhs), the scholars had not furnished utilisation certificates/air tickets/air ticket numbers (September 1987).

The Council had not reminded any of the scholars who had either not sent the report (42 cases—grant released Rs. 3.35 lakhs) or the utilisation certificates/air tickets for furnishing the required papers accounts.

Out of the 25 cases of foreign travel grant (grant released Rs. 2.95 lakhs) sanctioned for collection of material abroad during 1980-81 to 1986-87, only 5 scholars (grant released Rs. 0.52 lakh) had submitted the report (September 1987) which became due between 1980-81 and 1986-87. The report of none of the scholars had been published or placed in the Documentation Centre (September 1987).

In another 17 cases (grant released Rs. 2.23 lakhs), the scholars had not furnished utilisation certificates/vouchers/air tickets (September 1987).

The Council had not reminded the scholars for furnishing the utilisation certificates/vouchers/reports (September 1987). The Ministry stated that reminders were being sent to obtain the necessary documents.

As per rules of Government of India, the recipients of foreign travel grants were required to travel by Air India. Six scholars (grant released Rs. 0.55 lakh) travelled by Airlines other than Air India. The Council had not taken any action in the matter (September



1987). The Ministry stated that the Council would itself buy tickets in future to ensure that all scholars travel on Air India tickets.

One scholar who was sanctioned foreign travel grant in 1984-85 (grant released Rs. 0.17 lakh) for attending a conference abroad, was again sanctioned foreign travel grant in 1985-86 (grant released Rs. 0.03 lakh) and in 1986-87 (grant released Rs. 0.11 lakh) although he had not submitted the report for his foreign travel grant sanctioned in 1984-85 (September 1987). The scholar had also not furnished the report for the other two foreign travel grants (September 1987).

Two scholars who failed to furnish final reports (September 1987) despite repeated reminders, in respect of their research projects sanctioned to them in 1972-73 (grant released Rs. 0.25 lakh), were sanctioned foreign travel grants to attend conferences abroad (grant released Rs. 0.28 lakh) in 1980-81 and 1984-85. The scholars had neither furnished any report nor utilisation certificates/air ticket numbers in respect of foreign travel grants also (September 1987). The Ministry stated that efforts would be made to obtain reports from the scholars.

In another case, a research fellow to whom fellowship and contingent grant of Rs. 1.13 lakhs had been released in 1982-83 for research project was also sanctioned foreign travel grant for collection of material abroad (grant released Rs. 0.15 lakh) in May 1985. The fellow had not submitted both the final report of the research project which became due in 1985-86 and report relating to the collection of material abroad (September 1987).

*5.8.6 Assistance to Professional Organisation of historians.*—The Council sanctioned assistance to professional organisation of historians to organise seminars, workshop, symposia, conferences etc. on subjects of historical significance. As per rules the grantee organisation should submit the audited statement of accounts, utilisation certificates and copies of proceedings.

Out of 174 organisations to whom grants of Rs. 9.74 lakhs were released during 1981-82 to 1986-87, 125 organisations (grant released Rs. 7.40 lakhs) had not submitted statement of accounts, utilisation certificates and copies of proceedings (September 1987). Of the 49 cases of receipt of copies of seminar proceedings, none was placed in Documentation Centre (September 1987). The Ministry stated that the question of depositing proceedings of seminars/conferences in Documentation Centre would be considered by the Council.

The Council released grant of Rs. 0.25 lakh to an organisation during 1979-80, 1980-81, 1981-82 and 1982-83 even though the organisation did not furnish the copies of proceedings for the year 1979-80, 1980-81 and 1981-82. The Council also did not remind the organisation for furnishing the copies of proceedings (September 1987). The Ministry stated that efforts would be made to obtain proceedings that had not been published.

*5.8.7 Publication Grant.*—The Council gives grant for the publication of doctoral theses, research studies, critically edited/translated source material in Indian history. The Council released during 1981-82 to 1986-87, Rs. 9.98 lakhs as grants to the scholars/historians etc. As per terms and conditions of the sanctions, the scholar was required to get the book published within 4 months from the issue of the formal sanction letter. It was observed that out of 220 cases approved for publication grant for books, in only 112 cases, books were published till July 1987, as per details given in the table below :—

Year of approval	No. of cases in which grant was approved	No. of cases in which book was printed	Amount of grant released (In lakhs of rupees)
1981-82	15	14	0.94
1982-83	40	34	2.72
1983-84	23	17	1.62
1984-85	48	23	2.30
1985-86	46	17	1.70
1986-87	48	7	0.70
	220	112	9.98

The Council also releases grants for publication of journals. During the period 1981-82 to 1986-87, the Council released Rs. 2.14 lakhs as grants in 39 cases. Out of 39 cases financed by the Council, utilisation certificates and audited statement of accounts for the grants of Rs. 1.31 lakhs released in 22 cases were awaited from the grantee institutions (August 1987).

As provided in the rules, only such journals which had been in existence for at least 5 years were eligible for grant. The Council paid Rs. 0.21 lakh (sanctioned amount Rs. 0.22 lakh) as grant to an organisation for publication of very first issue and subsequent issues of the journal.



Rules also provide that the amount of grant should not exceed Rs. 0.05 lakh per year. The Council sanctioned Rs. 0.07 lakh to Rs. 0.21 lakh each in 6 cases (total grant paid Rs. 0.61 lakh) during 1986-87.

### 5.9 Seminars

5.9.1 During 1981-82 to 1986-87, the Council held 14 seminars at various universities and paid Rs. 2.97 lakhs to them as grants for meeting the expenditure. Audited statement of accounts and utilisation certificates for the amount of Rs. 2.06 lakhs in respect of 9 seminars were awaited from the grantee universities (September 1987). Copies of proceedings/reports in respect of 3 seminars (grant paid Rs. 0.60 lakh) were awaited from the grantee universities (September 1987). No action was taken by the Council to get the audited statement of accounts and the utilisation certificates and the detailed reports/proceedings of the seminars.

5.9.2 In 11 cases, the grantee universities furnished copies of brief reports/proceedings of the seminars and not detailed reports/proceedings comprising of copies of papers read out/discussions held, etc. No effort was made by the Council to utilise the reports sent by the grantees.

### 5.10 Cultural Exchange Programmes

5.10.1 During the period 1981-82 to 1986-87, Council sent delegates to 3 foreign countries (GDR 1985-86, Bulgaria 1985-86 and USSR 1986-87) for attending seminar/conference under the promotion of contracts between Indian and foreign scholars, Cultural Exchange Programmes. The selection of the names of the delegates and incurring of expenditure on their foreign travel (cost Rs. 2.50 lakhs) was done without obtaining the approval of the Research Projects Committee. The Ministry stated that it was not always possible to wait for Research Projects Committee meetings for making nominations for visits abroad. In such cases the Chairman made nominations. In order to reduce such cases to a minimum, a small Committee known as Foreign Travel Committee had been constituted to recommend nominations in the intervening period between Research Projects Committee meetings. The minutes of the Foreign Travel Committee are placed before Research Projects Committee, which also takes decision directly on its own.

However, further enquiry from the Council revealed that nominations of delegates to GDR, Bulgaria and

USSR had not been reported to Foreign Travel Committee or Research Projects Committee (February 1988).

5.10.2 Out of 5 scholars who attended the Conference in USSR, in 1986-87, papers of only 3 scholars were evaluated in the Council before the date on which the Conference was to be held. The other two scholars submitted the papers after the Conference was over.

5.10.3 One of the Council delegates in GDR who was also the Project Director of a research project to whom grant of Rs. 0.11 lakh was released in 1972-73 had not submitted the final report of his project (September 1987) despite repeated reminders sent to him. The scholar was also sanctioned foreign travel grant of Rs. 0.13 lakh in 1984-85 for attending a conference abroad, but had not submitted the report and the accounts (September 1987). The Ministry stated in January 1988 that the failure on the part of the Scholar to furnish reports would be kept in view while considering the nominations in future.

5.10.4 Another delegate who attended the seminar in USSR in 1986-87 had not submitted the report which became due in 1985-86 in respect of a project sanctioned in 1982-83. A total grant of Rs. 1.27 lakhs was paid during 1982-83.

5.10.5 The papers/proceedings of all the 3 seminars held out-side India were not published (September 1987).

### 5.11 Surveys of historical research

5.11.1 With a view to formulating a long term programme of research promotion, the Council decided in July 1972 to undertake in two phases a survey of the work done in history in the last 25 years in order to find out how far this work had added to its knowledge and in what direction historical knowledge had been changing in style, content, context, perspective, etc. The programme was also considered necessary to identify emerging trends and point out the gaps in historical knowledge which needed attention so that these could be correlated for determining priorities in research projects and in planning the preparation and publication of source material. A period of six months was fixed for completion of each survey.

5.11.2 In the first phase, the work of preparing 27 survey reports was undertaken in 1972-73 and sanctions for Rs. 0.64 lakh in 22 cases for preparation of surveys were issued during 1972-76. The sanctions



in the remaining five cases were never issued. In 21 cases wherein Rs. 0.41 lakh were paid to historians during 1972—79, reports in respect, of only 10 surveys (Rs. 0.28 lakh) were completed, of which 4 reports were published, one was under publication and another was not recommended for publication. The reports in the remaining 11 cases (Rs. 0.13 lakh) were awaited (July 1987). The reasons advanced for non-completion of surveys was stated to be the busy nature of academic schedule of scholars and updating of surveys in the light of new literature that had come.

5.11.3 In the second meeting of the Survey Committee (October 1976), besides allocation of one survey to a scholar, it was decided to prepare a blue print of the second phase of the programmes to be launched shortly. It was also decided to include certain new topics for carrying out surveys. In the third meeting of Survey Committee (January 1980) it was decided to take up regional surveys pertaining to 6 States besides one survey on Art History. The surveys pertaining to 4 States were also assigned.

5.11.4 It was seen that neither any amount was paid in respect of surveys covered under second phase nor any meeting of the Survey Committee held after January 1980 to review the progress of the Survey programme.

5.11.5 The reasons for poor progress of the programme, non-holding of meetings for over 7 years, were not specified stating only that the whole survey programme was being reviewed (September 1987). There was also no proposal to assign the remaining surveys of the first phase of the programme.

#### 5.12 *Publication of Source material*

5.12.1 The Council decided (June 1972) to compile, edit and annotate source material on crucial aspects of 3 periods of Indian history viz Ancient, Medieval and Modern, so that teaching of history in universities and colleges could be source oriented. Three Committees were set up for the purpose. Till March 1987, expenditure of Rs. 13.17 lakhs had been incurred on this programme.

5.12.2 Out of 110 projects (6 ancient, 97 medieval and 7 modern history) approved during 1972—77, 50 projects (6 ancient, 37 medieval and 7 modern history) were taken up. Out of 168 volumes approved for preparation, 158 volumes were assigned during 1972—78. Manuscripts of 64 Volumes were prepared by April 1981 to which no further addition was made so far (September 1987). Ten volumes were, however, published (September 1987), 6 volumes were under process of publication and the remaining 48 volumes were under different stages of evaluation. The Ministry stated that one more Volume was published since September 1987. It was further stated that the non-receipt of manuscripts after 1981 was mainly due to the fact that the fresh assignment of source volumes practically ceased after 1978 and the Research Projects, Medieval and Ancient Committees

had decided to take up new assignments of source material.

5.12.3 Moreover, the Council had in reply in September 1982 to the earlier review report agreed to place before the committees, the incorporation of penalty clause in the agreement to enforce time limit in preparation of volumes of the source material. This was not done. The Ministry stated that it was difficult to find a distinguished or reputed scholar who would accept a penalty clause.

5.13 *Special Projects.*—The Government of India entrusted 7 special projects to the Council between 1972 and October 1973. The upto date position of each of the projects is summarised below :—

5.13.1 *Towards Freedom.*—A proposal to publish relevant records pertaining to the transfer of power in India and partition of the country covering, the period 1939—47, was sanctioned by Government in 1971-72 and included in the Fourth Five Year Plan of National Archives of India with an allocation of Rs. 0.80 lakh against the estimated cost of Rs. 2.13 lakhs. The scheme originally envisaged publication in 3 volumes of significant official documents only in possession of the Central and State Governments. In September 1972, Government decided to extend the scope of the proposal so as to include private papers, news-papers and allied materials also and nomenclature was changed to "Towards Freedom". This project visualised that 10 volumes of historical material relating to developments in the country between 1937 and 1947 culminating in the attainment of independence, which would be a valuable source of material for historians and research scholars, might be brought out with a view to giving greater authority and credibility. Government decided (August 1973) that the Council should implement this project in collaboration with the National Archives of India. The editing and publishing of documents as well as the overall supervision of the project work was entrusted to the Council. The project was scheduled to be completed by the end of 1978-79 and was estimated to cost Rs. 72.48 lakhs against which an allocation of Rs. 40 lakhs (National Archives of India : Rs. 17.50 lakhs and the Council Rs. 22.50 lakhs) was made in the Five Year Plan period (1974—79),

In February 1977, the Council informed the Ministry that the work was, for the present, confined to the first 2 volumes covering the period 1937 to 1939 and that the information collected till then was about 30 per cent of the total work involved for the first 2 volumes. The Ministry, however, directed (February 1977) that work of bringing out 10 volumes should be completed by 1984 (against the schedule of 1978-79) and that at least one volume should be brought out every year. The Council, therefore, chalked out a tentative schedule in March 1977 for publication of 10 volumes in such a way so as to publish the first volume by June 1979 and the last volume by August 1985. The Council, however, recast the entire project in October 1979 and drew up a fresh programme



for its completion by March 1988 at an estimated cost of Rs. 99.54 lakhs including the expenditure of Rs. 32.54 lakhs (National Archives of India Rs. 13.71 lakhs; Council Rs. 18.83 lakhs) already incurred on the project. The Ministry approved the proposal in December 1979. Though an expenditure of Rs. 118.34 lakhs (National Archives of India Rs. 55.90 lakhs; Council Rs. 62.44 lakhs) had been incurred on the project upto 31st March 1987, only one volume had been brought out, volume II had been compiled and was being made ready for the press.

The first Chief Editor worked for the project in an honorary capacity from April 1975 to January 1977. Thereafter there was no Chief Editor till May 1982. The full time Chief Editor was appointed by the Council only in June 1982.

In terms of agreement, the Distributor was required to pay Rs. 4.00 lakhs (being 50 per cent of sales proceeds of Volume I at title price) to the Council within 360 days from date of delivery of goods (22nd February 1986). The Distributor had paid a sum of Rs. 1.00 lakh to the Council on 2nd February 1987 and the balance amount of Rs. 3.00 lakhs was still (January 1988) to be recovered from the Distributor. No penalty clause for default was found in the agreement. The Ministry stated that the Council had decided to re-organise the work and the Government had since been requested to extend the period of the project to 31st March 1992.

5.13.2 *Praja Mandal*.—In March 1975, the Government of India proposed that the Council might constitute an Editorial Board for the preparation and publication of 'A study on the struggle of Indian State People' or 'The Praja Mandal Movement' in the Indian States on the occasion of the birth centenary of Sardar Vallabh Bhai Patel. In May 1975, the Council informed, the Government that the entire manuscript of the study would be ready for press in July 1976 at an estimated cost of Rs. 1.50 lakhs (including Rs. 0.50 lakh on publication). Accordingly, the Government of India sanctioned the project in October 1975 at an expenditure not exceeding Rs. 1.50 lakhs. Though an expenditure of Rs. 2.22 lakhs had been incurred on the project by February 1980 the manuscript of the study had not been prepared. In March 1980, the Council intimated Government that the project would be completed by 1981 at a revised estimated cost of Rs. 3.60 lakhs. The Government approved the project in August 1980 as a special case with the stipulation that no further extension of time or enhancement of cost estimates would be considered by the Ministry. The author (a professor in a university) of the project who was working on a part-time basis, requested Council (December 1980) to suspend the work till such time he was able to take leave from where he was working and work for it on a whole time basis. The Council did not suspend the work and granted extension to two senior research assistants working under the author without getting his recommendation. The author again showed his inability (November 1981) to carry on the

work. In November 1982, the work was assigned to a new author who was to write the book in two parts with each part consisting of 4 Chapters. The Council did not know whether all the research material collected by the previous author was taken back from him. In February 1983, the Government extended the project to be completed by April 1984.

The author of the project submitted first two Chapters of part I in September 1983 which were referred to 3 experts for their opinion. All the three experts gave adverse remarks. The Council stated in September 1987, that the author had recently submitted the remaining chapters of the book which were being evaluated by the Council.

The total expenditure incurred on the project upto March 1987 was Rs. 4.35 lakhs.

5.13.3 *Role of Central/State Legislature in Freedom Struggle*.—In connection with the 25th Anniversary of India's Independence, the Council at the instance of Government of India, undertook the project in May 1972 for bringing out the series of books on "The Role of the Central/State Legislature in India's Freedom Struggle." The estimated cost of the project was Rs. 8.87 lakhs (Rs. 4.62 lakhs on staff and Rs. 4.25 lakhs on publication) and was to be completed in 2 years in 2 parts. The first part of project related to "The Role of Central Legislature in Freedom Struggle" and the second to "The role of State Legislature in Freedom Struggle." The first part of the book was published on 15th August 1972 at a cost of Rs. 0.31 lakh. However, the translation and publication of book in Hindi remained to be done (September 1987). The second part in 11 volumes covering 11 provinces then (1937) in existence was to be brought out in August 1973 which marked the end of 25th anniversary of Independence. All the volumes were to be published in English and in the regional language of the concerned State. The work of preparation of manuscripts of these 11 volumes was assigned to different senior historians (Directors of the Project) who were appointed by the Council on full time or part time basis between September 1972 and April 1973. They were required to submit the manuscript within one year of their assignment.

Manuscripts of 6 volumes had been received (1 in 1975; 2 in 1976; 2 in 1978 and 1 in 1987) of which 5 volumes were published in English alone (one each in 1976, 1977, 1979 and 2 in 1984). The manuscript of the remaining 5 volumes had not been received in the Council (September 1987). The files of these projects were also not traceable since 1982 as such the expenditure incurred on these remaining projects was not available. The Council had not reminded since 1982, the remaining 5 Project Directors for the submission of the manuscript (September 1987).

The total expenditure incurred on the project upto March 1987 amounted to Rs. 6.45 lakhs. Separate expenditure on staff and publication was not made available. The Ministry stated that efforts would be made for the early completion of the remaining assigned volumes.



5.13.4 *Study of the civilisation of Central Asia.*—The General Conference of the UNESCO, authorised its Director General to initiate a project concerning the study of the people of Central Asia. Under this scheme, 9 projects (estimated cost Rs. 4.81 lakhs) were approved and assigned in October 1969 to different historians by the National Advisory Committee on Central Asian Studies. Consequent upon the establishment of the Council in February 1972, these projects were transferred by the Government to the Council in July 1972. In March 1974, the Council approved 2 further projects at an estimated cost of Rs. 1.12 lakhs and assigned them to 2 historians. The 11 projects in all were to be completed between January 1973 and April 1978. An expenditure of Rs. 1.61 lakhs had been incurred on these projects till March 1981; only 4 projects had been completed of which one was published.

The latest position regarding each of the projects as stated by the Council in September 1987 was different from the position indicated in various annual reports. Even the titles of the project differed in majority of the cases. The Council intimated (October 1987) that the relevant files were not traceable and the information/clarification asked for could not be made available till the files get traced. The Ministry stated in January 1988 that efforts were being made to trace all the missing files.

5.13.5 *Translation Project.*—The translation of Bhartiya Vidya Bhawan's 11 volumes series of "History and Culture of Indian People" into 12 Indian languages was assigned to National Book Trust at an estimated cost of about Rs. 60 lakhs. The Trust observed that excepting first 3 volumes, the remaining volumes were opposed to secular ideology. The work relating to translating first 3 volumes in Indian languages (other than Hindi) was also stopped (September 1972). The Government of India requested Council which was set up in 1972 to re-examine the question of publication of said series and decide the form in which it wished to continue the scheme. The recommendations of the Committee of experts appointed by the Council were forwarded to the Government of India (November 1972). In anticipation of Government approval on the project, 95 titles comprising 917 manuscripts were taken up for translation into different Indian languages. The Ministry directed the Council in March 1977 to review the project and the number of titles and manuscripts were reduced to 86 and 557 respectively. The Government of India decided in December 1977 that the total number of titles and manuscripts should be reduced to 50 and 360 respectively. 340 translated manuscripts were prepared, out of which 41 were published till September 1978. The Government, however, decided in September 1978 that "the Council need not proceed with the project" and directed that where the translation rights had already been acquired by the Council and the translated manuscripts had been completed, their publications as well as the publications of first 3 volumes of the Bhawan publications in Hindi should be entrusted to Hindi Granth Akademies, Text Book Boards and private publishers on

usual terms of payment of royalty. The guidelines to deal with other cases wherein translations had been completed without acquiring translation rights or wherein translations were not completed but translation rights had been acquired, etc. were also given. The Council brought out the difficulties in implementing the decisions taken in the matter to the notice of the Ministry in December, 1978. Subsequently, it was decided in January 1979 that manuscripts which did not attract publishers for publication on royalty basis might be transferred to its documentation centre.

Manuscripts were received in 344 cases, out of which 57 were published till July 1981. The Council had spent Rs. 36.01 lakhs on this project and had got committed liabilities to the extent of Rs. 1.73 lakhs towards payments to translators and vetters. The Council further incurred an expenditure of Rs. 1.10 lakhs on translators and vetters during 1981—84. No expenditure was incurred thereafter.

One volume of Bhawan's publications in Hindi and 6 manuscripts were printed after the last review report. Two remaining volumes of Bhawan publications were under process of printing.

None of the manuscripts were transferred to documentation centre. The work relating to their evaluation/publication was started on October 1986. Agreement for publishing of 16 manuscripts was executed and the remaining 265 manuscripts were under evaluation or were being processed for publication after securing renewal of translation rights, where necessary (October 1987).

In reply to points raised in the previous review, the Council intimated (September 1982) that the information regarding purchase of translation rights of 12 manuscripts not approved by Council and the matter regarding expenditure on manuscripts which were subsequently dropped were being probed for fixing responsibility. As per last review report, out of 1040 books issued to translators and vetters, 855 books were to be received back (July 1981). The exact number of books still lying with vetters and translators was also not made available to Audit.

5.13.6 *Source Book on Indian History and Culture.*—In May 1973, the Council initiated a project to prepare a source book on Indian History and Culture. The main object of this project was to present a balanced view of Indian civilization, covering in 3 volumes, the 3 periods of Ancient, Medieval and Modern Indian History. The work on this project was started in June 1973 and was to be completed by June 1974. The work was estimated to cost Rs. 1.09 lakhs.

The project could not be completed by the scheduled date (June 1974) and the period was extended upto June 1977. The Council had received total grant of Rs. 5.60 lakhs till June 1977, the month in which the project was officially closed.

Though an expenditure of Rs. 4.58 lakhs had been incurred on the project upto March 1979, no volume



had been published till August 1987. This resulted in infructuous expenditure of Rs. 4.58 lakhs. The unspent balance of Rs. 1.02 lakhs which was kept earmarked for publication of the volumes was refunded to the Government in 1982-83.

5.13.7 *History of Second World War.*—India is a member of the International Committee for the History of the Second World War set up in April-May 1967 to promote historical research in the various facets of the Second World War. The Government assigned to the Council, the responsibility of setting up a National Advisory Committee on the history of the Second World War for promoting studies on the subject. The committee was constituted in October 1972 and it was decided in January 1973 that a series of volumes would be prepared on the impact of Second World War on (i) Indian economy covering agriculture, industry, trade, transport and communications, fiscal policy including Banking and currency, revenue, taxation etc. (ii) Indian society covering education, science and technology, employment, demographic trends, social structure, culture, morals, entertainment etc. and (iii) India's relations with the outside world.

In June 1974, the Council approved one project on "Impact of Second World War on coal, iron steel and jute industries in Eastern India" restricting the study to coal industry alone in Bengal and Bihar (1939—45) and a fellowship protecting the emoluments of the scholar for 2 years (extended by one year) with a contingent grant of Rs. 0.06 lakh, was granted. The work on the project was started from January 1975 and was to be completed by December 1977. The Council had, so far, spent Rs. 0.43 lakh. The project was stated to have been completed in August 1980, but the final report required to be submitted within 3 months of its completion, had not been furnished by the scholar to the Council as yet (September 1987).

No further project had been approved by the Council.

#### 5.14 Publications

5.14.1 *Priced publications.*—The Council published through commercial publishers books compiled and/or translated into Indian languages and English under the core books programme. For this programme, the Council follows a three tier system viz. (i) books under royalty system—in this system, the Council plays the role of an author. It prepares the manuscripts and gets them published on mutually agreed royalty terms ranging from 7.5 to 15 per cent of the list price of the publication. In this case, the publisher meets the entire cost of publication and fixes the sale price of the book according to his own policy, (ii) Books under co-sharing terms—in this case, the Council is to meet the entire cost of production, to fix the sale price of the book and to receive from the publisher a portion of the sale proceeds ranging from 40 to 55 per cent. (iii) This system was introduced in February 1977. Under this scheme, the Council decided that where the publishers were not easily available, the Council under the co-publishing

arrangement could share 50 per cent of the cost of production and the sale proceeds in the same proportion provided the sale price of the book should not exceed thrice the cost of production.

During 1972-73 to 1986-87, the Council published 25,642 copies of 17 books, under the co-sharing arrangement and 9700 copies of 11 books under co-publishing arrangement. Amounts of Rs. 3.07 lakhs and Rs. 1.18 lakhs were spent on their publication respectively. Of these 1487 copies (valued at Rs. 0.47 lakh at title price) and 309 copies (valued at Rs. 0.35 lakh at title price) respectively were distributed free.

Out of 35,342 (25,642 plus 9700) copies published till 1986-87, 12,953 copies (37 per cent) valued at Rs. 8.61 lakhs (at title price) were lying unsold as on 31st March 1987. No norms for free distribution of priced publications and fixing the prices of the books were laid down nor the cost of the copies distributed free was taken into account while fixing the sale price of the books.

The Council did not plan any publication programme. No targets were fixed for publication of books. The Publication Committee set up in 1976 could hold only two meetings since its inception.

In the case of 5 titles published under co-publishing scheme during the years 1984 to 1986 the sale price of books was fixed at about 4 times of the cost of book instead of thrice the cost of the book. Thus deviation from Council's decision has resulted in extra benefit to the publishers.

In case of 3 titles published in Kannada language under royalty system, the Council exempted the publisher from payment of royalty to be paid to the Council amounting to Rs. 0.06 lakh without any approval of the Government.

5.14.2 *Unpriced publications.*—The Council publishes two unpriced publications viz. Annual Report (Hindi and English) and Newsletter. During 1973-74 to 1986-87 the Council spent Rs. 1.36 lakhs on their publication.

Out of 4,930 copies of 11 issues of the annual reports published in Hindi and English (cost Rs. 0.63 lakh) only 2,911 copies were issued leaving unutilised balance of 2019 copies (41 per cent) as on 31st March 1987. Further, the Council published 34,000 copies of 9 issues of Newsletters (total 10 issues were brought out, the information in respect of vol. VII No. 1—3 was not available) and spent Rs. 0.73 lakh till March 1987. All the 34,000 copies were distributed free for which no accounts of free issues were maintained.

5.14.3 *Journal-Publication.*—A journal 'Indian Historical Review' is being brought out by Council (Biannual) on the sale price of Rs. 15 each for individuals and Rs. 30 each for institutions. The following is the detail of expenditure on Staff of Journal



Unit, publication and the sale proceeds realised from the journal for the year from 1982-83 to 1986-87 :—

Year	Expenditure on pay and allowances, honorarium, etc. of journal	Expenditure on publication of journal	Total cost of production	Sale proceeds of Journal
	(Rupees in lakhs)			
1982-83	1.93	0.05	1.98	0.09
1983-84	2.00	0.24	2.24	Nil
1984-85	2.25	0.06	2.31	0.33
1985-86	2.14	1.33	3.47	0.09
1986-87	2.32	0.03	2.35	0.15
<b>TOTAL</b>	<b>10.64</b>	<b>1.71</b>	<b>12.35</b>	<b>0.66</b>

The Journal did not appear in the years 1980, 1983 and 1984. The Council stated in September 1987 that the manuscript of the year 1980 was sent to Delhi University Press in July 1980 which could be released by Press in March 1981. The manuscripts of Journal Vol. VII No. 1-2 of the year 1983 and Vol. VIII No. 1-2 of the year 1984 were submitted by the Journal unit in November 1982 and September 1983 respectively for approval. These were sent to Delhi University Press in May 1983, September/October 1984 respectively and the press printed the volumes in June 1985. The Ministry stated in January 1988 that efforts were being made to have material copy-edited expeditiously with assistance from outside.

The Council entered into an agreement with a new Sole distributor in September 1984 for the sale of the Journal. The distributor was to prepare the account of sale on 30th June every year and deliver the same to the Council within 60 days and pay the amount of sale to the Council within one month thereafter i.e., on or before 30th September every year. The Council supplied 6029 copies of Journal costing Rs. 1.55 lakhs to the distributor during September 1984 to September 1987. The distributor had neither sent the account of sale nor the amounts of sale which were to be sent in 1985 and 1986. No penalty clause for default was therein the agreement. The Ministry stated in January 1988 that efforts would be made in avoiding delay in future in submission of accounts by the distributor of the Journal.

Of the 13,384 printed copies upto 1986, 2,401 copies (cost Rs. 0.57 lakh) had been distributed free (1,794 by Council and 607 by distributors). No rules for maximum number of copies to be distributed free, had been made (September 1987). The Ministry stated that limiting the number of copies for free distribution would be considered by the Editorial Board, Indian Historical Review/Research Projects Committee.

#### 5.15 Library-cum-Documentation Centre

5.15.1 The Library-cum-Documentation Centre of the Council had purchased books worth Rs. 19.41 lakhs upto 31st March 1987.

5.15.2 In July 1978, the Chairman, ICHR appointed an Expert Committee (i) to go into the policy of books acquisition being followed by the Council's Library-cum-Documentation Centre and to enquire into deviations, if any, (ii) to enquire into the circumstances in which new books as well as rare/out of print publications had been acquired for the library, so far; and (iii) to suggest ways and means for meeting the policy relating to acquisition and technical services in the library. The Report of the Committee and the follow up action taken thereon by the Council could not be made available to Audit as the respective files were stated to be not traceable (September 1987).

5.15.3 A Departmental enquiry was also being conducted for the irregular purchase of library books. The Council stated (September 1987) that the relevant file would be made available to Audit as and when the enquiry completed. The Ministry stated that the disciplinary action for committing irregularity in acquiring certain volumes in 1977-78 had since been taken and penalty imposed on the erring official.

5.15.4 The physical verification of stock of books had not been done (May 1987). The Council stated in July 1987, that the physical verification of books had been taken up in June 1987, the final report of which was not yet ready. The Council also stated that two physical verifications of books were done earlier but no follow up action was taken as the respective files were not traceable. The Ministry stated that papers relating to earlier physical verification of books would be traced for taking necessary follow-up action.

For the Documentation Centre, 24 microfilms costing Rs. 0.08 lakh and microfilm reader costing Rs. 0.20 lakh were purchased between 1979-80 and 1980-81. These microfilms and microfilm reader had not been made available to the scholars (September 1987).

5.16 *Assets acquired out of the Government grant.*—As per conditions of the grants, the Council was to maintain a register in the prescribed form of the permanent and semi-permanent assets acquired wholly or mainly out of Government grants and the assets so acquired would not, without the prior sanction of Government, be disposed of, encumbered, or utilised for purposes other than those for which the grants were sanctioned. However, without obtaining the approval of Government, the Council permitted the scholars to retain in each case the books and equipment purchased out of the grants upto a limit of Rs. 1000 and Rs. 100 respectively. Further, the Council neither insisted upon the scholars/local units to submit the accounts of microfilms, photographs, zerox copies, electric calculator etc. so acquired out of the grant and retained by them nor did the Council maintain any register/record for the accounts of the assets so acquired by the scholars out of the grants given to them.

5.17 *Internal Audit.*—Internal Audit was introduced in the Council in January 1985. The Internal



Audit Unit consists of one Section Officer, one Accounts clerk and one typist. The Accounts Officer of the Council is the overall incharge of the unit. The Internal Audit Unit has not checked/audited the accounts of any year so far (August 1987). The expenditure under the grant-in-aid schemes and of special projects also remained to be checked (August 1987). The Ministry stated that the Internal Audit Unit was being asked to expedite its work.

#### 5.18 Other points of interest

5.18.1 *Review of achievements.*—There was no system to ascertain as to what extent the objects mentioned in the Memorandum of Association of the Council were achieved. The Council stated (September 1987) that no detailed system had been chalked out to watch the achievements of the Council and that needful was being done through review by various committees, advisory committees, etc. and the Council meetings act as a watch dog on aims and objects of the Council. The contention of the Council was not tenable in view of the fact that meetings of certain very important committees like Survey Committee, Committee on preparation of Source Material (Modern History), Regulations Committee etc., were not held for over 7 years to review the progress of programmes for which these committees had been constituted.

5.18.2 *Non-preparation of Regulations.*—For the administration and management of its affairs, the Council was, *inter alia*, required to frame and amend regulations relating to terms and conditions governing scholarships, fellowships and deputations, grants-in-aid, research schemes and projects, etc. Even though the Regulation Committee was constituted in 1972, it had not framed regulations on the relevant topics. The Ministry stated in January 1988 that a special meeting of the Council would be convened to consider the draft regulations.

5.18.3 *Non-approval of Service Regulations.*—The Service Regulations governing the conditions of service of the officers and staff of the Council were not got approved by the Government of India. The Ministry stated in January 1988 that the draft Service Regulations were considered from time to time by the Council in Consultation with the Department of Education and efforts were being made to finalise the regulations after obtaining the approval of the Government. Pending finalisation the draft Regulations as approved by the Council were being operated.

5.18.4 *Lack of wide publicity for promotion of historical research.*—As per Memorandum of Association, the Council would ordinarily initiate and promote research through University Departments, Research organisations and individuals. The schemes for financial assistance of the Council are publicised through distribution of brochures at the seminars sponsored/supported by Council and sent to various universities. The same is also sent to intending applicants if they ask for it. Publicity was not given through advertisement in newspapers considering the same to be very expensive.

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### Ministry of Human Resource Development (Department of Education)

#### 6. National Council of Educational Research and Training

6.1 *Introduction.*—The National Council of Educational Research and Training (NCERT), a registered society was established in 1961 with the object of assisting and advising the Central Government in the implementation of its policies and major programmes in the field of education particularly school education. For achievement of its objectives, the NCERT was, *inter alia*, to :

- undertake, aid, promote and co-ordinate research in all branches of education;
- organise extension services for institutions engaged in educational research, training of teachers, etc.;
- develop and disseminate educational techniques and practices in schools;
- undertake preparation and publication of books, etc.

6.2 *Scope of Audit.*—The Audit of accounts of the NCERT is conducted under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The review covers the Audit findings mainly on the (i) Publication Department (ii) Department of Policy, Research, Planning and Programmes and certain other aspects.

6.3 *Organisational set up.*—The Council consists of 59 members including the Minister of Human Resource Development as President. The Executive Committee which is the Governing Body of the NCERT consisting of 17 members presided over by the Minister of Human Resource Development manages its affairs and funds. The Director of NCERT is the principal executive and academic officer responsible for the proper administration of its affairs.

#### 6.4 Highlights

- The Publication of textbooks was required to be on 'No profit, no loss basis'. Since the NCERT did not prepare the profit and loss account for its publications, it was not possible to conclude whether textbooks produced were on 'No profit, no loss basis.'
- There was under-pricing of text books due to not taking into account the storage cost of paper carried over in next year and increase in storage cost due to increase in rental (Rs. 38.11 lakhs) during 1984—87.
- While fixing the pricing formula in the year 1981, the provision of discount was made at the rate of 20 per cent instead of 22½ per cent being allowed to the Sales Emporia. This resulted in under-pricing of



textbooks to the extent of Rs. 48.95 lakhs during the years 1982-83 to 1986-87.

- As the NCERT did not maintain complete records showing progress of printing of manuscripts received, the time taken in printing and the manuscripts lying with Publication Department for printing could not be assessed.
- There was considerable delay by the Sales Emporia in remitting the sale proceeds to the NCERT ranging from 2 to 38 months. This resulted in loss of Rs. 37.15 lakhs to the NCERT.
- There was an unreconciled difference of Rs. 28.11 lakhs in the amount due from the Sales Emporia as per NCERT's records and as per sale returns for the period ending 31st March 1986 submitted by the Sales Emporia.
- In March 1975, the Ministry approved the proposal of NCERT for construction of two tubular godowns subject to the NCERT vacating the hired godown (5800 sq. ft.). Though the tubular godowns were completed and occupied in July 1977, the NCERT continued to hire godowns with much larger area over the years.
- In March 1980, the NCERT received 495 tonnes of Norwegian paper. Since the paper was in damaged and loose condition, the NCERT stored that paper for 30 months and incurred an expenditure of Rs. 6.68 lakhs as rent on godown.
- 215 MTs of torn, soiled, damaged paper, etc., 15 MTs of wooden planks, iron strips; and 850 reel covers costing Rs. 6.02 lakhs were lying in store from 1974-75 to 1984-85; another 66 MTs of Norwegian

paper costing Rs. 5.14 lakhs had also accumulated during 1983-84 to 1986-87. No action had been taken by NCERT for their disposal.

- 2.80 lakh volumes of general books valued at Rs. 25.65 lakhs remained unsold for more than five years.
- 3.88 lakh volumes of obsolete titles valued at Rs. 12.44 lakhs were lying in stock. Their non-disposal/sale resulted in occupation of valuable godown taken on rent.
- Shortage of paper valued at Rs. 3.08 lakhs was noticed, during physical verification. No action was, however, taken by the NCERT, to investigate the shortage.
- The NCERT brings out 6 education journals (5 for school teachers and 1 for educational research). The sale of these journals during the years 1982-83 to 1986-87 was very low which ranged from 23 per cent to 51 per cent. During 1986-87, the cost of production of 30,921 copies was Rs. 7.85 lakhs.
- 93 research projects were running behind the time schedule ranging from 1 to 18 years. Utilisation certificates for the amount of Rs. 9.42 lakhs were awaited from 122 grantee institutions from 1974-75 onwards.
- Maintenance grant amounting to Rs. 55.89 lakhs were paid to Vikram A. Sarabhai Community Science Centre during 1978-79 to 1986-87. But there was no approved scheme for release of such grants.

**6.5 Finance and Accounts.**—The NCERT is mainly financed by grants from the Government of India. The grants received by the NCERT under Non-Plan and Plan and expenditure incurred during the years 1982-83 to 1986-87 were as under :—

	1982-83	1983-84	1984-85	1985-86	1986-87
	(Rs. in lakhs)				
<i>Receipts</i>					
Opening Balance . . . . .	22.77	58.22	32.65	86.69	183.09
Grants received . . . . .	946.57	1163.33	1272.35	1249.39	1415.85
Sale proceeds of Publications and other Misc. receipts . . . . .	339.96	342.47	344.24	463.05	636.15
Recoveries of loans and advances . . . . .	17.37	14.42	16.34	22.01	30.15
<b>Total . . . . .</b>	<b>1326.67</b>	<b>1578.44</b>	<b>1665.58</b>	<b>1821.14</b>	<b>2265.24</b>
<i>Payments</i>					
Expenditure . . . . .	1232.22	1512.28	1538.36	1602.62	1770.80
Payments of loans and advances . . . . .	36.23	33.51	40.53	35.43	42.45
<b>Total . . . . .</b>	<b>1268.45</b>	<b>1545.79</b>	<b>1578.89</b>	<b>1638.05</b>	<b>1813.25</b>
Unspent balance of grant . . . . .	58.22	32.65	86.69	183.09	451.99



## 6.6 Publication Department

6.6.1 The Publication Department, *inter alia*, undertakes the preparation and the publication of such books, etc. which broadly fall into the following major categories :—

- (i) School textbooks, work books, prescribed supplementary readers.
- (ii) Supplementary reading materials for the age-group 14-17 years.
- (iii) Teachers guides, hand books and other instructional materials.
- (iv) Research studies and monographs.

(v) Reports of the educational conferences, proceedings of seminars, pamphlets, booklets, brochures, folders, etc.

(vi) Educational Journals.

6.6.2 The main consumers of the school textbooks are Kendriya Vidyalayas' schools affiliated to the Central Board of Secondary Education, Central Tibetans Schools, Sainik schools, schools run by the Defence Services, Indian schools abroad, etc.

6.6.3 The publications brought out by the NCERT during the period from 1981-82 to 1986-87 are given below :—

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
	(Number of titles)					
<i>Category of Publication</i>						
1—First Edition—textbooks, workbooks and prescribed supplementary readers	4	6	5	16	16	17
2—Reprints ———do———	211	117	183	139	161	199
3—For other Government agencies textbooks and workbooks	7	19	10	12	8	9
4—Research monographs/reports and other publications	33	24	40	51	45	47
5—Periodicals (Issues)	27	15	16	33	41	26
Total	282	181	254	251	271	298

6.6.4. The annual Receipts and Payments of the Publication Department during the years 1982-83 to 1986-87 were as follows :—

	1982-83	1983-84	1984-85	1985-86	1986-87
	(Rupees in lakhs)				
<i>Receipts</i>					
1—Sale proceeds of books and periodicals	251.77	236.53	245.50	351.30	513.56
2—Other receipts	25.78	0.90	0.29	1.56	5.17
Total :	277.55	237.43	245.79	352.86	518.73
<i>Payments</i>					
1—Pay and allowances	20.11	22.96	27.09	32.44	38.44
2—Other payments (Purchase of paper, printing charges, Godown rent, etc.)	172.79	389.72	336.82	269.33	295.33
Total :	192.90	412.68	363.91	301.77	333.77

The Ministry stated in December 1987 that the variation in the amount of sale proceeds of books and periodicals in one year to another was due to the fact that the sale proceeds were realised in arrears (from the Sales Emporia) and got reflected in different years and the increase in expenditure from Rs. 192.90 lakhs in 1982-83 to Rs. 333.77 lakhs in 1986-87, was mainly due to rise in cost of paper (Rs. 56.85 lakhs) and printing charges (Rs. 59.33 lakhs), pay and allowances (Rs. 18.33 lakhs), other charges, remuneration, etc. (Rs. 5.03 lakhs) and pur-

chase of furniture and equipment (Rs. 1.33 lakhs). The Ministry further stated that increase in expenditure was due to higher print order which increased every year by about 20 per cent.

6.7 *Printing of textbooks.*—On the recommendations of the Public Accounts Committee (Seventh Lok Sabha—1980-81) in their 48th Report, the Ministry constituted a Task Force to critically assess the role performed by the NCERT in terms of its objectives.



The Task Force in its Report, *inter alia*, recommended that the Publication Department should be delinked and organised as a functionally autonomous, self-administering and self-financing organisation. The Ministry did not accept the recommendation of the Task Force (June 1985) except that the publication of the NCERT should be on 'no profit, no loss basis'. The NCERT, however, did not prepare 'Profit and Loss Account' for the Publication Department. It was, therefore, not possible to conclude whether textbooks/general books were actually produced on 'no profit, no loss basis'. The NCERT stated in December 1987 that to ascertain the results in a more scientific way; to devise a suitable costing system and to propose suitable cost control records, the Cost Accounts Branch of the Ministry of Finance was being requested to undertake a detailed study.

### 6.8 Publications

6.8.1 *Incomplete record of manuscripts.*—During 1982-83 to 1986-87, 372 manuscripts were received in the Technical Wing of the Publication Department for editing and printing. No consolidated and systematic record showing the date of receipt of manuscripts, transfer to the Production Wing and date of receipt of the printed material was maintained by the Editorial/Production Wing. During 1984, a register in this regard was opened by the Department. The postings in the register were, however, incomplete. Out of 177 manuscripts entered in this register, 49 manuscripts had not been printed and the position on record in the register was as follows :—

Lost by the Press	Partly printed	Pending with Department	Transferred to another editor	No reasons recorded	Total
1	3	5	7	33	49

The upto date position of manuscripts lying with the Publication Department was also not available. The Ministry stated in December 1987 that while there was complete record of manuscripts received, the monitoring of the progress of each manuscript could not be carried out efficiently.

6.8.2 *Sale and distribution of publications.*—The publications were distributed and sold through the Sales Emporia of the Publication Division of the Ministry of Information and Broadcasting (hereafter Sales Emporia) in 7 centres at New Delhi, Calcutta, Bombay, Madras, Patna, Lucknow and Hyderabad. The NCERT allowed discount at 22½ per cent for text books and 42 per cent on general publications to the Sales Emporia. There was also cash sale of NCERT's publications at its Headquarter's office and direct sale by the Publication Department of the NCERT to schools and other agencies.

6.8.3 *Time lag in the receipt of sales returns and sales proceeds from the Sales Emporia.*—Sales Emporia were required to furnish to the NCERT, perio-

dical half-yearly sale statements as on 30th September and 31st March each calendar year. It was observed that there was considerable delay ranging from 1 to 11 months in submission of sales returns to the NCERT.

The time lag in remittance of sales proceeds to the NCERT ranged from 2 to 38 months and the loss of interest on delayed receipt of sales proceeds at 10 per cent per annum for the period from 1982-83 to 1985-86 amounted to Rs. 37.15 lakhs.

The time lag in the submission of sales returns and remission of sales proceeds for the year 1986-87 could not be analysed as sales returns for 1986-87 were awaited by the NCERT (June 1987) from the Sales Emporia.

Steps taken by the NCERT to enforce timely submission of sales returns and remittance of sales proceeds by the Sales Emporia, Publication Division of the Ministry of Information and Broadcasting were inadequate. The Ministry stated in December 1987 that in spite of reminders, the sales returns/sales proceeds were not submitted/remitted promptly.

6.8.4 *Outstanding amount due from Sales Emporia.*—On 31 March 1982, an amount of Rs. 80.89 lakhs was due from the Sales Emporia, for the NCERT's books lying with them and the Sales proceeds not yet remitted to NCERT. During 1982-83 to 1986-87, books valued at Rs. 1325.12 lakhs were issued to the Sales Emporia, books valued at Rs. 1.66 lakhs were received back and Rs. 1222.46 lakhs were received as sales proceeds. During 1982-83 to 1986-87, the amount due from the Sales Emporia (value of unsold books plus sales proceeds not received by NCERT) had gradually increased and amounted to Rs. 181.89 lakhs as on 31 March 1987. Emporia-wise break up of the amount due as on 31 March 1987 was as under :—

Sales Emporia				
		New Delhi	Calcutta	Bombay
Amount due (Rs. in lakhs)		32.35	19.19	9.86
Madras	Patna	Hyderabad	Lucknow	Total
29.34	29.81	22.26	39.08	181.89

The amounts due from the Sales Emporia at the close of each financial year were never communicated to them for their confirmation.

6.8.5 There was a difference of Rs. 31.27 lakhs in the value of books recoverable from the Sales Emporia as per NCERT's records (Rs. 170.65 lakhs) and value of unsold books available with the Sales Emporia as per the sales returns together with the amount of sales proceeds due from them (Rs. 139.38 lakhs) as on 31st March 1986. As a result of exercise done by Audit after scrutiny of posting of entries in the



ledger for the period from 1st April 1984 to 31st March 1986, the position of differences in respect of each of the Sales Emporia for the period ending 31st

March 1986 and which remained unreconciled is given in the table below :—

Sales Emporia	Amount recoverable as per NCERT's records	Amount payable to the NCERT as per sales returns of the Sales Emporia.				Total column (4+5+6)	Difference between column 2-7	Difference adjusted/reconciled	Unreconciled difference
		Sales proceeds not yet remitted to the NCERT		Discounted value of unsold books.					
		Period of return	Amount	Text books	General books				
1	2	3	4	5	6	7	8	9	10
							(Rs. in lakhs)		
New Delhi	39.70	October 1985 to March 1986	36.09	10.09	N.A.	46.18	(-) 6.48	21.10	14.62
Calcutta	20.62	October 1985 to March 1986	8.10	7.47	0.28	15.85	4.77	—	4.77
Bombay	21.54	April 1985 to March 1986	14.66	4.69	0.13	19.48	2.06	—	2.06
Madras	18.53	October 1985 to March 1986	6.12	12.99	0.25	19.36	(-)0.83	0.29	(-)0.54
Patna	5.43	January to March 1986	3.48	1.54	0.03	5.05	0.38	(-)0.27	0.11
Lucknow	30.78	January to March 1986	18.74	5.47	0.23	24.44	6.34	(-)1.53	4.81
Hyderabad	34.05	October 1985 to March 1986	3.43	5.53	0.06	9.02	25.03	(-)24.75	0.28
Total	170.65		90.62	47.78	0.98	139.38	31.27	(-)5.16	26.11

The review of the postings in the NCERT's books for the period ending 31st March 1984, was yet to be conducted by the NCERT.

As the sales returns for the period ending 31st March 1987 were awaited (June 1987) from five Sales Emporia, the difference between the NCERT's records and that of the Sales Emporia as on 31st March 1987 could not be worked out. The Ministry stated in December 1987 that the unreconciled difference after March 1987 was only Rs. 8.31 lakhs.

6.8.6 On 31 March 1982, there were 48.97 lakh copies of books and journals (valued at Rs. 181.90 lakhs) in stock of NCERT. During 1982-83 to 1986-87, 502.90 lakh copies of books and journals (valued at Rs. 2447.42 lakhs) were printed out of which 482.07 lakh copies (valued at Rs. 214.83 lakhs) were sold/issued as complimentary copies. On 31st March 1987, 69.80 lakh copies of books and journals (valued at Rs. 414.49 lakhs) were in stock. Whereas the school textbooks were very much in demand and unsold copies in stock at the close of each financial year were sold in the following year(s), the stock of general books remaining unsold had accumulated over the years from Rs. 20.22 lakhs as on 1st April 1982 to Rs. 63.49 lakhs as on 31st March 1987. During the above period, 1.89 lakh general books (sale value : Rs. 12.44 lakhs) were sold. The break up of the stock of general books lying unsold for less than 5 years and more than 5 years as on 31st March 1987 was as under :—

Period	Number of copies (In lakhs)	Amount (Rs. in lakhs)
Remaining unsold for less than 5 years	2.95	37.84
Remaining unsold for more than 5 years	2.80	25.65

The Ministry stated in December 1987 that the sale of these books required special sales promotion drives which the NCERT was not able to undertake.

#### 6.9 Paper Account

6.9.1. From 1974 onwards, the Ministry of Human Resource Development allotted Norwegian text paper to the NCERT for use in printing of the school textbooks; the NCERT paid to the Ministry, the cost of paper at rates fixed by the Ministry, from time to time. The cost of transportation of the paper from the port of landing in India to the godown of the NCERT at New Delhi/Madras was also borne by the NCERT. In November 1983, the Ministry informed the NCERT that against 9007 MTs of paper valued at Rs. 419.64 lakhs, supplied during 1978-79 to 1982-83, the NCERT had made payments of Rs. 348.20 lakhs and balance amount of Rs. 71.44 lakhs was payable by the NCERT. No attempt was, however, made by the NCERT to verify from its records, the quantity of paper received and the amount due for payment to the Ministry. During the period 1983-84 to 1985-86, the NCERT received further quantities of paper and the Ministry preferred a further claim of Rs. 561.94 lakhs. The NCERT paid during the same period, an ad hoc payment of Rs. 599.77 lakhs leaving a net balance of Rs. 33.61 lakhs payable to the Ministry.



In this connection, the following points were noticed in Audit :—

(i) The amount due for payment to the Ministry as on 31st March 1986 worked out to Rs. 33.61 lakhs whereas the Ministry worked out the balance due as Rs. 25.29 lakhs and the annual accounts of the NCERT reflected only an amount of Rs. 0.09 lakh due to the Ministry. The NCERT made no attempt to square the accounts with the Ministry.

The Ministry stated in December 1987 that the difference of Rs. 25.20 lakhs was being reconciled.

(ii) In March 1987, the Ministry claimed Rs. 57.08 lakhs for 687.809 tonnes of Norwegian textpaper supplied against allotment for 1986. An *ad hoc* payment of Rs. 50.13 lakhs and an advance payment of Rs. 52.80 lakhs was made to the Ministry on 31st March 1987. Payment of Rs. 52.80 lakhs was made on 31st March 1987 only to avoid lapse of funds.

(iii) Against 1065 bales (8520 reams) and one reel of Norwegian paper retained at Madras during 1982 to 1984, the NCERT accounted for 5160 reams of paper only. The NCERT also did not obtain actual ground balances at Madras at the close of each year for making agreement with the balances in the Stock register.

The Ministry stated in December 1987 that it was proposed to send a Physical Verification Committee to Madras to sort out the issue.

(iv) Eighteen bales and one bale out of consignments received on Ex. S. S. Jalakanta (March 1983) and Ex. S.S. Uttar Pradesh (April 1984) respectively, were reported short landed at Madras Port. The NCERT, however, had no records to show whether any claims were preferred, as required under the terms of contract/agreement and their present position.

(v) For 28 bales of paper lost in transit through Railways, the NCERT lodged claims for Rs. 0.29 lakh, against railway authorities, out of which claims for Rs. 0.10 lakh had been realised and Rs. 0.19 lakh for 20 bales of paper lost in transit in March 1983, was recoverable (May 1987).

6.9.2 Although the payments on account of cost of paper to the Ministry were made on 'on account' basis, the NCERT neither reflected the payments as 'on account' in the Annual Accounts nor maintained any other accounts records to watch progress of finalisation of *ad hoc* payments against each consignment.

6.9.3 *Delayed utilisation of paper resulting in wasteful expenditure on godown rent.*—In March 1980, the NCERT received 2759 bales (Ex. S.S. Maria-K) weighing 495 tonnes of Norwegian paper, transported by rail from Madras to Delhi. On taking delivery of paper at Delhi, the paper was found in damaged and loose condition. The NCERT dumped the entire quantity of paper in rented godowns and

kept consulting the Ministry for 30 months for finding alternate avenues for use/disposal of the paper. During the above period, the NCERT, with the consent of the Ministry, issued 236 tonnes of paper to Rajasthan Text Book, Jaipur and three Government printing presses. In February 1983, the NCERT began sorting out good paper and actually used 187 tonnes of paper during February to April 1983 in printing of school textbooks. Another 48 tonnes of paper was declared as totally damaged and 24 tonnes of paper remained unaccounted for. Out of 495 tonnes of paper, 423 tonnes (85 per cent) was good and ultimately used. The delay in sorting out the good paper, the NCERT had to incur wasteful expenditure of Rs. 6.68 lakhs by way of rental of godowns used, to store the paper. The NCERT also kept no accounts to watch recovery of cost of 236 tonnes of paper supplied to other agencies.

6.9.4 *Annual Physical Verification of paper.*—As per Government rules, physical verification of stores is required to be conducted once in a year. It was however, observed that during the period of five years (1982-83 to 1986-87), physical verification of paper was conducted thrice in September 1982, 1983 and 1985. The shortage/excesses of text paper, cover paper and pulp board noticed during physical verification of ground balances were as follows :—

Year	Shortage (Reams)	Value (Rs. in lakhs)	Excess (Reams)	Value (Rs. in lakhs)
1982-83	3003	2.94	1049	1.61
1983-84	20	0.03	18	0.03
1985-86	72	0.11	96	0.15
<b>TOTAL</b>	<b>3095</b>	<b>3.08</b>	<b>1163</b>	<b>1.79</b>

Note : One ream consists of 500 sheets of paper.

No action to write-off the paper found short was taken by NCERT. The excesses were also not investigated to find out whether there were any accounting lapses and whether the existing accounting procedure was adequate.

The Ministry stated in December 1987 that 42.61 tonnes of damaged paper found in store compensated the paper found short. It may be added that shortages pertaining to paper other than consignment received Ex. S.S. Maria-K, could not be linked with the damaged paper/scrap (42.61 tonnes) mostly pertaining to consignment Ex. S.S. Maria-K. (which ultimately was found to be 48 tonnes as per previous sub-para).

6.9.5 To keep watch over the consumption of paper issued to the printing press, the paper store maintained press-wise register of paper issued to the printing presses. For each printing job, a paper consumption account was prepared and sent to store section to complete the entries in the press-wise register. A review of the press-wise registers revealed that the entries of paper issued/consumed, remained unattested and the paper store did not conduct any periodical review for making out cases where the paper account



had not been received. As per information furnished by the Publication Department, paper consumption account for 74,819 reams and 427.94 tonnes of paper issued during 1984-85 to 1986-87 were awaited (July 1987) in 252 cases. Account of wanting paper consumption account was never prepared.

### 6.10 Under-pricing of textbooks

6.10.1 In 1971, the NCERT adopted a pricing formula with a view to produce and make available the text-books to students on a 'No profit, no loss basis'. The 1971 pricing formula was revised in 1981 as per decision taken by the Finance Committee in its meeting held on 24th March 1981. The revised formula provided fixation of the price of the first edition of the text-books as follows :—

First Edition Text Books	Units
(i) Unit cost of Production (Paper and Printing).	100
(ii) Direct overheads comprising of salaries, packing and freight and royalty, etc.	25
(iii) Indirect overheads comprising of inventory holding of both paper and printing books, cost of obsolescences, publicity and complimentary copies	15
(iv) Development cost of manuscript in other departments of the NCERT	50
(v) Trade discount @ 20 per cent of the total sales price (240)	48
Total Sale Price	238
Say	240

According to this formula, if the unit cost of production of first edition is Re. 1 the sale price is fixed at Rs. 2.40.

In the case of reprints, the factor '50' representing development cost was excluded. As such, if the unit cost of a reprint worked out to Re. 1.00, the theoretical sale price of the reprint will be Rs. 1.90. It was further decided that if the theoretical sales price of a reprint was lower than the price of the original edition, the price of the original edition was to be maintained. If the price of the reprint as calculated at 1.90 times of the unit cost of production exceeded the original cost of first edition, the sale price of the reprint was to be revised. As a result of scrutiny by Audit, the following points were noticed :—

For printing of the school textbooks, the Publication Department was getting paper (Norwegian) through Ministry of Human Resource Development. The NCERT had maintained buffer stock of paper for its requirement for one year. For storage of paper and NCERT's publications, the NCERT had

taken on rent godowns of Central Warehousing Corporation (CWC). For working out the cost of paper chargeable for calculation of sale price of text-books, the element of cost on account of freight and octroi, transportation, godown rent, insurance charges was added to the basic cost of paper paid to the Ministry. It was, however, observed that the final cost of paper was not correctly worked out as detailed below :—

(i) The Central Warehousing Corporation (CWC) was charging rent of its godowns at the rate of Rs. 1.20 per square foot with effect from April 1982 and the cost of storage of paper per kilogramme worked out to Re. 0.27. The CWC, however, revised the rent of the godowns to Rs. 1.40, Rs. 1.50 and Rs. 2.40 per sq ft. with effect from 1st April in 1984, 1985 and 1987 respectively. Accordingly, the cost of storage of paper went up to Re. 0.32, Re. 0.36 and Re. 0.45 per kg. with effect from 1st April 1984, 1985 and 1987 respectively. The Publication Department, however, did not revise the cost as on 1st April 1984, taking storage cost as Re. 0.32 per Kg. in place of earlier storage cost as Re. 0.27 per kg. In subsequent calculations for revised cost as on 27th February 1985, 20th March 1986 and 20th January 1987, the element of storage cost was taken as Re. 0.29 per kg. instead of Re. 0.32 and Re. 0.36 per kg. effective from 1st April 1984 and 1st April 1985.

(ii) Since the Publication Department had created a buffer stock of paper, a large quantity of paper received in one year was carried over for consumption in the next year. However, while calculating the cost of paper, the element of storage and insurance charges for the left over stock of paper of the previous year for the 2nd year were not taken into account while calculating the cost of the paper in the next following year, resulting in under-calculation of the cost of paper. There was a total loss of Rs. 15.88 lakhs due to underpricing of paper by not including (i) the enhanced cost of storage and (ii) storage charges for the left over stock of paper for the second year. Due to incorrect working of the cost of paper, the overall under-pricing of text-books on that account from 1st April 1984 to 31st March 1987, at 240 per cent amounted to Rs. 38.11 lakhs.

6.10.2 In April 1975, the NCERT had appointed the Publication Division of Ministry of Information and Broadcasting, as sole distributor of the NCERT's Publications, through their Sales Emporia and allowed the discount at the rate of 22½ per cent of the printed sales price of text-books. In the pricing formula of 1981, provision for discount had been made at 20 per cent only which was lower than the actual discount allowed by 2½ per cent. During 1982-83 to 1986-87, the NCERT had produced text-books valued at Rs. 2447.42 lakhs (at selling price) and the element of under-pricing at 2 per cent of the selling price worked out to Rs. 48.95 lakhs.



### 6.11 Godowns

6.11.1 In 1974, the NCERT had 9,000 sq. ft. of storing space in the tubular structures at its campus. In addition, the NCERT had taken on hire three godowns at Rana Pratap Bagh (3,000 sq ft), Mehrauli (2,800 sq ft) and Kalkaji (11,638 sq ft) and was paying annual rent of Rs. 1.25 lakhs. The NCERT proposed to construct godown-cum-office building covering 11,000 sq ft space at a cost of Rs. 6.98 lakhs. The Works Committee of the NCERT in its meeting held on 19th October 1974 however, approved construction of two godowns (tubular structure with storing space of 6,000 sq ft) at a cost of Rs. 1.50 lakhs, subject to the prescribed procedure for relaxation of ban on construction being followed. In February 1975, the NCERT approached the Ministry to relax the ban on construction of godowns and a library building stating that on completion of godowns, the NCERT would vacate the hired godowns at Rana Pratap Bagh (3,000 sq ft) and Mehrauli (2,800 sq ft). The third godown at Kalkaji (11,638 sq ft) was to be vacated on completion of library building, thereby the NCERT would be effecting a saving of expenditure of Rs. 1.50 lakhs *per annum* on account of rental of hired godowns.

In March 1975, the Ministry agreed to exempt from ban in this case to the extent of Rs. 1.50 lakhs worth construction subject to the NCERT vacating the hired godown in the manner given above. Though the two tubular godowns were completed and occupied in July 1977 and the new library building was completed in 1981 (or 1982), the NCERT continued to hire godown with much larger area ranging from 88,720 sq ft (1982-83) to 1,14,215 sq ft (1983-84 to 1986-87) and continued to incur expenditure on rental from Rs. 13.28 lakhs (1982-83) to Rs. 15.09 lakhs (1986-87) *per annum* during 1982-83 to 1986-87.

6.11.2 *Underutilisation of godowns.*—In a departmental meeting of the NCERT held on 4th July 1983, it was decided to take over an additional area measuring 47,775 sq ft of the CWC godowns at NOIDA, so as to centralise most of the paper godowns and to vacate 22,280 sq ft area of Safdarjang flyover godowns of CWC. No justification or norms for additional areas required was on record in terms of quantity of paper and number of printed books in stock and the area required to store one tonne of paper or 1000 copies of the printed books. Accordingly, assessment of godown areas required to store paper, pulp board and printed books was not possible.

6.11.3 In July 1983, the NCERT decided to surrender the Safdarjang Flyover godown (measuring 22,280 sq ft) and to take over additional 47,775 sq. ft. area of CWC godown at NOIDA. Whereas the NOIDA godown area measuring 9486 sq ft and 38,289 sq. ft. was taken by the NCERT on 16th July 1983 and 1st August 1983 respectively, the NCERT continued to retain 22,280 sq ft for three months from August to October 1983 and 7000 sq ft from November 1983 to May 1984 of

the Safdarjang Flyover godown and paid an amount of Rs. 4.35 lakhs as rental for the Safdarjang Flyover from August 1983 to May 1984. When the additional area of 47,775 sq ft at NOIDA godown was taken over from August 1983, the Safdarjang Flyover godown should have been vacated immediately.

6.11.4 In August 1984, the Central Warehousing Corporation, NOIDA wrote to the NCERT that the space reserved for the NCERT had not been gainfully utilised in the past and the average utilisation of the reserved area for the last two years was not more than 60-70 *per cent*.

In September 1984, the NCERT wrote back to the CWC, NOIDA that the NCERT was expecting fresh consignments of the imported as well as indigenous printing paper very soon and the NCERT would utilise the entire godown area including the unutilised godown area for storing its incoming consignment of paper and textbooks in times to come. In reply to an enquiry from Audit regarding capacity of each godown in terms of Metric Tonnes of paper, the NCERT stated that the same was not known. Accordingly, no comparison was possible to compare the godown area available and its utilisation from time to time.

The Ministry stated in December 1987 that godown space was hired on the basis of the peak requirement and as the paper was issued from time to time, some space remained unutilised for part of the year.

6.11.5 *Construction of godowns not taken up.*—In the Sixth Five Year Plan, there was proposed outlay of Rs. 20 lakhs for construction of godowns. The Finance Committee of the NCERT in its meeting held on 21st July 1983 approved the proposal for construction of godowns with a total plinth area of 1,35,000 sq ft in a phased manner at a total cost of Rs. 221.79 lakhs. The first phase of construction was to cover an area of 90,000 sq ft at a cost of Rs 147.80 lakhs. The construction was to be taken up in convenient phases subject to availability of funds and was to be planned in such a way that each phase could be of use independently of the remaining phases to be taken up. The Finance Committee approved the budget provision of Rs. 19.86 lakhs and Rs. 23 lakhs during 1983-84 and 1984-85. In March 1984, the budget provision of Rs. 19.86 lakhs for 1983-84, for construction of godowns was diverted to construction of 104 staff quarters on the plea that the construction of godowns was going to cost about Rs. 800 lakhs instead of the approximately rough estimate of Rs 221.79 lakhs projected earlier. The proposal for construction of godowns estimated to cost Rs. 700 to 800 lakhs was again placed before the Finance Committee in its meeting held on 30th April 1984. The Finance Committee called for submitting a comprehensive proposal to the Financial Adviser to enable him to take up the matter with the Government. The proposal when sent was, however, not agreed to by the Ministry as it was too ambitious and uneconomical. No new proposal for the construction of godowns



was under consideration of the NCERT (May 1987) for execution during the Seventh Five Year Plan period. Pending construction of its own godowns, the NCERT had incurred expenditure as below on rental of godowns taken on hire.

Year	Amount (Rs. in lakhs)
1982-83	13.28
1983-84	16.95
1984-85	14.59
1985-86	15.09
1986-87	15.09
Total	75.00

### 6.12 Damaged paper

6.12.1 215 Metric Tonnes of torn, soiled and damaged sheets mostly of mechanical printing paper, off-cuts of imported cards, pulp board and printing paper, glazed mechanical paper resultant cut waste of reel paper, wrapper, kraft paper, reel side board, etc., 15 metric tonnes of wooden planks and iron strips and 850 reel covers, all valued at Rs. 6.02 lakhs, accumulated during 1974-75 to 1984-85, had been lying in the godowns of the NCERT since 1974 onwards and were occupying valuable area of godown which were taken on rent for which the NCERT was paying large sums as rent. In March 1983, the Publication Department initiated a proposal for disposal of these stocks.

Accordingly, a proposal for disposal of damaged paper/waste material after having been condemned by the Condemnation Committee in November 1985 was placed before the Finance Committee in its meeting held on 3rd November 1986. The Committee authorised the Financial Adviser to take a final decision.

In March 1987, the case was again referred to the Financial Adviser who remarked that the material should be disposed of by auction/by calling tenders, through the authorised Government auctioners by advertisements in the local newspapers. No further progress could be made for disposal of damaged paper/waste material (May 1987).

On the one hand, the damaged paper/waste material lying in the godowns of the NCERT for periods extending to 13 years had been deteriorating in quality and its disposal value, and on the other, it was occupying valuable storing space for which the NCERT was paying rent. The Publication Department of the NCERT had not evolved any working system so as to avoid accumulation of waste material for long periods.

6.12.2 Another 66 tonnes of damaged Norwegian paper (valued at Rs. 5.14 lakhs) had accumulated in store during 1983-84 to 1986-87. The NCERT had not initiated any action towards its disposal.

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6.12.3 315 reams of Swedish paper (out of total of 9921 reams) received in January 1968 and another 1044 reams of UNICEF paper (valued at Rs. 0.58 lakh) received during 1967-68 to 1971-72 under UNICEF aid programme (Re-organisation and expansion of the Teaching of Science throughout school stage in India) were lying in stock for 15 to 20 years and there was no issue of paper from 315 reams of Swedish paper and 981 reams of other paper for more than six years.

### 6.13 Non-disposal of obsolete NCERT textbooks

6.13.1 During 1975-76 to 1979-80, a large number of NCERT's publications (mostly text-books) were rendered obsolete owing largely to the change-over to 10+2 pattern of education. By September 1979, 98 titles of obsolete books valued at Rs. 20.39 lakhs had accumulated with the Publication Department. The Executive Committee in its meeting held in September 1979 directed that these textbooks may be distributed to Centres for Continuing Education (CCE) of the NCERT and other schools, etc. These books were, by April 1981, despatched to CCEs and Regional Offices of All India Primary/Secondary Teachers Federation for further distribution of these books to the schools in their regions.

6.13.2 The stock of books as on 31st March 1987 (3.88 lakh volumes of 170 titles valued at Rs. 12.44 lakhs) had accumulated from October 1979 onwards. A Committee of the NCERT set up to review the position of obsolete books observed in December 1986 that 3.99 lakh volumes of 172 titles valued at Rs. 12.37 lakhs (December 1986) had been rendered obsolete owing to reasons such as political changes, de-prescription of textbooks by CBSE, publication of revised/new books/combined edition, etc. Teachers' Guides (0.06 lakh copies valued at Rs. 0.08 lakh) had also become obsolete as relevant textbooks had been withdrawn from the prescription list. In September 1986, the NCERT made a reference to the Ministry to ascertain whether the obsolete books could be distributed free of cost to primary/secondary schools in the country. The comments of the Ministry to the above proposal were, however, awaited (May 1987).

### 6.14 Publication of Journals

6.14.1 In 1963, the NCERT took up publication of the Journal—Indian Educational Review to cater to the needs of educational research works. Over the years, the NCERT brought five more journals addressed to the school teachers with a view to improve quality of school education. The establishment charges of the staff engaged in their publication and cost of production were not separately available. As a result of exercise done by Audit, the expenditure incurred on the pay and allowances of the staff engaged in the preparation of manuscripts, cost of paper, production and distribution of the journals for one year (1986-87) were to the extent of Rs. 7.85 lakhs (Establishment charges : Rs. 6.15 lakhs; production cost : Rs. 1.70 lakhs). Though



the Journal Cell undertook some academic programmes, the major function of the Journal Cell was to produce the six Journals.

Although the print order for each of the journals was very low (1200 copies for Journal of Indian Education and 1000 copies for other journals) the number of subscribers was still lower and ranged from 97 to 488 (July 1987). The number of copies of 6 Journals published, complimentary copies, copies sold and receipts from sales proceeds of the Journals during the years 1982-83 to 1986-87 were as under :—

Year	Number of copies				Percent- age of copies sold to pub- lished.	Amount of Sale proceeds (Rs. in lakhs).
	Publish- ed	Comple- mentary	Sold over	Left over		
1982-83	18383	7530	9415	1438	51	0.29
1983-84	17879	6721	8860	2298	49	0.27
1984-85	30225	12524	12934	4767	43	0.36
1985-86	36221	11205	8226	16790	23	0.27
1986-87	30921	12610	12170	6141	39	0.38

Due to lesser number of subscribers, a large number of copies of old issues of the Journals had accumulated and were lying in store. The yearwise break-up of the stock as on 31st March 1987 was as under :—

Period	Number of copies	Value (Rs. in lakhs)
Remaining unsold for less than five years.	30,907	0.93
Remaining unsold for 5 to 22 years	68,853	1.34

6.14.2 *Non-revision of the sales price of the Journals.*—The prices of the five Journals (Indian Educational Review, Journal of Indian Education, School Science, Primary Teacher and Primary Shikshak) fixed in the year of production (1963 to 1976) remained unchanged for 5—18 years. As the cost of production had increased over the years, the NCERT in 1981, as a result of cost analysis, observed that production cost had increased from 190 to 383 per cent. Accordingly, the NCERT, in September 1981, revised the price of each of the five journals (though still subsidised) with the approval of the Finance Committee.

Although the Finance Committee recommended review of the prices of journals every two years and in spite of the fact that there was general increase in the cost of paper and remuneration to writers and reviewers revised upwards (with effect from 1st April 1986) no review of the prices of the Journals was conducted after 1981.

## 6.15 Research Projects

6.15.1 The Department of Policy, Research, Planning and Programmes (DPRPP) of the NCERT undertakes, aids, promotes and co-ordinates research and innovations in all branches of education.

Educational Research and Innovations Committee (ERIC) set up in 1974 and consisting of representatives from the States' Institutes of Education, States Council of Educational Research and Training and all Heads of Departments of the NCERT and Regional Colleges of Education help to identify priority areas in research. The NCERT, then, sanctions funds for approved research projects undertaken by various departments of the NCERT, other research institutions in the States, and also individual scholars.

6.15.2 The number of departmental and outside research projects approved for financial support during 1982-83 to 1986-87 were as follows :—

Year	Number of depart- mental pro- jects	Number of outsides projects
1982-83	—	14
1983-84	17	19
1984-85	4	—
1985-86	6	6
1986-87	3	3
Total	30	42

There was a sharp decline in the number of research projects approved for financial assistance and it had come down from 36 in 1983-84 to only 6 in 1986-87. The Ministry stated in December 1987 that the ERIC approved lesser number of projects as compared to the number of proposals.

6.15.3 The annual provision of funds for research projects and actual expenditure for the period 1982-83 to 1986-87 were as follows :—

	1982-83	1983-84	1984-85	1985-86	1986-87
	(Rs. in lakhs)				
1. Annual Budget provisions	10.00	10.00	10.00	14.00	6.00
2. Actual expenditure	11.02	11.35	10.70	10.52	8.09

Although the actual expenditure incurred during 1982-83 to 1984-85 and 1986-87 was more than the sanctioned budget, number of new research projects approved for financial support had come down.

6.15.4 For keeping watch over the progress of the research projects, the DPRPP had not maintained consolidated records showing the research projects approved, sanctioned budget for each project, time for completion, grants released in the case of outside projects/expenditure sanctions issued in the case of departmental projects, period of extension approved, date of completion, etc. In November 1984, the



DPRPP noticed that 163 research projects were in progress which were recorded in a register to monitor further progress. During test check in Audit, it was observed as under :—

6.15.5 (i) *Delayed completion of research projects.*—As per the report for 1986-87, 45 research projects (32 departmental and 13 outside) were ongoing.

As per basic records of DPRPP, 101 research projects (63 departmental and 38 outside) were ongoing (August 1987). The difference of 56 in the ongoing projects (101 minus 45) remained unreconciled. During 1982-83 to 1986-87, 56 research projects (12 departmental and 44 outside) were completed. Out of 101 ongoing projects, 8 were not yet due for completion (August 1987). Out of remaining 93 projects (60 departmental with sanctioned budget of Rs. 28.29 lakhs and 33 outside projects where grants-in-aid amounting to Rs. 5.76 lakhs had been released) 19 were still ongoing even after delay of up to two years, 41 after delay of 2 to 4 years, 16 after delay of 4 to 6 years, 11 after delay of 6 to 8 years, 4 after delay of 8 to 10 years and 2 after a delay of 16 to 18 years.

6.15.5 (ii) In March 1977, the ERIC approved a project 'Know the plants around you—hand book for the secondary teachers' with an approved budget of Rs. 0.63 lakh to be conducted by Professor and Head of Science, Regional College of Education, Bhubaneswar for completion within three years. The project had not been completed (August 1987). The Council approved extension of the project upto June 1984. In January 1982 the expenditure incurred on the project was reported to be Rs. 0.42 lakh. The Principal Investigator who was looking after the project, retired from the NCERT in 1984, without submitting the final report.

6.15.5 (iii) In February 1969, the NCERT approved the project 'Indian Public Schools—A study of their growth and development with special reference to the pattern of leadership provided by them' to be conducted by the Department of Education, Lucknow University, Lucknow, at a total cost of Rs. 0.25 lakh. The project to be completed within a period of 18 months, was reported to be still ongoing (August 1987). The NCERT had released grant amounting to Rs. 0.22 lakh and approved extension upto 1974. The Principal Investigator who was looking after the project retired from Lucknow University in September 1978 without submitting the project report.

6.15.5 (iv) In November 1983, the NCERT approved a project 'A study of learning out-comes (in terms of objectives in Mathematics)' at a cost of Rs. 0.32 lakh to be conducted by a lecturer, Department of Education, Meerut University, Meerut. The project was to be completed in 2 years. The NCERT, however, noted from the progress report (November 1985) that the working of the project

was not according to the project scheme. Accordingly, in July 1986, the NCERT directed the Principal Investigator to discontinue work on the project.

6.15.6 *Publication grants.*—The NCERT gave financial assistance (grants-in-aid) for the publication of Ph.D. thesis and Research Reports. The grant was released in two instalments. The first instalment not exceeding Rs. 1500 (amount raised to Rs. 2500 with effect from March 1985), was released on receipt of details of estimated expenditure for publication and the balance grant was released on receipt of printers bill. The release of grant was subject to the condition that (i) the thesis should be published within twelve months from the date of sanction of grant and (ii) six complimentary copies of the published thesis will be furnished to the NCERT. It was, however, observed that in 16 cases where the first instalment of grant was released (total grant Rs. 0.33 lakh), the beneficiaries had not submitted the publishers' bills and six complimentary copies even after a delay of 1 to 4 years.

6.15.7 *Outstanding utilisation certificates.*—According to the instructions issued by the NCERT, the grantee institutions were required to furnish utilisation certificates in respect of the total grant for the project on its completion. It was, however, noticed that utilisation certificates for grants paid (Rs. 9.42 lakhs) upto 31st March 1987 by the NCERT were awaited (August 1987) from the 122 grantee institutions out of which 51 (grant released Rs. 3.11 lakhs) pertained to the period 1974-75 to 1981-82.

6.16 *Grants to Vikram A. Sarabhai Community Science Centre.*—Till 1969, the Vikram A. Sarabhai Community Science Centre (VASCSC), Ahmedabad established in 1966, was fully financed by Asia Foundation and Nehru Foundation for Development. From 1970 the Asia Foundation stopped financial assistance to VASCSC and the Government of India and Government of Gujarat started giving financial support to VASCSC. The Government of India channelised its funds through the erstwhile National Council for Science Education (NCSE) upto 1977-78. With the winding up of NCSE in 1978, the NCERT was directed to take over assets and liabilities and the question of funding the centre by NCERT came up for consideration. To assess the performance and requirement of the Centre, NCERT appointed a Review Committee which visited the centre in 1979 and recommended continuance of grants to the Centre, NCERT's contribution was fixed at 70 per cent of the total expenditure. Over the years, the NCERT had paid grants amounting to Rs. 55.89 lakhs to the Centre with the approval of the Executive Committee.

Not only was there no approved scheme in the NCERT under which maintenance grant could be given to VASCSC, there was also no scheme under the Ministry of Human Resource Development for providing financial assistance to the Centre. The Executive Committee of the NCERT had been



according approval for the release of maintenance grants to VASCSC on the plea that the Centre was doing good work.

#### 6.17 Other Points of interest

6.17.1 *Outstanding royalty due from private sector publishers (Rs. 1.40 lakhs).*—With the introduction of 10+2 pattern of education, the NCERT undertook development of textbooks on priority basis. In view of the enormity of production and distribution, the NCERT assigned the production and distribution of some of its textbooks/workbooks to private sector publishers for the session 1976-77 (4 existing textbooks to 4 publishers), 1977-78 (53 textbooks/workbooks to 24 publishers) and 1978-79 (45 textbooks/workbooks). Although the private publishers were required to pay royalty to the NCERT at the rate of 15 per cent of the marked price on the total print order (excluding 100 copies to be given to the NCERT as complimentary copies). In two equal instalments (first to be paid by 31st October and second by 28th February) an amount of Rs. 1.40 lakhs was outstanding (May 1987) against six publishers. The NCERT made no special efforts to recover the out-standing dues. During the last three years (1984-85 to 1986-87), only an amount of Rs. 0.10 lakh could be realised.

### 7. Indian Institute of Technology, Kanpur

7.1 *Introduction.*—The Indian Institute of Technology, Kanpur (Institute), was incorporated as a body corporate under the Institute of Technology Act, 1961 to provide education of the highest quality attainable in various fields of engineering technology, science, humanities and social sciences and to establish centres of excellence in research, design and development thereby contributing to the manpower needs and economic development of the country.

7.2 *Scope of audit.*—The account of Institute are audited by the Comptroller and Auditor General of India under Section 19 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and the audited accounts, together with the report thereon are placed before the Parliament. Apart from yearly audit, a review of the Institute's accounts and records for seven years ending March 1987 was conducted by Audit between December 1985 and March 1986. Highlights and details of the findings of this review are given in the succeeding paragraphs.

7.3 *Organisational set up.*—Under Section 10 of the Institutes of Technology Act, 1961, the authorities of the Institute comprise (i) a Board of Governors, (ii) a Senate, and (iii) such other authorities like the Finance Committee and the Building and Works Committee, declared by the Statutes to the authorities of the Institute.

The Board is responsible for the general superintendence, direction and control of affairs of the Institute, whereas the Senate is responsible mainly

for the maintenance of standards of instruction, education and examination. Besides, the 'Council' was established with effect from 15th May 1962 by the then Ministry of Scientific Research and Cultural Affairs to advise in matters relating to the duration of courses and admission standards, laying down policy regarding development plans and examination of annual budget estimate.

The Director of the Institute stands vested, *inter alia*, with the powers to incur expenditure subject to budget provision made for specific purposes.

#### 7.4 Highlights

— The Institute is financed mainly through annual grants from the Government of India and other specific purposes grants for research, scholarships, projects, etc. from that Government and others. The specific purpose grants were clubbed together instead of being accounted for separately with the result that the grant wise analysis of the unspent balance of Rs. 284.44 lakhs of such grants as on 31st March 1987 was not available. In addition, out of the grant of Rs. 20 lakhs received from the Government of India for Silver Jubilee celebrations in 1984-85, the unspent balance was Rs. 13.09 lakhs.

— In some of the doctorate courses, intake capacity ranging upto 90 per cent and in certain post-graduate courses capacity ranging upto 67 per cent remained unfilled. The overall teacher-student ratio was 1 : 8 in undergraduate and 1 : 4 in post-graduate courses, but there were no discipline-wise norms for the same. Inter se proportion of 2 : 3 : 1 amongst the faculty of Professors, Assistant Professors and Lecturers was not adhered to.

During 1986-87, there were 175 Professors against the norm of 86, 117 Assistant Professors against 128 and 10 Lecturers against 43.

— For the new computer commissioned in 1979, the rate charged for private use of computer time, as adopted in July 1979 from the Tata Institute of Fundamental Research, was not revised despite the fall in income from Rs. 6.62 lakhs in 1981-82 to Rs. 3.67 lakhs in 1986-87. Rupees 12.96 lakhs were spent, upto January 1986 on maintenance of the old computer system.

— Imported equipment valuing more than Rs. 22 lakhs had not been commissioned for more than 2 to 8 years, due to having been received in damaged condition.

— The Central Workshop, established in 1972 with a staff strength of 150 for undertaking 2500 to 3000 jobs a year, got 300 to 500 job orders during 1982-83 to 1986-87. Pending reorganisation of Workshop, the Institute had been incurring an yearly-expenditure of over Rs. 5 lakhs on the staff of about 76.



- The scope of a contract valuing Rs. 1.16 lakhs, awarded for pre-mix carpet seal coat on the campus forms in January 1983 was subsequently enhanced to Rs. 8.40 lakhs without inviting fresh tenders. As on 31st March 1987, finalisation of payments in respect of contract, valuing Rs. 79.28 lakhs pertaining to the period 1972-73 to 1985-86 was held up for which reasons were not forthcoming in many cases.
- Though more than 25 years old, the Institute did not manualise its accounting procedure.
- The Institute had been maintaining a fleet of 8 buses for the benefit of its staff and students living outside the campus at a yearly loss of about Rs. 12.75 lakhs. It had been advised by the Government of India in

February 1987 to regulate the bus service on self-financing basis.

- The Institute had surplus land of about 500 acres which was not being put, to use like agricultural cultivation, establishment of industrial estate having relevance to its research and development activities, etc. despite recommendation to this effect made by the Reviewing Committee in March 1973.

7.5 Receipts and expenditure.—The Institute is mainly financed by grants paid by the Government of India. Its own receipts are tuition and examination fees, hostel rent and service charges, sale of computer time, consultancy service charges, interest on investment, etc.

7.5.1 A summary of the receipts and payments of the Institute for the years from 1980-81 to 1986-87 is given below :—

Sl. No.	Receipts	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
(Rupees in lakhs)								
1.	Opening balance	183.35	177.64	205.31	123.24	93.56	132.73	151.77
2.	Block Grant from Central Government	148.32	133.54	136.18	149.76	189.38	181.50	161.92
3.	Maintenance grant from Central Government	435.20	502.53	565.03	670.75	819.74	894.20	1031.14
4.	Specific and development purposes grants from Central Government Electronics Commission and others	25.00	9.00	40.00	28.00	17.50	24.00	356.76
5.	Own income	61.05	75.65	86.54	87.34	115.08	118.19	182.09
6.	Endowments and other funds receipts (other than staff funds)	Nil.	0.09	0.04	0.14	0.02	Nil.	Nil.
7.	Other debts, deposits and suspense transactions	131.11	437.61	362.50	533.47	806.44	738.77	629.93
	<b>Total</b>	<b>984.03</b>	<b>1336.06</b>	<b>1395.60</b>	<b>1592.70</b>	<b>2041.72</b>	<b>2089.39</b>	<b>2513.61</b>

Sl. No.	Payments	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
(Rupees in lakhs)								
1.	Expenditure on Capital Account (Block grant)	94.98	144.18	200.15	158.01	204.21	170.55	176.15
2.	Expenditure on Revenue Account (Maintenance grant)	506.66	578.00	692.95	778.97	905.53	992.20	1265.83
3.	Expenditure out of specific and development purposes grants etc.	25.00	9.00	7.41	11.05	15.25	45.39	191.39
4.	Endowments and other fund payments (other than staff funds)	0.01	0.01	..	..	0.03	0.10	..
5.	Other debt, deposit and suspense transactions	179.74	399.56	371.85	551.11	783.97	729.38	476.32
6.	Closing Balance	177.64	205.31	123.24	93.56	132.73	151.77	403.92
	<b>Total</b>	<b>984.03</b>	<b>1336.06</b>	<b>1395.60</b>	<b>1592.70</b>	<b>2041.72</b>	<b>2089.39</b>	<b>2513.61</b>



7.6 Grants utilisation.—For the purpose of accounting, the Institute clubbed research grants, scholarship grants, sponsored project grants, bequests and gifts.

and consequently, unspent balances in respect of each of them separately were not readily ascertainable. The collective picture in this behalf for the period 1980-81 to 1986-87 was as under :—

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
	(Rupees in lakhs)						
Opening balance cash	130.02	78.48	116.51	113.31	65.20	116.09	129.76
Investments	30.63	27.54	27.54	27.54	27.54	27.54	24.00
Receipts	53.26	104.93	102.12	64.59	177.34	151.84	240.69
Total	213.91	210.95	246.17	205.44	270.08	295.47	394.45
Expenditure	107.89	66.90	105.32	112.70	126.45	141.71	110.01
Balance	106.02	144.05	140.85	92.74	143.63	153.76	284.44

Since the unspent balance at the close of most of the years from 1980-81 to 1986-87 was more than the expenditure incurred during the year and there was an investment of Rs. 24 to Rs. 30.63 lakhs, the Institute had been receiving grants in excess of its absorbing capacity.

It was stated (September 1987) that the projects undertaken continue for 3-5 years, whereas the grants were released in advance on *pro rata* basis. The scholarships received during March remained undisbursed. Thus, on 31st March there had to be balance available under the head "Sundry Creditors"; for scholarships, fellowships and sponsored projects, etc. But this was not substantiated by producing supporting data.

7.6.1 Excess Release of Grant.—Rupees 20 lakhs were released as grant by the Government of India in 1984-85 for the Silver Jubilee Celebrations of the

Institute in August 1986, against which an expenditure of Rs. 6.91 lakhs only was incurred upto 1986-87.

The Institute stated (July/August 1986) that the then Ministry of Education provided a block grant of Rs. 20 lakhs to it since each IIT during its Silver Jubilee year had been getting the same amount. Further, the unspent balance of Rs. 13.09 lakhs was being utilised on construction of a Community Centre, (without the approval of the competent authority).

7.7 Academic Programme.—During 1985-86, in some Ph.D and M.Tech. courses there was shortfall upto 90 per cent and 67 per cent respectively as detailed below :—

Department	Post-graduate Courses					
	Ph.D.			M.Tech/M.Phil.		
	Intake capacity	Actual	Shortfall in percentage	Intake Capacity	Actual	Shortfall in percentage
1. Aeronautical Engineering	10	1	90	30	11	67
2. Chemical Engineering	30	6	80	65	59	9
3. Metallurgical Engineering	15	15	..	60	41	32
4. Mechanical Engineering	30	9	70	90	80	11

Note—No admission was made to M.Phil. course since 1981-82.



Faculty-wise position of the number of dropouts and amount of scholarships paid in such cases could not be furnished by the Institute. However, year-wise details of total number of such cases was as under :

Academic year	Drop-outs				Total
	B.Tech./ M.Sc. (Inte- grated)	M.Sc. 2 years.	M.Tech.	Ph.D.	
1980-81	8	1	71	23	103
1981-82	2	.	73	11	86
1982-83	8	5	71	26	110
1983-84	8	3	44	19	74
1984-85	8	2	86	22	118
1985-86	32	2	104	20	158
Total	66	13	449	121	649

It was stated (July 1987) that the shortfall in enrolment of the Ph.D. Programme was not unique to the Indian Institute of Technology, Kanpur. As there were no special incentives given by the industry or by the Government agency, there was no motivation for the students to enroll in the Ph.D. Programme and that students were not interested in taking up the M. Tech. Programme due to lack of job opportunities.

7.8 *Teacher Student Ratio* (1986-87).—The teacher student ratio for undergraduate and post-graduate was 1 : 8 and 1 : 4 respectively. It was claimed by the Institute (May 1987) that its teacher student ratio was on the higher side (fewer teachers) because the Institute was extremely selective in making appointments of faculty members. But, the discipline-wise laid down norms, if any, in this behalf were not spelt out.

Information supplied by the Institute on teacher student ratio was as under :—

Sl. No.	Name of department	Teaching strength	Students strength		Total strength giving weightage of 1×2 to P.G. students	Ratio
			U.G. (in- cluding M.Sc.)	P.G.		
<i>Engineering</i>						
1.	Aeronautical Engineering	16	53	37	127	1 : 8
2.	Chemical Engineering	19	124	57	238	1 : 13
3.	Civil Engineering	27	132	86	304	1 : 11
4.	Electrical Engineering	34	225	97	419	1 : 12
5.	Mechanical Engineering	31	220	73	366	1 : 12
6.	Metallurgical Engineering	26	113	45	203	1 : 8
7.	Computer Science and Engineering	11	85	41	167	1 : 15
8.	Nuclear Engineering	3	..	11	22	1 : 7
9.	Industrial Management and Engineering	6	..	28	56	1 : 9
10.	Material Science	3	..	17	34	1 : 11
<i>Science and Humanities and Social Science Courses</i>						
11.	Physics	34	62	50	162	1 : 5
12.	Mathematics including Statistics	33	64	42	148	1 : 45
13.	Chemistry	28	52	79	210	1 : 7.5
14.	Humanities and Social Sciences	31*	—	41	82	1 : 2.6
		302**	1130	704	2538	1 : 8

#### *Teacher Student Ratio*

U.G. 1 : 8

P.G. 1 : 4

\*Thirty five Faculty members of Humanities and Social Sciences (HSS), Nuclear Engineering and Technology (NET), Industrial Management and Engineering (IME) and Material Science departments also participate in U.G. Teaching. 29 Humanities and Social Science Courses are offered to UG Students of various departments.

\*\*Eighteen Faculty members were on leave during 1986-87. Thus, the actual Teacher Student ratio will work out to be 1 : 8.94 instead of 1 : 8.40.



7.9 *Faculty Strength*.—The inter-se proportion of the faculty strength during 1980-81 to 1986-87 was as under :—

Year	Total Faculty Strength	Professors		Assistant Professors		Lecturers	
		As per norm	Actual	As per norm	Actual	As per norm	Actual
1980-81	279	80	127	120	124	40	28
1981-82	272	78	125	116	121	39	26
1982-83	279	80	141	120	111	40	27
1983-84	283	81	140	123	118	40	25
1984-85	280	80	138	120	119	40	27
1985-86	297	86	173	128	114	43	10
1986-87	302	86	175	128	117	43	10

The Board of Governors at a meeting held on 21st April 1978, approved of the faculty strength of Professors, Assistant Professors and Lecturers in the ratio of 2 : 3 : 1, which was not adhered to.

The Institute stated (July 1987) that the Board of Governors had observed that the ratio laid down by it would be indicative and not directive. Further, in 1979, the Visitor directed (write-up not shown to Audit) that there should be no stagnation for deserving cases due to lack of vacancies. In keeping with this directive, the Board had promoted some Assistant Professors as Professors in various departments.

7.10 *M. Phil Course*.—M. Phil course of one year duration, with an intake capacity of 18 students, was introduced by the Institute in the subjects of Science and Humanities and Social Sciences from 1979-80 without the Indian Institute of Technology Council's advice on duration of course as required under the then Ministry of Scientific Research and Cultural Affairs notification of May 1962. The course was discontinued after 1980-81, as the Government of India declined to grant assistance in the absence of advice of the Council.

Expenditure incurred (amount not available) on the running of unauthorised courses in these subjects for 2 years was not known (October 1987).

7.11 *Employment of Air Force Pilots for imparting training*.—With a view to imparting training in flying to students of Aeronautical Engineering, as a part of their academic programme, the Institute had been obtaining the services of the Air Force pilots on deputation terms, despite the fact that they were not holding licence to fly civilian aircraft. The Air Force pilot, who remained with the Institute for about two years (October 1982 and October 1984), did not take the examination for obtaining the licence, as required under the rules framed by the Director General, Civil Aviation, whereas his successor who joined in December 1984 passed the examination conducted in October 1985, but had not completed the requisite flying hours under the

supervision of a licenced Instructor Pilot. Services of private pilots were hired for 83 hours during 1984-85 (43.50 hours) and 1985-86 (39.10 hours) at a cost of Rs. 0.23 lakh for flying exercises for students, etc. Pursuant to Audit observation the Air Force pilot was reverted back to his parent department on 7th November 1986.

The Institute stated (July 1986) that till such time the Air Force pilots qualified for civilian flying, they were assigned ground jobs.

#### 7.12 *Computer System*

7.12.1 *Computer Centre*.—The Department of Electronics approved (November 1978) import of DEC-1090 computer for the Institute, stipulating, *inter alia*, that the Computer Centre would function as a separate accounting entity, with a distinct budget head. It was to work as a non-profit making scientific body and to have an Advisory Committee consisting of representatives of the Institute, Department of Electronics, Uttar Pradesh Government and other major users in the area. The computer was installed in July 1979 at a cost of Rs. 99 lakhs, but the Centre was not treated as a separate accounting entity. Instead of Advisory Committee, as envisaged, it was being run by a Steering Committee (composition not intimated), under the Chairmanship of the Director. For private use of the Computer time, charges as prevalent in the Tata Institute of Fundamental Research (TIFR) were adopted in July 1979, which remained un-changed ever since.

It was stated (July 1987) that since 93 per cent of the computer time was utilised for instructional and research activities by the Institute itself, maintenance of separate accounts for the centre was considered redundant. The Institute, however, did not explain as to how chargeable rate for the use of rest of the 7 per cent of the computer time utilised by the Uttar Pradesh State Electricity Board, Indian Explosives Limited, Kanpur University, etc. could be worked out, as required, without separate accounting and as to why the rates as adopted from the TIFR in July 1979 were not reviewed subsequently. The revenue generated by 7 per cent private use of the computer time, which was



Rs. 6.62 lakhs in 1981-82, had come down to Rs. 3.67 lakhs in 1986-87.

7.12.2 *Disposal of old computer system.*—Pursuant to installation of the new computer system (DEC-1090) in July 1979, the Finance Committee of the Institute decided in September 1980 for disposal of the old computer system, IEM-1800, TDC-316, etc. having book value of about Rs. 60 lakhs, in consultation with the then Ministry of Education (now Human Resource Development). The Institute, however, made efforts to book up TDC-316 Computer with DEC-1090, which failed. The Finance Committee stressed in October 1985 the need for taking up the matter for early disposal of the old computer system. In January 1986, the case was referred to the Ministry of Human Resource Development, Department of Education; whose permission for disposal of the system was received in April 1986. In the meantime, an expenditure of about Rs. 13 lakhs had been incurred on its maintenance through a contract with the Computer Maintenance Corporation. As confirmed by the Institute in March 1987, no offer was received in response to the advertised tender issued for sale of old computer system.

The Institute stated (May 1987) that due to rapid strides in computer technology efforts for disposal of old and obsolete computer systems did not succeed. However, all possible steps were being taken for its early disposal. No further expenditure had been incurred on maintenance, after January 1986.

7.13 *Research and Development Fund.*—With a view to encourage faculty members to undertake consultancy work which would advance their professional competence, the Board of Governors of the Institute laid down certain norms in 1983. To make consultancy more broad based and of high academic and professional standards, the Institute was required to form a committee of four with Deputy Director as its Chairman. Those availing of the consultancy service were to pay estimated consultancy charges in advance. The revenue generated was to be allocated in prescribed ratio for meeting actual expenses, paying of honorarium to the consultant and staff, crediting to Account No. I of the Institute as revenue and to the Research and Development Fund (Account No. II).

During 1980-81 to 1986-87, the Institute credited a sum of Rs. 27.85 lakhs to Research and Development Fund, which had an unspent balance of Rs. 21.55 lakhs as on 31st March 1987. A committee for over-seeing the research work, as

required, was not set up. The Institute stated in September 1987 that expenditure from the fund was incurred on the recommendations of Deputy Director and Dean, Research and Development.

#### 7.14 *Equipment and Stores*

7.14.1(a) *Physical verification of stock.*—Results of physical verification of the stock carried out in the Institute's Works Department during 1983-84 had not been reported. No such verification was done there after (October 1987). Thus, the overall position of the surplus/obsolete stores of the Department remained to be ascertained.

(b) *Physical verification of assets.*—According to its Balance Sheet for 1986-87, the Institute was in possession of assets worth Rs. 3898.30 lakhs as per break-up given below :—

	(Rupees in lakhs)
1. Land and buildings	1367.38
2. Furniture, equipment and books	2468.15
3. Building materials	29.10
4. Vehicles	33.67
	3898.30

More than 35 units in the Institute were maintaining separate accounts for equipment, furniture, vehicles and other non-consumable materials in their possession, but none of them had been conducting physical verification every year, as required. In Computers Centre and Library, the physical verification had not been carried out subsequent to 1971 and 1976 respectively.

7.14.2 *Assets out of Project Grants.*—Equipment and furniture valuing Rs. 54.05 lakhs, purchased (1971-83) out of the grants for seven terminated projects and schemes were not taken on charge. Besides, 41 other projects/schemes costing Rs. 163.55 lakhs were completed during 1983-84 and 1984-85, but assets generated by them (value not available) also remained to be taken on charge.

The Institute stated that information regarding gifting of the equipment to the Institute by the sponsoring agencies had been collected to a large extent and that as soon as complete information was available, the assets would be shown in the Balance Sheet (May 1987).

Reasons for the delay in this regard were, however, not spelt out.

7.14.3 *Losses/Shortages.*—Five cases involving non-recovery of dues/losses/shortages, etc., to the extent of Rs. 2.43 lakhs were awaiting regularisation (March 1987). The age of cases and the amount involved were as under :—

Particulars	No. of Items	Nature	Value (Rupees in lakhs)	Remarks
More than 10 years old.	3	Loss of Library books, outstanding dues of computer centre. Theft of V.C.R.	1.60	Pending before Board of Governors. Reference made to Ministry of Human Resource Development (July 1986).
			0.25	Being placed before Finance Committee for write-off (October 1987).
Less than 5 years old.	2	Loss of nozal value, pipe, etc., due to theft.	0.58	Action in progress (October 1987).



7.14.4 *Idle Equipment.*—Three items of machinery/equipment (value : Rs. 8.63 lakhs) pertaining to Faculties of Engineering and Science remained idle for periods ranging from 3 to 5 years. Three more items of equipment (value : Rs. 22.10 lakhs), imported for

use in different departments during 1979 to 1985, were received in damaged condition and were yet to be commissioned (October 1987). The details are as under :

Equipment	When purchased	Value (Rupees in lakhs)	Idle since	Remarks
I. Diesel generating sets (2 Nos.)	February 1982	3.72	February 1982	Installed and commissioned in June 1985.
II. Photochem Total Organic Carbon Analyser	February 1983	1.75	February 1983	Equipment installed in February 1987.
III. Schwaizer 2.33 All Kit Sail Plane (Glider).	January 1984	3.16	January 1984	Assembled in July 1986 and flying started in December 1986.
IV. EDAX Detector Unit	June 1979	3.30	June 1979	Found damaged at the time of installation. Though returned by the foreign suppliers after repairs in 1984 it could not be commissioned (October 1987). Expenditure of Rs. 0.52 lakh was incurred on to and fro air freight charges for sending the unit for repairs.
V. Vacuum induction melting and Casting Furnace	October 1982	16.14	October 1982	Remained un-commissioned due to leakage from vacuum pump, which had not been plugged (October 1987).
VI. B.H. Meter	April 1985	2.66	April 1985	Remained uncommissioned due to an inside electrical short circuit which had not been rectified (October 1987).

7.14.5 *Restructuring of Central Workshop.*—The Central Workshop was established in 1972 as a central facility to undertake fabrication job of all the departments of the Institute, including core-courses for the projects and to undertake general repair and maintenance jobs pertaining to works department, transport, horticulture, etc.

Upto 1972-73, the Workshop was undertaking on average 2500—3000 jobs a year, with a strength of 150 employees. Subsequently, the Institute started providing fabrication shops separately for each department, which resulted in corresponding reduction in the job orders on the Central Workshop. The number of jobs undertaken during 1982-83 to 1986-87 ranged from 285 to 545 whereas the staff strength during the corresponding period remained almost the same (63 to 78 nos.). A two-member Committee on re-organisation of the Central Workshop pointed out (July 1982) that due to existence of independent fabrication facilities in almost all the departments, sections, etc., the Central Workshop was hardly receiving any job orders from them except Mechanical Engineering Department, which was mainly utilising the services and facilities during second semester each year to fabricate the projects of the final year students. For optimum utilisation of the manpower and machines, the Committee recommended restructuring of the Workshop, which was not done. On an average, Rs. 5.57 lakhs per year were being spent on pay and allowances of such staff from 1981-82 to 1984-85.

In May 1987 it was stated that the re-organisation of the Central Workshop was in progress and would be completed soon.

7.14.6 *Petrol Pump.*—The Institute arranged installation of a petrol pump within the campus through the Consumer's Cooperative Society, IIT Kanpur, in early seventies. Since the society could not manage the pump, the Institute took over its control (October 1982) without formal transfer of the ownership. Between September 1982 and December 1985, the Institute purchases 2.10 lakh litres of petrol at a cost of Rs. 13.54 lakhs, out of which only 1.06 lakh litres (50% approx.) were consumed by its petrol driven vehicles. For the diesel driven vehicles, the requirements of about one lakh litres of diesel during 1983-84 and 1986-87 were met from the outside petrol pumps. In running the petrol pump, the Institute spent Rs. 0.58 lakh on pay and allowances of staff employed during October 1982 to March 1987, whereas the discount earned during the corresponding period was Rs. 0.22 lakh only, which too remained with the Oil Company as the dealership still vested with the Cooperative Society (July 1987). The Institute did not maintain a *proforma account* to assess economic viability of the petrol pump (March 1987).

#### 7.15 Construction activities

7.15.1 *Undue enhancement of scope of work.*—Tender for the work of premix carpet seal cost on the roads (estimated cost : Rs. 1.16 lakhs) were invited in January 1983 and the work was awarded at 56.53 per cent above the schedule of rates. Subsequently, the scope was enhanced and four agreements (value : Rs. 3.73 lakhs) and four piece work agreements (value : Rs. 0.93 lakh) were executed with the same contractor during 1982-83. Seven more agreements (value : Rs. 3.74 lakhs) were executed during 1983-84. Thus, the tendered quantity



of the work was gradually raised by about 724 per cent (from Rs. 1.16 lakhs to Rs. 8.40 lakhs), without getting the detailed estimates of work sanctioned by the Building and Works Committee. Besides, the Institute was deprived of the opportunity of getting competitive rates, which could have been expected, if the tenders for the entire work had been called *ab-initio*.

7.15.2 *Pending Contracts*.—Finalisation of payment in respect of 30 contracts (value : Rs. 79.28 lakhs), pertaining to the period 1972-73 to 1985-86, was held up (October 1987) for unspecified reasons. The details are as under :—

Year	No. of contracts	Value (Rs. in lakhs)
1972-73 to 1978-80	10	55.73
1980-81	6	1.79
1981-82	1	0.71
1982-83	4	9.20
1983-84	1	0.45
1984-85	2	1.83
1985-86	6	9.57
Total	30	79.28

The Institute stated (July 1986) that in a few cases the contractors did not furnish requisite details needed for settlement of bills and such bills would be adjusted by credit to 'Deposit' head. It was also stated that instructions had been issued to finalise all the old pending contracts within a period of six months.

#### 7.16 *Other topics of interest*

7.16.1 *Outstanding Advances and Recoveries*.—As on 31st March 1987, advances to the tune of Rs. 47.44 lakhs were awaiting adjustment.

Salient features of the outstanding advances and recoveries were as under :—

- The Miscellaneous Public Works advances (Rs. 11.06 lakhs) represented advances given to suppliers for purchase of materials during 1963-64 to 1985-86, which were adjustable from their running bills (October 1987).
- Contingent advances (Rs. 1.83 lakhs) mainly represented advances made to faculty members to meet expenditure on foreign travels, which were to be reimbursed by outside agencies. Details for the advance of Rs. 0.98 lakh given before 1980-81 were not available with the Institute (October 1987).
- Tour Leave Travel Concession advances totalling Rs. 2.50 lakhs were pending adjustment for the period ranging from 1 to 10 years (October 1987).
- The closing balances of cash in hand relating to Account No. II, as on 31st March 1987 included a sum of Rs. 0.33 lakh advanced to various faculty members and heads of departments, which had remained unad-

justed since 1972-73 to 1975-76 due to misplacement of relevant vouchers (October 1987).

- Temporary advances totalling Rs. 0.37 lakh given to the Liaison Assistant located at Delhi, for payment of custom duty and godown rent in respect of imported goods during the year 1983-84, had been awaiting adjustment (October 1987).

The details of accounts, vouchers, etc., submitted by him in the adjustment of advance included payment of Rs. 6.82 lakhs towards godown rent charged by the Central Warehousing Corporation for storage of goods not immediately released from the Customs authorities at the airport, during 1975-76 to 1983-84. Delay in this behalf was attributed to late receipt of original release documents from the Bank, late receipt of NMI (not manufactured in India) certificate, late receipt of DE (duty exempted) certificate, etc., was reported to be unavoidable. The Institute stated (October 1987) that the aggregate of outstanding advances had since come down to Rs. 25.25 lakhs.

- A sum of Rs. 1.99 lakhs payable to the Institute by another grantee (a gliding centre) towards the cost of services of the Institute's staff members and maintenance charges of equipments for a period of 19 to 20 years had not been realised (31st March 1987). The Institute stated (May 1987) that recovery was not possible since that body had been incurring losses.

7.16.2 *Accounts Manual*.—Even after a lapse of more than 25 years of its incorporation, the Institute had not compiled its Accounts Manual, with the result that there were no set procedures for its Internal Audit, financial management of Halls, Campus School, Research and Development Projects, Guest House, etc.

The Institute stated (May 1987) that the matter was under consideration.

7.16.3 *Bus Service*.—The Institute maintained a fleet of 8 buses (capital investment : Rs. 17.80 lakhs) to facilitate to and fro movement of its students and staff (930 Nos. approx.) residing outside the Institute's campus. No *proforma account* was being prepared for the bus service for assessing financial results. In its representation against the State Government's claim for the Passenger Tax, the Institute stated (October 1987) that it was incurring an annual loss of about Rs. 15 lakhs on running the buses. Total revenue from the bus service from 1980-81 to 1986-87 was Rs. 18.79 lakhs only against the expenditure Rs. 108.03 lakhs on its maintenance.

The Government of India stated (February 1987) that it was a welfare activity of the Institute for the benefit of its employees and was not a commercial venture, the Institute was, however, being advised to regulate the bus service on self-financing basis after



settlement of the case with the State Government on the tax issue. This had not been done.

The Institute stated (May 1987) that the State Government had refused to grant any exemption. Payment of Passenger Tax of Rs. 1.06 lakhs for 6 buses for the period 1st January 1984 to 31st December 1986, as assessed in May 1987, was being arranged (October 1987).

**7.16.4 Surplus Land.**—The Institute had acquired a total area of about 1044 acres of land (cost Rs. 9 lakhs) against its requirement of 400 to 500 acres. The Reviewing Committee of the Institute recommended (March 1973) that the surplus land available with the Institute might be put to productive use, like agricultural cultivation, establishment of industrial estate having relevance to the research and development activities of the Institute, etc. But nothing had been done in this direction (May 1987).

It was stated that 44 acres of land were transferred to the Artificial Limb Factory, Kanpur, a unit of Government of India (Ministry of Health and Family Welfare). Further, establishment of an industrial estate was being considered by the Board of Governors (May 1987).

#### Indian Institute of Technology, Kharagpur

#### 8. Non-utilisation of Auto-Telephone Exchange Equipment

The Institute had a 400 line MAX II Exchange and decided to expand it by another 200 lines. The Indian Telephone Industries suggested (July 1978) in their quotation commissioning of either MAX II by direct coupling with the existing exchange or coupling RAX with Auto-to-Auto Relay sets. The Institute approved RAX, which was stated to be cheaper and readily available, and placed orders (October 1978) with the Indian Telephone Industries for the equipment and its installation at a total cost of Rs. 3.73 lakhs which included Rs. 0.50 lakh representing cost of 15 Auto-to-Auto Relay sets and its accessories.

The Institute received a circuit diagram of RAX after the equipment had been received (March 1979). On a study of the diagram the Institute discovered certain disadvantages with the system like its requirement for more space, need for separate numbering scheme for MAX II and RAX that would cause great inconvenience to the telephone users and its greater maintenance and repair cost.

After further in-depth study the Institute concluded that it was possible to connect RAX with the existing MAX II through bank multiplication with some modifications of the existing circuits and this was done (April 1982). The use of Auto-to-Auto Relay sets was, therefore, dispensed with.

The Institute requested (April 1982) the supplier to take back the Relay sets, but the supplier refused (May 1982) to comply with the request as the return of any material already sold was against their policy.

Thus, the Institute had been retaining the said Auto-to-Auto Relay sets since March 1979 and the idle equipment is likely to lose its normal life with the passage of time. The purchase of the equipment at a cost over Rs. 0.50 lakh without proper planning also resulted in blockage of funds. The Government of India stated (October 1987) that the Relay sets were purchased on the advice given by the Indian Telephone Industries. It was also stated that the Institute has retained the relay set which may find application in course of future expansion of the telephone exchange.

#### 9. Fraudulent payment of provident fund money

Dr. 'A' Professor of Civil Engineering Department of the Indian Institute of Technology (I.I.T.), Kharagpur, retired on superannuation on 30th November 1985. Shri 'B' a Senior Mechanic of Mechanical Engineering Department of the Institute, sought voluntary retirement with effect from 30th November 1985, but died subsequently on 17th December 1985 in the Campus. Their accumulated amounts of provident fund (Rs. 84,125 in respect of Dr. 'A' and Rs. 11,393 in respect of Shri 'B') were drawn on the State Bank of India, Kharagpur in two account's payee cheques by the Institute on 10th December 1985 and 20th December 1985 respectively and delivered on 31st December 1985. The signatures and personal identification marks as recorded in the application for final withdrawal, however, were not verified in either case before the cheques were delivered. It transpired that both the cheques were delivered to unauthorised persons. A new bank account was opened at the State Bank of India, Kharagpur on 27th January 1986 in the name of Dr. 'A' and subsequently Rs. 20,000 were withdrawn from this account against Dr. 'A' cheque. The fraud was realised only on 30th January 1986 when the Bank Manager cross-checked with the Institute. It further came to notice of the Institute on 7th February 1986, on receipt of a complaint from the widow of Shri 'B' about non-receipt of the provident fund money payable to her deceased husband, that the entire amount of Shri 'B's' cheque was fraudulently withdrawn from the Bank in the same manner. Both the cases were reported to Police on 30th January 1986 and 7th February 1986 respectively.

The Institute, on the recommendation of its Board of Governors (March 1986) and also in consultation with its legal adviser, paid Rs. 84,125 to Dr. 'A' by cheque on execution of a legal bond (March 1986). Similarly, Rs. 11,393 were also paid by cheque to the legal heir of Late 'B' (May 1987).

A departmental enquiry committee was constituted by the Institute (March 1986) to enquire into these frauds. The Committee completed its enquiry (October 1986), but could not fix up responsibility.

The Institute demanded (March 1986) that State Bank of India, Kharagpur should restore the entire amount of Rs. 95,518 to the Institute's account because of the Bank's responsibilities in allowing payment of the two account-payee cheques to fake persons. The



Bank authorities intimated (August 1986) that they had referred the matter to police who were conducting necessary investigation and that they were unable to accede to the Institute's request before the findings of the police investigation were available. The police investigation still continued (October 1987).

The matter was reported to the Ministry in July 1987, the Ministry stated in October 1987 that the Institute would take steps to stop recurrence of such instances.

### Aligarh Muslim University

#### 10. Misutilisation of Maintenance Grants

During 1971 to 1981, contractor's bill for supply of food stuff, games material, etc. to five halls of the residences of the Aligarh Muslim University (AMU) remained unpaid due to non-realisation of the dues from the beneficiaries, owing to continuous agitations/disturbances and unrest among the students/staff members due to one reason or the other. The students left the University without clearing their dues. Three of the contractors obtained payment (amount : Rs. 0.79 lakh) of their bills alongwith interest (amount not known) on the strength of the court attachment orders obtained in January 1981 (Rs. 0.05 lakh), April 1982 (Rs. 0.58 lakh) and January 1983 (Rs. 0.16 lakh). The expenditure was charged to the Hall Account (Rs. 0.63 lakh) and AMU Miscellaneous Account (Rs. 0.16 lakh).

The University decided in November 1984 to give a one time lump-sum grant to the students section for clearing the pending bills of the contractors. The Finance Committee of the University passed a resolution in November 1984 approving the provision of Rs. 6.06 lakhs in the budget estimates of 'Maintenance Grant' for 1984-85, against which a sum of Rs. 5.85 lakhs (Rs. 5.35 lakhs on food account and Rs. 0.50 lakh on account of games and other hall amenities accounts) mostly relating to the period from 1970 to 1981-82, was paid during 1984-85.

Thus, a total sum of Rs. 5.85 lakhs due from beneficiaries of the five halls of the University was charged to the maintenance grant received by the University. Subsequently, a sum of Rs. 2.10 lakhs only was recovered from the defaulters and paid back to main-covered grant (July 1987).

University stated in March 1987 that they were making continuous efforts to recover their dues from the defaulters. The Ministry endorsed (September 1987) the view of the University. Again in October 1987 the university stated that the degrees of the defaulting students had been withheld. The number of students involved and the degrees withheld was, however, not intimated.

### Banaras Hindu University

#### 11. Expenditure on Students Union activities

As against the budget provision of Rs. 2.54 lakhs under 'Other charges' for financing legitimate activities of the Students Union, the University incurred an

expenditure of Rs. 20.35 lakhs during 1982-83 to 1986-87 as detailed below :—

Year	Budget estimate	Actual expenditure	Excess+ Savings— in expenditure
(Rupees in lakhs)			
1982-83	0.04	3.70	+3.66
1983-84	0.20	1.67	+1.47
1984-85	0.30	0.30	—
1985-86	1.00	14.03	+13.03
1986-87	1.00	0.65	—0.35
Total	2.54	20.35	+17.81

The excess expenditure of Rs. 18.16 lakhs over the budget provision upto 1985-86 comprised the excess expenditure on the Students Union contingencies (Rs. 0.92 lakh) and payment of pending bills of the Students Union relating to functions, tournaments, etc., organised by it upto 1983-84 (Rs. 6.25 lakhs) and during 1984-85 (Rs. 4.87 lakhs) and 1985-86 (Rs. 6.12 lakhs) which was not a legitimate charge on the University's budgetary grants. The expenditure was stated (August 1987) to have been met through additional budget allocation out of overall savings in the University budget for the respective years. This was besides the payment of Rs. 7.97 lakhs (since reduced to Rs. 4.10 lakhs) made by the University upto 1984-85 for meeting the other liabilities (nature not specified) incurred by the BHU Association (since renamed Students Union) which was pending recovery. Yet another sum of Rs. 5.35 lakhs pertaining to the years 1984-85 and 1985-86 was paid by the University during 1985-86 towards trunk/overseas telephone call charges in respect of the telephone extension installed at the Students Union office (expenditure figures for the year 1986-87 not intimated).

The University stated in January/August 1987 that the Students Union used to organise functions, tournaments etc. on its own without obtaining prior approval and without any reference to the budgetary position of the Union funds. Subsequently, it would confront the University authorities with fait accompli for meeting the excess expenditure. A set of guidelines to regulate such matters was ultimately reported to have been formulated by the University and the related bills were paid treating them as a closed chapter, not to be repeated in future.

As regards payment of Rs. 5.35 lakhs made by the University towards trunk/overseas calls the University stated in January 1987 that the PABX extension was provided to the Students Union office and it was treated like any other departmental telephone for payment of telephone rental and call charges. It was also stated that all lightning and overseas calls have now been banned on the PABX telephones. This reply of the University is not convincing as it was not clarified as to how the trunk/overseas calls made from Students Union office could be treated as official and paid for from the budget of the University. The University,



thus, failed to exercise proper control on the facility provided to the Students Union which resulted in misuse of the facility for making overseas calls.

### Ministry of Human Resource Development

#### (Department of Women and Child Development)

#### 12. Central Social Welfare Board

12.1 *Introduction.*—The Central Social Welfare Board (Central Board) was set up in August 1953 by a Resolution of the Government of India and was registered as a Charitable Company under Section 25 of the Companies Act, 1956 with effect from 1st April 1969.

12.2 *Scope of Audit.*—As provided in its Memorandum and Articles of Association, accounts of the Central Board are audited by Chartered Accountants appointed by the Central Government on the advice of the Comptroller and Auditor General of India and accounts upto 1986-87 had been audited by them. In addition, accounts of the Central Board which is substantially financed by the Government are audited by the Comptroller and Auditor General of India under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. This review which was conducted from January 1987 to October 1987 mainly covers the results of test check on the accounts of Central Board and of State Social Welfare Advisory Boards.

12.3 *Organisational set up.*—The General Body of the Central Board consists of 52 members comprising of Chairman (1); Executive Director (1) of the Central Board; all Chairpersons of States/Union Territory Boards (31); Professionals (5)—one each from Law, Medicine, Nutrition, Social Work, Education and Social Development; Eminent persons (3) with extensive experience in Social Work; Representatives (8)—one each from Departments of Women and Child Development, Rural Development, Health, Education, Welfare, Labour, Finance and Planning Commission; Member Parliament (3)—two nominated by Lok Sabha and one by Rajya Sabha. The administration of the affairs of the Central Board vested in an Executive Committee. Its Memorandum and Articles of Association also provided for a State Social Welfare Advisory Board (State Board) in each of the States/Union Territories to perform such functions as were entrusted to it by the Central Board. There were 30 such State Boards functioning in various States/Union Territories, which were set up by notifications issued by the States/Union Territory Administrations.

(a) The main functions of the Central Board were to :—

- study the needs and requirements of social welfare organisations through surveys, research and evaluation and render them technical and financial aid in accordance with schemes/principles approved by Government;

- co-ordinate the social welfare activities of various Ministries/Departments of Central and State Governments;

- promote social welfare activities intended for welfare of the family, women, children and the handicapped and assistance in cases of unemployment, under-employment, old age, sickness and disabled.

(b) The main functions of the State Boards were to :—

- act as media for exchange of information between the field and the Centre and vice-versa;
- supervise and report on the working of the aided institutions;
- co-ordinate the welfare and development activities undertaken by the various departments of the State Government with a view to avoid duplication;
- assist the Central Board and the State Government in further development of welfare services.

#### 12.4 Highlights

- The matter of assigning an appropriate juridical status to the Central Board, a Charitable Company and of registering the State Boards as subsidiary companies had not been finalised by the Government.

- The Central Board had not taken up any specific programme for the family and for assistance in cases of unemployment, under-employment, old age, sickness, etc.

- No contribution was made in co-ordinating the assistance extended by various Ministries/Departments in the Central/State Governments for similar activities. As regards proper method of evaluating the implementation of the various programmes and their impact on the society, the progress made in view of the Public Accounts Committee's recommendations (Para 1.29 of 128th Report Sixth Lok Sabha—1978-79) was not intimated to Audit.

- Release of large funds by the Central Board to the State Boards in the last quarter of the years (1984-85 to 1986-87) resulted in a large unspent balance of Rs. 274.71 lakhs as on 31st March 1987.

- There were diversions of funds to the extent of Rs. 21.47 lakhs for meeting the expenditure to be met out by the State Governments.



- The amount of grants including the loan component recoverable were charged as revenue expenditure.
- The amount of loan had not been shown recoverable in the Annual Accounts. Rs. 246.62 lakhs representing recoveries of loan of 1982-83 to 1986-87 and lying in the Revolving Fund had not been shown in the Annual Accounts.
- Out of the loans given during 1978-79 to 1979-80 for specific purposes, Rs. 71.48 lakhs were still recoverable as on 31st March 1987.
- Utilisation of balances lying in the Revolving Fund was also low ranging from 18 to 48 per cent.
- Coverage of units by the field staff for inspection was very low ranging from 17 to 42 per cent.
- The bonds required to be executed by the grantee institutions to safeguard the interest of the Central Board were not got executed in any case under the *Socio-Economic Programme (Production)*.
- Against the prescribed expenditure of Re. 0.30 per child per day from April 1982 to September 1985, the actual expenditure ranged from Re. 0.01 to Re. 0.25 in Gujarat and Madhya Pradesh under *Supplementary Nutrition Programme*.
- The records relating to successful candidates under condensed courses to watch their absorption for further specified training or employment was either not maintained or not available with the State Boards, etc.
- Under the creche programme, the visits by the doctors for medical check up of the children was not as per prescribed interval of one week.

### 12.5 Finance and Accounts

12.5.1 The Central Board was financed by grants, both plan and non-plan from Government of India. The administrative expenditure of the Central Board was being met out of the non-plan grants while the expenditure on welfare programmes was met out of the plan grants released by Government. Separate grants were also released by the Government to the Central Board for execution of certain specific programmes sponsored by it. The figures for the last 7 years were as follows :—

1	Amount of grants received from Government				Expenditure						
	Non-plan	Plan		Total	Non-plan	Plan				Total	
		Pro-grammes included in the budget of the Central Board	Pro-grammes sponsored by the Ministry			Programmes included in the budget of the Central Board		Programmes sponsored by the Ministry			
						Released	Establishment	Released	Establishment		
2	3	4	5	6	7	8	9	10	11		
	(Rupees in lakhs)										
1980-81	84.00	649.00	282.45	1015.45	76.37	615.85	11.51	264.65	0.10	968.48	
1981-82	97.90	745.00	342.52	1185.42	88.05	707.30	21.34	331.90	2.91	1151.50	
1982-83	104.04	762.03	470.20	1336.27	96.27	712.49	24.13	450.45	3.99	1287.33	
1983-84	116.00	775.00	528.99	1419.99	115.09	718.74	31.24	543.19	5.44	1413.70	
1984-85	134.50	1000.00	563.99	1698.49	126.22	900.11	40.43	581.67	0.99	1649.42	
1985-86	129.33	882.00	776.40	1787.73	125.47	832.56	33.87	763.84	12.40	1768.14	
1986-87	136.00	1000.00	1151.75	2287.75	130.32	920.85	41.10	1125.68	15.45	2233.40	
<b>Total</b>	<b>801.77</b>	<b>5813.03</b>	<b>4116.30</b>	<b>10731.10</b>	<b>757.79</b>	<b>5407.90</b>	<b>203.62</b>	<b>4061.38</b>	<b>41.28</b>	<b>10471.97</b>	

Note:—These figures have been taken from the Annual Accounts given in Annual Reports.



12.5.2 *Sanction and release of grants for the programmes.*—The programmes implemented by the Central Board fall into three categories viz., (i) centralised programmes, (ii) decentralised programmes and (iii) partially decentralised programmes.

In case of centralised programmes, the Central Board sanctions grants, releases funds directly to voluntary organisations and exercises control over their utilisation.

In case of decentralised programmes, the execution of the programmes is entrusted to the State Boards to which necessary funds are released by the Central Board.

In case of partially decentralised programmes grants are being sanctioned by the Central Board to individual institutions/project implementation committees but release of funds is made through the State Boards. Control over utilisation is being watched by Central Board/State Boards.

12.5.3 *Annual Accounts.*—The annual accounts of the Central Board consists of (i) Receipts and Payments Account, (ii) Income and Expenditure Account/Statement of grants (Plan) and (iii) Balance Sheet. The State Boards, however, prepared the Receipts and Payments Account only whereas a grantee institution as per General Financial Rules was required to prepare its annual accounts consisting of (i) Receipts and Payments Account, (ii) Income and Expenditure Account and (iii) Balance Sheet. Further, the format in which the State Boards were required to prepare their annual accounts was stated to have not been prescribed by the Central Board.

The Ministry stated in December 1987 that certain State Boards were not submitting Balance Sheet and Income and Expenditure Statement. Instructions had been issued to other State Boards to submit the annual accounts as required under *GFR-149(3)*. It would be ensured that the State Boards submit the accounts accordingly.

12.6 *Status of the Central and State Boards.*—According to the Government of India decision No. 5 under Rule 148 of the General Financial Rules, grants-in-aid should not be given to an organisation set up by a Resolution or an Executive Order since such an organisation does not have a separate legal status of its own and functions only as a limb of the Government. The Central Board was registered as a Charitable Company under Section 25 of the Companies Act, 1956 with effect from 1st April, 1969 but no action was simultaneously initiated to provide legal status to the State Boards.

The Public Accounts Committee in para 1.8 of their 109th Report (Seventh Lok Sabha—1981-82), reiterated that the question of assigning a more suitable juridical status to the Central Board should be re-examined and an early decision taken in the matter. It was also reiterated that further action for registering the State Boards as subsidiary companies may be expedited.

The Central Board had been functioning as a Charitable Company and the matter regarding registration of the State Boards as subsidiary companies was stated to be under consideration of the Government (June 1987).

Regarding giving juridical status to the Central Board and the legal status to the State Boards, the Ministry stated in December 1987 that the matter was still under consideration.

12.7 *Functions of the Central Board.*—The programmes being implemented by the Central Board are mostly for the welfare of women, children and handicapped and do not include programmes for the family and for assistance in cases of unemployment, under-employment, old age, sickness, etc.

The grants were stated to have been given for self-employment under socio-economic programme. But for this programme, grants amounting to Rs. 36.53 lakhs only had been released since inception (1974) for potential employment to 4204 individuals upto the end of March 1987. This indicates inadequate coverage of an important area like providing help to unemployed. Regarding inadequate coverage it was stated by the Ministry that grants were given by the Government for specified programme which did not apply to other categories of programmes.

The Public Accounts Committee in para 1.29 of their 128th Report (Sixth Lok Sabha—1978-79) recommended that a proper method of evaluating the implementation of the programmes and their impact on the society should be evolved. In reply thereto, the Board informed in 1981 that it had been arranging evaluation and studies of various programmes either internally or through external agencies from time to time and a separate Planning, Monitoring and Co-ordination Division under a Joint Director had started functioning.

However, the Board was not able to provide information regarding the staff sanctioned and in position as well as the work done by that Division.

As regards the function of co-ordinating the assistance provided for social welfare activities by various Ministries in the Central and State Governments, the Expert Committee headed by Professor S. N. Ranade had observed that in this area, the Board had made no contribution. The extracts from its observations are reproduced below :—

“The third function of the Board was to co-ordinate assistance provided for social welfare activities by various Ministries of the Central and State Governments. In this area, the Board had made no contribution. Evidently, the idea was that all assistance to voluntary organisations would flow



through the Board. This had not happened. Both the Central and State Ministries of Welfare and other Ministries dealing with subjects related to social development and welfare, have independent programmes of assistance to voluntary agencies."

In Uttar Pradesh, at two places similar activities were run under Family and Child Welfare programme and Border Area Projects by the State Board and under Intensive Child Development Services Projects by the State Government. The State Board incurred Rs. 8.19 lakhs on these projects (1982-83 to 1985-86). The State Board stated in November 1987 that the proposal for shifting of the projects from these places was under consideration. The Ministry stated that "the Central Board had made no contribution in this direction is not wholly correct though it may not be to the desired extent."

The other important observations of the Expert Committee were as under:—

- (i) The Board had not made any significant systematic effort towards promotion of voluntary organisations;
- (ii) The field counselling service was almost non-existent;
- (iii) The work of the staff employed for this purpose was generally confined to inspection and writing of routine reports.

The Committee made the following important recommendations:—

- (a) There was an increasing awareness of the need to stimulate voluntary effort, not

only in the field of social welfare but also in the broad field of development. The Seventh Five Year Plan also devoted special attention to the involvement of voluntary agencies. The Board must, therefore, re-orient its functions and priorities.

- (b) The Central Board must develop a Data Bank which gives complete and up-to-date information in respect of voluntary agencies. This would enable the Board to give information and guidance to Ministries dealing with welfare.

The Ministry stated that a Directory of all the voluntary organisations catered to by the Central Board had been compiled by the division.

### 12.8 Utilisation of grants

12.8.1 Large unspent balances had accumulated under certain programmes whereas in other programmes, there was expenditure much in excess of funds received from the Central Board.

The balances to the extent of Rs. 274.71 lakhs under Plan were lying unspent in respect of 21 programmes being implemented by State Boards as on 31st March 1987. One of the reasons for huge unspent balances lying with the State Boards at the close of the year was that the major part of the funds was released only in the last quarter of the year by the Central Board as would be evident from the figures at Annexure 'A'.

The release of funds by the Central Board was not in consonance with the utilisation of funds by the State Boards as would be evident from the table given below:—

Place	Programme	Opening balance as on 1st April 1986	Grants received by State Boards	Grants utilised by State Boards	Balance
(Rupees in lakhs)					
Chandigarh	Vocational training	0.25	0.56	0.23	0.58
Delhi	Condensed courses (Two years)	2.98	2.05	3.06	1.97
Uttar Pradesh	Condensed courses (Two years)	15.16	49.10	30.99	33.27
	Special nutrition	5.08	24.94	17.32	12.70
Orissa	Condensed courses (Two years)	2.43	5.97	4.00	4.40

12.8.2 *Diversion of funds.*—Fifty per cent share of grants for meeting the expenditure on State Board's establishment (Non-Plan) to be met by the State Governments was not received till the close of the financial year and to that extent the balances available under different programmes (Plan) were utilised to meet out that expenditure resulting in diversion of funds from plan to non-plan. Further the expenditure

incurred in excess of the grants received from State Governments for implementation of its programmes was also met from the funds received from the Central Board.

Thus the expenditure of Rs. 10.23 lakhs under non-plan and Rs. 11.24 lakhs required to be met by 5 State Boards from the State Government's grants



were met out by diverting funds of Central Board available for plan expenditure for the year 1986-87 as indicated below :-

Sl. No.	State	Expenditure under Non-Plan which had been met out of diversion from Plan	Expenditure to be met from State Government's grants had also been met from Central Board	Total
(Rupees in lakhs)				
1.	Assam	3.99	Nil	3.99
2.	Maharashtra	2.54	1.32	3.86
3.	Punjab	0.90	8.95	9.85
4.	Delhi	2.04	Nil	2.04
5.	Manipur	0.76	0.97	1.73
Total		10.23	11.24	21.47

The Ministry stated in December 1987 that the payment of pay and allowances was obligatory and as per pattern the State Governments were not releasing 50 per cent.

#### 12.9 Wrong exhibition of expenditure and non-accountal of the loan amount

12.9.1 Grants aggregating Rs. 1381.45 lakhs under Socio-Economic programme (agro-based units and self-employment units) were released to the State Boards for onward disbursement to voluntary organisations. The amount included loan component which was recoverable. The Central Board had charged the whole amount of grants as revenue expenditure without showing the amount of loan component as recoverable in its accounts and no records showing the amount of grants and loans was maintained separately.

Recoveries of loan were being credited in the Revolving Fund maintained by the State Boards from which funds for additional units under the scheme were being released. Amounts lying under Revolving Fund with the State Boards was also not shown in the accounts of the Central Board in spite of the fact that the State Boards sent the requisite statements to the Central Board.

Further, loans of Rs. 71.48 lakhs were recoverable as on 31st March 1987. The loans were given by the Central Board to the States affected by cyclone or flood, etc. during the period 1978-79 to 1979-80 under Special Socio-Economic programme. The Central Board, however, did not exhibit these loans in its Annual Accounts.

12.9.2 *Unauthorised retention of Government money* Rs. 75.51 lakhs.—Rs. 43.41 lakhs had been shown as liability in the accounts for 1986-87 on

account of accumulated amount of interest earned on the amounts of grants kept in different Savings Bank Accounts by Central Board.

Since the income representing interest on the funds received from the Government and kept in Savings Bank Account can not be treated as income of the Central Board, the amount of interest should have been refunded by the Central Board to the Government or got adjusted from the grants released for the subsequent years. Further, the utilisation of funds from the accumulated amount of interest is not permissible for meeting administrative expenditure and expenditure for building purposes, etc. The Board, however, transferred Rs. 14 lakhs to non-plan and spent Rs. 18 lakhs on buying land for staff quarters. In September 1987, the Central Board stated that it was nowhere laid down that interest earned was to be taken into account for assessing the amount of yearly grants.

#### 12.10 Field Staff

12.10.1 *Coverage of the units by field staff.*—The coverage of the units under various programmes by field staff against the orders for coverage of each unit once in a year varies from 17 to 48 per cent of the total number of units functioning during the year as shown below :—

Year	Percentage coverage of units
1980-81	17
1981-82	31
1982-83	32
1983-84	30
1984-85	48

Further, in spite of the low coverage of units for inspection, monitoring and guidance by the field officers, one Assistant Project Officer and one Welfare Officer were withdrawn from field duties during 1981-82 and 1982-83 respectively and posted at the Headquarters office i.e. Central Board. To add to this, 21 posts of Welfare Officer in 1985-86 in the scale of Rs. 550—900 were abolished to create 15 posts under a new cadre of Senior Field Officer (Project Officers) in the scale of Rs. 700—1300 which are supervisory posts.

This proposal for creation of 15 posts of Project Officers was considered earlier in 1984 and turned down by the Ministry of Social Welfare. A sub-committee consisting of Joint Secretary and the Financial Adviser of the Ministry and Executive Director of the Central Board was formed which decided that the study about the norms of work of field officers as well as their cadre structure may be entrusted to Indian Institute of Public Administration, (IIPA), without such a study done by IIPA in September 1985, 15 posts of Senior Project Officers were created after abolishing the much needed posts of Welfare Officers.



12.10.2 For providing guidance to the voluntary agencies in 1976, the cadre of Assistant Project Officers (APOs) was created for inspection, guidance and monitoring of units sanctioned under Socio-Economic Programme only. Yet no such functional distinction was maintained, as the Assistant Project Officers were used for other programmes as well.

The Ministry stated that the duties of the APOs were slightly modified by which they were required to inspect the units other than the Socio-Economic units also because of administrative and economic reasons.

### 12.11 Implementation of programmes

12.11.1 *Socio-Economic Programme (Production)*.— With a view to organise income generating units for gainful employment and self-employment to needy and poor as also physically handicapped women, the Socio-Economic Programme was organised in 1958. Under this programme, grants upto a limit of Rs. 1 lakh were sanctioned. This limit was subsequently raised to Rs. 3 lakhs in September 1982 to cover entire expenditure on machinery, equipment and for working capital required for an initial period of one month. The institutions setting up the units were expected to replenish the working capital amount by sale proceeds of the products and to increase the scope by taking up new production activities with the profit earned resulting in employment of more needy women.

The Central Board sanctioned Rs. 564.78 lakhs for setting up of 1043 production units from 1980-81 to 1985-86. Against this, an amount of Rs. 541.54 lakhs had been released envisaging potential employment to 20,488 needy women workers/handicapped.

In order to have a watch on proper functioning and progress made by the production units, the institutions were required to furnish the information about the date of starting the unit, audited accounts alongwith utilisation certificates, quarterly progress reports, statement of assets, etc. alongwith the number of beneficiaries for each subsequent year till the unit had become self-sufficient. A test-check of 107 such units in the 16 States/Union Territories revealed that :—

- (i) Audited accounts were not received in respect of 96 units.
- (ii) Utilisation certificates for the grants released to them were awaited from 93 units.
- (iii) Quarterly progress reports were not received from 86 units.
- (iv) Statements of assets created (GFR-19) were awaited in respect of 104 units.
- (v) Information regarding the date of starting the unit was not received in respect of 103 units.

The Ministry stated that the Board was fully aware of the problem and steps were being taken to plug the loopholes.

Inspection by field staff of 68 out of 107 units had not been conducted. The position regarding the number of beneficiaries in 17 units as per scheme and the number of actual beneficiaries as per Inspection Reports during 1980-81 to 1985-86 was as under :—

Year	No. of units visited	No. of beneficiaries as per scheme	No. of beneficiaries as per Inspection Reports
1980-81	2	40	15
1981-82	No visits		
1982-83	3	89	28
1983-84	2	48	21
1984-85	4	73	27
1985-86	6	195	113
Total	17	445	204

On inspection of 39 units during 1980-81 to 1985-86, it was noticed that 10 units (Bihar-1, Haryana-1, Karnataka-1, Kerala-1, Madhya Pradesh-1, Maharashtra-3, Rajasthan-1 and Uttar Pradesh-1) were found closed without the Central Board taking action for recovery of grants amounting to Rs. 13.11 lakhs released to them. Out of these, 2 units (one each in Rajasthan and Uttar Pradesh) utilised grants amounting to Rs. 1.39 lakhs only. For remaining 12, Central Board had no information of their functioning or non-functioning. It was further noticed that out of 107 institutions, 56 were found to be financially unsound on the basis of accounts furnished by the organisations to Central Board before sanction of grants as per given criteria. The Ministry, however, stated that it had not laid down any criteria for ensuring financial soundness of the institution. This is not correct as according to the scheme the institution should have a good management and be financially sound with a capacity for successful implementing the scheme on commercial lines.

12.11.2 *Bond*.—According to the conditions laid down for release of grants, the grantee institutions were required to execute a bond to safeguard the interest of the Board in case of institutions defaulting or not implementing the programme according to the approved scheme. The Board had, however, not finalised the form of the bond (September 1987).

The Ministry stated that in the initial stages a bond was executed with the grantee institutions in the name of President of India. After the Board was registered as a Company in 1969 it was discontinued. In the revised scheme, the provision of bond was being considered by the Government of India.



12.12. *Socio-Economic Programme (Dairy)*.—With a view to secure rehabilitation of widows, destitutes, deserted and poor women whose annual income does not exceed Rs. 3,600 per head, the scheme aimed at providing supplementary income to the families besides providing nutritional diet for their children. Under the scheme, financial assistance in the form of interest free loan not exceeding Rs. 3,000 for purchase of milch cattle and Rs. 200 for purchase of vessels, milk pans, etc. was to be given to voluntary organisations for distribution to each beneficiary. Upto the end of March 1987, Rs. 1207.20 lakhs against the sanctioned amount of Rs. 1372.90 lakhs were released for 3874 units.

A few irregularities in implementation of the scheme by certain State Boards as noticed during test check are given below :—

(i) In Punjab, Rs. 2.57 lakhs representing working capital in 733 cases processed by 54 Mahila mandals/voluntary organisations was not paid to the beneficiaries but was disbursed as honorarium to the officials of the institutions (Rs. 0.12 lakh), paid as Audit Fee (Rs. 0.21 lakh) and the balance adjusted as unauthorised security for meeting insurance charges of subsequent years out of which, amount of Rs. 1.11 lakhs was subsequently paid and Rs. 1 lakh remained unspent with the institutions concerned (March 1987).

(ii) *Non-formulation of sub-committees*.—No committee for overall supervision and proper implementation of the scheme as required was formed in the case of 4 districts of Punjab test checked. Further, in order to acquaint the beneficiaries with the scientific know how regarding rearing of the cattle and other matters relating to their maintenance, orientation courses with the assistance and in consultation with the Animal Husbandary Department of the State Government were to be organised in their villages. But no such orientation courses were held by any institution in those districts.

(iii) *Slow Recovery of loan from beneficiaries*.—In Haryana, the recovery of loans from the beneficiaries was Rs. 8.63 lakhs out of Rs. 26.80 lakhs given during 1980-81 to 1986-87.

In Uttar Pradesh, the amount of recovery was Rs. 11.09 lakhs out of Rs. 60.87 lakhs sanctioned upto 1983-84.

In West Bengal, the recovery was Rs. 1.96 lakhs out of Rs. 16.97 lakhs given during 1980-81 to 1986-87 both for dairy and Goatary.

(iv) *Revolving Fund*.—Recoveries of the loan component included in the grants sanctioned

under Socio-economic Programme (Agro-based units and self-employment units) are credited in the Revolving Fund to be maintained by each State Board. Under the scheme, financial assistance in the form of interest free loan for purchase of milch cattle, goats, piggery, etc. and for purchase of utensils, etc. are given to voluntary institutions for further distribution to the beneficiaries. Besides an outright grant is also given towards miscellaneous expenses. The grants are sanctioned by Central Board but funds are released through State Boards entrusted with the implementation of the scheme and maintenance of accounts. The balances in the Revolving Fund are to be utilised for release of grants sanctioned for additional units who have paid the whole amount of loan sanctioned earlier.

No instructions were, however, issued about the proper utilisation of balances available in the Revolving Fund in case the same were not likely to be released for additional units in the coming years. The Ministry stated that in view of the sufficient number of applications being not forthcoming for the sanction of second unit, the Board was thinking of utilising this money for sanction of fresh units in the revised scheme submitted to the Government. Further, no records showing the total amount recoverable by each State Board, total amount recovered and the balances lying with them was maintained by the Central Board. The percentages of amounts sanctioned, out of the accumulated balances from the Revolving Fund were low which ranged from 18 to 42 as shown below :—

Year	Amount recovered and put in revolving fund during the year	Amount sanctioned by the Central Board	Percentage
(Rupees in lakhs)			
1982-83	42.69	—	—
1983-84	45.65	8.04	18
1984-85	57.60	23.30	40
1985-86	47.36	8.79	19
1986-87	53.32	22.60	42
Total	246.62	62.73	

#### 12.13 Condensed courses for adult women

12.13.1 The scheme of condensed courses of education for adult women was started by the Board in 1958 with twin objectives of opening new vistas of employment for needy women and to create a band of trained workers required for the various projects in rural areas. Under this scheme, financial assistance



was to be given to voluntary organisations for organising residential|non-residential and mixed courses of 2 years for preparing the women candidates in the age group of 18 to 30 years for Middle school, Secondary or equivalent examinations. The grant was to be given on non-matching basis to cover the expenditure on maintenance of the candidates, stipends, salaries of teachers, equipment, contingencies, etc.

12.13.2 Two new components viz. one year condensed courses for failed candidates to give them another chance to pass the Matric|SSLC examination and vocational training courses in variety of vocations were added to this scheme in 1975.

12.13.3 Each proposal duly recommended by the State Board was to be sanctioned by the Central Board. The Central Board released lump sum amount to the State Boards for further release to the institutions for running the courses. During 1980-81 to 1985-86, Rs. 897.34 lakhs had been released to 30 State Boards.

12.13.4 On a test check of records of the Boards in 7 States|Union Territories (Gujarat, Haryana, Madhya Pradesh, Uttar Pradesh, West Bengal, Chandigarh and Delhi), the following irregularities were noticed :—

- (i) In order to assess how far the programme of condensed courses served its main objectives in regard to meeting the shortage of trained women personnel for work in rural areas and to watch absorption of successful candidates for further specified training or employment, a voluntary organisation was required to maintain a regular record in respect of all successful candidates and to report to the Central|State Boards concerned. No such record was, however, maintained by the voluntary organisations in Haryana and Uttar Pradesh. Such information was also not available with the State Boards in Gujarat, Madhya Pradesh, West Bengal and Chandigarh.

The reply of the Ministry that the organisations were not required to send Reports to the Central|State Boards was not correct in view of paras 32 and 36 of the scheme.

- (ii) Preference was not given in sanctioning/recommending of grants for organising courses in rural and backward areas, as required. In Uttar Pradesh, only 74 out of the 358 courses (ranging from 14 to 29 per cent) were organised in rural and backward areas in 1980-82 to 1984-86 and even among the urban areas, the concentration was not proportionate in all districts as more than 50 per cent thereof was in Lucknow and Kanpur districts alone.
- (iii) As per terms and conditions, release of grant for a subsequent course to an organisation whose result is less than 50 per cent was strictly prohibited.

In Madhya Pradesh, grants of Rs. 5.59 lakhs were released to 21 organisations with less than 50 per cent result for the preceding year.

In Haryana, grants of Rs. 1.15 lakhs were released during 1981—86 to two such institutions (Beri and Rohtak) where pass percentage was nil to 18 per cent.

The Ministry stated that the overall results of the State Education Boards were much below 50 per cent and for sanctioning grant the State average result was being adopted as criteria to consider the cases.

- (iv) In Gujarat, grants of Rs. 6.07 lakhs were released to 45 institutions during 1980-81 to 1986-87. The condition of minimum number of 25 students for commencement of a course was, however, not fulfilled by the institutions. The shortfall ranged from 27 to 50 per cent. The State Board stated in May 1987 that due to disturbed conditions in the State and non-availability of students the requirement of minimum number of students could not be enforced.

In Gujarat, 901 (17 per cent) out of 5206 candidates in vocational courses and 108 (27 per cent) out of 395 candidates in two years condensed courses had left the courses during 1980-81 to 1985-86 before completion of the course. The expenditure of Rs. 4.05 lakhs incurred on their training was not recovered (May 1987). The State Board stated that the Central Board had not objected to the settlement of the accounts without recovery of training cost in respect of the dropouts and the matter would be referred to the Central Board.

- (v) For the vocational training courses also, Index cards for successful candidates were required to be maintained by the voluntary organisations and State Boards for monitoring employment of each of them. No such Index cards were maintained by the voluntary organisations in Uttar Pradesh or by the State Board to show how many of beneficiaries got employment or were self employed. Such information was also not available in the State Board of Madhya Pradesh. In Uttar Pradesh, out of 182 courses organised from 1981-82 to 1985-86 only 35 (19 per cent) were in rural|backward areas.

The Ministry stated that such information was not required to be sent to the State Boards by the voluntary organisations. This was not correct in view of para 6 and Appendix III of the Scheme.

- (vi) Against the receipt of funds amounting to Rs. 178.80 lakhs from Central Board for implementation of the scheme during 1980-81 to 1986-87, Uttar Pradesh State Board could disburse Rs. 145.52 lakhs only



upto March 1987 leaving a balance of Rs. 33.28 lakhs; out of which Rs. 16.05 lakhs had been utilised for payment of salary to the staff of the Board during that period. The balance of Rs. 17.23 lakhs remained unutilised with the State Board (June 1987).

- (vii) In Delhi, pocket money/stipend payable @ Rs. 15 per head as per scheme was reported to have not been paid to the candidates by four institutions and one of them to which a grant of Rs. 0.33 lakh was released in 1982-84 was even charging fees @ Rs. 100. No action was, however, taken by the Central Board to get the amount of grant refunded.

#### 12.14 Supplementary Nutrition Programme

12.14.1 Supplementary Nutrition Programme which was started by Government of India in 1970-71 aimed at providing nutrition (300 calories and 15 grammes of proteins and vitamins) to the children in the age group of 3 to 5 years from families in lower income group for their growth and development and to control high mortalities and morbidity among them. The programme was executed through balwadies and day care centres run by voluntary organisations/project implementation committees. The voluntary organisations were required to spend at the minimum rates of Re. 0.20 per child upto March 1982, Re. 0.30 per child upto September 1985 and Re. 0.50 per child from October 1985 on nutrition. Grants were sanctioned and released by the State Boards out of the funds made available by the Central Board. During 1980-81 to 1985-86, the Central Board released Rs. 898.06 lakhs to the State Boards as shown in Annexure 'B'.

12.14.2 On test-check of implementation of the scheme in 6 States (Gujarat, Haryana, Madhya Pradesh, Punjab, Uttar Pradesh and Delhi) the following irregularities were noticed :—

- (i) In Gujarat, the number of beneficiaries under Supplementary Nutrition Programme declined from 0.61 lakh in 1980-81 to 0.40 lakh in 1986-87. No records were made available to verify whether the nutrition provided conformed to the prescribed standard. Further, against the expenditure of Re. 0.30 per child prescribed for the period from April 1982 to September 1985 actual expenditure ranged from Re. 0.16 to Re. 0.25 per child in 84 cases test checked.
- (ii) In Madhya Pradesh, expenditure during 1981-82 to 1985-86 was only Re. 0.01 to Re. 0.09. In four cases, no expenditure was incurred under this programme.
- (iii) In Punjab, 10 to 76 per cent of expenditure amounting to Rs. 0.37 lakh was incurred in two districts on supply of non-listed items such as biscuits, toffees, etc.

- (iv) In Haryana, beneficiaries to be covered under the programme were neither surveyed and targeted nor actual coverage was monitored by the State Board. No information about the income of the parents whose children were admitted in balwadies was recorded in the Admission Register in case of 2 out of 3 institutions test checked. In cases where the admission forms were made available, 29 per cent of the beneficiaries enrolled were not from low income groups. In Punjab such percentage ranged from 7.5 to 39 per cent whereas in 3 institutions the children of high earning professions/occupation on the basis of low income declaration (8 to 75 per cent) were admitted and in respect of 35 units, no verification about the income group of the parents was done at the time of admission.

- (v) Four organisations to whom grants of Rs. 0.62 lakh were given during 1985-86 and 1986-87 were running balwadies in Delhi where children of middle income groups were also admitted instead of low income groups as per the scheme.

- (vi) In Madhya Pradesh, the funds released to the Project Implementation Committee and Child Demonstration Project situated in rural and tribal areas was only to the extent of 24 per cent as against 76 per cent released to the voluntary organisations in urban areas during 1980-86. Further, the release of funds to Project Implementation Committee and Child Demonstration Project under the programme was to the extent of 21 per cent and 31 per cent respectively and the amount of Rs. 2.33 lakhs so released to them was diverted for payment of pay and allowances of their staff.

- (vii) As per scheme, every child was required to be examined at least twice a year and necessary index card was to be kept. In Gujarat, medical check up was done in 56, 33 and 38 out of 100 cases test checked during the years 1983-84, 1984-85 and 1985-86 respectively. The shortfall was attributed by the Board (June 1987) to the non-availability of medical facilities in rural areas.

In Uttar Pradesh, periodical medical check up of children was arranged by 10 (25 per cent) out of 40 balwadies test checked but the health cards were not maintained by any of these balwadies. The satisfactory reports given by the Inspecting Officer enabled the balwadies to get the grants without complying with the requirements of maintaining the necessary records. This was stated to be based on seeing general health conditions of the children and other records made available by the organisations (June 1987).

- (viii) The voluntary organisations implementing the programme were also required to send



monthly progress reports to the State Board concerned and the State Board was to compile these reports for sending quarterly progress reports to the Central Board. However, no such quarterly report was sent by the Gujarat State Board for the reason that the monthly Reports were stated (May 1987) to have not been received from the voluntary organisations which were located in rural areas. Such quarterly Reports were not furnished by Uttar Pradesh State Board also.

#### 12.15 Scheme of assistance to voluntary organisations for working and ailing women's children

12.15.1 Lack of employment in the villages affected by droughts, floods, by failure of crops and other natural calamities and socio-economic factors contribute to the large scale migration of unskilled labourers from country side to cities and construction sites in search of employment. These labourers mostly move with families and reside in jhuggies and jhompries. As both the parents of such families take up casual labour, the children are left to themselves and the sights of ragged and unkept children of such labourers trailing after them or lying and sleeping in the rubble or pavement are quite common. The economic insecurity and the feeling of alienation from their natural environment leads to apathy amongst these workers towards acceptance of the basic concept of hygiene, new food habits and simple remedies of daily ailments and the children being weakest link in this migratory set up suffer most from the point of view of malnutrition, unhygienic living and lack of social education and develop abnormalities debilitating their capacity to get on with the main-stream of life.

12.15.2 With a view to avoid such social wastes growing with urbanisation and industrial development, a net work of creches for children of migratory workers and of low income group was felt an urgent necessity.

12.15.3 The scheme provides Day care services to the children in the age group of 0—5 years and also at the same time ensures healthy growth of children creating confidence among their mothers. Accordingly assistance is given to cover expenditure on doctor's fee, medicines and nutrition besides assistance on salaries of helpers, contingencies and equipment.

12.15.4 The scheme started in 1974-75 was administered by the then Department of Social Welfare through the voluntary organisations but subsequently transferred to Central Board in 1977-78. The main files containing the formation and approval of the scheme and the instructions issued from time to time for its implementation could not be made available as the same was stated to be not readily available. No survey to assess the requirements of the creches to be started in slum areas of the big cities, towns and rural areas was stated to have been conducted. Further, no mechanism was evolved to see that the benefit of the scheme goes to the children of migratory labourers for whom the scheme was originally formulated.

12.15.5 The year-wise break-up of the grants received from the Government and sanctioned/released to voluntary organisations by the Central Board during 1980-81 to 1985-86 for implementation of the scheme is given below :—

Year	Amount received from Government	Amount sanctioned	Amount released
(Rupees in lakhs)			
1980-81	174.72	172.44	169.10
1981-82	220.00	248.72	219.21
1982-83	303.21	342.41	303.18
1983-84	362.00	461.21	361.90
1984-85	395.00	505.04	395.00
1985-86	560.00	621.52	559.99
Total	2014.93	2351.34	2008.38

12.15.6 The application for sanctioning of grants to run creches by the voluntary organisations is entertained by Central Board only when it has the recommendations of the State Board, except in case of the creches run/managed by the All India Organisations. By the end of the year 1985-86, there were nearly 8037 creches which were covered under the scheme. Out of these 8037, 3419 units were being managed by the All India Organisations like Indian Council of Child Welfare, Harijan Sewak Sangh, etc. Lump sum grants are released to them for further distribution to their State level branches or other organisations running the creches.

12.15.7 A review of records regarding release of grants to 124 voluntary organisations has revealed the following :—

- (a) As per scheme, a doctor is to be engaged for weekly visits of a creche. It was, however, seen that in case of 51 voluntary organisations running 241 creches, the visits of the doctors for medical check up and immunisation of the children were not in accordance with the prescribed interval. Sixteen voluntary organisations with 46 creches were visited by the doctors once/twice a month, 13 organisations with 146 creches irregularly, 10 organisations with 30 creches not at all. In the remaining 12 cases, there was no mention about the visits of the creches by the doctors.
- (b) Except 11 out of 124 organisations, the nutrition given to the children was either not according to any menu prescribed by them or there was no mention about the supply of nutrition to the children.
- (c) In case of 70 institutions, the number of children present in a creche at the time of inspection varied from 10 to 23 which was



less than the number of children shown enrolled. In 16 cases, even the number of children shown on roll was less than the prescribed number of children i.e. 25.

- (d) According to the scheme, the children admitted to in a creche should be of 0—5 age group. However, out of 124 cases, age group of children admitted in 50 cases running 338 creches was not mentioned. In 47 cases running 250 creches, the age group was from 1—5 to 5—11.
- (e) As per scheme, timings of a creche should be from 8 AM to 5 PM but the same was not being observed in 78 cases. Out of 124 institutions/organisations, only 11 were observing the prescribed time. In case of 35 organisations, no mention about the timings of running the creches was made. In remaining cases working hours of the creches were less than the prescribed requirement.

In all such cases, no action had been initiated to comply with the requirement of the scheme for eligibility of grants and the grants continued to be released.

- (f) According to the instructions issued by Central Board in August 1979, working of each institution/voluntary organisation was required to be inspected by the field staff for providing technical guidance and for introducing minimum standards of services, at least once in a year. It was, however, observed that out of 124 institutions/organisations running 541 creches, 61 institutions running 294 creches were not visited/inspected by the field staff as per prescribed schedule. Details giving the number of such institutions alongwith the number of creches run by them and the period during which these were inspected are given below :—

Sl. No.	No. of institutions	No. of creches	Periodicity
1.	27	145	1 to 2 years
2.	15	108	2 to 3 years
3.	7	13	3 to 4 years
4.	5	20	4 to 5 years
5.	7	8	never visited.
Total	61	294	

- (g) In 51 creches run by 12 voluntary organisations, fees ranging from Rs. 2 to Rs. 10 were charged per month per child admitted therein. Besides in 8 creches, admission fees ranging from Rs. 3 to Rs. 25 were also charged which was not permissible under the scheme. In Haryana State and the Union Territory of Chandigarh also, fee was charged from the children in 59 out of 113 cases test checked.

- (h) The Mobile Creches, New Delhi was given grants amounting to Rs. 54.10 lakhs during 1981-82 to 1986-87 for funding 115 to 170 creches (54 to 90 in Delhi). From the Annual Report of the organisation for the year 1984-85, it was seen that children upto the age of 12 against the permissible limit of 0—5 years were admitted as per its core programme of child care and development in the creches run by the organisation, as per details given below :—

Year	No. of creches for which grants given	No. of creches in Delhi	No. of children in age-group		
			0—6	6—12	Total
1981-82	170	90	1265	1151	2416
1982-83	119	61	1151	821	1972
1983-84	119	61	955	587	1542
1984-85	108	54	955	491	1446

The Indian Council of Child Welfare, was also sanctioned grants of Rs. 41.14 lakhs during 1983-84 for 558 units out of which 45 pertained to Delhi alone. The Welfare Officer, in his Inspection Report of October 1983, mentioned that only 10 or 15 out of the 45 creches in Delhi were functioning and therefore recommended that only 15 units might be considered. It was, however, seen that grants for 50 units were released for each year in 1984-85, 1985-86 and 1986-87.



## ANNEXURE—'A'

Statement of amount received and released by the Central Board

Year	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total	
	Amount received	Amount released	Amount received	Amount released	Amount received	Amount released	Amount received	Amount released	Amount received	Amount released
	(Rupees in lakhs)									
1984-85	497.00	250.48	239.00	429.37	254.24	237.63	573.75	645.83	1563.99	1563.31
1985-86	244.84	229.77	640.00	310.34	198.94	431.21	587.32	686.88	1671.10	1658.20
1986-87	407.59	149.80	720.58	551.45	601.97	394.27	425.22	1058.05	2155.36	2153.57



## ANNEXURE 'B'

Statement of amount received and released by Central Social Welfare Board under Nutrition Programme

(Rupees in lakhs)

Sl. No.	Name of the State Boards	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	Total
1.	Andhra Pradesh	2.29	2.30	1.82	3.45	2.25	4.00	16.11
2.	Assam	3.63	2.45	4.99	7.22	5.75	8.23	32.27
3.	Bihar	1.70	3.64	3.58	3.19	4.78	3.85	20.74
4.	Gujarat	22.99	28.35	36.72	32.74	36.29	46.00	203.09
5.	Haryana	1.23	1.10	1.36	1.50	0.89	2.00	8.08
6.	Himachal Pradesh	0.40	0.45	0.56	0.44	0.56	0.86	3.27
7.	Jammu and Kashmir	0.22	0.30	0.30	0.30	0.30	0.65	2.07
8.	Karnataka	4.50	9.40	9.03	7.67	9.24	13.50	53.34
9.	Kerala	2.36	3.92	2.25	4.79	4.16	6.00	23.48
10.	Madhya Pradesh	4.56	1.84	2.15	2.77	3.51	6.89	21.72
11.	Maharashtra	18.95	23.75	33.69	31.97	33.48	43.91	185.75
12.	Manipur	0.53	0.37	0.63	0.76	0.40	1.20	3.89
13.	Meghalaya	0.66	0.88	0.89	0.86	1.35	1.42	6.06
14.	Nagaland	0.43	0.41	0.49	0.48	0.60	0.75	3.16
15.	Orissa	4.50	3.67	5.26	8.74	5.80	5.90	33.87
16.	Punjab	1.95	2.39	2.55	3.50	2.88	4.84	18.11
17.	Rajasthan	2.67	2.39	4.24	3.46	3.53	6.42	22.71
18.	Sikkim	—	—	—	—	—	—	—
19.	Tamil Nadu	5.56	3.70	4.80	4.42	5.92	6.58	30.98
20.	Tripura	0.53	1.05	1.06	1.10	1.20	1.66	6.60
21.	Uttar Pradesh	9.00	11.83	20.90	19.97	16.84	17.00	95.54
22.	West Bengal	5.84	4.83	7.62	4.35	4.43	6.28	33.35
23.	Andaman and Nicobar Islands	—	—	—	—	—	—	—
24.	Arunachal Pradesh	0.40	0.64	1.00	0.99	1.20	2.12	6.35
25.	Chandigarh	0.10	0.09	0.13	0.28	0.15	0.26	1.01
26.	Delhi	5.09	4.41	7.18	8.10	7.68	10.20	42.66
27.	Goa, Daman and Diu	1.83	2.14	2.15	2.25	2.10	3.45	13.92
28.	Lakshadweep	1.19	—	—	—	—	—	1.19
29.	Mizoram	—	1.12	1.50	1.50	1.50	2.16	7.78
30.	Pondicherry	0.09	0.10	0.14	0.19	0.18	0.26	0.96
31.	Dadara and Nagar Haveli	—	—	—	—	—	—	—
Total		103.20	117.52	156.99	156.99	156.97	206.39	898.06



## Ministry of Labour

### Employees Provident Fund Organisation

#### 13. Avoidable expenditure

The work of the construction of the office building and staff quarters for the Employees Provident Fund Organisation, Trivandrum awarded to a contractor in August 1974 was completed in December 1978. According to the special conditions in the agreement, the contractor was entitled to additional payment for transportation of cement and iron materials, if they were supplied from places other than the supplier's godown or Railway yard, Trivandrum. The tender schedule required the tenderers to quote their rates for this item also. The rate of Rs. 6 per MT per kilometre quoted by the successful tenderer for the transportation of steel from places other than the supplier's godown or Railway yard, Trivandrum, was included in the agreement. During the course of the work, the contractor transported 625 MT of steel for a total distance of 1658 kilometres from various places outside Trivandrum. The contractor claimed Rs. 10.68 lakhs for this item of work at the agreement rate. The Regional Commissioner referred the matter to the Central Provident Fund (CPF) Commissioner, New Delhi who instructed (July 1978) to revise the claim, adopting the rates settled by the Kerala Public Works Department for similar nature of work during the corresponding period. On this basis, the amount payable was worked out (August 1978) as Rs. 1.05 lakhs. The revised claim certified by the Architect for the work was forwarded to the CPF Commissioner (February 1979) with the remarks that on persuasion, the contractor had agreed to the revision, out of goodwill and sense of reasonableness. Instead of availing of this offer of the contractor the CPF Commissioner directed in May 1979 to treat the transportation of steel as an extra item for which producing of the relevant vouchers in support of actual expenditure incurred by the contractor was required. No final decision was taken by the Organisation. The contractor filed a suit in Sub-Court, Trivandrum (January 1982), praying for referring the issue to an Arbitrator, as provided for in the agreement. The Arbitrator appointed by the Sub-Court, passed the award in March 1983, finding that the contractor was not entitled to the payment at the rate of Rs. 6 per MT per kilometre, but he shall be paid by the Organisation a consolidated sum of Rs. 5.12 lakhs in satisfaction of the claim. The award was confirmed by the Honourable High Court of Kerala in October 1984. The payment of Rs. 5.64 lakhs, including interest of Rs. 0.52 lakh was made in June 1985.

Owing to the inordinate delay in taking a final decision on the offer of the contractor for a negotiated settlement the Organisation incurred additional expenditure of Rs. 4.78 lakhs including Rs. 0.19 lakh on legal expenses.

The matter was reported to Ministry/Central Provident Fund Commissioner in August 1987. The reply had not been received (November 1987).

## Ministry of Surface Transport

(Ports Wing)

### Calcutta Port Trust

#### 14. Conveyor system of finger jetty of Haldia Dock Complex

Haldia Dock Complex was conceived in 1962 as a comprehensive project for providing composite cargo handling facilities to various types of traffic with particular emphasis on bulk cargo. To ensure enough flexibility to suit the varying pattern of traffic the berth facilities were revised in 1969 and a finger jetty (revised estimated cost Rs. 104 lakhs in 1975) was conceived mainly for mechanical handling of salt and sulphur by an unloader crane and a conveyor system (two parallel conveyors on the jetty running through a common drive house—one for sulphur ending at fertilizer terminal and the other for salt) from ships to shore storage.

The main components of the handling facilities were (i) unloader crane (ii) transit storage and conveyor system for salt handling (iii) Conveyor system on the jetty including common drive house and sulphur conveyor to fertilizer terminal and (iv) crane track over the finger jetty.

Haldia Dock on commissioning was expected to handle a traffic of 13.6 million tonnes which would go up to 21.3 million tonnes after the initial five years. Of this, salt and sulphur traffic was expected to be of 0.6 million tonnes and 0.5 million tonnes respectively from which Haldia Dock was expected to realise an income of Rs. 59.85 lakhs per year (salt Rs. 33.60 lakhs and sulphur Rs. 26.25 lakhs). Salt traffic was also expected to rise to 0.9 million tonnes after initial 5 years and to 1 million tonnes by 1990.

During a test check by Audit in April 1986 the following points were noticed :—

(i) *Unloader Crane*.—Mention was made in paragraph 36.9.2 of the Report of the Comptroller and Auditor General of India for the year 1978-79 Union Government (Civil) about falling of unloader crane into the dock basin during a cyclonic storm in April 1978 before it could be commissioned and handed over to the port authority. The sunken crane created navigational hazard.

The navigational hazard continued till May 1980 when the sunken crane was removed by engaging Dredging Corporation of India (DCI) at a cost of Rs. 28.15 lakhs. Since the contracting firm Braithwaite & Co. denied the liability the matter was referred (January 1981) to an arbitrator who made an award (May 1982) in favour of the port trust to recover the cost of the crane (Rs. 21.99 lakhs paid to the firm) and the cost of salvage operations (Rs. 28.15 lakhs) from Braithwaite & Co. The appeal of the firm was also disallowed in January 1984 and



the Port Trust had made a final claim of Rs. 50.14 lakhs against Braithwaite & Co. during November 1985. The amount was yet to be recovered (October 1987). Meanwhile, at the request of Braithwaite & Co. the port authorities had sold the salvaged materials for Rs. 8.51 lakhs to be adjusted against final dues of Braithwaite & Co.

(ii) *Transit storage and conveyor system or salt handling.*—In May 1978 the port authorities engaged Mining and Allied Machinery Corporation Ltd. (MAMC) for supply, delivery, erection and commissioning of salt handling plant including a drive house at a cost of Rs. 71.45 lakhs. After the drawings had been approved (June 1979) and some required items had been procured/manufactured, the port authorities decided (January 1980) to modify the scheme so that the salt handling system could also be utilised for handling coking coal to be imported by a Government agency. MAMC when asked to redesign the scheme for the purpose submitted (September 1980) an estimate of Rs. 150 lakhs against the original offer of Rs. 71.45 lakhs. While this was under negotiation, the port authorities unilaterally decided (December 1980) to abandon the scheme on consideration that salt traders wanted salt to be handled in bags and consequently salt traffic was not likely to materialise at Haldia.

As a result of Port Trust's decision MAMC preferred in September 1981, a claim of Rs. 6.27 lakhs as compensation for design and cost of manufactured/procured items. Even after negotiation during December 1981 the claim remained at Rs. 5.78 lakhs. The claim was yet (October 1987) to be settled.

(iii) *Conveyor system on the jetty including common drive house and sulphur conveyor up to fertilizer terminal.*—These were charged against the estimate of Rs. 1395 lakhs for fertilizer handling system and were erected in August 1980 at a cost of Rs. 65.64 lakhs but could not be used since the handling facilities at the jetty, both for salt and sulphur were not commissioned.

In May 1984, on receipt of an offer from Oil and Natural Gas Commission (ONGC) for setting up a supply base at Haldia for their off-shore operation in the Bay of Bengal initially for a period of 2 to 3 years, the port authorities decided (February 1985) to lease one berthing face of the finger jetty to ONGC on a consolidated annual rent of Rs. 50 lakhs for use of jetty surface and berthing facilities. ONGC paid the first year's licence fee in August 1986. To facilitate the lease the conveyor system had to be dismantled in March 1985. Out of the dismantled materials, materials worth Rs. 22.44 lakhs were taken to stores of the port for re-use and the balance materials were disposed of for Rs. 8.25 lakhs (Rs. 10.25 lakhs less cost of dismantling Rs. 2 lakhs). Dismantling cost of Rs. 2 lakhs was recovered from ONGC.

(iv) *Crane track over the finger jetty.*—This was laid at a cost of Rs. 2.82 lakhs (excluding cost of

crane rails) before the unloader crane was brought in April 1977. This also had to be dismantled to facilitate the lease of one berthing face of finger jetty to ONGC.

To sum up, the port authorities spent about Rs. 124.38 lakhs as under on the conveyor system of finger jetty for handling salt and sulphur at Haldia Dock which were not commissioned :—

	(Rs. in lakhs)
(i) Purchase and salvage of crane	50.14
(ii) Compensation for salt transit storage and connecting conveyor system to be made	5.78
(iii) Conveyor system on the jetty including drive house and conveyor upto fertilizer terminal	65.64
(iv) Laying of crane track	2.82
<b>Total</b>	<b>124.38</b>

Out of the capital investment of Rs. 124.38 lakhs, Rs. 41.55 lakhs as detailed below proved to be infructuous as the scheme of mechanical handling of cargo at the finger jetty had to be given up :—

	(Rs. in lakhs)
Total capital investment	124.38
Less :	
(a) Dismantled materials reclaimed	22.44
(b) Sale of dismantled materials	8.25
(c) Cost of dismantling recovered	2.00
(d) Cost of crane and salvage operation to be recovered	50.14
<b>Balance</b>	<b>41.55</b>

According to the Calcutta Port Trust (CPT) (October 1986) the following amounts are required to be taken into account before arriving at the quantum of infructuous expenditure :—

	(Rs. in lakhs)
Depreciation charge on conveyor system	16.41
Advertisement charge recovered	0.15
<b>Total</b>	<b>16.56</b>

Since the conveyor system was not commissioned and the advertisement charges were initially met from the revenue of CPT these items were not taken into account.

CPT stated in November 1986 that the decision to foreclose the contract for salt handling system and dismantle and sell the conveyor structure on finger jetty was to avoid further unfruitful expenditure on the one hand and to earn more revenue on the other. Endorsing the views of CPT, the Ministry stated in January 1987 that circumstances forced them to take the decision to dismantle the conveyors on finger jetty.



### 15. Delay in completion of work and avoidable extra expenditure—Fertilizer Handling Project

Government of India, Ministry of Shipping and Transport sanctioned (March 1972) a fertilizer handling project at Haldia Dock at an estimated cost of Rs. 3.31 crores (revised to Rs. 13.95 crores in February 1975) in order to provide fast moving material handling equipment for unloading and handling of bulk raw materials for fertilizers and finished fertilizers and their bagging and despatch. The contract for a part of this project comprising design, manufacture, delivery, erection and commissioning of fertilizers handling equipment, including structural works from the second transfer point up to bagging machinery was awarded (September 1976), after negotiation to the lowest tenderer 'A', a public sector firm, at the tendered price of Rs. 354.46 lakhs (construction part X Rs. 18.89 lakhs, supply part Y Rs. 248.75 lakhs, erection and commissioning part Z Rs. 62.36 lakhs and spares Rs. 24.46 lakhs) stipulating the period for completion as 24 months. The other two firms 'B' and 'C' had quoted Rs. 364.48 lakhs and Rs. 366.20 lakhs with a completion period of 20 months and 24 months respectively. The cost of bagging shed and its platform was included in the offers and no escalation was applicable.

Firm 'A' was to supply the design load of the various structures to Calcutta Port Trust (CPT) on the basis of which the CPT was to design and provide foundation for the structures. On approval of the design load drawings by the CPT, firm 'A' was to commence fabrication of the structures. On completion of foundation by the CPT, firm 'A' was to erect and commission the structure of the fertilizer handling equipment and the total work was stipulated to be completed by September 1978. No specific time schedule was laid down for the supply of design load by firm 'A' or the completion of foundation by CPT. Up to January 1978, only 75 per cent of the drawings submitted by firm 'A' had been approved by the CPT. The firm commenced manufacture/fabrication of the structures in January 1978 and up to September 1978 (the stipulated date of completion) they could fabricate only 425 metric tons of the structure out of the total requirements of 1100 metric tons. CPT took up construction of foundations between March 1978 and August 1979 through separate contracts with other contractors. These works were scheduled for completion between July 1978 and May 1979, except for one (awarded in August 1979) which was due to be completed in May 1980. None of the foundations was completed even by December 1979. While the CPT attributed this to the delay on the part of firm 'A' in supplying required parts namely, anchor bolts to complete the foundation works, the firm represented (January 1980) that they could not start erection work in the absence of foundations and claimed escalation on wages and materials.

The firm also raised dispute (July/August 1977) about the inclusion of the continuous bagging shed under the bagging bin in their contract and claimed

extra payment for its construction. The firm, however, had confirmed before acceptance of their offer that the cost of continuous bagging shed over the bagging bin was included in their scope of work in Part X of the tender. But as the shed in question was required under the bagging bin, the firm took the stand that the same was not included in their scope of contract. The CPT did not accept the contention and observed *inter alia* that "as there was no continuous shed over the bagging bin it was within the scope of the work and not an extra item."

In a meeting held between the Financial Adviser of the Ministry of Shipping and Transport and Department of Defence Production (July 1980), it was agreed that an additional amount of Rs. 73.25 lakhs (wage escalation : Rs. 24 lakhs material escalation : Rs. 22 lakhs and cost of continuous bagging shed : Rs. 27.25 lakhs) would be paid to firm 'A'. This was decided on the consideration that (i) there was no clear understanding between the CPT and the firm on the scope and location of the continuous bagging shed and there was genuine misunderstanding about the inclusion of its cost in the firm's offer since its cost was more than the amount (Rs. 13.89 lakhs) quoted by the firm for Part 'X' of the tender and no detailed scrutiny was made for each part of the work contained in the tender, (ii) technically and financially it would be more practicable to continue with firm 'A' with suitable compensation rather than to rescind the contract (firm 'A' had completed work worth Rs. 1.54 crores) and (iii) the time slippage was partly due to delay by the CPT in making foundations ready. As a result, the lump sum contract price of Rs. 354.46 lakhs rose to Rs. 427.71 lakhs. It was also agreed (i) to pay in advance Rs. 26 lakhs to firm 'A' as stage payment on materials procured and fabricated, but not delivered at site, (ii) the CPT would provide two approach roads by October 1980 and hand over all foundations complete by November 1980, (iii) firm 'A' would complete the work by October 1981 and (iv) a penalty would be levied on either party in the event of failure to keep their commitments.

The CPT completed its portion of work in time but firm 'A' had still not completed (May 1987) its part of the work. Considering the difficult cash position of firm 'A' Rs. 21.39 lakhs, withheld from their bills in June 1983 as penalty for delay, were released to the firm in February 1986 against a bank guarantee. An amount of Rs. 398.23 lakhs had been paid to the firm up to March 1987.

The following points emerge :—

- Though escalation was not applicable, Rs. 46 lakhs were permitted to the firm 'A', which was largely responsible for delays.
- Though the tender was accepted on confirmation by the firm that the cost of continuous bagging shed was included in their offer yet it was decided to accept an additional liability of Rs. 27.25 lakhs on the consideration that there was misunderstanding-



ing about the inclusion of its cost in the offer of the firm.

— Though the other essential parts of the fertilizer handling project were completed by October 1980, the total investment of Rs. 15.03 crores made up to March 1986, remained blocked owing to delay in completing the work awarded to firm 'A'. In the economics of the project, it was envisaged that the facility would provide benefit/savings to the tune of Rs. 818.15 lakhs *per annum* based on the estimated traffic of 5.25 lakhs MT of raw materials (at Rs. 99.24 per MT) and 3.75 lakhs MT of finished fertilizers (at Rs. 79.24 per MT) likely to pass through the facility. Due to non-completion of the project the benefit was yet (May 1987) to be realised.

CPT stated in November 1986 that out of 5.25 lakhs MT of raw materials, 3.93 lakhs MT was to be imported by a public sector undertaking for its fertilizer factory at Haldia and since the factory had not yet gone into production the traffic projection would not have materialised even if the fertilizer handling project had been completed in all respects.

The matter was referred to the Ministry in August 1986, the reply had not been received (November 1987).

#### 16. Under-utilisation of ore and coal handling plants at Haldia

In September 1977, Haldia Dock of Calcutta Port Trust (CPT) was provided with two (ore and coal) mechanical handling plants for handling 40 lakh tonnes of ore and 35 lakh tonnes of coal annually. The work of designing, fabricating and installation of ore and coal handling plants at Haldia was entrusted in 1968 to a public sector firm 'A' for installation by December 1970 at a cost of Rs. 420 lakhs, but was completed in September 1977 at a total cost of Rs. 1530 lakhs. The delay in completion was due to changes in design, capacities of some of the major equipments and lack of expertise and suitable know-how.

Mention was made in paragraph 33 of the Report of the Comptroller and Auditor General of India for the year 1974-75, Union Government (Civil) about the delay in installation of the ore and coal handling plants. The Public Accounts Committee (PAC) commented (1977-78) in their 33rd Report (Sixth Lok Sabha) on the delay and its effect on capacity utilisation on ore and coal handling plants. The PAC expressed their grave concern over the under-utilisation of the facilities for bulk handling of iron ore and coal at even less than half of the capacities in the coming months and called for speedy remedial action at higher level to ensure sufficient traffic load for efficient and economic utilisation of the capacities.

The Ministry of Transport (formerly Ministry of Shipping and Transport) in their action taken note

of July 1978 stated that the importers would be persuaded to take iron ore from Haldia by adopting two port loading. The demand would pick up significantly with improvement in international market. The Ministry had also taken up with other Ministries for rational distribution of cargo through different ports so that the installed capacities of Haldia were fully utilised. The Ministry had further stated that the coal handling plant would not only be fully utilised but its capacity would have to be augmented on materialisation of despatch of 25 lakh tonnes of coal to thermal power station at Tuticorin, export of steam coal to neighbouring countries and export of 25 lakh tonnes slack coal to West European countries by 1983-84.

During test check in Audit it was noticed that the ore handling plant which was designed to handle 40 lakh tonnes per year had remained grossly idle to the extent of 99 *per cent* of its capacity during 1980-81 to 1984-85 and completely idle since 1985-86. Calculated on the basis of handling capacity and tonnage handled, the idleness/underutilisation of the plant during 1980-81 to 1986-87 had resulted in a loss of revenue of Rs. 4889.15 lakhs.

The ore handling plant was made ready by firm 'A' in September 1977 but the work of erection of mechanical equipment for bunkering arrangement for storage of iron ore could not be completed by firm 'A' as CPT could not make available the civil works required for foundations of the bunkers. For the delay in handing over the foundations, firm 'A' claimed in September 1979, Rs. 218 lakhs to cover expenditure on loss/damage of materials lying at site for bunkering arrangement and additional payment on establishment costing Rs. 0.25 lakh per month from October 1977. The CPT decided in February 1980 to abandon further works on bunkers on consideration that shipment of iron ore in large quantities would not materialise in future. On the basis of an arbitration award it was mutually agreed in December 1980 between firm 'A' and CPT that firm 'A' would take back the materials which could be used and credit would be given to CPT on that account. Up to June 1982 CPT had made a payment of Rs. 79.99 lakhs to firm 'A' after adjustment of the cost of materials taken back by firm 'A'.

As the estimated iron ore traffic did not materialise and there was a prospect of 24 lakh tonnes coal traffic per year which according to CPT, the coal handling plant could not be able to handle alone, CPT decided in August 1982 on modification/overhauling/repairs of the ore handling plant to make it ready for handling coal. For modification of different components of the ore handling plant CPT engaged three firms 'A', 'B' and 'C' during May 1983 to May 1984. Up to May 1987, Rs. 127.91 lakhs were spent on this account but the modifications are yet to be completed.

During 1980-81 to 1986-87, the coal handling plant handled only a total of 102.56 lakh tonnes of coal and the plant remained underutilised to the extent of 41 *per cent* to 80 *per cent* of its capacity (35 lakh tonnes) due to non-availability of wagons,



delay in placement of wagons by CPT and also for non-availability of coal vessels. Calculated on the basis of the handling capacity and the actual tonnage handled the under-utilisation of the coal handling plant during 1980-81 to 1986-87 had resulted in a loss of revenue of Rs. 4985.60 lakhs.

Thus it may be seen that inspite of the commitments made by the Ministry, both the plants at Haldia remained under-utilised.

CPT stated in December 1987 that failure to provide a draft of 40 ft in Haldia channel and fall in international demand of iron ore were responsible for the anticipated traffic of iron ore not materialising at Haldia. As there was no prospect of iron ore traffic, construction of bunker was abandoned and decision was taken to convert the ore handling plant into a coal handling one.

CPT further stated that the coal handling plant was built with indigenous know how and was not free from all defects. Coals of different shapes and sizes and foreign materials in coal wagons had an inevitable effect on the throughput of the plant. Those had made the plant prone to breakdowns. These factors contributed to the low output of the plant.

The matter was reported to the Ministry in July 1987; the reply had not been received (November 1987).

#### 17. Hire charges on Railway wagons paid by Calcutta Port Trust to the Indian Railways and demurrages recovered

In terms of Section 50 of the Railways Act, 1890, Calcutta Port authorities had entered into an agreement with the Trunk Railways in March 1922 for interchange of wagons containing goods traffic booked to and from any point of the Port Trust Railways. The agreement lays down, *inter alia*, the procedure to be followed in respect of interchange of inward and outward wagons between the CPT railways and the Trunk Railways and detention of wagons at Port area and charges payable for services rendered by each.

CPT pays hire charges to Trunk Railways for detention of wagons beyond free time of :

(i) 60 hours in case of inward loaded wagons/ outward loaded wagons.

(ii) 36 hours in case of inward empty wagons, at the rate prescribed from time to time by the Railway Board. CPT recovers demurrage charges from the consignees wagons detained in sidings beyond five working hours in cases where loading/unloading is done by the consignee. However, for detention of wagons in transit areas, where loading/unloading is done by CPT's labour, no demurrage charges are leviable. Rate of demurrage charge is fixed by CPT with the approval of the Railway Board.

During 1981-82 to 1986-87, the rate of hire charges was revised 3 times with an enhancement of 212 per cent while the rate of demurrage was revised

only once with enhancement of 100 per cent. As a result of this, the amount of hire charge payable to the Trunk Railways by CPT exceeded the amount of demurrage charges recoverable from siding holders by Rs. 373.32 lakhs during 1981-82 to 1986-87.

Bills of hire charges raised by the Railways also include claim for hire charge in respect of wagons which are detained for reasons beyond CPT's control. CPT, however, in terms of decision (reached between the CPT and the Railways in 1971) are making payment after deduction of hire charges on these wagons. CPT during 1981-82 to 1986-87 had deducted an amount of Rs. 357.19 lakhs. As the Railway Board did not admit the remission of claims on this account CPT is liable to make the payment.

Though CPT has been paying the hire charge to the Indian Railways regularly, demurrage charge of Rs. 64.20 lakhs (Government : Rs. 25.68 lakhs ; Private : Rs. 38.52 lakhs) is recoverable by the CPT from the users of wagons as on 31st March 1987. Out of this, an amount of Rs. 17.07 lakhs had remained outstanding from Calcutta Electric Supply Corporation since January 1986.

Chronic detention of wagons within the port area is mainly responsible for high quantum of hire charges payable to Railways. The fact would also be corroborated by the number of wagon holding by CPT railways as below :—

Year	No. of wagons dealt with daily average (inward and outward)	No. of wagons (balance) daily average
1981-82	379	1718
1982-83	393	1849
1983-84	267	1893
1984-85	166	695
1985-86	192	920
1986-87	175	777

Following reasons contributed to the high wagon holding and chronic detention of wagons :—

(a) On most of the occasions, there had been inordinate delay in placement of wagons at sidings. While CPT cannot charge demurrage until and unless the wagons are placed in sidings, it has to incur hire charges even before the wagons are placed at sidings. Scrutiny revealed that in more than 30 per cent of cases, wagons had been placed at sidings after the expiry of free time allowed by the railways. Test-check in Audit revealed that CPT had to incur avoidable hire charges to the tune of Rs. 7.70 lakhs for the period from 1st January 1983 to 31st December 1986 in respect of one siding (Hide shed) only out of nine sidings for delayed placement of wagons.

(b) 20 units of damaged wagons had been lying at the wagon pool of CPT for a period ranging from 5 to 7 years. Initially no step had been taken for repairing the wagons. Only in 1986, it was held that the wagons could not be taken to the repair shop because of pilferage of approach tracks. CPT







CPT allowed 4.09 lakh sq ft of shed space on an average to remain vacant up to October 1986 on the ground that a new policy of land utilisation and tenancy was being evolved. It had retained 2.70 lakh sq ft of shed space for use as storage space for pre-shipment cargo which was not required. Had the unutilised shed space of 6.79 lakhs sq ft been let out, a revenue of Rs. 3.94 lakhs per month could have been collected and CPT could have earned a revenue of Rs. 263.98 lakhs during 1981-82 to 1986-87 (up to October 1986) resulting in a profit of Rs. 144.53 lakhs instead of accumulated loss of Rs. 119.45 lakhs during the above period.

The matter was referred to the CPT and to the Government of India in July 1987; the replies had not been received (October 1987)

#### 19. Avoidable expenditure in construction of an overhead tank

Tenders for construction of an overhead reinforced cement concrete (Rcc) tank (capacity 2.20 lakh litres) including Rcc staging in replacement of existing worn-out overhead steel tank and staging at Basra, Netaji Subhas Dock of Calcutta Port were invited in May 1978 with the provision that cement and steel materials for the work would be supplied by Calcutta Port Trust (CPT) at stipulated rates of recovery.

The tenders were opened in July 1978. Even though there was urgency to replace the worn-out steel tank, the sanction of the Board of Trustees of Calcutta Port Trust for Rs. 3.03 lakhs was obtained only in March 1979. The Government attributed (September 1987) the delay to time involved in taking certain administrative decisions after opening the tenders. The lowest tendered rate being higher, a revised sanction of the Board of Trustees for Rs. 3.56 lakhs was obtained in August 1979. The work was entrusted to contractor 'A' in September 1979 at a total cost of Rs. 3.43 lakhs (construction of new tank and staging Rs. 3.17 lakhs and dismantling of old tank and staging Rs. 0.26 lakh). The work though stipulated to be completed by May 1980 could not be started due to non-availability of the required steel at CPT stores for issue to the contractor.

CPT did not initiate action to indent the steel from the CPT stores till November 1979. The steel could be procured by CPT stores only in January 1981 (i.e. eight months after the stipulated date of completion of the work) when the contractor declined to start the work.

It was decided (June 1982) to cancel the tender of contractor 'A' and invite fresh tender for the work. The work (excepting the item of dismantling the worn-out steel tank and staging) was awarded (January 1983) to contractor 'B' at a total cost of Rs. 4.87 lakhs with the provision that only cement would be supplied by the CPT while the other materials including steel would have to be procured by the contractor. The work was completed in October 1984 at a total cost of Rs. 5.54 lakhs.

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Based on the executed quantities and computed with reference to the difference between rates of contractor 'A' and contractor 'B' against different items of work, there had been an extra expenditure of Rs. 2.41 lakhs on execution of the work through contractor 'B'. As contractor 'A' was not at fault for not taking up the work, no penal action was taken against him to recover the extra expenditure.

The CPT stated (October 1986) that procurement of steel took some time and therefore it had not been possible to arrange for supply of the steel before January 1981 and that even so the work could still be got executed by the contractor without involving additional expenditure but for a dispute between the contractor and the trustees in regard to execution of another contract at Haldia necessitating withholding all payments due to him.

Thus due to the delay in awarding (September 1979) the work to contractor 'A' after opening (July 1978) of the tender, failure to supply steel in time to him as per contractual obligation and decision to execute the work through another agency, CPT had to incur an extra expenditure of Rs. 2.41 lakhs in the execution of the work.

The Ministry of Transport stated (September 1987) that the additional expenditure of Rs. 2.41 lakhs was not purely because of delay in placing the work order or because of late supply of the steel but because the contractor intentionally did not come forward to execute the work even after the steel had been made available to him in January 1981. The extra expenditure was also due to rise in the prices which was beyond the control of CPT.

#### 20. Unfruitful expenditure in disposal of dredged materials ashore at Jellingham

To achieve a draft of 10.6 metres (35 ft) by October 1975 and 12.2 metres (40 ft) by 1980 up to Haldia for accommodation of bigger ships, Calcutta Port Trust (CPT) took up (November 1973) dredging operation in the shipping channel leading to Haldia. Dredged materials were dumped within the estuary.

Though a draft of 10.6 metres (35 ft) was achieved in the outer estuary (sea to Saugor) by April 1975, the inner estuary (Saugor to Haldia) failed to show improvement after July 1975 and the shortfall in the depth reflected prominently in the upper Jellingham where the draft ranged between 5.56 metres and 5.96 metres during 1973-74 to 1976-77.

Deterioration of Jellingham shoal, despite intensive dredging operation began to manifest itself from 1975 onwards as significant portion of the dredged materials was returning to the bars from the dumping sites. To contain this situation, the CPT formulated a scheme of disposal of dredged materials ashore at Jellingham. The scheme was commissioned on 5th December 1977 after an initial capital investment of Rs. 130 lakhs. Although operational system of the scheme provided for use of a pontoon as a terminal vessel, CPT used mothballed/surplus dredgers after



conversion as terminal vessel involving heavy maintenance cost of Rs. 36 lakhs *per annum* in respect of each dredger.

The shore disposal scheme at Jellingham envisaged pumping ashore 4 million cubic metres (MCM) of dredged spoils per year at 8/9 loads per day during December 1977 to August 1979 but only 0.85 MCM of spoils were pumped ashore in 186 days at 2.7 loads per day.

CPT reviewed (September-October 1979) the performance of the system and found that the shore disposal system with inherent heavy cost was not an efficient system and did not add any resultant benefit to navigable depth. Accordingly, CPT informed (January 1980) the Ministry the desirability of suspending the scheme in order to reduce the expenditure on dredging considerably. However, in a meeting (February 1980) with the Ministry, it was decided to pursue the shore disposal scheme after some modification so as to make it more effective. No shore disposal was, however, carried out during the period from 1st February 1981 to 31st May 1982 due to non-availability of terminal vessel and again from 1st April 1983 to 31st May 1986 due to repair to pipe lines and vessels, deployment of dredging dredger elsewhere and difficulties in mooring the terminal vessel at the new location.

The scheme was abandoned in June 1986 as the land at the disposal site could not be acquired. CPT also decided (March 1987) to dispose of the materials/assessories of the shore disposal system through auction which was yet to be held (October 1987). During the implementation of the scheme, 2.5 MCM spoils was pumped ashore at Jellingham up to May 1986 at a cost of Rs. 786.60 lakhs (excluding cost of dredging).

Thus, in spite of ineffectiveness of the scheme CPT incurred an expenditure of Rs. 786.60 lakhs (initial capital cost : Rs. 130 lakhs, conversion cost of moth-balled dredgers : Rs. 14.60 lakhs, laying of pipe lines : Rs. 16.85 lakhs, operation cost : Rs. 238.34 lakhs and maintenance cost of dredgers as terminal vessels : Rs. 386.81 lakhs) on continued operation of the scheme up to May 1986. The objective of the scheme *viz.* a draft of 12.2 metres by 1980 was not achieved (actual draft during 1982-83 to 1986-87 ranged between 5.72 metres and 5.22 metres) and a major portion of expenditure of Rs. 786.60 lakhs proved to be unfruitful.

CPT stated in August 1987 that the limited morphological assessment done argued in favour of continuing the shore disposal scheme. The old dredgers were used as berthing terminal pontoon on consideration of heavy berthing force of the dredger during South-West monsoon. CPT also stated that 100 *per cent* removal of spoils ashore was necessary to make the scheme effective. Besides, sufficient number of loads could not be lifted due to time consuming work of coupling/decoupling arrangement.

The case was referred to the Ministry in July 1987; the reply had not been received (November 1987).

## Ministry of Surface Transport (Ports Wing)

### Kandla Port Trust

#### 21. Short recovery of liquidated damages

The tender agreement entered into (March 1982) with a contractor by the Kandla Port Trust for the supply of Wharf Cranes had a provision for recovery of liquidated damages for delay in supply limited to 5 *per cent* of the tendered amount (contract price). The general instructions in the "Schedule of Quantities and Prices" defined the "rates and prices" as inclusive of all basic and contingent costs, rents, taxes, insurance, supervision, overhead charges, etc. The contract price had, therefore, to be reckoned as the all inclusive price payable to the contractor for procurement of the cranes in terms of the contract.

Owing to delay in supply, liquidated damages limited to 5 *per cent* of the contract price became due for recovery. While working out the contract price for levy of liquidated damages, however, the Kandla Port Trust included only the basic cost, transportation and erection charges but excluded excise duty and sales tax and arrived at the contract price of Rs. 116.79 lakhs on which the maximum liquidated damages of Rs. 5.84 lakhs were levied in April 1986. The correct contract price inclusive of excise duty and sales tax would work out to Rs. 141.62 lakhs on which liquidated damages of Rs. 7.08 lakhs should have been levied.

The Port Trust, to whom the matter was reported (January 1987) stated (February 1987) that excise duty and sales tax should not be included in the contract price. This interpretation was, however, not in accordance with the terms of the contract and had resulted in short levy of liquidated damages of Rs. 1.24 lakhs.

The matter was reported to the Ministry in April 1987. The Ministry endorsed (July 1987) the reply of the Port Trust.

## Ministry of Textiles

Jute Manufactures Development Council, Calcutta

#### 22. Loss of Interest

The Jute Manufactures Development Council, Calcutta set up in 1976 under the Industries (Development and Regulation) Act, 1951 was brought in 1983 under a separate Act of Parliament (Jute Manufactures Development Council Act, 1983), in the same name and the new Council started functioning from 1st May 1984. The fund of the Council is called the Jute Fund which comprises of grants paid by the Central Government in instalments from its non-plan annual budgets of cess collections on jute goods made under the provisions of the Jute Manufactures Cess Act, 1983.

All funds of the Council were kept in two current bank accounts. During April 1985 to March 1987



the average balance between 10th and 24th of each month varied between Rs. 3.86 lakhs and Rs. 89.81 lakhs in respect of one current account and between Rs. 3.01 lakhs and Rs. 11.81 lakhs in respect of the other account. The Council earned Rs. 0.47 lakh as interest by investing a part of its fund not required for current expenditure in short-term bank deposits between April 1985 and September 1985, but it did not make any such investments in subsequent periods when its bank balance was heavy (over Rs. 41 lakhs between March 1986 and January 1987) and was not required for expenditure. Even if the Council availed of the facility of savings bank accounts, it would have earned a further interest of Rs. 3.37 lakhs during the said period of two years.

Thus, the organisation sustained a loss of interest of Rs. 3.37 lakhs in two years due to maintenance of the funds in bank current accounts.

The Council stated (April 1987) that the bankers had been approached for savings bank accounts and the matter was likely to be settled shortly. The Council further decided (April 1987) that the surplus fund might be invested in suitable term deposits if maintenance of savings bank accounts would not be possible.

The matter was reported to the Ministry; the reply had not been received (October 1987).

### 23. Infructuous expenditure

The Jute Manufactures Development Council, Calcutta shifted its secretariat on 12th June 1985 from its previous accommodation having a floor space of 1300 sq ft on a monthly rental of Rs. 3,000 to an accommodation consisting of two independent flats having a total carpet area of 7,500 sq ft at a monthly rent of Rs. 48,750. The Council opted for a larger space in view of various expansion programmes and activities envisaged under the new Act (Jute

Manufactures Development Council Act, 1983). The new accommodation was taken on six years' lease with stipulation to increase rent at 10 per cent every three years, to bear occupier's share of tax and to pay two months' rent as security deposit and it received the approval (September 1985) of the Government of India in the then Ministry of Supply and Textiles.

While one flat was furnished and occupied by the Council for office purposes from 12th June 1985, the other flat having a floor area of 3,800 sq ft remained completely vacant till June 1986. From July 1986 only 828 sq ft space, out of 3,800 sq ft could be used in this flat and the remaining area of 2,972 sq ft (78 per cent) remained unoccupied till 9th August 1987.

The Council incurred a total expenditure of Rs. 6.40 lakhs on rent of this flat during the period 12th June 1985 to 9th August 1987, of which Rs. 5.69 lakhs proved infructuous due to hired space remaining vacant. Besides, a deposit of Rs. 49,400 bearing no interest was kept with the landlord since June 1985 and it was adjusted in August 1987 against rent due.

The Council decided (April 1987) to shift its secretariat to a smaller premises and the secretariat was actually shifted on 10th August 1987 to a new accommodation having a floor space of 2,800 sq ft.

When the accommodation was hired in June 1985, the Council Secretariat had a strength of 11 officers and staff and it continued to have the same strength till July 1987. Thus by hiring accommodation in excess of actual need without having a clear idea about the size and structure of the new Council Secretariat and without any definite proposal for utilisation of additional space, the Council incurred an avoidable expenditure of Rs. 5.69 lakhs.

The matter was reported to the Ministry in July 1987; the reply had not been received (October 1987).

New Delhi

The 13 APR 1988



(S. S. ROY CHOUDHURY)  
Director of Audit-I, Central Revenues.

Countersigned

New Delhi

The 14 APR 1988

T. N. Chaturvedi

(T. N. CHATURVEDI)  
Comptroller and Auditor General of India.



APPENDIX—1

(Vide Sub-paragraph 2.3)

*Outstanding utilisation certificates*

Ministry/Department	Period to which grants relate (Upto September 1985)	Number of Utilisation certificates outstanding at the end of March 1987	Amount (In lakhs of rupees)
1	2	3	4
Commerce	1976-77	3	5.00
	1977-78	3	2.90
	1982-83	1	7.80
	1983-84	16	1042.00
	1984-85	38	658.00
	1985-86	20	475.00
		81	2190.70
Textiles	1977-78	3	11.55
	1978-79	40	151.83
	1979-80	51	122.71
	1980-81	20	31.51
	1981-82	6	5.15
	1982-83	37	54.14
	1983-84	42	52.10
	1984-85	32	189.87
	1985-86	16	15.70
		247	634.56
Petrochemicals	1985-86	2	24.50
		2	24.50
Energy Power	1976-77	16	24.39
	1977-78	22	37.16
	1978-79	18	42.21
	1979-80	16	65.83
	1980-81	30	184.51
	1981-82	31	334.55
	1982-83	25	695.07
	1983-84	11	342.76
	1984-85	15	715.66
	1985-86	6	250.51
		190	2692.65
Human Resource Development			
(i) Education	1976-77	260	291.22
	1977-78	253	522.02
	1978-79	522	564.29
	1979-80	421	619.44
	1980-81	281	552.65
	1981-82	285	1287.68
	1982-83	661	1713.63
	1983-84	668	6549.89
	1984-85	2802	26099.47
	1985-86	794	2022.55
		6947	40222.84



1	2	3	4
(ii) Youth Affairs and Sports	1984-85	67	298.28
	1985-86	18	1526.58
		85	1824.86
(iii) Culture	1976-77	114	81.53
	1977-78	66	11.92
	1978-79	49	56.90
	1979-80	65	100.35
	1980-81	73	86.77
	1981-82	113	132.75
	1982-83	228	230.84
	1983-84	183	120.47
	1984-85	261	565.31
	1985-86	188	305.22
	1340	1692.06	
External Affairs	1984-85	2	22.29
	1985-86	7	11.28
		9	33.57
Social Welfare Finance		Awaited	
(i) Economic Affairs	1982-83	1	0.04
	1984-85	2	3.00
	1985-86	2	10.50
	5	13.54	
(ii) C.B.D.T.	1985-86	4	2.20
		4	2.20
Food and Civil Supplies			
(i) Civil Supply	1977-78	7	31.00
	1979-80	5	201.92
	1980-81	6	1.00
	1981-82	6	6.00
	1982-83	3	10.00
	1983-84	13	15.00
	1984-85	5	25.00
	1985-86	3	39.00
		48	328.92
	(ii) Food	1976-77	3
1977-78		2	1.02
1978-79		1	2.00
1979-80		2	0.53
1980-81		3	2.82
1981-82		2	1.16
1982-83		1	3.07
1983-84		1	4.00
1984-85		8	11.98
1985-86		5	4.01
	28	31.89	



1	2	3	4
<b>Health and Family Welfare</b>			
(i) Health	1976-77	97	105.36
	1977-78	87	186.55
	1978-79	81	900.47
	1979-80	139	277.06
	1980-81	82	345.11
	1981-82	130	227.73
	1982-83	153	836.56
	1983-84	301	4026.12
	1984-85	338	5754.35
	1985-86	109	4350.52
		1517	17009.83
(ii) Family Welfare	1976-77	25	11.19
	1977-78	23	35.44
	1978-79	21	78.57
	1979-80	31	99.87
	1980-81	34	122.09
	1981-82	57	244.43
	1982-83	75	266.67
	1983-84	128	597.79
	1984-85	180	1034.00
	1985-86	55	411.01
		629	2901.06
<b>Industry</b>			
(i) Industrial Development	1979-80	3	1.00
	1983-84	5	6.00
	1985-86	16	1476.00
		24	1483.00
(ii) Small Scale Industries	1984-85	21	207.00
	1985-86	11	125.00
		32	332.00
(iii) Salt Commission, Jaipur	1979-80	12	0.02
	1980-81	1	0.01
		13	0.03
(iv) Public Enterprises	1984-85	3	206.00
	1985-86	3	256.00
		6	462.00
<b>Home Affairs</b>			
(i) Home Affairs	1976-77	3	75.00
	1977-78	7	128.23
	1978-79	8	90.67
	1979-80	8	104.83
	1980-81	8	105.25
	1981-82	13	118.34
	1982-83	9	162.97
	1983-84	8	174.54
	1984-85	1	0.05
	1985-86	1	0.05
		66	959.93



1	2	3	4
(ii) Delhi (UT)	1977-78	128	1425.02
	1978-79	164	1508.63
	1979-80	122	2485.47
	1980-81	126	659.33
	1981-82	171	1102.42
	1982-83	167	1562.77
	1983-84	160	3116.90
	1984-85	185	4901.17
	1985-86	99	3626.03
		1322	20387.74
(iii) Chandigarh Administration (UT)	1976-77	48	116.97
	1977-78	69	194.89
	1978-79	90	73.38
	1979-80	82	63.55
	1980-81	62	77.25
	1981-82	52	2841.66
	1982-83	56	96.97
	1983-84	100	353.40
	1984-85	59	396.35
	1985-86	3	50.31
		621	4264.73
(iv) Andaman and Nicobar Islands (UT)	1980-81	26	1.96
	1981-82	3	0.07
	1982-83	20	9.38
	1983-84	19	21.09
	1984-85	39	70.13
	1985-86	12	7.18
		119	109.81
Water Resources			Awaited
Information and Broadcasting	1976-77	2	40.00
	1977-78	2	50.00
	1978-79	1	22.18
	1982-83	1	4.22
	1983-84	2	3.37
	1984-85	4	68.02
	1985-86	5	64.19
		17	251.98
Labour	1978-79	1	0.13
	1979-80	1	0.01
	1983-84	1	0.15
	1984-85	1	0.10
	1985-86	5	0.71
		9	1.10
Planning			
	(i) Planning Commission		
(i) Planning Commission	1976-77	1	1.67
	1977-78	1	2.78
	1978-79	1	4.56
	1979-80	1	9.60
	1980-81	18	35.78
	1981-82	4	6.79
	1982-83	1	1.74
	1983-84	7	1.98
	1984-85	47	59.17
	1985-86	30	10.25
		111	134.32



1	2	3	4
(ii) Statistics	1977-78	1	0.04
	1979-80	1	0.20
	1980-81	1	0.20
	1985-86	4	0.03
		7	0.47
Urban Development	1981-82	29	19.69
	1982-83	47	27.26
	1983-84	47	39.55
	1984-85	46	66.41
	1985-86	64	63.46
		233	216.37
Agriculture			
Agriculture and Cooperation	1976-77	42	93.10
	1977-78	26	82.49
	1978-79	74	464.82
	1979-80	38	284.82
	1980-81	29	263.53
	1981-82	45	815.03
	1982-83	62	477.08
	1983-84	116	1504.95
	1984-85	172	1795.51
	1985-86	85	6980.07
		689	12761.40
Transport			
Surface Transport Road Wing	1976-77	14	728.00
	1977-78	17	888.00
	1978-79	52	2303.00
	1979-80	31	1969.47
	1980-81	72	1988.79
	1981-82	62	1216.41
	1982-83	39	1205.88
	1983-84	52	1769.91
	1984-85	37	1853.76
	1985-86	51	1910.39
		427	15833.61
Law and Justice	1981-82	1	0.10
	1982-83	14	4.90
	1983-84	46	23.61
	1984-85	40	16.57
	1985-86	10	5.65
		111	50.83
Tourism			Awaited
Steel and Mines	1980-81	2	4.96
	1981-82	9	60.70
	1982-83	1	0.50
	1983-84	6	56.28
		18	122.44
GRAND TOTAL		14957	126974.94



## ERRATA

Page	Column	Line	For	Read
10	2	6 from bottom	followship	fellowship
12	2	25	choosen	chosen
15	1	19 from bottom	contracts	contacts
36	1	24 from bottom	advise	advice
43	1	16	48	42
43	1	19	42	48
44	2	17	progrmame	programme
56	1	8	or	for
57	1	12	commisisioning	commissioning
59	1	4	handled	handled,
64	Column-1	3 from bottom	Energy Power	Energy Power



