



**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

**FOR THE YEAR ENDED 31 MARCH 1989**

**No. 8 OF 1990**

**UNION GOVERNMENT  
(OTHER AUTONOMOUS BODIES)**

THE UNIVERSITY OF CHICAGO  
LIBRARY

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## PREFATORY REMARKS

This Report for the year ended 31 March 1989 has been prepared for submission to the President under Article 151 of the Constitution. The results of test audit of the Central Autonomous Bodies (other than those under Scientific Departments included in Report No. 2 of 1990) 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. This Report includes, among others, reviews on:

- (a) Trade Development Authority,
- (b) Indian Institute of Management, Bangalore,
- (c) National Institute of Educational Planning and Administration, New Delhi,
- (d) Indian Council of Philosophical Research, New Delhi,
- (e) Panjab University, Chandigarh,
- (f) Kendriya Hindi Shikshan Mandal, Agra,
- (g) Stores and Material Management, Bombay Port Trust, and
- (h) Dry Dock System, Calcutta Port Trust.

3. The audited organisations are varied and different in character and discipline but since these are autonomous bodies the audit observations on all figure in this Report.

4. The cases mentioned in this Report are among those which came to notice in the course of audit during the year 1988-89 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1988-89 have also been included, wherever considered necessary.





## OVERVIEW

The Audit Report for the year ended 31 March 1989 contains 44 paragraphs including eighth reviews. The points highlighted in the Report are summarised below:—

### I. General

The accounts of autonomous bodies which receive financial assistance from Government are audited by the Comptroller and Auditor General of India.

Government of India paid Rs. 1096.05 crores as grants and Rs. 117.86 crores as loans to various autonomous bodies during 1988-89. In addition, nine universities received Rs. 150.97 crores as grants from the University Grants Commission/Central Government. The annual accounts of 69 out of 87 bodies (other than those under the Scientific Departments) whose accounts were to be audited under Section 14(1) & 14(2) of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971, had not been received. Further, for the year 1987-88, out of 175 Central autonomous bodies whose accounts together with Audit Reports thereon were required to be placed before parliament, accounts of 85 bodies were received late beyond the prescribed time limit of three months by period ranging upto six months and above and accounts of three bodies were not received.

Utilisation Certificates totalling 13600 amounting to Rs. 1263.74 crores were outstanding in March 1989 in respect of grants released to various bodies during 1976-77 to 1985-86. This indicated that the authorities releasing the grants had not exercised proper control over the receipt of utilisation certificates.

(Paragraph 1)

### II. Trade Development Authority

Trade Development Authority (TDA), a registered society, is one of the export promotion institutions set up by the Ministry of Commerce. Its primary objective is to induce and organise entrepreneurs to develop their export capabilities and also to provide package of assistance including export intelligence to its members (clients) with a view to securing and implementing export orders.

Enrolment of entrepreneurs etc. as its members, declined from 353 in 1984-85 to 167 in 1987-88 while de-enrolment increased from 104 in 1984-85 to 182 in 1987-88. The TDA had no reliable data base in respect of export performance of its members (clients). Out of 17 products under engineering group and 12 under consumer goods, eight products of the former and seven of the latter group registered decline in foreign exchange earnings in US dollar terms in 1986-87 compared to exports in 1983-84.

During the same period, although total exports from the country increased over the years, the share of exports of the TDA products to TDA markets showed decline in ten engineering products and five consumer goods. The extent to which the exports were augmented on the basis of development and adaptation of samples imported by TDA was not known.

An integrated National Centre for Trade information for export promotion, for which proposal was mooted by the TDA in 1976, had not been established.

Excess Government grant of Rs. 73.61 lakhs was held by the TDA up to the year 1987-88 according to the annual accounts. A deficit of Rs. 120.87 lakhs had accumulated upto 1985-86. The grant accounts after the year 1985-86 had not been finalised by the Government. The grants from the Government to India Trade Centre, Brussels, were routed through the TDA. The final accounts for the Centre for the year 1983-84 and onwards were not prepared.

(Paragraph 2)

### III. Indian Council for Cultural Relations

*Overpayment to a visiting professor:*— An Associate professor of Jawaharlal Nehru University sponsored by the Indian Council for Cultural Relations for appointment as a visiting professor of Hindi in a University in German Democratic Republic during September 1985 to August 1988 was paid pay and allowances as per Council's rules by the Indian Mission as well as GDR marks 1250 per month by the University. As the Professor was not entitled to receive salary from two sources for the same work, this resulted in excess payment of GDR marks 46050 (Rs. 3.26 lakhs) which had not been recovered so far.

Further, due to payment of salary to the Professor at the preferential rate of exchange and its recovery from the Council at the current commercial rates of exchange, the Mission suffered a loss of Rs. 1.35 lakhs. The amount recoverable from the Council had also not been recovered.

(Paragraph 3)

### IV. All India Institute of Medical Sciences

*Encroachment on land:*— The All India Institute of Medical Sciences did not make proper arrangements like fencing etc. for 87 acres of land acquired by it from Delhi Development Authority at a cost of Rs. 31.03 lakhs. Consequently, a number of unauthorised jhuggis were put up over the years covering an area of 31 to 33 acres. For the removal of jhuggis, the AIIMS paid Rs. 1.30 crores to the DDA, in

March 1987, at the rate of Rs. 10,000 per jhuggi which had been put up prior to June 1977. However, there was no authentic record of jhuggis which had come into existence prior to June 1977. A survey done by the DDA, in December 1986, revealed that the number of jhuggis had increased by 1067 and DDA demanded additional payment of Rs. 1.07 crores. Further, despite the payment of Rs. 1.30 crores, in March 1987, only about 700 jhuggis had been removed so far, and Rs. 60 lakhs already paid remained blocked with the DDA. The AIIMS had planned to construct, inter-alia, nurses' hostel in Masjid Moth area. The estimated cost of construction of the hostel was revised from Rs. 2.52 crores in July 1984 to Rs. 4.04 crores in September 1987. The major portion of increase in estimated cost amounting to Rs. 97 lakhs was attributed to price escalation. According to the AIIMS, some delay in taking up this project was due to procedural delay such as preparation of detailed drawings including plans, elevations, sections and other details and obtaining approval from the DDA, Delhi Urban Arts Commission, etc.

(Paragraph 4)

#### V. Delhi Library Board

*Blocking of funds:*— Delhi Library Board incurred expenditure of Rs. 11.36 lakhs in February-March 1986 on purchase of six chassis for augmenting the existing facilities. Four of these chassis purchased at a cost of Rs. 7.91 lakhs were over-sized and hence could not be used. While two over-sized chassis could be sold for Rs. 4.33 lakhs in July and September 1988, the remaining two chassis could not be disposed of so far. Delay of two years in utilisation of remaining two chassis was also noticed.

(Paragraph 6)

#### VI. Indian Institute of Management, Bangalore

Against the intake capacity of 180 students for two years Post Graduate Programme of the Institute, the actual enrolment ranged between 109 and 125 during 1983—88. The Institute had attributed the shortfall to a decision of its Board of Governors, in March 1983, to limit the intake to 120 students till the availability of dormitory facilities in the campus. Audit scrutiny, however, revealed that stay in hostel was optional, and that in any case till 1986-87, the available hostel accommodation was more than the number of students on roll. In view of the fact that the course, in question, is extremely popular, much sought after and prestigious in nature, the shortfall in intake of students was not merely unjustified but also an avoidable underutilisation of scarce national resource.

In the fellow programme in management, recognised as equivalent to a Doctorate in Management, only 30 students were enrolled during 1983—89 against the sanctioned intake of 72, and of these,

only two students completed the programme. Sixteen out of 30 students dropped out; expenditure of Rs. 1.12 lakhs incurred on payment of stipends and contingent grants to these students proved infructuous.

The Institute conducted only 188 out of 290 short term management development programmes originally planned by it during 1983—89. The number of participants was less than the prescribed minimum in 43 cases; last minute cancellation resulted in infructuous expenditure of Rs. 3.47 lakhs in 81 cases and fees amounting to Rs. 3.33 lakhs were irregularly refunded in 79 cases of withdrawals/cancellation of nominations. Test check also showed that only 23 per cent of the programmes covered the areas as specified in the Institute's brochure.

The number of organisation based programmes declined from 35 in 1985-86 to 20 in 1988-89 and was as low as 11 in 1987-88. Six out of 47 internally funded projects awarded during 1983—89 were not taken up, no report detailing results of research was submitted in case of 34 projects and there was delay of more than 30 months in 10 out of 34 projects completed. Four out of 33 externally funded research projects were closed without completion after incurring expenditure of Rs. 1.42 lakhs, there were delays up to seven years in 11 out of 12 completed projects and out of 17 projects still in progress, the delay was more than seven years in one case. Expenditure of Rs. 8.17 lakhs incurred on a project on bullock cart design proved unfruitful. Out of 84 consultancy programmes awarded to the Institute during 1983—89, there were delays ranging from one to three years in respect of 10 completed programmes and five ongoing projects had not been completed even after one to four years of delay.

Fortynine faculty members had not taken any teaching assignment during the academic years 1983-84 to 1988-89. Out of these, one member had not conducted any class for five years, 12 members had not conducted any classes for one year. On the other hand, 58 per cent of the faculty members had received consultancy fees exceeding 14 per cent of their gross salary income during 1983—89. Consultancy rules framed by the Institute were not in conformity with the Government instructions and also did not provide for recovery of cost of services of faculty members from outside agencies for whom their services were spared.

Ex-gratia payment on account of escalation charges amounting to Rs. 9 lakhs was paid to two contractors. A further commitment of Rs. 4.84 lakhs was also accepted although this was not provided in the original contract.

As a result of delay in completion of the second portion of a work, the building completed in

February 1986 at a cost of Rs. 21.97 lakhs remained unused for more than three years.

(Paragraph 7)

#### →VII. National Institute of Educational Planning and Administration

The National Institute of Educational Planning and Administration, a registered Society, was established mainly to organise training programmes, undertake research and provide consultancy in the field of educational planning and administration. The total number of calendar days of the faculty of the Institute utilised for training programmes progressively declined from 862 in 1985-86 to 376 in 1988-89. Although the Institute attributed this to a deliberate decision in order to keep a proper balance between research, training, extension and consultancy services, it did not furnish details of utilisation of mandays of the faculty separately for each activity.

Out of 287 training programmes organised by the Institute during 1984-85 to 1988-89, the duration of 72 programmes was between one to three days. The number of participants was fewer than six in 19 programmes and ranged from 6 to 10 in 36 programmes. The Institute did not have any scientific system to study the impact of training programmes organised by it.

The first ever Review Committee for reviewing the work of the Institute which had been in existence for nearly two decades was appointed only in March 1989. The Review Committee on basis of response to questionnaires sent by the participants reported that the participants had stressed the need for follow up action with a view to improving the quality of training programmes. The Committee suggested that the clientele and programmes should be chosen where the Institute had competencies, where the clients needed the programme and where there was scope for making an impact.

Out of 38 projects/studies due for completion up to March 1989, 28 projects/studies had been completed of which 12 were completed after delays of up to 32 months. In respect of other 36 sponsored projects/studies due for completion by 1988-89, only 10 projects/studies were completed within the prescribed time and 24 projects/studies were completed in extended time which ranged from 6 to 13 months. In 14 out of 16 cases checked in Audit, there was time gap ranging up to 6 to 22 months between the approval and commencement of study. The reports were also not submitted within the prescribed period of three months of completion. There was no system to ascertain whether the studies had been of any use to policy makers, planners and administrators. No unit wise and consolidated record was maintained showing the projects approved from year to year, sanctioned budget of the projects, time for comple

tion and the actuals against all these. According to the Review Committee, the research studies undertaken lacked management thrust and hence the result. The study reports enthused people only to a limited extent. The Committee, therefore, recommended that more experimental and path breaking studies should be undertaken by the Institute.

The Institute had deposited a total sum of Rs. 17.85 lakhs with the Central Public Works Department in March 1988 and January 1989 for construction of staff quarters even though the building plans had not been approved. The construction work had not started till November 1989.

The Review Committee while observing that Institute had by and large fulfilled its objectives suggested that the Institute should develop as a National Centre for excellence in educational planning and administration and evolve a long term perspective plan for the next 10 to 15 years. The Committee further suggested that the programmes undertaken by the Institute should be a good mix of training, research, advisory and dissemination activities and the faculty members and the group should plan and review their activities annually under various fields and there should be a system of performance appraisal for all faculty and research staff.

(Paragraph 8)

#### VIII. Indian Council of Philosophical Research, New Delhi

The Indian Council of Philosophical Research started functioning in July 1981 and received grants aggregating Rs. 370.53 lakhs from Government of India up to March 1989. The administrative expenditure exceeded the ceiling of 30 per cent year after year except during 1983-84. The expenditure on academic schemes was actually less than the administrative expenditure during 1981-82, 1982-83, 1987-88 and 1988-89.

The academic activities of the Council include award of fellowships and travel grants, seminars and workshops, research projects, international conferences and collaborations, exhibitions and publications. Contrary to the rules and regulations of the Council, the Chairman sanctioned 68 cases of extension of fellowships, seminars, travel grants etc. involving Rs. 14.44 lakhs during 1983-84 to 1988-89 without prior scrutiny of the Research Project Committee. Utilisation certificates had not been received for Rs. 13.20 lakhs from 1981-82 onwards out of Rs. 47.27 lakhs paid by the Council to individuals and organisations on account of seminars and fellowships.

Against the target of 199 fellowships the Council had sanctioned 64 fellowships involving Rs. 48.98 lakhs during 1982-83 to 1988-89. Fellowships were awarded in 20 cases without the fellows being affiliated to an approved university or an institution. This

involved a total fellowship amount to the extent of Rs. 11.94 lakhs. In 10 cases, the scholars had resigned without completing the fellowships. This involved a total amount of Rs. 3.18 lakhs. There was no systematic reporting of the academic activities by the national fellows; two of the six national fellows did not submit the prescribed reports of their academic activities to the Council.

The Council did not publish the proceedings of any of the three major seminars held by it during 1986-89. The proceedings/reports in respect of 66 seminars, conferences, workshops for which Council released Rs. 17.67 lakhs were also not received.

No time schedule of completion of projects was prescribed by the Council. Out of 16 projects approved by the Council during 1984-85 to 1988-89, only one project approved in 1986-87 was completed, 5 projects approved in 1986-87 were not taken up at all and the remaining 10 projects were in progress.

The Council did not prepare any report of the first inter-national conference held in October 1984 with an expenditure of Rs. 8.94 lakhs. A sum of Rs. 2.04 lakhs was spent on items not included in the tentative estimates. Out of this, Rs. 0.40 lakh were paid as honorarium by the Council to its own staff. The Council did not fully observe the financial rules and regulations while incurring expenditure of Rs. 29.73 lakhs on holding five special exhibitions during 1981-82 to 1984-85.

In contravention of Government orders, the Council spent Rs. 2.44 lakhs on appointment of a Consultant for its publications from February 1984 to July 1989 and brought out 15 priced publications costing Rs. 7.30 lakhs. Thus, amount paid to the Consultant was 33 per cent of the total cost of publications. The Council's journal was not published as per the prescribed periodicity and there were delays of 6 to 8 months in its publication. The Council incurred expenditure of Rs. 0.89 lakh on the visit of its Chairman and Director (Plan and Research) to the United Kingdom and United States of America for the purchase of books of the value of Rs. 0.40 lakh. One micro film reader and computer acquired by the Council for Rs. 7.02 lakhs during 1986-89 remained unutilised till June 1989.

The Council had paid Rs. 3.16 lakhs to 41 scholars for participating in International conferences who had not submitted their papers through their departments. Fifteen scholars who were paid amounts totaling Rs. 1.16 lakhs did not submit reports of their visits abroad.

The Council had not covered some of its major objectives as per its Memorandum of Association and the Council had no effective monitoring regarding its academic activities, and implementation of its various objectives set forth in the Memorandum of Association.

(Paragraph 9)

## IX. Panjab University, Chandigarh

The enrolment of students in Panjab University declined by more than 25 per cent from 0.86 lakh in 1983 to only 0.52 lakh in 1988. Specific purpose grants aggregating Rs. 78.80 lakhs out of total grants of Rs. 1071.02 lakhs received during 1983-88 had remained unutilised. The University spent only Rs. 0.46 lakh out of Rs. 2.10 lakhs received from the Council of Scientific and Industrial Research in 1985-86 for a sponsored scheme, but neither completed the scheme nor refunded the unspent balance. The University suffered loss of interest of Rs. 3.92 lakhs due to injudicious investment of its surplus cash balances.

Equipment worth Rs. 20 lakhs imported by the University, in October 1982, was installed only, in April 1989 and had not been put to use as the technicians had not been trained. Improper assessment of demand resulted in unsold publications valued at Rs. 2.65 lakhs, unutilised lesson scripts costing Rs. 2.36 lakhs were disposed of as waste paper for Rs. 0.17 lakh and periodicals/journals worth Rs. 2.37 lakhs for which advance payments had been made, had not been received.

The University had neither renewed the lease deeds of various shops in its commercial complex leased for a period of one year prior to March 1966 nor revised the rents. The University paid Rs. 88.37 lakhs for water charges during 1981-88 but recovered only a sum of Rs. 72.47 lakhs from the consumers resulting in short realisation of Rs. 15.90 lakhs.

(Paragraph 10)

## X. Kendriya Hindi Shikshan Mandal, Agra

The Mandal had neither determined the intake capacity for its various courses/centres, nor fixed any targets. The number of persons trained under various courses had been very small. The expenditure on pay and allowances of the administrative staff, rent, etc. was more than one third of the total revenue expenditure.

Text books and video teaching lessons prepared for the States and erstwhile Union Territories in the North-Eastern region in 1984-85 at a cost of Rs. 4.36 lakhs had remained unpublished (May 1989). Priced publications of the Mandal remained unsold for long.

The survey and research work on functional Hindi and socio-linguistic unit project on Pan Indian Hindi was suspended after incurring an expenditure of Rs. 1.86 lakhs.

A generator costing Rs. 1.78 lakhs, installed, in October 1988, remained uncommissioned till July 1989. An inter-com-system costing Rs. 1.65 lakhs installed in 1982-83, had not been in operation since its installation.

(Paragraph 11)

### XI Banaras Hindu University

*Idle Equipment:*— The Banaras Hindu University imported 10 items of equipment costing Rs. 62.82 lakhs, between 1976 and 1987, for intensive research and development programmes and for strengthening infrastructure of various wings, of which, 8 items costing Rs. 44.41 lakhs had not been installed/commissioned till July 1989. The remaining two items costing Rs. 18.41 lakhs were used partially for routine works. Thus, the amount spent in foreign exchange remained largely unfruitful.

(Paragraph 12)

### XII University of Delhi

*Blocking of funds:*— On receipt of intimation, in April 1983, from the Municipal Corporation Delhi (MCD) for payment of property tax including general tax amounting to Rs. 90 lakhs, the University of Delhi obtained additional grants of Rs. 45 lakhs and Rs. 22.50 lakhs from the University Grants Commission (UGC) in March 1984 and during 1984-85 respectively. The University paid Rs. 10 lakhs to the MCD, in March 1984, towards property tax. The demand for general tax had been received for the first time, and on a petition filed by the University in the High Court of Delhi in October 1983, its recovery was stayed in November 1984. Consequently no money was paid to the MCD. Despite this, the amount of Rs. 57.50 lakhs was not refunded to the UGC and was retained in a separate account with the State Bank of India from March 1985. This resulted in blocking of funds amounting to Rs. 57.50 lakhs i.e. Rs. 35 lakhs from March 1984 and Rs. 22.50 lakhs from March 1985 onwards.

(Paragraph 13)

### XIII National Book Trust

*Blocking of funds:*— The Department of Education decided to allot a plot in the campus of the National Council of Educational Research and Training to the National Book Trust in November 1980, to enable the latter to construct its own office building. The NBT paid Rs. 6 lakhs to the NCERT towards the cost of land in March 1983 and a further amount of Rs. 20.46 lakhs in two instalments to the CPWD, in March 1985 and May 1986. However, the NCERT neither handed over possession of the plot of land to the NBT nor refunded the amount of Rs. 6 lakhs received from it. Consequently, the construction could not start and funds to the extent of Rs. 26.46 lakhs remained blocked. Approval of the Cabinet Committee on Accommodation to the location of the Office of the NBT in Delhi had also not been

obtained. In the meantime the NBT continued to function from residential area because of which it had to pay Rs. 7.78 lakhs to Delhi Development Authority towards composition fee during 1981-89.

(Paragraph 14)

### XIV. University Grants Commission

*Construction of second phase of Ram Lal Anand College building, New Delhi:*— Ram Lal Anand College awarded the work of construction of second phase of its building to a contractor, in February 1979, for Rs. 5.57 lakhs as per the plans and estimates approved by the University Grants Commission (UGC), in December 1977. However, the UGC did not release any grant to the College for this purpose till September 1980, and in the meantime, the contractor abandoned the work, in January 1979, after executing the work worth Rs. 0.56 lakh. The Central Public Works Department (CPWD) which was approached in October 1981 to execute the remaining work, submitted estimates for Rs. 32.50 lakhs in March 1985 which were approved by the UGC, in February 1986, for Rs. 26.75 lakhs. However, the UGC did not release any funds to the College and in September 1986, the CPWD revised the estimates to Rs. 40.07 lakhs. The estimates were again revised to Rs. 32.27 lakhs, in November 1988, excluding certain additional items, which were finally approved by the UGC. The work was actually started in November 1989.

Thus, delays in release of funds by the UGC, abandonment of work by the original contractor and further delay in making alternative arrangements for execution of work resulted in escalation in cost by Rs. 27.26 lakhs besides denial of intended facilities to the students for over 10 years. The estimates for additional items concerning development of site and other services for Rs. 10.93 lakhs submitted by the College were not approved till November 1989.

(Paragraph 15)

### XV. Regional Engineering College, Durgapur

*Underutilisation of facility:*— Against the total intake capacity of 248 students for the post graduate engineering courses of the Regional Engineering College, Durgapur, the number of students actually enrolled during 1984-89 was 88, of whom 59 dropped out. The initial intake of students was less than 50 per cent of the capacity year after year, and the extent of drop outs were more than 50 per cent each year. Rs. 2.02 lakhs were paid as scholarships to the students who dropped out; this expenditure proved infructuous and the additional faculty provided for

the post-graduate courses also remained largely unutilized.

(Paragraph 17)

#### XVI. Bombay Port Trust

(i) *Stores and Material Management*:- In the Stores Department of Bombay Port Trust, there was inordinate delay in processing of indents received from various departments and the issue of goods received and accepted notes after receipt of materials. The materials were stocked in excess of the requirement for immediate use. No reconciliation had been done between the balances as per bin cards and priced stores ledger. Physical verification was not conducted as per prescribed periodicity.

Materials worth Rs. 4.55 lakhs procured during 1964 to 1976 and spare parts for fork lifts amounting to Rs. 2.93 lakhs purchased during 1943 and 1953 remained unutilised. The fork lifts had earlier been disposed of. Excess quantity of stitched uniforms costing Rs. 2 lakhs had remained undisposed of since 1981 and cotton dosuti cloth costing Rs. 10.27 lakhs remained unissued due to change in the policy for issue of cloth to certain categories of employees.

As at the end of March 1989, advance payments of Rs. 125.99 lakhs and Rs. 36.80 lakhs were outstanding from private and Government parties respectively. Rs. 0.60 lakh deposited with the suppliers of gas cylinders since 1982 had not been recovered even after the return of the empty cylinders.

Cases of avoidable expenditure of Rs. 1.87 lakhs due to non-acceptance of lowest tender and delay in issue in purchase order were also noticed.

(Paragraph 22)

(ii) *Unauthorised subletting of lease hold premises*:- A plot at Frera land estate was leased out by the Bombay Port Trust to a lessee from December 1925 to January 1974 which was further renewed up to 1990. In September 1985, the lessee informed the Port Trust their intention to effect change in use of shops, office godowns, etc., for storage of non-hazardous goods and also for subletting a portion of the premises. No decision was taken on the proposal submitted to the Chairman of the Port Trust for granting the permission of subletting to lessee with additional rent recovery in accordance with the accepted guidelines. Premises admeasuring 28,301 square feet werenevertheless sublet by the lessee, in July 1985, by charging Rs. 3.11

lakhs at the rate of Rs. 11 per square feet without the permission of the Port Trust. This came to the notice of the Port Trust only in 1987. A suit for eviction and other relief as admissible under the law was filed in October 1989 as per proposal submitted by the Estate Manager in January 1986. A total sum of Rs. 43.14 lakhs towards lease rent and additional deposit was recoverable from the lessee upto September 1989.

(Paragraph 23)

(iii) *Infructuous expenditure on computerisation*:- The Port Trust incurred expenditure of Rs. 10.91 lakhs up to March 1987 on computerisation for the centralised billing system in respect of the vessel related services. Additional equipment and accessories worth Rs. 3.43 lakhs were also procured in March 1987. However, in July 1987, the Port Trust decided not to pursue the computerisation of operations as no agreement could be reached with unions. This resulted in unfruitful expenditure of Rs. 10.91 lakhs. The equipment and accessories procured at the cost of Rs. 3.43 lakhs has also been lying idle for over two years.

(Paragraph 24)

#### XVII. Calcutta Port Trust

(i) *Dry dock system*:- The percentage occupancy of dry docks for commercial vessels declined from 64 in 1982-83 to 39 in 1987-88. The three dry docks earmarked for commercial vessels remained unoccupied for 527 days during 1982-88 resulting in potential loss of revenue of about Rs. 105.40 lakhs.

Under utilisation of dry docks was traced to poor conditions of infrastructure involving longer servicing time. In order to improve the services and to make the dry docks more attractive, a modernisation programme sanctioned, in September 1984, was to be completed by December 1986 at the total cost of Rs. 475.76 lakhs. Against this, a total amount of Rs. 179.05 lakhs could only be spent upto March 1989. 49 per cent of the work had so far been completed. Out of fifteen tender packages for modernisation, only eight could be finalised upto January 1989 and out of these, procurement could be completed only in four cases.

A crane procured, in October 1984, was found unsuitable resulting in loss of revenue of Rs. 42.10 lakhs during October 1984 to November 1987.

Trimmer blocks, high pressure jet pumps and spray applicators procured at a cost of Rs. 114.96 lakhs between September 1986 and March 1987 remained unutilised till January 1989.

Mechanised hull cleaning equipment and pressure jet pumps purchased at a cost of Rs. 22.17 lakhs in October 1986, could not be used resulting in blocking of funds.

(Paragraph 26)

(ii) *Non-recovery of dues*:— Calcutta Port Trust had been operating and maintaining 'Mechanical grain unloading equipment' owned by the Food Corporation of India since 1966 on "cost, plus basis" without settling the terms and conditions with the latter. Audit noticed that bills amounting to Rs. 134.56 lakhs on payment of maintenance charges incurred by the Port Trust during the period of non-operation of equipment as a result of suspension of import of foodgrains in various spells during September 1978 to March 1989 were not paid by the Corporation. According to the Corporation, staff of only 55 was justified for maintenance of the equipment during idle period against 66 and 108 entertained by the Port Trust. Thus, non-settlement of terms and conditions led to non-recovery of Rs. 134.56 lakhs from The Food Corporation of India.

(Paragraph 27)

(iii) *Loss due to non availing of exemption from payment of Customs duty*:—According to Ministry of Finance notification issued in July 1983, capital goods, components, raw materials and consumables are exempted from payment of customs duty when imported for repair of ocean-going vessels by a ship repair unit registered with the Director General of Shipping. Although the Port Trust was registered in November 1986 for this very purpose upto November 1987, with the Director General of Shipping, it did not avail of exemption of customs duty amounting Rs. 47.59 lakhs. The Port Trust also did not get its registration renewed after November 1987 and consequently could not avail exemption from payment of customs duty amounting to Rs. 16 lakhs paid after the expiry of registration till March 1989. Thus, the Port Trust incurred a total loss of Rs. 63.59 lakhs due to failure to avail exemption from payment of customs duty.

(Paragraph 28)

(iv) *Irregular payment of interest on arrears of adhoc/interim relief*:—In October 1987, Government sanctioned adhoc/interim relief to the employees of the major Port Trusts from January 1986. In consultation with the various staff federations, the Calcutta Port Trust decided to make payment of arrears of adhoc/interim relief only in the next financial year 1988-89 i.e. with interest at the rate 10.8 per cent from January to March 1988. An amount of Rs. 23.72 lakhs was accordingly paid as interest by the Port Trust to the employees of Calcutta Dock System and Haldia Dock System and debited under the head 'salaries'. No interest is normally allowed due to delay in disbursement of pay and allowances. The Port Trust had also not obtained Government

sanction to the payment as required under the Major Port Trusts Act, 1963. The payment of interest on deferred disbursement of arrears of adhoc/interim relief was, therefore, irregular.

(Paragraph 29)

(v) *Loss due to non-revision of rates of electricity charges*:—The Calcutta Port Trust supplies electricity in low voltage to its employees for domestic use and also to contractors, market stall holders, banks, etc. for commercial consumers through inner distribution lines on "no loss, no profit basis". Although the rates at which electricity was procured by the Port Trust were enhanced several times between February 1983 and February 1988, the recovery rates fixed by the Port Trust in June 1975 and October 1981, for domestic and commercial consumers separately were not revised. This resulted in loss of Rs. 8.77 lakhs to the Port Trust.

(Paragraph 30)

(vi) *Procurement of cutter suction dredger*:—Calcutta Port Trust incurred expenditure of Rs. 22.38 lakhs on purchase of a dredger, in October 1974, from Garden Reach Workshop Limited. The dredger was accepted and entire payment was made without demonstration of successful operation. Although the supply was received late, liquidated damages amounting to Rs. 1.15 lakhs were also not recovered. Expenditure of Rs. 15.22 lakhs was incurred by the Port Trust on repair of the dredger and the dredger could be put to use only from March 1983. The dredger was rendered idle from August 1985, consequent upon a decision to discontinue silting operations. The Port Trust incurred expenditure of Rs. 18.60 lakhs on the manning, maintenance and repair of the dredger from August 1985 to March 1989 when it remained idle. No decision had been communicated by Government for the disposal of the dredger proposed by the Port Trust in 1989.

(Paragraph 31)

(vii) *Blocking of funds and avoidable expenditure*:—Calcutta Port Trust purchased one set of rerailling equipment in October 1977 from a foreign firm for Rs. 5.13 lakhs for providing adequate rerailling facilities for its railway system. The equipment could not be put to operation due to dispute between the Union and the Port Trust till April 1986. In the meantime, the equipment became unserviceable due to its prolonged non-use and the Port Trust had to approach the Director General of Technical Development, in April 1989, for clearance for import of accessories and spares worth Rs. 5.43 lakhs. Thus non-use of the equipment for about 11 years resulted in blocking up of funds of Rs. 5.13 lakhs. In addition, the Port Trust incurred an avoidable expenditure of Rs. 12.20 lakhs on hiring of accident relief vans from the Eastern Railway.

(Paragraph 32)

(viii) *Procurement of gear boxes*:—Against an order placed by the Calcutta Port Trust on a firm, in April 1985, for manufacture and supply of seven gear boxes for Rs. 25.91 lakhs plus taxes and duties etc. by August 1986, only five gear boxes, were received by December 1986. Out of the five gear boxes two gear boxes found defective were returned, in July 1987, to the firm for repairs. These had not been received back. One gear box could not be put to use as it was not according to required specifications. The remaining two had not been supplied by the firm so far.

Despite poor performance of the firm, the Port Trust placed a further order, in August 1986, for supply of ten gear boxes at a cost of Rs. 49.49 lakhs plus taxes and duties to be completed by August 1987. The firm could supply only six gear boxes by October 1988, out of which four gear boxes were without necessary accessories and were consequently lying idle.

(Paragraph 33)

#### XVIII. Cochin Port Trust

*Unfruitful expenditure*:— The Cochin Port Trust awarded a contract for closing a gap of 456 metres in a reclamation bund at an estimated cost of Rs. 27.29 lakhs to a contractor in June 1984. The work required construction of a wall of 2.1 metres above water level and was to be completed in one year. The work was partially completed up to November 1985.

Instead of filling up the reach area by dredging, 5200 cubic metres of rubble worth Rs. 9.10 lakhs was dumped in the reach, which would have been washed away from the alignment of the proposed wall in view of heavy sinkage and erosion caused by heavy water current and tidal waves. As the chances of retrieving or making use of the rubble are apparently remote, the expenditure of Rs. 9.10 lakhs was rendered infructuous, besides the reclamation project remaining unfinished so far.

(Paragraph 36)

#### XIX. Jawaharlal Nehru Port Trust

*Extra and avoidable expenditure on filling work*:— The Jawahar Lal Nehru Port Trust entrusted the work of filling in the township and container freight station areas to the Gujarat State Construction Corporation Limited for Rs. 12 crores in March 1986. During execution the quantities of grade I fill increased from 9.40 lakhs cums. to 30.18 lakhs cums., which necessitated revision in rate for this item from Rs. 45 to Rs. 67.25 per cum.- resulting in an extra expenditure of Rs. 4.21 crores. The Port Trust had got the work of preparation of estimates done by a consultant. No action was, however, contemplated against the consultant for its failure in drawing up reasonably accurate bill of quantities.

(Paragraph 37)

#### XX. Kandla Port Trust

*Underutilisation of container handling equipment*:— Kandla Port Trust purchased container handling equipment worth Rs. 60.79 lakhs from 1980 to 1986 in order to handle five lakh tonnes cargo per annum. The equipment remained underutilised due to various reasons and was declared surplus in September 1987. Out of the total, equipment costing Rs. 11.49 lakhs was sold for Rs. 6 lakhs; and the remaining equipment costing Rs. 49.30 lakhs declared surplus was still to be disposed of.

(Paragraph 38)

#### XXI. Indian Jute Industries Research Association, Calcutta

*Blocking of funds*:— The Indian Jute Industries Research Association, Calcutta, incurred expenditure of Rs. 7.91 lakhs (including Rs. 7.50 lakhs in foreign exchange) on purchase of Fade-O-Meter-cum-Weather-O-Meter and refrigeration unit. The machine had, however, remained uninstalled even after lapse of more than two and a half years. This resulted not only in blocking of funds of Rs. 7.91 lakhs but also defeated the purpose of procurement. The warranty period of the equipment had also expired.

(Paragraph 41)

#### XXII. Institute of Hotel Management, Catering Technology and Applied Nutrition, Bombay

*Infructuous expenditure on water proofing treatment*:— A leakage in the terrace was noticed for the first time during 1977-78 in the building of the Institute of Hotel Management, Catering Technology and Applied Nutrition, Bombay, constructed in 1965-66. Although expenditure of Rs. 3.68 lakhs was incurred on water proofing work of terrace, through the Central Public Works Department (CPWD), the work was left incomplete by the CPWD, in September 1989 and leakage continued to persist. This had damaged the building as well as electric installations besides rendering the expenditure of Rs. 3.68 lakhs as infructuous.

(Paragraph 42)

#### XXIII. Institute of Physically Handicapped, New Delhi

*Purchase of flats from Delhi Development Authority*:— The Institute of Physically Handicapped, New Delhi acquired 30 flats under Janta category at Nand Nagri from the Delhi Development Authority at a cost of Rs. 6.30 lakhs in June 1982 with a view to providing alternative accommodation on rent to employees both handicapped and others who had been squatting in the premises. Contrary to the general policy of providing residential accommodation to the employees on lease for the period of their service, the Institute arranged transfer of flats on



ownership basis, thereby adversely affecting the interest of remaining present and future employees. Further, both the Government and the DDA had communicated their approval to the transfer of flats only to the physically handicapped employees of the Institute, but 16 out of 30 employees to whom flats

were allotted were not physically handicapped.

Institute also failed to get refund of Rs. 6.30 lakhs deposited with the D.D.A, while surrendering these flats to the DDA, in October 1987.

(Paragraph 44)



## CHAPTER I

### 1. General

**1.1 Release of grants and loans:**—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 31 March 1989, there were 87 Central autonomous bodies (other than those under Scientific Departments) whose annual accounts were to be audited by the Comptroller and Auditor General of India under Section 14 (1) and (2) of the Act *ibid.* During 1988-89, grants amounting to Rs. 2230.23 lakhs were paid by the Union Government to 18 bodies. The annual accounts of 1988-89 in respect of 69 bodies have not been received.

As on 31 March 1989, there were 172 Central autonomous bodies (other than those under Scientific Departments) including 10 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 Act *ibid.* During 1988-89, grants and loans amounting to Rs. 107,375.05 lakhs and Rs. 117,85.74 lakhs respectively were paid by the Union Government to 157 autonomous bodies and grants to the extent of Rs. 150,97.33 lakhs were received by nine Universities from University Grants Commission/Central Government. The annual accounts of 1988-89 in respect of six bodies have not been received. The audited accounts of these autonomous bodies alongwith the Separate Audit Reports on each individual body/organisation are issued to Government of India every year for being placed before Parliament.

**1.2 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 three months and make them available for audit and that the reports and the audited accounts should be laid before Parliament within nine months of the close of the accounting year. For the year 1987-88, audited accounts together with Separate Audit Reports thereon of 175 Central autonomous bodies (other than those under Scientific Departments) which were

under audit by the Comptroller and Auditor General of India, were to be placed before Parliament. Out of these, the accounts of 87 autonomous bodies only were made available to Audit within the prescribed time limit of three months of the close of the accounting year. Submission of accounts of 88 autonomous bodies was delayed as indicated below:—

Delay upto one month	43
Delay of over 1 month upto 3 months	28
Delay of over 3 months upto 6 months	9
Delay of over 6 months upto 12 months	5
Accounts / information not received	3
	<hr/>
	88

**1.3 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.

The Ministries/Departments of Civil Aviation and Tourism, Energy and Power, Food, Human Resource Development (except Departments of Education and Women and Child Development), Labour, Planning, Statistics, Social Welfare and Mines and Andaman & Nicobar Administration and Chandigarh Administration had not furnished information inspite of letters issued to them (December 1989).

Further a large number of utilisation certificates (13600) amounting to Rs. 1263.74 crores were outstanding in March 1989 in respect of grants released during 1976-77 to 1985-86. Out of these, utilisation

certificates for Rs. 1253.87 crores were outstanding in the case of the following:—

Ministry	Number of Utilisation Certificates Outstanding	Amount (in crores of rupees)
1	2	3
Agriculture	641	46.57
Commerce	64	27.59

1	2	3
Health and Family Welfare	2131	232.33
Human Resource Development	8571	590.06
Surface Transport	427	158.34
Urban Development	183	1.40
Delhi Administration	1172	197.58
Total	13189	1253.87

This indicated that the authorities releasing the grants to statutory bodies, non-Government institutions, etc. had not exercised proper and adequate control over the receipt of utilisation certificates.

## 2. Trade Development Authority

### 2.1. Introduction

The Trade Development Authority (TDA) a registered Society was set up by the Central Government in July 1970 as an export promotion institution under the administrative control of the Ministry of Commerce (Ministry). The primary objective of TDA is to induce and organise entrepreneurs, largely in the medium and small scale sectors, to develop their individual export capabilities and also to provide package of assistance, including export intelligence in a personalised form to individual exporters through collection and collation of information, market research and analysis. It also renders advice on export finance and assists in securing and implementing export orders.

### 2.2. Scope of Audit

The accounts of TDA are audited annually in terms of its rules and regulations by the auditors appointed for the purpose by the Authority in consultation with the Government.

A review of the activities of TDA for the period 1982-83 to 1987-88 was conducted under Section 14(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

### 2.3. Organisational set up

Management of the affairs of TDA is entrusted to a Steering Committee consisting of the Secretary, Ministry of Commerce as Chairman, an Executive Director appointed by the Government and not more than 14 members nominated by Central Government (Government). TDA has three functional Divisions, namely (i) Merchandising (ii) Research and Analysis and (iii) Trade Information and Statistics. The Merchandising Division provides comprehensive services in the field of export production and marketing by way of identification of products, manufacturers/exporters, overseas buyers, establishing buyer-seller contacts and other allied strategies. Research and Analysis Division conducts research activities for export promotion such as assistance in identification of products and market, feasibility studies, inter-firm comparison etc. The Trade Information and Statistics Division collects, compiles, analysis and disseminates information on international trade and industry. In addition, Administration Division deals with general administration, accounts etc. TDA has its head office in New Delhi and four regional offices at Bombay, Calcutta, Kanpur and Bangalore. It has

established five offices abroad in Frankfurt (January 1973), New York (January 1974), Tokyo (May 1976), Harare (March 1987) and Dubai (February 1988).

### 2.4. Highlights

- TDA had no reliable data base in respect of export performance of its members (clients) as the clients response in furnishing requisite information has been declining significantly over the years.
- Enrolment of regular members declined from 353 in 1984-85 to 167 in 1987-88 while de-enrolment increased from 104 in 1984-85 to 182 in 1987-88.
- Decline in exports in 1986-87 compared with 1983-84 in eight engineering products out of 17 products and in seven consumer products out of 12 products dealt with by TDA ranged from two to 61 per cent and seven to 49 per cent respectively in US dollar terms. During the same period although total exports from the country increased over the years, the share of exports of TDA products to TDA markets showed decline in 10 engineering products and five consumer goods.
- Annual action plans were not prepared for the years 1984-85 and 1985-86. The activities actually carried out in other years showed that in most cases the products and countries taken up were different from those which were planned.
- TDA had been promoting development and adaptation of samples acquired from abroad. The extent to which the exports were actually augmented by such development and adaptation was not known. Further, inadequate number of samples were sent to TDA's regional offices and at times the samples were exposed to limited number of members only.
- Despite recognition of the need for an integrated National Centre for Trade Information for export promotion, for which proposal was mooted by TDA 14 years back, the Centre has not yet been established.
- TDA could not generate internal resources for contributing its share of expenditure according to the approved pattern of financial assistance. This resulted in accumulated deficit of Rs. 120.87 lakhs upto 1985-86.

- Excess Government grant held by TDA upto the year 1987-88 was Rs. 73.61 lakhs according to the annual accounts of TDA. However, grant accounts after the year 1985-86 have not been finalised by the Government (December 1989).
- Assistance of Rs. 7.67 crores was received during 1977-78 to 1987-88 from foreign funding agencies. Procedure for exhibiting the same in annual accounts had not been laid down.
- TDA was made responsible for preparation of final accounts of India Trade Centre, Brussels as grants from the Government to the Centre were routed through TDA. The final accounts for the Centre for 1983-84 and onwards were not prepared.
- There was no effective control over receipt, issue and balances of priced publications.
- Register of fixed assets was not maintained. Physical verification was stated to have been carried out in 1986-87 but in the absence of properly completed assets register/lists, the basis of physical verification was not clarified to Audit.

## 2.5. Financial position

- 2.5.1 Sources of funds:—The funds of TDA consist of-
- (i) grants and advances made by or through Government;
  - (ii) income from endowment of funds by Government;
  - (iii) donation and contribution from other sources;
  - (iv) fee and other charges paid for the services of TDA and
  - (v) other income and receipts.

In terms of the rules and regulations of TDA, the Steering Committee has the power to, inter alia, provide for the preparation and submission of budget estimates to Government and the sanction of expenditure. Further, Government is empowered to approve TDA's budget estimates and revised estimates.

Revised estimates, actual expenditure and receipt of funds for the years 1982-83 to 1987-88 were as under:—

Year	Grant released by Government				(In lakhs of rupees) Other receipts		
	Revised estimates*	Total expenditure (excluding depreciation)	Gross	Adjustment of previous excess grant	Net	Revised estimates	Actual**
1.	2.	3.	4.	5.	6.	7.	8.
1982-83	196.52	150.83	141.00	—	141.00	35.51	37.58
1983-84	215.74	181.95	154.53	12.27	142.26	43.65	41.24
1984-85	283.10	220.66	188.80	—	188.80	57.15	46.71
1985-86	317.12	274.90	215.78	15.79	199.99	69.17	71.94
1986-87	390.45	372.27	376.33	44.00	332.33	69.67	77.47
1987-88	560.17	507.49	322.67	—	322.67	63.46	71.32

\* Loans and advances excluded \*\* Capital receipts excluded

During 1982-83 to 1987-88 depreciation charged in accounts was Rs. 15.96 lakhs and capital receipt by way of deduction/transfer of assets was Rs. 1.67 lakhs.

2.5.2. *Pattern of assistance from Government*:—received grants-in-aid from Government under the scheme Marketing Development Assistance (MDA) administered by the Ministry for (i) administrative expenditure at the rate of 75 per cent till 1986-87 and 80 per cent with effect from 1987-88 of such expenditure (ii) all other developmental activities as per the percentages which worked out to about 60 per cent of expenditure on most of such activities upto 1986-87 and at a uniform rate of 80 per cent with effect from 1987-88.

In addition, Government also provided 100 per cent grant for specific purposes. Government released 'on account' grants against the requirements projected by TDA from time to time on the basis of its budget/revised estimates. The 'on account' grants were finalised on the basis of actual expenditure in the accounts audited and certified by statutory auditors.

2.5.3 *Release of excess grant-in-aid*:— 'On account', grants released and grants finalised by Government for the years 1982-83 to 1985-86 were as

under:—

(In lakhs of rupees)

Year	Grants released by Government (Gross)	Grant admissible as finalised by Government	Excess
1982-83	141.00	100.52	40.48
1983-84	154.53	121.94	32.59
1984-85	188.80	147.62	41.18
1985-86	215.78	189.54	26.24

The Annual accounts of TDA showed the excess grants held by it as Rs. 177.66 lakhs at the end of 1986-87 and after revision of pattern of assistance, as Rs. 73.61 lakhs at the end of 1987-88 (including unspent balance of specific purpose grant). The excess release of grants was primarily due to Government releasing 'on account' grants for activities, though budgeted, but not finally approved.

The Ministry stated, in December 1989, that the release of excess grant became a necessity because the annual accounts of TDA were not finalised in time.

**2.5.4 Delay in finalisation of grants:—** 'On account' grants released by the Government were not finalised promptly. 'On account' grant for the year 1984-85 was finalised in July 1988 and the grant for 1985-86 was finalised in September 1989. 'On account' grants for the year 1986-87 and onwards were not yet finalised (December 1989).

**2.5.5 Accumulated deficit:—** The accumulated deficit of TDA up to 1985-86 as intimated by it to the Government, in July 1986, was Rs. 92.06 lakhs. On subsequent finalisation of the grants for the years 1984-85 and 1985-86 the deficit would work out to Rs. 120.87 lakhs.

The deficit was mainly due to TDA's inability to contribute its share of expenditure by generation of internal resources in accordance with the approved pattern of assistance as modified from time to time for years upto 1986-87.

The membership fee including service charges received by TDA during 1982-83 to 1987-88 was as under:—

Year	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
Membership fee	19.40	17.54	23.30	28.87	30.90	28.20

The position of regular members during 1982-83 to 1987-88 was as under:—

Year	New enrolment	De-enrolment	Percentage of de-enrolment to enrolment	Total number of clients	Percentage of growth over previous year
1982-83	160	117	73.13	888	
1983-84	90	97	107.78	885	(-) 0.34
1984-85	353	104	29.46	1134	28.14
1985-86	227	183	80.62	1178	3.88
1986-87	158	157	99.37	1184	0.51
1987-88	167	182	108.98	1170	(-) 1.18

In June 1986, the MDA main committee gave approval for non-refundable ad-hoc grant to TDA to cover the deficit to be adjusted against excess grants released to it up to the year 1985-86. Sanction to this effect had not been issued by the Government so far.

The Ministry stated, in December 1989, that the matter was being processed further.

**2.6. Membership:—**TDA's members comprise two categories viz. (i) regular members and (ii) associate members. Manufacturers registered with the Directorate of Industries/Directorate General of Technical Development, State Corporations, Government recognised export houses and select merchant exporters with proven commercial/export capabilities are enrolled as regular members of TDA on payment of per annum service charges. A member could register himself for more than one product on payment of additional service charges. Members are accordingly provided services in the field of (i) export production (ii) export marketing by way of (a) department store promotions, (b) buyers-sellers meets, (c) contact promotion programmes, (d) arranging participation in overseas trade fairs, (iii) product and design development (iv) market intelligence (v) package of assistance to its members (clients) carrying them from the stage of intention to the stage of exports, etc.

The regular members on their part are required to submit profile of their enterprises every year, copies of catalogues, export price list of each product and a copy of quarterly export return submitted by them to the Government besides any other data required by TDA.

The associate members are provided market intelligence through weekly Trade Intelligence Bulletin/Market Intelligence Bulletin containing trade information etc. The associate members are required to pay annual service charge as fixed by TDA from time to time.

**Note:** De-enrolled member when re-enrolled, is not taken as new enrolment but is included in the total membership.

A committee of experts (the Group) appointed by the Government in February 1986 to, *inter alia*, review the working of TDA in its report of September 1986, observed that the total membership in TDA did not constitute a significant proportion of the registered exporter.

The Ministry stated, in December 1989, that the overall position of the membership has been very encouraging as it has gone up from 885 in 1983-84 to 1170 in 1987-88 despite the fact that TDA is not a registering authority like other export promotion councils, FIEO etc. and TDA's membership is purely voluntary.

In this connection it was observed that TDA has no information as to the total number of registered exporters in the country.

While the membership at the close of the year

(excepting 1983-84) showed increase till 1986-87 it declined in 1987-88 despite the fact that five new products had been added for coverage in 1985-86. The percentage of de-enrolment to enrolment increased from 29.46 per cent in 1984-85 to 108.98 per cent in 1987-88.

It was recognised in the Ministry of Commerce in April 1984 that the growth of membership of TDA could be considered as one of the better quantitative indicators for evaluating its performance. However, enrolment of new members sharply declined after 1984-85 and decreased by 52.69 percent in 1987-88 compared to 1984-85.

TDA enrolled members for 17 products in engineering group and 12 products in consumer group during the year 1982-83 to 1987-88. Five products under the group 'other products' were added from the year 1985-86.

Decline in membership registered under various products as compared with the previous year is revealed in the following table:—

Year	Engineering group		Consumer group	
	Total number of products	Number of products in which registration declined	Total number of products	Number of products in which registration declined.
1982-83	17	5	12	2
1983-84	17	7	12	2
1984-85	17	4	12	Nil
1985-86	17	12	12	4
1986-87	17	13	12	7
1987-88	17	13	12	3

Thus, in large number of products there was decline in membership particularly after the year 1984-85. The Group in their report of September 1986 had also observed that TDA's membership had not been on a sustained basis; sizeable numbers of TDA members drop-out and rejoin.

De-enrolment was attributed by TDA to one or more of the following factors (i) withdrawal by members after obtaining export orders to their full capacity, (ii) attaining self sufficiency to cater to or produce products acceptable in the international market, (iii) expiry of particular period as intended by members, (iv) fulfilment of information need for their products, (v) TDA ceasing to have thrust on specific products after a limited period and (vi) availability of lucrative domestic market.

However, as enrolment and de-enrolment should be a continuous process the reasons attributed by TDA do not fully account for decline in registration of clients in increased number of products.

**2.7. Action plans:**— TDA had prepared a five year plan of development activities from 1979-80 to 1983-84. No such five year plan was prepared subsequently. Also, no annual Action Plan was made for the year 1984-85 and 1985-86. TDA stated, in July 1989, that only the activities approved by the Government were completed in these two years. However, an Action Plan for 1986-87 and schedule of proposed activities for the year 1987-88 were framed.

The number of developmental activities as per the Plans/schedule of activities and achievements there-against for the years 1982-83 to 1987-88 is given



below:

Year	Fairs		Contact promo- Buyer seller tion on prog- meet ramme		Sales team		Department store promotion		Buyers mission		Integrated prog- ramme for mar- keting			
	T	A	T	A	T	A	T	A	T	A	T	A		
1982-83	8	5	13	3	3	—	8	—	2	—	11	5	2	—
1983-84	10	6	12	8	2	3	9	—	7	—	7	24	3	—
1984-85	×	6	×	8	×	3	×	1	×	2	×	55	×	—
1985-86	×	7	×	3	×	4	×	3	×	5	×	74	×	—
1986-87	3	3	6	2	3	6	—	1	4	4	—	50	2	2
1987-88	10	5	10	4	6	2	—	—	2	2	—	72	1	3

(T=As per plan / Schedule of activity, A=Achievements, ×=Absence of plan, —=Nil plan)

The activities undertaken, as given in the Annual Reports of TDA, compared to those envisaged in the Plans showed that besides shortfall in quantum of achievements, the activities actually carried out were, in most cases, for products and in countries different from those which were planned.

The Ministry stated, in December 1989, that TDA formulates export developmental programmes on yearly basis with budget implications. Some of the programmes are either deleted or changed or revised in the light of priorities and availability of finance.

However, the fact remains that the plans framed by TDA did not prove to be realistic as the extent of the deletion and deviations with reference to five-year/annual plans was substantial.

**2.8. Impact of activities:**— Arranging and participating in trade fairs, buyer-seller meets, contact promotion programmes, etc. abroad are the main activities undertaken by TDA for promoting Indian merchandise. The expenditure incurred by TDA on development activities during the years 1982-83 to 1987-88 amounted to Rs. 634.63 lakhs (including Rs. 291.10 lakhs financed by foreign agencies). This did not include administrative overheads and expenditure incurred by participating clients/members of TDA themselves. There was no system that could provide a reliable basis for evaluation of costs and benefits of each activity.

TDA claimed generation of business amounting to Rs. 40466.62 lakhs as shown below as a result of above mentioned activities during 1982-83 to 1987-88:

(In lakhs of rupees)

a) Trade enquiries received	24777.45
b) Spot orders booked	15689.17
Total	40466.62

Referring to the evaluation of fairs the Group (Committee appointed by the Government to

review the working of TDA) in their report of September 1986 pointed out that the figures provided by the exporters of orders placed may not be reliable because of under estimation (e.g., for tax purposes) or exaggeration (in order to depict a good performance).

Information as to how many orders had actually been executed against the business reported to have been generated and as to how many enquiries were converted into firm export orders was not made available to Audit. TDA stated, in April 1988, that while some of the participants provided the required information, some did not give any feed back despite repeated requests. Ministry reiterated this position in December 1989. As such, the extent to which the orders were actually executed and the enquiries were satisfactorily attended to could not be known. In the absence of this information, the extent to which the main objective of TDA was achieved could not be evaluated.

**2.9. Decline in export of TDA products:**— TDA has compiled statistics on India's exports of TDA products to markets catered by TDA in general currency areas and India's total global exports of each of such product for the years 1983-84 to 1986-87.

Out of the 17 products under engineering group and 12 under consumer goods, eight products of the former and seven of the latter group registered decline in terms of foreign exchange earnings in US dollar terms as detailed in Annexure 'A'.

The decline of exports in terms of US dollar in 1986-87 compared to 1983-84 ranged from two to 61 per-cent in engineering products and seven to 49 per-cent in consumer goods.

In case of four engineering products and five consumer goods the exports in 1986-87 were lower than exports in 1983-84 even in terms of rupee value.

TDA attributed, in August 1987, the shortfall in export of engineering goods to fierce competition in the wake of confirmed recession, protectionist

policies and countervailing duties imposed on some items particularly in USA and liquidity crisis faced by some African countries. In respect of consumer goods, poor competitiveness of plastic items in general, poor quality of wood (for furniture) and shipping problems etc. were stated to be some of the problems being faced during export.

It was further observed that although total exports of India to global markets increased over the years, TDA's share in export of its products to TDA markets compared to global exports showed marked decline in 10 products under engineering goods and five products under consumer goods in the year 1986-87 as compared to the position in the year 1983-84 as detailed in annexure 'B'. With regard to these 15 products the decline was attributed, in December 1989, by the Ministry to (i) considerable increase of India's exports of certain products during this period in non-TDA markets particularly USSR, (ii) paucity

of funds, (iii) adverse effect on India's exports to Middle East countries due to political considerations, (iv) fluctuations in exports of products like sewing machines, motorcycles and mopeds, toys and dolls and sports goods, (v) limited number of clients in industrial machinery, (vi) products like pharmaceuticals and ceramics being comparatively new in TDA range of products.

Increase in exports to USSR would have affected the share of TDA's exports in global exports to certain extent. However, the other reasons attributed for the shortfall indicated lack of timely and adequate measures to overcome the problems related to inadequacy of performance.

**2.10. Export performance of TDA's members:—** The export performance of its members (clients) who had furnished information on exports during 1982-83 to 1985-86 as intimated by TDA was as under:—

Year	Engineering products				Consumer products			
	Number of products	Total number of clients	Number of client responses	Value of clients exports as per response (Rupees in crores)	Number of products	Total number of clients	No. of clients responses	Value of clients exports as per response (Rupees in crores)
1982-83	17	637	422	141.10	12	584	305	154.32
1983-84	17	631	397	144.57	12	574	319	166.50
1984-85	17	754	309	121.81	12	777	338	267.20
1985-86	17	682	188	99.61	12	826	163	98.94
1986-87 1987-88	Information not furnished.							

While the total number of clients generally increased from 1982-83 onwards client response decreased by 55 per cent under engineering group and by 47 per cent in consumer group in 1985-86 as compared to 1982-83.

The information for the year 1986-87 and 1987-88 was not available with TDA (July 1989). TDA stated, in March 1987, that some of the members (clients) did not furnish information of their export turn over. Thus, TDA had no reliable data base in respect of exports performance of its members even though TDA's services are intended to be in a personalised form and clients/members oriented.

The Group had, in its Report of September 1986, emphasised the need for TDA to set up a system that would provide information on exports made by individual registered exporters so that objective assess-

ment of the performance of exporters, product-wise would become possible.

In the Action Taken Notes on paragraph 63 of the Report of the Comptroller and Auditor General of India for the year 1981-82 regarding working of TDA, furnished to the Ministry of Finance in September 1983 by the Ministry it was stated that officers of TDA had been directed to collect information on clients, export performance in person during the client contact programme or during the course of their field visits and all efforts were being made to ensure that the latest statistics on export performance of the units were invariably collected.

The Ministry stated, in December 1989, that TDA's efforts to collect information on export performance of TDA clients did not yield the desired results as most of the clients did not furnish the

required information probably because TDA does not have statutory authority for obtaining such information. Efforts to compile the requisite information from the Daily List of Exports (DLEs) from various ports of the country were also not commensurate with the export performance of TDA members due to large number of entries issued from various ports in the country. Thereupon the export performance for TDA clients for the year 1986-87 was assessed for the major product groups on the basis of the relative share of TDA clients in the country's export performance calculated on the basis of the experience of product officers of TDA who are in constant touch with the clients.

Thus, TDA has not been able to collect reliable data in respect of the export performance of its members (clients).

**2.11. Inter-firm comparisons:—** One of the objectives of TDA is to undertake, co-ordinate and assist inter-firm comparison of export oriented units as well as units with export potential. The Inter-firm comparison study, inter alia, identifies the specific areas of strength and weaknesses of the units compared based on different operational ratios. During 1982-83 to 1987-88; TDA carried out only three such studies viz. on

- (i) Machine tool industry,
- (ii) Foundry industry,
- (iii) Readymade garment industry.

Thus, very few firms and products had been covered for this activity.

The Ministry stated, in December 1989, that inter-firm comparison is of immense value to the industry but the compilation, collection and analysis of this data manually is a time consuming process and, therefore, TDA tries to complete one study in a year depending upon the availability of its resources and response from the industry and trade.

**2.12. Product Development and adaptation:—**

(i) TDA has been procuring from abroad samples of various export-worthy items to facilitate their adaptation and for development by the Indian manufacturers for exports. These samples were either imported free of custom duty, received direct from buyers/importers or collected by the officers of TDA during market surveys, contact promotion programmes, etc.

Until 1985-86 TDA dealt with the promotion of 29 products. During 1985-86 five more products were added increasing the number of TDA's products to 34. The number of products for which samples were procured during 1984-85 to 1987-88 was as under:—

	1984-85			1985-86			1986-87			1987-88		
	E	C	O	E	C	O	E	C	O	E	C	O
Total No. of TDA products.	17	12	—	17	12	5	17	12	5	17	12	5
Number of product for which samples collected.	10	7	—	5	10	—	9	6	—	6	5	—
Number of samples collected.	286	71	—	98	91	—	257	62	—	129	131	—
	357			189			319			260		

(E= Engineering products; C=Consumer products; O=Other products).

The number of samples procured for engineering products declined compared to 1984-85. Samples were not procured for five engineering products and two consumer goods in any of the years.

(ii) TDA obtained 1125 samples during 1984-85 to 1987-88 of which 979 samples were stated to have been developed upto June 1989. TDA had no information as to the total value of export orders secured for these adapted samples and value of exports made there against. As such, actual exports augmented through product development and adaptation was not known.

(iii) The Committee appointed by TDA in April 1987 for physical verification of imported samples, inter alia, observed that (a) there was no time limit for product development/adaptation with the result that the samples were held up with a particular unit

for months together (b) in some cases there was no proper timely feedback from the product officers about the status of development (c) although a larger number of samples were procured by TDA, inadequate number of samples were sent to the regional offices and, as such, the activities of the regional offices in products development/adaptation were minimum (d) the storing capacity of the samples in TDA was inadequate (e) 882 samples procured upto 1983-84 were outdated and recommended for disposal.

Annual physical verification of samples procured during the year 1987-88 was again carried out in June 1988 by a Committee whose report indicated that the shortcomings pointed out in the previous physical verification still persisted. The committee also observed that at times the samples were exposed to limited number of members.

The Ministry stated, in December 1989, that the samples were generally supplied in consumer product group and light engineering goods as it was not possible to get samples in heavy engineering goods. A proposal for providing subsidy under MDA to the engineering units was under consideration in order to facilitate product development and counter-sampling work. In case of consumer goods, the counter-samples were prepared in a short time. However, no time limit could be laid down for engineering products. It was further stated that samples were distributed to regional offices only when sufficient number of samples were received.

**2.13. Centre for trade information:**— The trade information service plays a vital role in assisting export performance. The need for setting up an integrated National Centre for Trade Information (NCTI) to act as an apex coordinating body was recognised by the Government in 1975. In May 1976, TDA sent to the Government a draft note containing proposal for setting up NCTI. A 'Users Survey' was got conducted by the Government from Indian Institute of Management (Ahmedabad), which submitted the report in March 1978. TDA also did Sources Survey and submitted its Report. Several Committees (P.C. Alexander Committee 1978, Estimates Committee 1982, Abid Hussain Committee 1984) endorsed the proposal that the setting up of NCTI be given high priority. Officials of the Ministry visited Japan, Korea and Hongkong in 1985 to see their national models and TDA prepared a study report regarding Trade Information System in JETRO (Japan External Trade Organisation) and KOTRA (Korea Trade Office). A project proposal for setting up a NCTI was prepared by TDA and submitted to Ministry in May 1987.

A revised detailed proposal was submitted by TDA in July 1987 for establishing a comprehensive computerised trade information system which included creation of network and linkages with organisations and data sources both in India and abroad at a cost of Rs. 1.34 crores non-recurring and of Rs. 2.04 crores recurring.

The Ministry stated, in December 1989, that the NCTI will now be a part of the proposed India Trade Centre in Delhi. The matter regarding setting up of India Trade Centre at New Delhi was under active consideration of the Government.

Thus, NCTI for which a proposal was mooted by TDA about 14 years back and the importance of which was stressed by several committees has not yet been established.

#### *Other topics of interest*

**2.14. Non-exhibition of foreign assistance in annual accounts:**—TDA received financial assistance amounting to Rs. 7.67 crores during 1977-78 to 1987-88 from

various foreign funding agencies in respect of buyer-seller meets, development programmes, sales-cum-marketing missions, fairs and exhibitions, contact promotion programmes, etc. The assistance was provided on a project to project basis in the form of consultant's fee, rent of exhibition stalls, publicity, air tickets to TDA officials and representatives from the industry, per diem payment to TDA officials and incidental expenses on transport, etc. There was no uniform mode for receiving the assistance. In some cases funds were remitted by the funding agencies to TDA's foreign offices while in others to TDA's officials yet in some other cases only *per diem* expenses, local transport and incidentals were given to TDA's officials whereas other expenses were borne by the funding agencies. According to provision contained in the Civil Accounts Manual all foreign assistance in cash or kind, excepting value of technical services or cost of experts deputed by foreign agencies at their own cost for benefit of Government of India, should be included in accounts. It was stated by TDA that as the payments were made directly to the participants, consultants etc., the assistance was, not exhibited in the books of accounts of the Authority, but was shown in the annexure appended to the Annual Reports upto 1985-86. Even such an annexure was not appended to the Annual Reports for 1986-87 and 1987-88.

The assistance obtained from the foreign funding agencies was not covered by the exception envisaged in the Manual. However, no system was prescribed for exhibition of the receipt of assistance from the foreign funding agencies and expenditure met from the said assistance in the final accounts of TDA. Thus, the receipts and expenditure were also not subjected to audit.

The Ministry stated, December 1989, that assistance given by foreign agencies was not in the form of grant and was provided on project to project basis. It was the normal practice and pre-condition of the donor agencies that all original vouchers were submitted to the agencies. However, the procedure to be adopted for accounting of such assistance in accounts of TDA would be examined in consultation with Finance.

**2.15. Unfruitful expenditure:**— TDA undertook construction of a pavilion for participating in the India International Trade Fair at Pragati Maidan, New Delhi, in 1974. Though the fair was postponed *sine-die*, keeping in view the expenditure of Rs. 5.99 lakhs already incurred on the construction upto July 1974, TDA completed construction of the pavilion in May 1975 at a cost of Rs. 12.83 lakhs. On formation of the Trade Fair Authority of India (TFAI) the pavilion was handed over to the TFAI in 1977. Pending decision by the Government regarding determination of the cost at which the building was transferred it

continued to be included in the assets in the Balance Sheet of TDA. Depreciation totalling Rs. 6.16 lakhs was charged by TDA in its accounts upto the year 1987-88 on a building which was not put to its use.

The Ministry stated, in December 1989, that the matter was under consideration.

**2.16. Improper maintenance of record of fixed assets:**— The Annual accounts of TDA showed that it had acquired assets for a gross value of Rs. 68.30 lakhs since its inception to 1987-88. Assets Register incorporating details of these assets was not produced to Audit. A register in form GFR 19, of the permanent and semi-permanent assets acquired wholly or mainly out of Government grants which was required to be maintained as provided in the General Financial Rules was also not maintained.

The Annual reports of TDA for the years 1986-87 and 1987-88 stated that physical verification of assets was carried out and the figures were being reconciled. The report in respect of such verification and the progress of its reconciliation with figures as appearing in the books of accounts was not produced to Audit.

TDA could not clarify to Audit the basis adopted for physical verification and reconciliation of assets with the books of accounts in absence of properly compiled assets registers/lists of assets.

The Ministry stated, in December 1989, that the physical verification of assets was carried out in 1987-88 by a committee of officers whose report was being re-examined for a realistic valuation of the assets.

**2.17. Capital grant-in-aid for acquisition of permanent and semi-permanent assets:**— The capital grant-in-aid Rs. 14.67 lakhs shown in the Balance Sheet for the year 1987-88 represented grants obtained from Government during 1982-83 to 1987-88 and utilised on acquisition of fixed assets. It did not include similar grant obtained from inception of TDA upto the year 1981-82. In the years preceding 1982-83 such grants were transferred to General Reserve and were adjusted against excess of expenditure over income. Thus, the capital grant-in-aid appearing in the Balance sheet as at the end of 31st March, 1988 did not reveal the accumulated capital grant (Capital Fund) obtained by TDA from the Government and invested in its permanent and semi-permanent assets.

**2.18. Improper maintenance of record of priced publications:**— Test check of register of priced publications opened in September 1987 indicated that

- (i) the opening quantity balances were not reconciled with the previous closing balances,
- (ii) book balances were not worked out in respect of all the publications at the close of the year,

(iii) physical verifications of the publications and their reconciliation with the book balances was not carried out,

(iv) cost of publication was not shown and sale value of closing stock was not worked out, and

(v) value of publications in stock at the close of the year was not included in current assets in the final accounts.

The value in respect of publications whose quantity balancing was done up to 12th July 1989 in the Register worked out to Rs. 2.69 lakhs indicating that priced publications of significant sale value were held by TDA. In absence of proper maintenance of register, there was no effective control over receipt, issue and balances of priced publications.

**2.19. Unauthorised appropriation and diversion of grant-in-aid:**— The accounts for the year 1987-88 showed that a gratuity fund for Rs. 36.25 lakhs was created. For creating the gratuity fund an income of Rs. 26.71 lakhs was shown in the Income and Expenditure Account as grant admissible (from Government) on gratuity, and appropriated by TDA out of the excess grant payable by it to the Ministry as worked out at the end of the year. Sanction of the Government for appropriation of the 'on account' grant-in-aid for creation of the fund was not obtained. Rules and regulations for administration of the gratuity fund of TDA were also not framed.

Neither the gratuity fund was invested in interest bearing securities etc. nor funds to this extent were available with TDA. Thus, excess grants received from the Government were diverted to other purposes without approval of the Government. The Ministry stated, in December 1989, that the matter had been referred by TDA to them and was under consideration in the Ministry.

**2.20. Non-preparation of accounts of India Trade Centre, Brussels:**— India Trade Centre, Brussels (ITC) was set up by the Government in September 1979 in order to boost India's export efforts in the European Economic Community. The expenditure of the ITC is met out of the remittances made by TDA out of the grant-in-aid sanctioned for the purpose by the Ministry of Commerce. According to TDA the ITC is an independent unit working under the administrative control of the Indian Ambassador in Brussels, TDA being concerned only with the routing of the finance and dealing with administrative problems in India. From July 1982 it was decided by the Government that TDA should maintain separate accounts in respect of ITC. The balance sheet of TDA as on 31st March 1988 showed that Rs. 11.69 lakhs were payable by TDA to ITC. Thus, the entire grant-in-aid relating to ITC was neither passed

on to the ITC nor refunded to Government at the close of the year. Further, accounts of ITC from 1983-84 and onwards were not yet (December 1989) prepared by TDA for submission to the Government after getting them audited by the statutory Auditors. The Ministry stated, in December 1989, that accounts in respect of ITC were being brought upto date and necessary adjustments for unutilised balances and any excess amount of grant-in-aid would be taken into account before further release of grant-in-aid.

**2.21. Non-recovery of irregular payments and outstanding advances from the employees:—** Irregular payments on account of wrong fixation of pay and allowances, leave calculations, leave travel concessions, etc. and advances outstanding for unduly long period against employees of TDA were pointed out in the various Local Audit Inspection Reports but the observations have remained unsettled. The year of Inspection Report and the amount held under objec-

#### Recommendations

- (a) Setting up National Centre for Trade Information in TDA
- (b) Bringing out a single monthly publication after merging some of the existing publications brought out by IIFT, TDA and TFAI to avoid overlapping and duplication.
- (c) Setting up of Regional outlets for trade information in 17 Centres scattered in various cities in India which may be connected to the NCTI in TDA.
- (d) Each of the Product should be supported by Product Advisory Committees.
- (e) TDA should in consultation with EPC, explore the possibility of setting up a system that would provide information on exports effected by individual registered exporters to study export trends over a period of time, claims, if any advanced by foreign importers, data on awards received etc. for an objective assessment of the performance of exporters, etc.

tion are given below:—

Year	Amount (In lakhs of rupees)
1983-84 and 1984-85	0.51
1985-86	0.09
1986-87	2.40*
1987-88	1.11
	4.11

\* This included Rs. 1.12 lakhs prior to April 1985, Rs. 0.68 lakh for the year 1985-86 and Rs. 0.60 lakh for the year 1986-87.

The Ministry stated, in December 1989, that adjustment of an amount of Rs. 1.42 lakhs out of the amount of outstanding advances for the years 1986-87 and 1987-88 had been made. However, the details of the adjustment were not furnished to Audit.

**2.22. Evaluation of TDA by a Group constituted by the Government:—** The Central Government constituted, in February 1986, a Group for undertaking an in-depth study of the role, activities and performance of TDA, IIFT and TFAI, and to give suggestions for improvement. The Group gave its report to the Government, in September 1986.

Some of the important recommendations relating to the TDA which still (December 1989) await implementation are as under:—

#### Remarks

The Ministry stated that it had been decided to set up an India Trade Centre at New Delhi with offices in some key cities abroad and the NCTI will now be a part of the proposed India Trade Centre. The matter regarding setting up of the India Trade Centre was under active consideration of the Government.

Government viewed that although unification of the publications was not feasible, a 32 page bi-monthly publication could be brought out by TDA to cover select thrust products on a rotating basis. A proposal in this respect as received from TDA was examined in the Ministry and TDA has been asked to reformulate the proposal.

It was held in December 1989 that this was covered by the proposal for setting up of NCTI in TDA.

A detailed proposal giving approximate data on the number of units and the list of items in each of the product lines which need to be developed over the years was prepared by TDA which was under consideration of the Ministry.

Data on the export performance of TDA's clients for 1985-86 had already been prepared. Data for 1986-87 and 1987-88 was being collected. The Ministry further stated, in December 1989, that performance audit on selected clients would be carried out after data for at least 3-4 years was available.

- (f) Providing subsidy to the extent of 50 per cent to Small Scale Industry Units for developing counter samples.
- (g) Providing subsidy at the rate of 33-1/3 per cent to SSI export Units for getting market surveys conducted through TDA or IIFT.
- (h) With regard to participation in Specialised Commodity Fairs, the respective role of the TDA/ECPs and TFAI should be clearly defined and the appropriately formalised procedure (for forward planning, implementation, post evaluation, follow up, etc.) proposed by the Group may be introduced as it would result in coordination of advantages in mutually re-inforcing fashion.

This was being taken care of in the proposal for setting up a Product Development Advisory Committee in TDA

[refer para (d) above].

The matter was being considered in consultation with TDA and IIFT.

Copy of status report on the Group's recommendations made available to Audit did not mention these recommendations and action taken thereon by the Government.

Annexure 'A'

(In thousands of rupees)

(a) Export of engineering products to the TDA markets

S. No.	Name of the product	1983-84	1984-85	1985-86	1986-87	Percentage decline in 1986-87 with re- ference to 1983-84
1.	Automotive ancillaries and accessories.	R 392947	354618	345755	401980	17.22
		D 38002.61	29827.40	28259.50	31458.76	
2.	Builders hardware.	R 167153	125767	113944	178465	13.60
		D 16165.67	10578.43	9312.95	13966.58	
3.	Diesel engines	R 224916	259424	256070	223758	19.50
		D 21752.03	21820.51	20929.30	17511.19	
4.	Fluid system	R 410019	512173	419879	312768	38.27
		D 39653.67	43079.57	34317.86	24477.07	
5.	Hand tools, small and garden tools	R 316829	311523	216496	325635	16.83
		D 30641.10	26202.62	17694.81	25484.03	
6.	Industrial fasteners	R 107316	99368	82455	86371	34.87
		D 10378.72	8357.98	6739.27	6759.35	
7.	Motorcycles and mopeds	R 36092	13756	6106	17471	60.83
		D 3490.52	1157.03	499.06	1367.27	
8.	Industrial machinery, equipment and parts	R 575492	657484	505929	695626	2.19
		D 55656.87	55301.87	41350.96	54439.35	

(b) Export of consumer goods to the TDA markets

S.No	Name of the product	1983-84	1984-85	1985-86	1986-87	Percentage decline in 1986-87 with re- ference to 1983-84.
1.	Furniture	R 43821	48132	39544	27429	49.35
		D 4238.01	4048.45	3232.04	2146.58	
2.	Household and kitchen ware	R 279642	312099	220769	178285	48.41
		D 27044.68	26251.07	18044.05	13952.50	
3.	Perfumery and perfumery products	R 193643	168629	183529	221381	7.49
		D 18727.56	14183.61	15000.33	17325.17	
4.	Processed fruits and vegetables	R 257402	253534	305208	289476	9.00
		D 24893.81	21325.09	24945.48	22654.25	
5.	Sports goods	R 204104	210168	188670	189040	25.05
		D 19739.26	17677.52	15420.51	14794.18	
6.	Toys and dolls	R 1954	1509	1977	1232	48.98
		D 188.97	126.92	161.58	96.41	
7.	Ceramics	R 14477	11059	7387	11539	35.50
		D 1400.10	930.19	603.76	903.04	
Exchange rate of rupee per unit of US \$		10.340	11.889	12.235	12.778	—
		(R = Rupee	D = US \$)			



## Annexure 'B'

## Statement showing exports of TDA products and their Global Exports

(Value : Rs. in thousands)

S.No.	Name of Product	1983-84	1984-85	1985-86	1986-87
<b>(a) Engineering products</b>					
1.	Automotive ancillaries and accessories	T 392947	354618	345755	401980
		G 559228	583904	647807	758572
		P 70.2	60.7	53.3	52.9
2.	Builder's hardware	T 167153	125767	113944	178465
		G 211590	185296	158780	239938
		P 79.0	67.8	71.7	74.3
3.	Castings	T 33996	45862	48496	110405
		G 37947	82205	72385	159431
		P 89.5	55.7	67.0	69.2
4.	Electrical equipment and accessories	T 279668	311523	261925	348147
		G 554858	989610	629338	896778
		P 50.4	31.4	41.6	38.8
5.	Forgings	T 2034	2213	2007	2834
		G 2566	5191	51835	93134
		P 79.2	42.6	5.8	3.04
6.	Hand tools, small and garden tools	T 316829	311523	216496	325635
		G 319543	363953	260198	380666
		P 99.1	85.6	83.2	85.5
7.	Industrial machinery, equipment and parts	T 575492	657484	505929	695626
		G 1262922	1716135	1635157	2059342
		P 45.5	38.3	30.9	33.7
8.	Instruments	T 74375	84942	86438	151421
		G 118315	185549	205082	373937
		P 62.8	45.7	42.1	40.9
9.	Motor cycle and mopeds	T 36092	13756	6106	17471
		G 48221	30469	15085	39577
		P 74.8	45.1	40.4	44.1
10.	Sewing machines	T 4907	7982	7715	16561
		G 30611	59406	56761	112320
		P 16.0	13.4	13.5	14.7
<b>(b) Consumer goods</b>					
1.	Perfumery and perfumery products	T 193643	168629	183529	221381
		G 265139	459276	442152	483445
		P 73.03	36.72	41.51	45.79
2.	Processed fruits and vegetables	T 257402	253534	305208	289476
		G 502417	599572	658559	619762
		P 51.23	42.29	46.34	46.71
3.	Sports goods	T 204104	210168	188670	189040
		G 228908	279320	237532	251019
		P 89.16	75.24	79.43	75.31
4.	Toys and dolls	T 1954	1509	1977	1232
		G 2464	1717	2421	2036
		P 79.30	87.88	81.66	60.51
5.	Ceramics	T 14477	11059	7387	11539
		G 20463	19659	14211	22646
		P 70.75	56.25	51.98	50.95

NOTE: T = Exports to TDA markets

G = Global exports

P = Percentage of 'T' to 'G' as shown in TDA's compilation.

**Ministry of External Affairs  
Indian Council for Cultural Relations**

**3. Overpayment to a visiting Professor**

Sponsored by the Indian Council for Cultural Relations (ICCR), an Associate Professor of Jawaharlal Nehru University, took charge, in September 1985, as a visiting Professor of Hindi in the Department of Asian Sciences of a University in German Democratic Republic. The appointment was initially for one year (From September 1985 to August 1986) but was later extended up to August 1988.

According to the terms and conditions of the appointment issued by the ICCR, in September 1985, the visiting Professor was to draw a pay of Rs. 1660 per month in the scale of Rs. 1200-1900 and was to be equated to a non-IFS Second Secretary for the purpose of drawal of foreign allowance and additional foreign allowance. In addition, he was to be provided free furnished accommodation and medical facilities by the University. The agreement executed by the Professor with the ICCR, inter-alia, provided that "in the event of salary being paid by the receiving agency, the Council's contribution shall be limited to the difference between the amount, the scholar would have drawn by way of salary and overseas allowances as per Council's rules and the actual amount drawn by him."

The Professor had also signed an employment contract with the receiving University on 23rd September 1985, according to which the University was to pay GDR Marks 1250 as net wages for his work, besides providing free accommodation, heating and energy. The existence of this contract and its contents were not disclosed by the Professor to the Mission.

In the meanwhile, while disbursing his pay and allowances, the Mission did not deduct the sum of GDR Marks 1250, as required under the agreement executed with the ICCR, on the ground that the Professor had produced a certificate from the University to the effect that the sum of GDR Marks 1250 being paid to him was not taxable and was meant to cover the living expenses for him and his family and pocket expenses towards transportation and incidental costs. However, the Mission sent a copy of the certificate to the ICCR (November 1985) seeking their confirmation that no deduction on account of University's contribution was to be made. The ICCR confirmed, in November 1985, that as the sum of GDR Marks 1250 was being paid by the University as out-of-pocket expenses towards transportation and incidental costs and not as salary, no deduction thereof need be made.

However, in April 1988, the ICCR realised its mistake and informed the Mission that the Professor could not received salary from two sources and that

the amount received by him from the University from September 1985 onwards would have to be refunded to the Embassy, save for the fixed amount, if any, to cover travelling expenses, etc. concerning his research activities, provided that he could obtain a certificate to that effect from the University. The Professor could not produce such a certificate, as he had been paid separately not only for his local tours but also for his foreign tours, in addition to his regular salary and bonus at the rate of GDR Marks 1250. This Mission stopped the payment of pay and allowances to the Professor from May 1988 onwards, but by that time the Mission had already paid to the Professor a total amount of Rs. 1.89 lakhs towards pay and allowances from September 1985 to April 1988.

The total amount received by the Professor from the University on account of wages and bonus during the period from September 1985 to August 1988 amounted to GDR Marks 46050 (Rs. 3.26 lakhs) and, therefore, recoverable from him.

While the question of recovery of the above amount from the Professor was still under triangular correspondence between the Mission, ICCR and the Ministry of External Affairs, the Professor reverted to India after expiry of his extended term in July 1988 without any recovery being made from him.

Further, while the pay and allowances were paid to the Professor at the preferential rate of exchange as applicable to the staff of the Mission, the amounts deposited by ICCR with the Ministry of External Affairs were converted by the Foreign Trade Bank at the current commercial rate of exchange. The Mission, therefore, suffered a loss in exchange to the tune of Rs. 1.35 lakhs which was recoverable from the ICCR.

On this being pointed out by Audit in October 1988 the Mission approached ICCR, in March 1989 to sort out the issue in consultation with the Ministry of External Affairs and recover the amount of overpayment (Rs. 3.26 lakhs) from the Professor and the loss in exchange from the ICCR (Rs. 1.35 lakhs). The final outcome had not been communicated (December 1989).

**Ministry of Health and Family Welfare  
All India Institute of Medical Sciences**

**4. Encroachment on land**

The All India Institute of Medical Sciences (AIIMS), New Delhi, acquired from the Delhi Development Authority (DDA) approximately 32 acres of land at Masjid Moth and 55 acres at Ayurvigyan Nagar during 1964-69 at a total cost of Rs. 31.05 lakhs for further development/expansion of the Institute including construction of residential quarters for faculty and other staff. Although, physical possession of the land was handed over by the DDA to the AIIMS from time to time,

the area had not been clearly demarcated and even the land deed for the Masjid Moth area had not been executed so far (October 1989). The AIIMS constructed 80 quarters at Masjid Moth and 508 quarters at Ayurvigyan Nagar up to August 1973 and October 1986 respectively. Since large areas remained vacant and no fencing was provided, a number of unauthorised jhuggis were put up over the years covering an area of 31 to 33 acres. In January 1982, the AIIMS decided that the jhuggis put up by contractor's labour should be properly identified and shifted to other convenient sites and the contractors should ensure that nobody other than the authorised labour of contractor puts up such jhuggis in future. However, no effective follow up action was taken by the AIIMS to prevent further encroachment of land.

For the removal of unauthorised jhuggis from its land, the AIIMS and the Ministry of Health and Family Welfare approached the Delhi Administration/Delhi Development Authority (DDA) from time to time. According to the DDA, the land was free from encroachment at the time of allotment to the AIIMS and jhuggis came into existence due to lack of vigil on the part of the AIIMS. Finally in March 1986, it was decided that the AIIMS would pay at Rs. 10,000 per jhuggi for removal of jhuggis which had come up before June 1977. No survey was, however, conducted of the jhuggis which had come into existence prior to June 1977. The survey done in 1985 showed that 1300 jhuggis were to be removed. Accordingly, a sum of Rs. 1.30 crores was paid to the DDA in March 1987. A survey done by the DDA in December 1986 revealed that the number of jhuggis had risen by 1067; being 1581 in Masjid Moth area and 786 in Ayurvigyan Nagar. Consequently, in April 1987 the DDA asked for an additional sum of Rs. 1.07 crores for removal of these jhuggis. No further payment was, however, made by the AIIMS and the DDA was informed (May 1987) that further payment would be considered after the 1300 jhuggis for which payment had been made were removed. According to the information furnished by the AIIMS in November 1988 and February 1990 about 700 jhuggis had been removed so far.

Thus failure on the part of the AIIMS to prevent unauthorised construction led to avoidable expenditure of Rs. 1.30 crores having to be paid to the DDA for removal of jhuggis with further possible expenditure of Rs. 1.07 crores. The payment of Rs. 1.30 crores for removal of 1300 jhuggis at the rate of Rs. 10,000 per jhuggi was made by the AIIMS even though no authentic record of jhuggis which had come into existence prior to June 1977 was available. Further, even after a payment of Rs. 1.30 crores to the DDA, only about 700 jhuggis were removed by the DDA (January 1990) and an amount of Rs. 60 lakhs representing prorata payment for removal of

the balance 600 jhuggis continued to remain blocked with the DDA.

The AIIMS had planned to construct, inter alia, nurses' hostel in Masjid Moth area for which estimates were approved, in July 1984, for Rs. 2.52 crores. An amount of Rs. one crore was paid to the Central Public Works Department (CPWD) in March 1986 and the CPWD had awarded the work for execution in October 1988 to be completed by July 1990. In the mean time estimates were revised to Rs. 4.04 crores in September 1987. The AIIMS attributed, in February 1990, the increase to superior specifications (Rs. 8 lakhs), provision for departmental charges not originally included (Rs. 30 lakhs), increase in the covered area (Rs. 17 lakhs) while the major portion of increase amounting to Rs. 97 lakhs was stated to be due to difference in cost index of 1987 compared to cost index of 1984. The AIIMS stated that "some delay in taking up this project was due to procedural delay such as preparation of detailed drawings including plans, elevation, sections and other details and obtaining approval from Delhi Urban Arts Commission and Delhi Development Authority, etc."

The Ministry stated in December 1988, August 1989 and February 1990 that since construction activity was taking place continuously, the labour engaged by the contractors continued to live in the area from 1971 onwards and other homeless labourers were also attracted to the site. The Ministry also stated that some unauthorised jhuggis were also put up by the various persons before some of the area was handed over to the AIIMS. The reply of the Ministry is not tenable, as it was the responsibility of the AIIMS to ensure that the jhuggis put up by contractor's labour were got removed by the latter as well as to accept possession of land clear of encroachment. The Ministry further stated that the delay in construction of nurses' hostel was not because of encroachment on land, since the land acquired had provision for four hostels. The Ministry thus admitted that work could be started only on the clear land available for two hostels, whereas encroachment continued to exist on the land ear-marked for the other two adjacent hostels.

#### **Central Research Institute of Yoga**

##### **5. Blocking of funds**

The Central Research Institute of Yoga, New Delhi, purchased a chassis for constructing a clinical van at a cost of Rs. 1.80 lakhs, in April 1982, by raising an interest free loan from a private organisation which was repaid, in May 1982. The clinical van was to be used by the Mobile Clinical Unit with the objective of propagating yoga for promotion and preservation of health and prevention of diseases. Expenditure of Rs. 2.25 lakhs was incurred on

fabrication of body, air conditioning and purchase of equipment installed on the van and other non-consumable articles during April 1982 to March 1983 and the van was registered in July 1983. The Institute attributed, (July 1988) the delay in registration to the time required for calling of quotation, placing of orders and completion of body building.

The posts of two assistant research officers, one field attendant and one driver were earlier sanctioned by the Institute in December 1976 for the mobile clinical section but these were not filled. A ban on filling up of posts was imposed by Government in 1981. Consequently, the van could not be put to the intended use. In October 1985, the Institute appointed a committee to identify the vacant posts which were essential to its functioning, but before the committee met, the posts were abolished by the Ministry in February 1986. The posts were not revived despite requests made by the Institute in April, November 1986 and July 1987.

The mobile van costing Rs. 4.05 lakhs was used only once to go to Sawai Madhopur in Rajasthan with the help of available staff for collecting research data and providing Yoga therapy to residents and has been virtually lying idle since acquisition. The Institute stated, in June 1989, that it was not in a position to utilise the van due to non-filling up of posts of sanctioned staff. The Institute's action in purchasing a van, in April 1982, without obtaining a clearance from the Government for posts when a ban on filling-up posts was already in force proved unfruitful as the intended benefit of Yoga therapy was not made available to the beneficiaries. This also resulted in blocking of funds amounting to Rs. 4.05 lakhs since July 1983.

The Ministry accepted the above facts, in August 1989, and stated that the question of revival of the posts was receiving attention.

**Ministry of Human Resource Development  
(Department of Culture)  
Delhi Library Board**

**6. Blocking of funds**

Delhi Library Board had four mobile library vans including delivery vans for braille library books purchased (two each) in 1962 and 1972 and one braille van-cum-delivery van purchased in 1972. As the condition of these old vans was not considered satisfactory and in order to augment the existing facilities, the Board purchased four chassis of Ashok Leyland make costing Rs. 7.91 lakhs, in February 1986, and two chassis of Tata make costing Rs. 3.45 lakhs, in March 1986.

The superstructure of the two Tata make chassis was constructed and the vans were put to use in April and May 1988. The Board could not furnish any valid reasons as to why it took two years to put the two chassis to use after purchasing them. However, the four chassis of Ashok Leyland were stated by the Director to be oversized compared with the existing library vans and the same could not be used.

The Board, therefore, decided to dispose of these coversized chassis by publishing a notice in the newspapers, in March 1988. One of these chassis was sold for Rs. 2.14 lakhs, in July 1988 and one more chassis was sold in September 1988, for Rs. 2.19 lakhs. The Board stated, in April 1989 that the remaining two oversized chassis were expected to be sold in April 1986 for Rs. 4.59 lakhs. However, the chassis had not been disposed of (September 1989). The Board stated, in October 1989, that the two parties which had offered Rs. 2.38 lakhs and Rs. 2.21 lakhs in response to tenders invited in March 1989 did not lift the chassis and their earnest money deposit of rupees five thousand each, was forfeited.

Thus, due to delay in construction of bodies on Tata make chassis and due to purchases of oversized chassis of Ashok Leyland make, the expenditure of Rs. 7.40 lakhs incurred by the Board during 1985-86 remained unfruitful for two years and the funds of the Board remained blocked to that extent. The expenditure of Rs. 3.96 lakhs on the remaining two oversized chassis which had not been disposed of so far also proved unfruitful. Further, the beneficiaries of the Board were deprived of the intended facilities as three of the old vans went-off road from July 1983, September 1985 and June 1987 and the braille van also went off road from June 1987. During 1986-87, the number of break-downs was 171 and 264 trips were missed. These increased to 278 and 408 in 1987-88 and further, to 354 and 541, respectively, in 1988-89.

The Ministry stated, in July 1989, that the day to day affairs of the Board were managed by its own governing body and forwarded a copy of the note submitted by the Board in this connection. The Board stated that the concerned official was placed under suspension in September 1986 and the Central Vigilance Commission had started hearings against him. The Board also contended that the existing mobile vans were put to use in two shifts and the beneficiaries of the Board were not denied the intended facility. This was, however, not correct in view of the increasing number of break downs and trips missed during 1986-87 to 1988-89 as mentioned above.

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

**7. Indian Institute of Management, Bangalore**

**7.1 Introduction**

The Indian Institute of Management, Bangalore (Institute) was established, in October 1973, by the Ministry of Education in co-operation with the Government of Karnataka. The Institute is registered as a Society under the Mysore Societies Registration Act (XVII of 1960). The Institute aims at augmenting the management resources through programmes of teaching, training and other professional services. The main objectives of the Institute are

- to impart management education,
- to provide professional training in management

to persons from public and private sector, to conduct research and publish literature in management and related areas, to co-operate with educational and other institutes both in India and abroad, and to provide consultancy services to industry and Government agencies.

### 7.2. Organisational set up.

The control of the Institute is vested with the Board of Governors comprising a Chairman appointed by the Central Government and 25 other members including representatives of Central and State Governments, Vice-Chancellor of Bangalore University, representatives of industry, commerce, labour and other interests. The Director of the Institute is an ex-officio member. The general administration is looked after by the Director.

### 7.3. Scope of Audit

The audit of accounts of the Institute had been entrusted to the Comptroller and Auditor General of India under Section 20(1) of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 till 1984-85. From 1985-86 to 1987-88, the accounts of the Institute were certified by Chartered Accountants and a super-imposed audit of the Institute was conducted by the CAG of India. From 1988-89, the audit of accounts of the Institute was entrusted to the CAG under Section 20(1) of the said Act. The accounts of the Institute consist of receipts and payments account, income and expenditure account and a balance sheet drawn to the end of March of each year and had been certified up to 1988-89.

A review of the working of the Institute was conducted by Audit during January 1989 to May 1989 and in December 1989 covering the period from 1983-84 to 1988-89.

### 7.4. Highlights

- The percentage shortfall in enrolment for Post Graduate Programme in Management of two years' duration ranged from 23 to 39 during 1983-88. In view of the fact that the course, in question, is extremely popular, much sought after and prestigious in nature and infrastructure for taking 180 students existed from 1983-84 onwards, the shortfall in intake ranging between 39 and 23 per cent during first five years on the plea of inadequate dormitory facility was not only unjustified but an

avoidable under utilisation of scarce national resource.

- Out of 12 externally aided projects completed, only one project was completed within the stipulated period and the balance were completed after delays ranging from 1 to 7 years.
- Even after six years of completion of the project, the Bullock Cart design was not finalised though an expenditure of Rs. 8.17 lakhs was incurred on the Project.
- Last minute cancellation of 81 Management Development Programmes during 1983-84 to 1988-89 resulted in an avoidable expenditure of Rs. 3.47 lakhs.
- An amount of Rs. 3.33 lakhs in 79 cases relating to the Management Development Programmes where the nominees had failed to attend the programmes was refunded irregularly, though the programme brochure did not provide for such a refund.
- Though the Institute rules provide for a minimum workload for teaching and training for each faculty member, during 1983-84 to 1988-89, a total of 49 faculty members had not taken any teaching assignment; the highest being 13 in 1983-84 and the lowest being three in 1988-89. Out of this, one faculty member had not conducted any classes for five years and 12 members had conducted no classes for one year.
- Consultancy rules of the Institute were not in conformity with the instructions of the Central Government and also did not provide for recovery of cost of services of faculty members from outside agencies to whom their services were spared.
- Non-inclusion of the provision regarding regulation of quantum of consultancy fee as per Central Government directions in the rules framed by the Institute resulted in payment of fee disproportionate to "time cost" involved.
- Ex-gratia payment on account of escalation charges amounting to Rs. 9 lakhs was paid to two contractors. A further commitment of Rs. 4.84 lakhs was also accepted on this account by the Institute, although this was not provided for in the original contract resulting in an unintended benefit to the contractors to the extent of Rs. 13.84 lakhs.
- As a result of delay in completion of the second portion of a work faculty blocks for associated class rooms, the building constructed at a cost of Rs. 21.97 lakhs remained unused for more than three years.
- The accounts manual formulating the rules and procedures to be followed by the Institute has

not so far been compiled.

### 7.5. Finance and Accounts

7.5.1 Sources of funds:— The main sources of funds of the Institute are:—

- (i) grants-in-aid provided by the Central and State Governments;
- (ii) fees and other charges received by the Insti

tute from the trainees;

- (iii) funds received by the Institute by way of grants, gifts, donations, benefactions, etc., from private persons and from other sources.

Besides, the Institute receives funds from various sponsoring agencies for conducting specified programmes under different sectors. A summary of the income and expenditure accounts of the Institute from 1983-84 to 1988-89 is given below:

(Amount in lakhs of rupees)

Year	Income			Total	Expenditure		
	Plan	Non-Plan	Other sources		Revenue	Other (including capital)	Total
1983-84	97.87	101.05	78.95	277.87	187.38	93.42	280.80
1984-85	110.00	117.45	43.91	271.36	168.66	115.64	284.30
1985-86	118.26	147.28	77.98	343.52	214.31	115.38	329.69
1986-87	179.63	168.13	78.92	426.68	235.06	123.36	358.42
1987-88	183.80	151.00	92.73	427.53	260.62	172.50	433.12
1988-89	108.65	190.52	93.21	392.38	269.29	136.67	405.96
Total	798.21	875.43	465.70	2139.34	1335.32	756.97	2092.29

7.5.2 Exhibition of assets and liabilities in the accounts:— The particulars of assets and liabilities exhibited in the balance sheet as on 31st March 1989 for which supporting schedules are not forthcoming are detailed below:

Liabilities	Amount (In lakhs of rupees)
(i) Outstanding liabilities	16.28
(ii) Sundry creditors	12.23
(iii) Deposits	5.34
<b>Assets</b>	
(iv) Land development and new works	973.89
(v) Noise control and acoustics	3.13
(vi) Furniture, fittings and equipments	76.69
(vii) Library books and films	106.96
(viii) Vehicles	15.30
(ix) Teaching and research aids	90.98
(x) Sundry debtors	1.41
(xi) Sundry debit balance	0.75

Mysore for its day-to-day transactions. A scrutiny of the bank reconciliation statements to the end of 30th June 1989 in respect of the three accounts revealed that large balances under cheques deposited but not realised are shown as unrealised which relate to periods as early as 1983-84. The particulars are detailed below:

Cheques deposited for collection but not credited by the bank (October 1989)

	(Rupees in Lakhs)
1983-84	0.26
1984-85	0.31
1985-86	0.03
1986-87	0.02
1987-88	0.37
1988-89	0.08
Total	1.07

The reasons for non-realisation of these amounts for such a long period are not forthcoming.

### 7.6. Academic programmes

7.6.1 Post graduate programme:— The Post Graduate Programme (PGP) is a full time course of two years duration. Graduates from all disciplines are eligible for this course. According to the Matthai Report (1972)—which proposed the establishment of the Institute, the intake should have reached 180 by 1978. However, the actual intake had not reached the capacity contemplated even by 1988 as could be

7.5.3 Non-reconciliation of accounts with reference to Bank records:— The Institute is operating three savings bank accounts in the State Bank of

seen from the table given below:—

Year	Intake capacity	Number finally enrolled	Number of drop outs	Number who completed the course	Percentage of short fall in enrolment compared to intake capacity
1983-84	180	115	12	103	36.12
1984-85	180	109	13	96	39.45
1985-86	180	110	15	95	38.90
1986-87	180	138	15	123	23.34
1987-88	180	125	12	113	30.56
1988-89	180	168	10	—	6.68

The actual intake was far below the contemplated capacity up to 1987-88. The position, however, improved in 1988-89. Regarding the shortfall in the intake, the Institute, stated, in October 1989, that the Board of Governors had decided, in March 1983, to limit the intake to 120 till such time as the Institute

was able to provide dormitory facilities in the campus. In view of the fact that stay in hostel was optional and till 1986-87, available hostel accommodation was more than the number of students on roll as detailed in the table below, it was possible for the Institute to increase the intake during 1983-84 to 1986-87.

Year	Total number of students on roll for all academic courses	Hostel accommodation available			Total occupancy	Hostel accommodation unused	Number of students who did not opt for hostel accommodation
		In campus	Outside	Total			
1983-84	247	208	100	308	216	92	31
1984-85	217	208	100	308	202	106	15
1985-86	206	208	100	308	192	116	14
1986-87	246	296	100	396	232	164	14
1987-88	260	296	—	296	250	46	10
1988-89	299	296	—	296	292	4	7

Note:—

- (1) The inmates of the outside rented hostel numbering 84 were shifted to the campus accommodation in October 1985 and thereafter, the outside hostel was kept unoccupied till it was vacated in January 1987.
- (2) Till July 1986, only 208 rooms were available in the campus hostel. From July 1986, additional accommodation of 88 rooms was commissioned.

In view of the fact that the course in question is extremely popular, much sought after and prestigious in nature and infrastructure for taking 180 students existed from 1983-84 onwards, the shortfall in intake ranging between 39 and 23 per cent during first five years on the plea of inadequate dormitory facility was

not only unjustified but an avoidable underutilisation of scarce national resource.

#### 7.6.2 Fellow programme in management

The Fellow Programme in Management is recognised as equivalent to Ph.D by the Association of Indian Universities. This programme provides for development of concepts and skills necessary for advanced research in management field. A stipend of Rs. 1000 to Rs. 1200 per month and a contingent grant of Rs. 3000 per annum, which were enhanced to Rs. 2400 to Rs. 2500 per month and Rs. 5000 per annum respectively from December 1988, were being given to the candidates selected for fellow programme for a period of four years. The particulars from 1983-84 to 1988-89 in respect of intake capacity, number enrolled, number dropped out and number completed with amount of stipend and contingent

amounts paid to the dropped out candidates are given below:—

Year	Sanctioned intake	Number enrolled	Number of drop-outs	Number who completed the programme	Amount of expenditure incurred on drop-outs	
					Stipend (In rupees)	Contingent grant (In rupees)
1983-84	12	6	4	2	18,629	3,402
1984-85	12	2	1	—	2,780	287
1985-86	12	nil	—	—	—	—
1986-87	12	10	3	—	42,000	7,221
1987-88	12	7	5	—	3,600	1,324
1988-89	12	5	3	—	28,800	3,948
<b>Total</b>	<b>72</b>	<b>30</b>	<b>16</b>	<b>2</b>	<b>95,809</b>	<b>16,182</b>

Note:—

- (1) In respect of four candidates belonging to batches prior to 1983-84 who dropped out, an expenditure of Rs.64,526 on stipend and Rs.9,490 on contingent grant had been incurred.
- (2) As decision was taken by the Institute to review the programme, no enrolment of students was made during 1985-86.

No surety bond was taken from the students for recovery of stipend and contingent grant paid to them in the event of discontinuance of the course in the middle. According to the Institute, condition of obtaining bond was not insisted upon as the Government orders prescribing the rates of stipend did not stipulate any such condition and there was no system

of obtaining surety bond in any such comparable institute of higher learning as it would tend to militate against the whole concept of doctoral level education. The expenditure incurred in respect of drop outs, however, was infructuous.

Shortfall in intake was attributed mainly to rigorous process for admission as also low rates of stipend and contingent grant.

**7.7. Management development programme:—** The Institute conducts various short term programmes of three to ten days duration for practising managers and administrators as a means of continuing education. The particulars of the programmes conducted, number of participants, etc., from 1983-84 to 1988-89 are indicated below:—

Year	Number of programmes planned		Programmes conducted out of planned number		Programmes not planned originally but conducted		Number of participants			
	F	S	F	S	F	S	PU	G	PS	O
1983-84	42	12	26	6	1	3	216	75	263	11
1984-85	41	11	25	6	3	—	236	50	197	19
1985-86	38	10	26	6	3	1	231	98	279	21
1986-87	25	13	16	3	4	3	149	85	202	—
1987-88	34	15	30	6	1	2	281	168	378	—
1988-89	43	6	33	5	—	1	254	90	333	15
<b>Total</b>	<b>223</b>	<b>67</b>	<b>156</b>	<b>32</b>	<b>12</b>	<b>10</b>	<b>1367</b>	<b>566</b>	<b>1652</b>	<b>66</b>

F: Functional

S: Sectoral

PU: Public Undertaking

G: Government

PS: Private Sector

O: Others like Universities, LIC, Banks, etc.



The guidelines for conducting Management Development Programmes (MDP) stipulate a minimum of 15 participants for the programmes. However, even with 12 nominations the programmes could be conducted at Bangalore. It was noticed from the records that 43 programmes were conducted during 1983-84 to 1988-89 with less than 12 participants. The Institute stated that the minimum of 15 participants was prescribed in March 1986, prior to which financial viability was being worked out with reference to minimum of 12 participants. It was also stated that though the number of nominations received were more than the minimum, due to last

minute cancellations and drop outs, it was reduced to less than the minimum number and that last minute cancellation of the programme would cost more to the Institute compared to the cost of running the programmes. In 12 out of these programmes, it was also observed that the expenditure exceeded the income by Rs. 0.66 lakh.

Out of 102 programmes cancelled which formed 35 per cent of the planned number, a sum of Rs. 3.47 lakhs had been incurred by the Institute on 81 programmes which proved infructuous, as detailed below:

Year	Number of management development programmes conducted	Number of management development programmes cancelled	Number of management development programmes on which expenditure had been incurred	Amount of expenditure (Rupees in lakhs)
1983-84	36	22	13	0.41
1984-85	34	21	15	0.60
1985-86	36	16	13	0.36
1986-87	26	19	16	0.83
1987-88	39	13	13	0.60
1988-89	39	11	11	0.67
<b>Total</b>	<b>210</b>	<b>102</b>	<b>81</b>	<b>3.47</b>

The Institute stated, in April 1989, that the cancellation of programmes was on account of lack of nominations which would be known almost at the end of the process and just before the commencement of the scheduled programme and hence incurring the expenditure was unavoidable. The large number of cancellations would indicate that the programmes are not properly planned.

The Institute's brochures stated that "it is the endeavour of the Institute to develop and propagate concepts and practices of management with higher social relevance, as distinguished from preaching traditional management confined only to the business and industrial sectors. The development of management education has, therefore, been increasingly towards other socially relevant sectors i.e., Agricultural and Rural Development, Education, Energy, Human Settlements and Environment studies, Population, Health and Transportation".

However, a test check of records revealed that only 23 per cent of management development programmes originally planned covered these areas.

The brochure on MDPs stipulates that required fees should be paid in advance before participation. However, a test check of records revealed that a total

sum of Rs. 0.45 lakh was still to be recovered from the participants as detailed below:—

Year	Number of cases	Amount due for recovery (Rupees in lakh)
1983-84	4	0.18
1985-86	1	0.01
1986-87	2	0.14
1987-88	3	0.12
1988-89	Nil	Nil
<b>Total</b>	<b>10</b>	<b>0.45</b>

According to the brochure on MDP, no refund of fee was permissible, in case, the nominee fails to attend, but a substitute nominee may attend the programme in his place. However, no uniform policy was adopted by the Institute and during 1985-86 to 1988-89, Rs. 3.33 lakhs were refunded in 79 cases. The Institute stated that as a matter of policy, refund of the course fees on account of withdrawal/cancellation of nomination/non-attendance was not made but refunds were made in these cases against specific request by the sponsoring authorities, mainly in order

to maintain goodwill with the industry who were the main clientele for the Institute's programmes.

7.8. *Organisation based programmes (OBP)*:— In order to meet the specific needs of different organisations, the Institute conducts programmes on their request. The organisational set up would be studied and a budget to cover the cost would be proposed to the organisation for acceptance and payment of 50 per cent thereof as initial payment before taking up the programme. The particulars of programmes conducted are detailed below:—

Year	Number of programmes conducted				
	Government	Public sector	Private sector	Others	Total
1983-84	5	12	2	—	19
1984-85	8	11	1	—	20
1985-86	14	20	1	—	35
1986-87	8	10	3	—	21
1987-88	2	6	—	3	11
1988-89	8	7	2	3	20
<b>Total</b>	<b>45</b>	<b>66</b>	<b>9</b>	<b>6</b>	<b>126</b>

As could be seen from the above table, the number of programmes was on decline after 1985-86 till 1987-88. According to the Institute, the decline was due to most of the large organisations building up their own in-house facilities for training.

A test check of records had revealed that in respect of six cases, the expenditure incurred on the programme had exceeded the amount received by Rs. 0.88 lakh.

### 7.9. *Research Programmes*

7.9.1 *Internally funded programmes*:— The Institute provides funds to faculty members for research projects and development of case studies which are usually in the nature of a pilot study of limited size and budget. The budget allocated for individual programmes ranged between Rs. 1,500 and

Rs. 10,000. The period stipulated for the completion of the programme is generally from three months to a year. The particulars of the projects awarded, completed, closed down, etc., are indicated below:—

Year	Number of projects awarded	Total expenditure (Rupees in lakhs)	Number of projects completed and Report submitted	Reports not submitted	Projects not taken up
1983-84	14	2.09	3	10	1
1984-85	8	0.67	—	8	—
1985-86	7	0.28	1	3	3
1986-87	9	0.34	2	6	1
1987-88	7	1.12	1	5	1
1988-89	2	2.13	—	2	—
				(not completed)	
<b>Total</b>	<b>47</b>	<b>6.63</b>	<b>7</b>	<b>34</b>	<b>6</b>

No report, detailing results of research, was submitted in respect of 34 out of 41 projects taken up and six projects were not taken up at all. There was a delay of more than 30 months in 10 out of 34 projects completed. Reasons for not taking up and non-submission of reports were not available.

### 7.9.2 *Externally funded research programmes*:—

The Institute undertakes research projects in specified areas of management at the request/concurrence of the sponsoring agencies. The Institute receives funds / grants from the sponsoring agencies for this purpose and the work may be entrusted to a faculty member or a team of faculty members concerned with the subject/professional activity. After completion of the project, a report on the results of research has to be forwarded to the sponsoring agency for acceptance. The particulars of the projects undertaken, number completed, number closed without completion are

indicated below:—

(Rupees in lakhs)

Year	Number of projects sponsored	Total expenditure	Projects completed	Expenditure	Projects closed without completion	Expenditure	Projects in progress	Expenditure
Prior to 1983-84	9	17.37	7	16.51	-	-	2	0.86
1983-84	5	84.08	1	9.62	3	1.32	1	73.14
1984-85	2	0.78	1	0.68	1	0.10	-	-
1985-86	-	-	-	-	-	-	-	-
1986-87	4	2.11	1	0.01	-	-	3	2.10
1987-88	5	0.61	1	0.23	-	-	4	0.38
1988-89	8	27.43	1	0.09	-	-	7	27.34
Total	33	132.38	12	27.14	4	1.42	17	103.82

Out of the four projects closed without completion, the reason adduced in respect of one project was that the concerned professor left the Institute. Remaining three projects were completed in 1986. However, particulars as to whether the reports were sent to sponsoring agencies and their acceptance obtained were not made available to Audit (November 1989).

Out of 12 completed projects, 11 projects were not completed within the stipulated period. The delay in completion ranged from five to seven years in three projects and two to three years in respect of other four projects. In respect of 17 projects which were in progress, in one case, the delay was more than seven years and in respect of other three cases, the delay was from one to three years. It was also observed that two of the sponsoring agencies expressed their dissatisfaction over the inordinate delay.

A test check of records in respect of projects sponsored by Government of India during 1983-84 to 1988-89 revealed the following:—

(i) *Research scheme on rehabilitation of Scheduled Castes/Scheduled Tribes:*— A sum of Rs. 0.37 lakh was released by the Ministry, in April 1982 against an estimated cost of Rs. 0.73 lakh for a research scheme on rehabilitation of Scheduled Castes/Scheduled Tribes. The amount was received directly by the faculty without routing through the Institute's accounts and the details of expenditure on this account had not been made available by the faculty to the Institute (December 1989). The research findings which were sent in the form of a report was not accepted by the Ministry on the ground that the report did not contain primary data collected from field level, information furnished was quite misleading, analysis was incomplete, and evaluation of the working of the scheme was not conducted in accordance with the originally approved proposal. The Ministry directed the Institute to re-do the work and to submit a fresh report. A revised report was sent to the Ministry in October 1987, the acceptance had not been intimated (November 1989).

(ii) *Project on bullock cart design:*— An engineering design project for making, testing and reporting on six proto-types of bullock-carts for use in rural areas was sanctioned by the Ministry of Shipping and Transport at a cost of Rs. 6.50 lakhs in May 1979. It was reported by the project leader to the Institute, in February 1985, that the interim report submitted by him had not been accepted by the Government of India. The final report was not sent (December 1989). Essential files relating to this project were not made available to Audit. The expenditure incurred by the end of March 1988 was Rs. 8.17 lakhs. The machinery and equipment viz., lathe, wood-working machines, etc., along with six proto-types bullock carts and three field trial carts amounting to Rs. 1.68 lakhs had been lying unused since August 1982. A committee was stated to have been constituted for disposal of these items.

Thus, an expenditure of Rs. 8.17 lakhs incurred on the project remained unfruitful as no approved design for a bullock-cart for use in rural areas had emerged (November 1989).

(iii) *Project on centre for technical education management studies:*— A sum of Rs. 10 lakhs was sanctioned by the Ministry, in February 1983, for the above project. As per the conditions specified in the sanction order, the main expenditure out of this grant was to be on non-recurring items for creation of necessary infrastructure which would essentially comprise equipment. The recurring expenditure would be admissible on academic research staff, non-technical staff, etc., as approved by the Ministry—as part of the requirements of the project. A scrutiny of records, however, revealed that no portion of the grant was utilised for creation of necessary infrastructure and for purchasing equipment, but Rs. 9.62 lakhs was spent up to March 1989 only on salary, travelling allowance, daily allowance, etc. to staff and on seminars.

Specific approval of the Ministry for incurring recurring expenditure on these items had not been obtained (November 1989).

### 7.10. Consultancy programmes

7.10.1 *Consultancy services*:— The Institute provides consultancy services in management. The particulars of studies undertaken during 1983-84

to 1988-89, number of studies completed, etc. are detailed below:—

Year	Number of programmes taken up/sponsored by				Number completed				
	Government	Public sector	Private sector	Others	Total	Within time	Beyond time schedule	Total	Number on going
1983-84	-	4	2	5	11	6	4	10	1
1984-85	4	1	-	3	8	1	6	7	1*
1985-86	4	1	6	5	16	10	4	14	1+1*
1986-87	7	2	3	3	15	9	5	14	1
1987-88	5	3	9	4	21	9	5	14	6+1*
1988-89	4	4	-	5	13	3	-	3	7+3*
Total	24	15	20	25	84	38	24	62	16+6*

(\*) Time schedule not known.

It was also observed that there was a delay ranging from one to three years in respect of 10 completed programmes and five ongoing projects had not been completed even after one to four years of delay. Reasons attributed by the Institute for the delay were as under:—

- (i) no clear idea of the magnitude of work involved at the time of initial assessment;
- (ii) client not supplying input data in time; and
- (iii) expansion of terms of reference.

7.10.2 *Study of socio-economic aspects of rural roads*:— A project for district level study of socio-economic aspects of rural roads-Ratnagiri district, Maharashtra was entrusted to the Institute by the Central Government in September 1980 at a cost of Rs 3 lakhs to be provided by Maharashtra Government. The project was approved as a research project by the Institute and no professional fee was provided for, in the budget except a token amount of Rs. 0.06 lakh (2 per cent of the total cost). A sitting fee of Rs. 0.29 lakh was also provided. The study was completed at a total cost of Rs. 3.15 lakhs. Major portion of the study relating to village level survey, was got done through a private agency at a cost of Rs. 0.45 lakh without obtaining approval of the Government of India. On account of change of project leadership, the project was converted into a consultancy programme without approval of the Government. A sum of Rs. 0.90 lakh was shared between the Institute (Rs. 0.30 lakh) and members of the faculty (Rs. 0.60 lakh) though there was no

provision for payment of professional fees in the project estimates.

7.10.3 *Consultancy rules of the Institute*:— The Institute takes up consultancy work on requests received from outside agencies subject to recovery of costs as per the norms set by it in its consultancy rules. According to these rules, the amounts of consultancy fee distributable between the faculty and the Institute is the net amount arrived at after deducting the direct expenditure on the consultancy project, including the time cost of personnel. The net amount thus arrived at, is distributed between the faculty concerned and the Institute in the ratio of 2 to 1. One third of net distributable amount creditable to the Institute is not meant to be set off against the recovery of "time cost of personnel". The term "personnel" in the rule covers faculty also. But the Institute, had from the very beginning, been recovering the cost of personnel other than the faculty only.

When the loss of revenue to the Institute on this account was brought to notice by Audit, in 1978, for remedial action instead of providing for recovery of time cost of faculty also, from the beneficiary, the Institute amended the rule, in April 1979, to exclude time cost of faculty from the ambit of the time cost of personnel. This resulted in making available the services of faculty without recovering the salary (paid by the Institute for the period of consultancy work) from the beneficiary. The need for withdrawing this amendment to the consultancy rules and for providing for recovery of time cost of faculty to prevent

further loss to the Institute was again pointed out by Audit, in March 1980. The Institute stated, in October 1989, that the matter would be taken up with the Board as well as with the Ministry and appropriate further action taken.

The loss due to non-recovery of time cost of faculty in respect of 5585 days of consultancy work done during 1983-84 to 1988-89 works out to Rs. 8.38 lakhs.

Central Government, in their order issued in May 1963, while allowing the Institutions to permit their personnel to undertake professional work laid down certain conditions which, *inter alia*, stated that remuneration for the consultancy work may be suitably fixed taking into account the nature of the work, the time devoted by the individual on the work and facilities provided by the Institution, which in effect meant that the quantum of remuneration should be fixed in relation to the "time cost of faculty". Government wanted that the rules framed by the Institutions should be amended to be in conformity

with the guidelines issued by it. While the rules framed by the Institution provide that a member of faculty could be permitted to undertake professional work for a maximum of 52 days in a year, they did not provide for any norm regarding the quantum of remuneration to be fixed in conformity with the guidelines issued by the Central Government. According to these guidelines, a faculty member who undertakes consultancy work for a maximum number of 52 days in a year is eligible for consultancy fee equivalent to 52 days salary i.e. 14 per cent (52 out of 365) of gross salary for that year.

A review of the records relating to consultancy/professional fees received by the faculty members revealed that 58 per cent of the faculty members received professional consultancy fees exceeding 14 per cent of their gross salary income as detailed below. The excess fee paid to faculty amounted to Rs. 24 lakhs approximately.

Quantum of professional fee as percentage of gross salary	(Amount in lakhs of rupees)													
	1983-84		1984-85		1985-86		1986-87		1987-88		1988-89		Total	
	Number	*Amount	Number	*Amount	Number	*Amount	Number	*Amount	Number	*Amount	Number	*Amount	Number	*Amount
14 to 25	8	0.15	7	0.12	10	0.27	9	0.32	8	0.23	8	0.35	50	1.44
25 to 50	10	0.85	14	1.38	10	1.32	17	2.13	10	1.36	4	0.57	65	7.61
50 to 75	8	1.48	3	0.74	11	2.61	4	1.16	4	1.03	3	0.99	33	8.01
76 to 100	1	0.26	4	1.18	5	1.81	4	1.41	1	0.59	-	-	15	5.25
Above 100	1	0.06	1	0.21	1	0.54	-	-	2	0.93	-	-	5	1.74
Total	28	2.80	29	3.63	37	6.55	34	5.02	25	4.14	15	1.91	168	24.05

(\*) Amount in excess of 14 per cent of salary.

The deviation from the guidelines regarding quantum of consultancy fees allowed to faculty of the Institute had neither been reported to Government nor approval obtained (December 1989).

7.11. *Faculty workload*:— The Nanda Review Committee in its report of January 1982 had discussed the urgent necessity for the faculty of the Institute to assess their workload. It also stressed the necessity to account for the total number of working hours in a year i.e. 2000 hours at the rate of eight hours per day for 250 working days. The Institute had not devised any faculty workload norm in the past. Faculty, besides teaching, were also engaged in other types of work such as short-term programmes viz. MDP, OBP, consultancy, research, seminars and workshops

organised by other agencies and academic administration.

In July 1987, a Committee of faculty members of the Institute brought out a document devising a system of assessing workload based on simple norms. The faculty performance assessment was also provided therein. This system was to be tried for one year and then the document was to be placed before the Board of Governors (July 1988), after modification of the same, if necessary, based on the experience gained from its implementation. It is nearly two years now and the document had not been placed before the Board (December 1989).

The faculty workload norms devised by the Insti-

tute, expected a faculty to do at least 175 hours of teaching and research work in a year. The committee had contemplated 200 hours of teaching load per year and the Board of Governors of the Institute had also suggested, in April 1987, raising the workload to 200 hours against 175 hours proposed by the Institute. The Institute obtained from the members of the faculty, performance reports for 1986-87 and 1987-88. Evaluation of these reports in terms of total number of hours of work output by applying conversion factors had not been done in order to ensure that each faculty had contributed the minimum work output of 175 hours on teaching and research.

The Nanda Committee had recognised that teaching is of primary importance in any teaching institution and the faculty workload as provided by the Institute also stipulates that at least a minimum of 33 hours out of 175 hours of work should be related to (a) teaching and training and (b) research and publication.

It was, however, seen that a number of faculty members had not handled any classes during some of the academic years. The year-wise details are indicated below:

Year	Number of faculty members who had not handled classes
1983-84	13
1984-85	7
1985-86	12
1986-87	10
1987-88	4
1988-89	3
<b>Total</b>	<b>49</b>

The position regarding members of the faculty who had not handled any classes for various periods ranging from one to five years is given below:

Period for which faculty members not handled classes	Number of faculty members who had not handled classes
5 years	1
4 years	2
3 years	4
2 years	6
1 year	12

According to the Institute, in any given year, a small number might have no teaching commitment owing to the faculty members being on extraordinary/subbatical/earned leave or holding full time academic/administrative positions such as Deans and choice of subjects being optional and voluntarily chosen by students, some subjects not being chosen.

The reply of the Institute is not only vague, but does not throw any light on specific cases brought out above.

7.12. (i) *Irregular ex-gratia payment on account of escalation charges to the contractors*:— Three contractors (A, B and C) were awarded the following works at their lowest tendered rates as detailed below:

S. No.	Name of work	Estimated cost	Tendered cost	Tender percentage	Date of commencement of work	Prescribed date of completion	Actual date of completion
1.	Construction of dormitories kitchen and dining block-II (Contractor A)	40.91 (SR of 78-79)	49.78	21.7 above	November 1978	May 1980	August 1982
2.	Construction of staff Housing Phase-I (Contractor B)	(SR of 78-79)	40.11	24.5 above	November 1978	May 1980	March 1982
3.	Construction of classroom and faculty Block Phase-I (Contractor C)	63.08 (SR of 78-79)	87.05	37.99 above	December 1979	June 1981	February 1984

According to the terms of the contract, steel and cement was to be supplied by the Institute. The contractor was liable to pay as compensation, an amount equal to 1 per cent of the estimated cost of the whole work for each day delay in completion of the work. It was observed that, although only a part

of the delay was due to reasons beyond the contractor's control, the Institute had given extension of time without invoking the provisions of the penalty clause.

During November 1979, contractors 'A' and 'B' represented to the Institute for payment of escalation

(rupees in lakhs)

charges in view of the steep increase in the cost of labour and materials after the award of the contract to them in November 1978. The agreement entered into with the contractors did not stipulate any escalation charges to be paid on account of increase in the cost of labour and materials. In a joint meeting of Campus Development Committee and the Finance Committee during March 1980, it was decided to make ex-gratia payment according to the formula devised by the Committee. In the meeting of the Board of Governors held during July 1980, it was decided to pay ex-gratia payment towards escalation charges not exceeding 15 per cent of the accepted tendered rates after deducting the cost of cement and steel and the value of work expected to be executed before the escalation of rates (April 1979). However, based on the recommendations of the three member committee, the Board in September 1981 decided to allow the escalation charges without restricting to 15 per cent of the tendered amount taking into account the magnitude of the loss that would be involved in execution of work as per contract and to allow the contractor to complete the work on 'no profit, no loss' basis. The ex-gratia payment assessed in respect of these contractors was Rs. 13.84 lakhs, out of which Rs. 9.00 lakhs was paid during September 1982. The balance amount of Rs. 4.84 lakhs was yet to be paid (December 1989). A scrutiny of the connected files revealed that the proposal to allow escalation charges was opposed by the Financial Adviser and Chief Accounts Officer of the Institute as the tenders accepted had sufficient cushion for escalation risks. The Financial Adviser, Ministry of Education who was also in the committee had indicated that to make the ex-gratia payment not included in the contract was bound to cause repercussions on other works.

In the meantime, contractor 'C' had also claimed for escalation charges in August 1983 and the Board of Governors directed the Institute, in September 1983, to place final recommendations after processing the claim of contractor 'C' by following the practices and procedures adopted earlier in the case of contractor 'A' and 'B'. Escalation charges for contractor 'C' had worked out to Rs. 2.42 lakhs and this was to be approved by the Board (December 1989).

Thus, allowing the ex-gratia payment outside the contract agreement resulted in unintended benefits to the contractors 'A' and 'B' to the extent of Rs. 13.84 lakhs, besides causing a further liability on a similar claim in respect of contractor 'C' to the extent of Rs. 2.42 lakhs.

(ii) *Unfruitful expenditure of construction of faculty block:*— The Board of Governors approved, in March 1983, the proposal to take up the construction of faculty blocks three and four and associated class rooms in the second phase. Considering the nature

of the work, the same was bifurcated into two portions namely (i) construction of faculty Block three and four (estimated cost Rs. 22.44 lakhs) and (ii) construction of associated class rooms, connecting corridor and staircase (estimated cost Rs. 44.66 lakhs). The first work was completed in February 1986 at a cost of Rs. 21.97 lakhs. The tender for the second work was called for, in January 1985. As only one tender was received, tenders were re-invited in February 1986. Again only two tenders were received. The lowest tender of contractor 'D' received for the third call was accepted and work order was issued, in November 1987, at a tendered cost of Rs. 56.56 lakhs. While the physical progress was only 11 per cent against 70 per cent to be achieved by July 1989, the contract was terminated, in August 1989, due to breach of contract (mainly slow progress of work) and the balance work was yet to be taken up (November 1989).

As a result of delay in finalisation of tender for the second work, the building completed in February 1986, had not been put to use for want of stair case and connecting corridor. The Institute stated, in October 1989, that only the ground floor of the said two blocks was presently being used for Institute activities.

Thus, the expenditure of Rs. 21.97 lakhs incurred on the building remained largely unfruitful (November 1989).

7.13. *Mobile Communication Unit:*— The Board of Governors approved, in February 1979, the proposal submitted by a professor for acquiring a mobile communication unit for the Institute for organising exhibition demonstrations and extension services, subject to circulation of a comprehensive project report amongst the members of the Board for information and for considering how best the services of such a unit could be utilised. This was not complied with at all.

The Director of the Institute ordered, in March 1979, the purchase of a chassis (Hindustan T-120) costing Rs. 0.82 lakh which exceeded his powers of purchase. Audio-visual equipment costing Rs. 0.13 lakh including a public address system and a generator costing Rs. 0.14 lakh was also purchased in December 1980. The chassis was acquired in November 1979 and limited tenders were called for body building from five firms in December 1980. Only one firm 'A' quoted a rate of Rs. 1.59 lakhs. After the last date fixed for tendering, another firm 'B' voluntarily offered to do the work at a cost of Rs. 0.70 lakh plus taxes. The latter offer was considered by a committee formed to examine the capacity of the firm 'B' to execute the work. In the meantime, the firm 'B' revised its offer, in August 1981.

with a validity period of one month to Rs. 1.40 lakhs plus taxes. The Committee recommended re-invitation of tenders based on which the Institute resorted to limited tender from five firms including firm 'B'. Against this call, only firm 'B' tendered the same rates and work order was issued in March 1982. The work which was to be completed in June 1982 was, completed in January 1985 after a delay of 952 days at a total cost of Rs. 1.49 lakhs. For the delay in completion of the work, a token penalty of Rs. 1,400 was levied on the plea that the delay was not wholly attributable to the firm. The van on which a total expenditure of Rs. 2.77 lakhs (including road tax and insurance of Rs. 0.19 lakh) had been incurred was not put to use at all till it was disposed of in September 1989 for a sum of Rs. 0.81 lakh.

An independent person who was appointed on the advice of the Ministry to examine the circumstances leading to the expenditure becoming infructuous and matters relating to the purchase of chassis, the tendering and fixing of the agency for body building, etc. concluded that the project was ill-planned in that while action was taken to get all the hardware like van, projector, video/audio equipments, no thought was given at any time to the difficult and expensive task of getting the software components like 16 mm films, transparencies, video/audio material, etc., consistent with the objectives of the project which led to the whole expenditure becoming infructuous. The final decision of the Board has not been communicated (December 1989).

#### 7.14. *Accounts Manual*

Though the Institute was established in 1973-74, Accounts Manual formulating the rules and procedure for being followed by it, has not been compiled (December 1989).

The Ministry endorsed the replies of the Institute in October 1989.

### 8. National Institute of Educational Planning and Administration

#### 8.1. *Introduction*

The National Institute of Educational Planning and Administration (the Institute) formerly known as National Staff College for Educational Planners and Administrators, was established as an autonomous institution and registered under the Societies Registration Act, 1860 with the Ministry of Human Resource Development. Its main objectives are to:—

— organise training programmes, orientation programmes, refresher courses, conferences, workshops, meetings, seminars for senior educational officers of the Central and State Governments, teacher-educators and university and college administrators and top-level persons in the field of educational planning and administration;

- undertake, aid, promote and coordinate research in various aspects of educational planning and administration;
- provide consultancy service, academic and professional guidance to State Governments, educational institutions and personnel engaged in educational planning and administration;
- prepare, print, and publish papers, periodicals and books in furtherance of objectives of the Institute;
- offer fellowships, scholarships and academic awards in furtherance of objectives of the Institute;
- confer honorary fellowships, scholarships and academic awards in furtherance of the objectives of the Institute; and
- provide, on request, facilities for training and research in educational planning and administration to other countries, especially of the Asian region and collaborate with them in programmes.

#### 8.2. *Scope of Audit*

The accounts of the Institute are audited by the Comptroller and Auditor General of India under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The certified accounts and Audit Report thereon are placed every year before both Houses of Parliament. A review on the working of the Institute was conducted during March to June 1989, mainly covering research studies from 1981—1989 and other activities from 1984—1989.

#### 8.3. *Organisational set-up*

The rules of the Institute provide for a Council, an Executive Committee and a Finance Committee. The Director of the Institute appointed by Government of India is its principal Executive Officer.

The Council consists of a President, nominated by the Government of India, a Vice-President, members of the Executive Committee and not more than 25 other members which include Chairman, University Grants Commission, representatives of the Government of India, Planning Commission, National Council of Educational Research and Training, eminent educationists nominated by the Government of India, representatives of the State Governments and Union Territories and one member of the faculty of the Institute nominated by the President of the Institute.

The main functions of the Council are to carry out the objectives of the Institute as set-forth in the Memorandum of Association and exercise general supervision of all affairs of the Institute. The Executive Committee and Finance Committee consist of seven and five members respectively. The Executive Committee manages all the affairs and funds of the Council and has the authority to exercise all



powers of the Council. The Executive Committee operates through the Finance Committee and the Programme Advisory Committee.

#### 8.4. Highlights

— The total number of calendar days of the faculty utilised for running training programmes declined from 755 and 862 during 1984-85 and 1985-86 respectively to 424 in 1986-87, 391 in 1987-88 and 376 in 1988-89. The number of diploma courses for District Education Officers and the number of participants had also declined.

— No scientific system existed to study the impact of training programmes and diploma courses organised over the years.

— Out of 38 projects/studies due for completion upto March 1989, 28 projects/studies had been completed of which five were in prescribed time and 12 after delays of upto 32 months, for 11 no time limit had been prescribed. Out of 36 sponsored projects/studies, only 10 projects/studies were completed within the prescribed time and 24 projects/studies were completed in extended time. Two were still to be completed.

— In 14 out of 16 cases checked in audit, there was time gap ranging from upto six to 22 months between the approval and commencement of the study. The reports were also not submitted within the prescribed period of three months of completion.

— There was no system to ascertain whether the study of the projects undertaken by the Institute had been of use to policy makers, planners and administrators.

— The Institute had not maintained any unit-wise or consolidated records showing the projects approved from year to year, sanctioned budget of projects, time for completion and the actuals against all these.

— There was no panel for selection of resource persons and experts.

— The Institute had deposited Rs. 17.85 lakhs with the Central Public Works Department in March 1988 and January 1989 for construction of staff quarters even though the building plans had not been approved. The construction work had also not yet started (November 1989).

— Although Government sanctioned and paid grants to the Institute separately under Plan and Non-Plan, the Institute did not maintain details of expenditure of various academic activities under 'Plan' and 'Non-Plan'.

— The regulations for the administration and management of the affairs of the Institute had also not been got approved from the Government.

— Although the Institute had been in existence for nearly two decades, the first ever Review Committee for reviewing its work and progress was appointed only in March 1989. The Review Committee while observing that the Institute had by and large fulfilled its objectives suggested that the Institute should develop as a centre of excellence in educational planning and administration and evolve a long term perspective plan for the next 10 to 15 years. The Committee also observed that the studies being undertaken lacked management thrust or focus and the study reports enthused people to a limited extent and suggested that more experimental and path-breaking studies should be undertaken. Regarding training programmes the Committee suggested that the clientele and programmes should be chosen where the Institute had competencies, where the clients needed the programme and where there was scope for making an impact. The Committee further suggested that the programmes undertaken by the Institute should be a good mix of training, research, advisory and dissemination activities and the faculty members and groups should plan and review their activities annually under various fields and there should be a system of performance appraisal for all faculty and research staff.

8.5. *Finance and Accounts*:— The Institute is mainly financed by grants received from the Government. The grants so received are further allocated by the Council under different heads. Year-wise summary of receipts and payments from 1984-85 to 1988-89 is given below:—

(Rupees in lakhs)

Head of Account	1984-85	1985-86	1986-87	1987-88	1988-89	Total
<b>Receipts</b>						
Opening balance	9.84	8.47	13.99	22.97	22.21	
Grants-in-aid	74.39	85.58	89.06	110.07	117.36	476.46
Office and other miscellaneous receipts (including hostel rent)	4.06	7.21	9.90	12.03	9.22	42.42

Sponsored programmes and studies	13.73	18.47	21.16	14.78	27.75	95.89
Public works deposits	—	—	—	0.09	2.71	2.80
Other deposits and advances	0.99	1.01	1.70	2.06	2.27	8.03
<b>Total</b>	<b>103.01</b>	<b>120.74</b>	<b>135.81</b>	<b>162.00</b>	<b>181.52</b>	
<b>Payments</b>						
Establishment/other expenses (including hostel expenses)	43.86	50.54	60.86	75.45	86.33	317.04
Academic activities	11.37	16.48	17.07	16.46	20.01	81.39
Capital expenses	4.39	3.39	4.47	13.95	13.38	39.58
Sponsored programmes and studies	14.01	17.25	19.76	12.59	26.34	89.95
Public works deposits	19.39	16.86	8.00	18.53	8.79	71.57
Other deposits and advances	1.52	2.23	2.68	2.81	4.39	13.63
Closing balance	8.47	13.99	22.97	22.21	22.28	
<b>Total</b>	<b>103.01</b>	<b>120.74</b>	<b>135.81</b>	<b>162.00</b>	<b>181.52</b>	

The Institute had been regularly receiving grants from the Government both under 'Plan' and 'Non-Plan'. While the Institute had shown grants under 'Plan' and 'Non-Plan' separately on 'Receipts' side of accounts, the expenditure under 'Plan' and 'Non-Plan' was not exhibited separately under respective heads on the 'Payments' side (except under the heads 'Salaries' and 'Office expenses'). The Institute had not worked out the programme-wise details of the Plan and Non-Plan provisions under 'Academic activities'. The details of expenditure under various activities were also not kept separately under Plan and Non-Plan. Instead at the end of each year, a sum equal to the provisions under Non-Plan head under Academic activities was debited thereto and the balance of the remaining expenditure was debited to 'Plan' head. This was irregular since the Institute was not empowered to reappropriate funds from Plan to Non-Plan heads and *vice versa*. The Institute stated in May 1989 that specific 'Academic activities' under 'Plan' and 'Non-Plan' had been identified and expenditure thereagainst would henceforth be exhibited separately under 'Plan' and 'Non-Plan' in the annual accounts for the year 1989-90.

8.6. *Review Committee*:— According to the rules of the Institute, the Central Government may appoint one or more persons to review the work and progress of the Institute. Although the Institute had been in existence for nearly two decades, a Review Committee to review its work and progress in terms of objectives envisaged in its Memorandum of Association, and to suggest an appropriate future role for it in the context of implementation of National Policy on

Education 1986, was appointed only in March 1989. In its report submitted, in September 1989, the Committee observed that the Institute had achieved its objectives by and large and suggested its mission "to be a National Centre for excellence in educational planning and administration intended to improve the quality of planning and administration in education by constantly generating new ideas and technologies and disseminating them through strategic groups". The Committee felt it was important for the Institute to evolve a perspective plan for the next 10 to 15 years. The Committee also made certain other observations/recommendations as discussed subsequently.

8.7. *Non-preparation of regulations*:— The Institute was required to frame regulations for the administration and management of its affairs with the previous approval of the Government relating to various activities. The regulations in respect of activities/schemes undertaken by the Institute from time to time had not been framed and got approved from the Government.

The Ministry stated, in October 1989, that it was neither feasible nor desirable to frame *abinitio* the total frame-work of regulations covering all the aspects of the activities of the Institute falling within its objectives and that the rules were formulated as new academic activities were undertaken from time to time. The Ministry also stated that the Institute had already framed regulations in certain areas which were duly approved by the Finance and the Executive Committees on which representatives of Department of Education, Ministry of Finance and Planning Commission were represented and the minutes of the meetings were forwarded to them. However, neither

the Ministry had communicated nor the Institute sought approval to the regulations except in one case viz. Diploma in Educational Planning and Administration for District Education Officers. Audit scrutiny showed that the scheme for the said diploma course had not been got approved from Government, but the sanction for enhancement of rates of stipend, book grant etc. to the participants only was obtained. Further, while the Institute had undertaken certain other areas of activities, and incurred expenditure thereon, it had neither framed regulations nor sought approval thereto from Government.

8.8 *Academic activities*:— The faculty of the Institute numbering about sixty was organised into nine academic units with full responsibility for development and execution of various training and research programmes and providing consultancy and advisory services in areas entrusted to them. A test check of implementation of academic activities revealed as under:—

8.8.1 *Training programmes*:— The Institute organised training programmes for educational functionaries in various sub-sectors and at various levels of education with a view to improving capabilities in the key areas of educational planning and administration. Training Programmes were also arranged at the request of international agencies.

During 1984-85 to 1988-89, the Institute organised 263 training programmes/workshops/seminars/refresher courses etc. in educational planning and administration for different educational functionaries from within the country covering a total of 1849 days in which 6321 persons participated. The Institute also organised 24 international programmes covering a total period of 959 days in which 275 functionaries participated from abroad.

Test check of records revealed the following:

(i) The total number of calendar days of the faculty utilized for running training programmes declined from 755 and 862 during 1984-85 and 1985-86 respectively to 424 in 1986-87, 391 in 1987-88 and 376 in 1988-89. The Ministry stated, in October 1989, that the load of training programme was reduced as per decision of the Executive Committee in January 1987 on the recommendations of a committee appointed by the Executive Committee in order to keep a proper balance between research, training, extension and consultancy services. It was also stated that the work load of the faculty increased substantially from 1986-87 onwards due to their deep involvement in policy formulation and implementation exercise in connection with New Education Policy. However, the committee appointed by the Executive Committee had also recommended the establishment of State Level Centres to make a dent in the training of large number of educational functionaries at State, District and other levels. The Review Committee also recom-

mended, in September 1989, that the Institute should gradually transfer its responsibilities relating to training of functionaries at district level or Principals of colleges and others to these State level centres. However, the State Level Centres had not been established so far. The Institute was also asked, in November 1989, to intimate whether any decision for balancing of various programmes was taken and the comparative details of such programmes and the number of days involved therein. The information was not furnished by the Institute.

(ii) The details regarding number of organisations approached for participants and nominations actually received in respect of various programmes organised by the Institute were not ascertainable as the relevant records were not maintained/available. The Ministry stated, in October 1989, that the names of organisations, nominations received and actual participations were verifiable from Information Guides and reports of the programmes.

(iii) The Institute had not prescribed the minimum duration and minimum number of participants in each programme. Out of 287 programmes, the duration of 182 and 33 programmes was between one to five days and six to ten days respectively. The duration was one day each for seven programmes, two days each for 30 programmes, three days each for 35 programmes and four days each for 17 programmes. The number of participants was less than six in 19 programmes, one each in five programmes, two each in two programmes, three each in four programmes, four each in four programmes and five each in five programmes. The number of participants ranged from six to ten in 36 programmes and from 11 to 15 in 85 programmes.

(iv) The Institute was required to prepare a report at the conclusion of each programme. Two copies of the report were required to be sent to Library and 25 extra copies were to be retained in respective units for meeting any demand from other institutions. The Institute stated that out of 287 programmes, reports were prepared in respect of 279 programmes and reports in respect of remaining eight programmes were either yet to be prepared or the same were not required to be prepared. The reports were bound on yearly basis and entered in the registers kept in the library. The number of reports for the period April 1984 to March 1989 as entered in the register was 126 (45 per cent) only. The preparation of Reports in the remaining 153 cases was not verifiable. The Institute stated, in July 1989, that the reports were not accessioned in the library in view of their limited utility. The number of copies of reports kept in units and their distribution could also not be verified as proper records were not maintained.

(v) No scientific system existed to ascertain as to

what extent the purposes for which the programmes had been organised, were achieved. The Institute stated, in May 1989, that the State Governments did not have any formal stipulated systems to supply feed-back about impact of the training programmes and any mechanism for external evaluation was not considered necessary in addition to the existing systems of in-built evaluation wherein course was evaluated by the participants. The Institute also stated that it had conducted an impact evaluation exercise in respect of training programme of Heads of Institutions from Assam organised during 1983-85 which indicated that the programme did have beneficial effects.

The Review Committee which sent questionnaires to participants in various courses conducted by the Institute reported that while a small percentage of the respondents felt that they had been scarcely benefited from the knowledge and skills gathered at the Institute, more than two third had said that they were greatly benefited. The participants had suggested adoption of pragmatic approach and stressed the need for follow-up action with a view to improving the quality of training programmes. The Review Committee recommended that the Institute should choose its clientele and programme where it had competencies, where the clients needed the programme and where there was scope for making an impact. The Committee also recommended that the faculty of the Institute should periodically visit the clients/client organisations and assess the utility of training programmes.

(vi) Out of Rs. 12.69 lakhs received for organising international programmes, a sum of Rs. 12.08 lakhs was actually spent; the remaining sum of Rs. 0.61 lakh as shown in the proforma accounts pertained to the years 1984-85 (Rs. 0.27 lakh), 1985-86 (Rs. 0.30 lakh) and 1987-88 (Rs. 0.04 lakh). The Institute stated (June 1989) that these accounts were being settled.

#### 8.8.2 *Diploma in educational planning and administration and International Diploma in educational planning and administration*

(a) *Diploma in educational planning and administration*:— The Institute organised diploma course of six months' duration (including three months project work at the place of work of participants) in educational planning and administration for District Education Officers and other officers of equivalent rank from States/Union Territories with a view to improving their effectiveness in the field of education, planning and administration.

During 1984-85 to 1988-89, six diploma courses were completed at an expenditure of Rs. 6.73 lakhs. Out of 189 nominations received, 123 persons actually participated in these programmes. One

programme organised from November 1988 was in progress at the end of March 1989.

The number of programmes organised declined from two each in 1985-86 and 1986-87 to one each in 1987-88 and 1988-89. The number of participants had also decreased from 35 in 1985-86 to 18 in 1986-87 and 13 each in 1986-87 and 1987-88. The Institute stated, in August 1989, that decreasing response had been engaging its attention and informal feed back from State authorities revealed that there was increased pressure of work at district level officers arising out of new schemes and it was difficult to depute officers in quick succession for as long a period as three months. An expert committee was, therefore, set up to review and redesign the programme. The Committee had met once, in July 1989, and follow-up action on the recommendations of the meeting was stated (December 1989) to be in progress.

No records pertaining to accounting and distribution of reports prepared at the conclusion of each programme were maintained by the Institute. It could, therefore, not be verified as to whether the reports were actually prepared, distributed and sent to library. The registers maintained in the library, however, revealed that only three reports were entered therein as against six diploma courses completed during 1984-85 to 1988-89.

Neither any system existed to study the impact of the programmes organised from year to year to see as to what extent the programmes had achieved the desired purpose nor any study was made to ascertain the impact of programmes organised in the past. For the first time, the Institute initiated action, in May 1989, to obtain feed back from participants in all the diploma programmes with a view to strengthening the quality of the programme and ascertaining the nature and extent of the impact made on the pattern of professional growth of participants. The Institute stated, in May 1989, that the State Governments did not have any formal stipulated system to supply feed back about the impact of the programmes. The Institute did not intimate whether any mechanism for external evaluation of diploma courses existed.

(b) *International Diploma in educational planning and administration*:— The Institute completed four International diploma courses during April 1985 to March 1989 for training of senior cadres of educational planners and administrators from sister Third World countries. Expenditure of Rs. 23.76 lakhs was incurred on these programmes. Out of 66 participants, 34 actually completed the programmes and were awarded the diplomas. Twenty four participants did not submit their dissertations, and the dissertations of eight participants received by the Institute had

not been evaluated so far. It was observed that five of the eight dissertations which had not been evaluated so far had been submitted by March 1989.

No records pertaining to accounting and distribution of reports prepared at the conclusion of each programme were maintained by the Institute. It could not, therefore, be verified as to whether the reports were actually prepared, distributed and sent to library. The registers maintained in the library, however, revealed that three reports were entered therein as against four international diploma courses completed during April 1985 to March 1989.

No system existed to study and evaluate the impact of the programmes. The Institute, however, stated, in May 1989, that the steady increase in the number of participants indicated effectiveness and utility of the course and the programme was evaluated by the participants as high-rating.

**8.9. Research project/studies:**— With the objective to aid, promote and coordinate research in various aspects of educational planning and administration, the Institute undertook research proposals formulated by its academic units as well as those sponsored by the Central and the State Governments, national and international organisations.

**8.9.1 Projects/studies financed by the Institute:**— During 1981-82 to 1988-89, the Institute sanctioned 44 research projects/studies to be funded by it at a budgeted cost of Rs. 38.62 lakhs. Out of 38 projects/studies (budgeted cost Rs. 28.11 lakhs) which were due for completion upto March 1989, 28 projects/studies were actually completed, one was not taken up and one more study was suspended as the researcher had gone abroad. No time limit was prescribed for completion of 11 out of 28 studies completed; five studies were completed on schedule, and the remaining 12 studies were completed after delays (for which extensions were granted) of upto six months (seven cases), 12 months (four cases) and 32 months (one case). Out of the eight projects which were still pending, five were due for completion in May 1985 and one in March 1987. Expenditure of Rs. 7.45 lakhs was incurred on the eight incomplete projects. The delay in completion of the projects was attributed to, *inter-alia*, shortage of staff, delay in availability of requisite data/computerised data, researcher having gone on leave etc.

The scheduled date of completion was determined with reference to the date of commencement. An analysis of 16 cases revealed that there was time gap between the approval and commencement of study in 14 cases of upto six months, 12 months and 22 months in nine, four and one cases respectively. Consequently the due date of completion was

extended to the extent of delay in commencement of the projects.

According to the prescribed procedure, a report on the project/study was required to be submitted within three months of its completion. The Institute had not furnished full data showing the extent of time lag between date of completion and the date of submission of the report in respect of studies/projects completed. It was noticed that there was wide gap between date of completion and date of submission of the report of projects/studies. In one of the cases the study was completed in January 1988 but its report had not been finalised till June 1989. The Ministry stated, in October 1989, that in most cases the report was submitted on time or between three to six months from the date of completion. The reply of the Ministry could not be verified as the Institute reaffirmed in December 1989 that the relevant information/records were not available.

Two copies of each of the reports were required to be sent to the library for reference purposes on completion of the project/study period and in no case later than three months thereafter. The records pertaining to rendering of the reports to library were not kept in the respective academic units. Out of 28 projects/studies stated to have been completed, reports pertaining to only 26 cases were accessioned in the library three to six years after completion of the projects/studies; in 15 out of these cases the accession was done after the omission was pointed out by Audit. The reports had not been accessioned in one case and not finalised in the remaining one case.

**8.9.2 Projects/studies sponsored and funded by Central/State Governments/National organisations:**— During 1981-82 to 1988-89, the Institute undertook 37 projects/studies funded by other organisations for which it received Rs. 45.92 lakhs. Out of 36 projects/studies (Rs. 42.32 lakhs) due for completion by 1988-89, 34 projects/studies were completed. Scrutiny in Audit showed that only 10 projects/studies (Rs. 11.02 lakhs) were completed within the prescribed time, and 24 projects/studies (Rs. 26.48 lakhs) were completed in extended time which was upto six months, 12 months and 13 months in 13, two and nine cases respectively. The extension was got approved from the sponsoring agencies or those were informed accordingly. One project/study (Rs. 0.15 lakh) remained incomplete and another project/study (Rs. 6.12 lakhs) was still on going in extended time. The reasons advanced for delay in completion of work included *inter alia* non-availability of research staff/computer facility, delay in receipts of reports from States, delay in receipt of funds from sponsoring agency. Out of 34 projects/studies completed, reports pertaining to five cases were not accessioned in the

library and in the remaining 29 cases the reports were accessioned in April and May 1989 after the omission was pointed out by Audit.

**8.9.3 Projects/studies sponsored by international organisations:**— During 1981-82 to 1988-89, the Institute undertook 16 projects/studies (Rs. 3.50 lakhs) sponsored by other countries and international agencies, out of which 15 projects/studies (Rs. 2.46 lakhs) had been completed. Complete details regarding due date of completion and actual date of completion in respect of 11 out of 15 completed projects/studies were not made available. It could not, therefore, be ascertained as to whether 11 projects/studies had been completed in prescribed time. The Institute stated, in June 1989, that in case of sponsored projects/studies, time was stipulated by the funding agency and any change in the same was in consultation with the same agency. Consequently it did not maintain any record about time stipulated, changes and modifications, etc. Out of 15 projects/studies completed, the reports were not accessioned in the library in 11 cases and in the remaining four cases the reports were accessioned, in May 1989, after the omission was pointed out by Audit.

The Institute did not have any system whereby it could monitor as to whether the studies/projects undertaken had been of any use to policy makers, planners and administrators in their decision-making and planning. The Institute stated, in June 1989, that findings were communicated to concerned agencies and others concerned after completion of the research studies and feed-back was received through written communications and through observation in various meetings. The findings of the research studies enriched the training programmes and same were also utilised in their final reports.

The Review Committee observed that the research projects undertaken by the Institute ranged around current and important issues and that it was moving in the right direction, but there was still scope for further development. According to the Review Committee, the research studies undertaken by the Institute lacked management thrusts and hence the results and the study reports enthused people only to a limited extent. The Committee recommended that more experimental and path breaking studies should be undertaken by the Institute.

Points noticed in test check of records relating to some of the case studies/projects are mentioned below:-

(i) In May 1984, the Institute approved a research project titled 'A District-wise analysis of the disparity

between literacy levels of Scheduled Castes and non-scheduled population in India, at an estimated cost of Rs. 0.95 lakh for 12 months' duration. The Project Director and Associate fellow of the Project were relieved from the Institute on transfer and on deputation in July 1984 and December 1984 respectively. A Project Cartographer was, however, appointed in September 1984 for eight months and expenditure of Rs. 0.11 lakh had been spent on the project during 1984-86 towards salary of Cartographer and contingencies. The Associate fellow returned from deputation in July 1985, but the project work was not resumed immediately on his rejoining. In anticipation of the approval of the Institute, sanction for revival of the study was issued in October 1987. Subsequently, in January 1988, ex-post-facto approval was accorded to revive the research study with widened scope by including the analysis of the Scheduled Tribes population at revised estimated cost of Rs. 1.53 lakhs including Rs. 0.11 lakh already incurred during 1984-86 to be completed within one year of restarting the work. The work could not be completed so far as the fellow was deputed to undergo post-doctoral research work with effect from September 1988 to June 1989.

The Institute stated, in June 1989, that the work could not be taken up immediately after return of the fellow in July 1985 due to his other academic commitments and revival of the project also needed approval of the Programme Advisory, Finance and Executive Committees. The Institute conceded that no specific policy had been laid down to relieve the persons for other assignments who had not completed the work undertaken by them, but care was taken that the researcher completed the work before proceeding on the assignments except in cases involving career development and when the completion of the study was not time-specified. The Ministry stated, in October 1989, that it had been decided, in September 1989, to revive the study with its original design and a separate study was being formulated to cover the analysis of the Scheduled Tribes population.

(ii) In May 1983, the Institute approved undertaking of a research study on "Indian education in the year 2000 - A long-term perspective" to be completed within a period of 18 months with an estimated cost of Rs.4.08 lakhs. The study was meant to prepare data for different stages of education, past trends, future projections and establishing a system of priorities.

The study which was required to be completed by

November 1984 was extended upto December 1985 and again upto March 1987 whereafter, it was discontinued. Expenditure of Rs. 2.07 lakhs was incurred on the study and eight papers were brought out, of which three papers related to elementary education only and apparently did not cover in full the objectives as per the original study.

Accordingly, a proposal to restructure the project to support the policy perspective upto 1995 was prepared at a tentative cost of Rs. 5.14 lakhs for two years with the suggestion that the work might continue with the unspent balance of Rs. 2.01 lakhs out of original budget of Rs. 4.08 lakhs and that the progress of the work be assessed after about one year and decision with regard to further allocation might be taken at that stage. The Executive Committee extended (August 1988) the terms of study to undertake projection activities upto March 1990 with the unspent balance of Rs. 2.01 lakhs. Thus, the study which was required to be completed by November 1984 was now targeted for completion after delay of more than five years.

(iii) In June 1985, a study on "Management of educational change" was approved at an estimated cost of Rs. 3.22 lakhs for a period of 24 months from the date of commencement. Under the project, 23 case studies of innovative programmes at National, State and Institutional levels were targeted to be received which were to be used for preparing the draft report.

The study was actually taken up in December 1985 and duration of its completion was extended, in January 1988 up to August 1988. Out of 23 case studies required to be received, 20 case studies had actually been received by January 1989 and the report had been drafted and was to be reviewed and scrutinized in a workshop scheduled in June 1989. Expenditure of Rs. 2.21 lakhs had been incurred on the study up to March 1989.

The Institute stated that three case studies were dropped as the same had not been received from outside academicians who could not complete the same due to pressure of work in their respective organisations or other commitments. The Institute further stated, in August 1989, that the completed studies which were returned to case authors had been received after review and scrutiny and the workshop which was planned to review and scrutinise the draft report had not been organised. The report since drafted on the basis of edited manuscripts received from the case authors was being submitted to the next meeting of the Executive Committee.

**8.10. Scheme of assistance for studies in educational**

*planning and administration:*— In June 1987, the Institute introduced a scheme to assist organisations/institutions and individual experts with a view to aid and promote research in the area of educational planning and administration. The grant was to be sanctioned on receipt of application in prescribed form. In exceptional cases, grant to individuals might include a small component for their remuneration on the recommendation of the Screening Committee. All proposals for re-appropriation exceeding 10 per cent of the sanctioned amount required prior approval of the Institute. The individual researchers were also required to execute bond with two sureties before grant was released. The Director of the Institute was authorised to sanction minor projects costing upto Rs. 0.10 lakh on the basis of internal scrutiny and projects costing over Rs. 0.10 lakh and upto Rs. 0.50 lakh were to be sanctioned on the recommendations of the Expert Committee *inter alia* with external experts on the same subject to its being reported to Programme Advisory Committee at its next meeting.

During 1987-88 and 1988-89, the Institute sanctioned five research studies (Rs. 1.86 lakhs) out of which three research studies (Rs. 0.78 lakh) were due for completion upto March 1989. Out of these only two studies were completed, one within the prescribed time and the second within extended time of six months. Out of two studies completed, audited statement of accounts and utilisation certificates were received in one case only but the supporting paid vouchers were awaited.

The Institute issued sanction on 27th October 1987 for funding the preparation of study 'Monograph on Micro-Planning : Gandhi Gram Experiment' at an estimated expenditure of Rs. 0.24 lakh for a period of three months on the basis of discussions held by the Director with the scholar without receipt of a formal application from the scholar and without recommendations of the Expert Committee. The work was to commence from 15th October 1987 and the amount was to be paid in two instalments. The first instalment of Rs. 0.15 lakh was actually paid on 9th October 1987 even before issue of sanction on the ground of urgency of the commencement of the work. The Institute also paid a sum of Rs. 0.025 lakh in March 1988 as honorarium in contravention of the provisions of the scheme. The requisite bond with two sureties was also not got executed and approval/prior approval for reappropriation was not obtained despite substantial variations in sanctioned and actual expenditure on various items.

The report was printed without getting it evaluated from external experts as per procedure laid down for the purpose.

The Ministry stated, in October 1989, that adherence to formal procedures regarding execution of bond and evaluation of the report through external experts would have caused inordinate delay and was all the more unnecessary as the researcher was one of the most distinguished scholars of the country.

**8.11. Associateship of the Institute:**— The scheme for award of Associateship to persons with academic and educational planning, administration background visiting the Institute to do research work in the area of educational planning, administration and innovations was approved in February 1983. Only one scholar attached to the Institute in 1982 and 1983 worked under this programme for post doctoral research work and was awarded Associateship.

Neither the reasons for awarding associateship to only one scholar since inception of the scheme nor the procedure for sponsorship and particulars of efforts for publicising the scheme if any, made for award for Associateship subsequently to any other scholar were intimated. The Institute stated, in April 1989, that no other scholar had either been sponsored or covered under the scheme.

#### 8.12. Publications

(i) *Priced publications:*— The Institute published books through commercial publishers on royalty basis, under which the publisher was to meet cost of publication, fix sale price of the book in consultation with the Institute and to pay royalty at the agreed percentage viz., 10 per cent of list price of the publication.

The Institute executed four separate agreements with one firm during 1982-85 and subsequently an agreement was executed with another publisher in March 1986 for three years. The second publisher had the discretion to decide the number of copies to be published. A discount of 40 per cent was admissible on purchases made by the Institute. As per the agreement with the second publisher in March 1986, the Institute was required to purchase 300 copies of each of the publications. During 1982-83 to 1988-89 the Institute had published only nine books.

It was observed that royalty from the first publisher was not being received regularly and a sum of Rs. 0.11 lakh was recoverable upto 1987-88. No provision for levy of penalty for delayed payment of royalty was made in both the agreements. The second publisher had published 501 copies of one book in 1987 and incurred expenditure of Rs 0.29 lakh. The list price of the book was fixed at Rs. 185 per copy. The Institute paid Rs. 0.33 lakh for 300 copies of this book. Thus against the total expenditure of Rs. 0.29 lakh incurred by him, the publisher received Rs. 0.33 lakh from the Institute. The total sale price of the remaining 201 copies of book was Rs. 0.37 lakh inclusive of the royalty payable to the Institute. The

Ministry stated, in October 1989, that an amount of Rs. 0.05 lakh had since been adjusted towards royalty of Rs. 0.11 lakh recoverable from the first publisher.

The physical verification of books had never been conducted.

(ii) *Unpriced documents:*— During 1982-83 to 1988-89 the Institute had got twelve unpriced books/reports printed. Out of a total 9250 copies of unpriced publications printed during 1982-89, 3745 copies were in stock. The physical verification of unpriced publications had also not been conducted.

**8.13 Library and documentation centre:**— According to the information furnished by the Institute, the Library had 0.42 lakh books at the end of March 1989, out of which 0.23 lakh books purchased at a cost of Rs.19.95 lakhs and 1,612 received as gifts only were accessioned. The Library had also 0.18 lakh unaccessioned documents which included mimeographed documents, annual reports, seminar reports, etc.

The documentation centre which was established in 1981, to keep the documents pertaining to publications by district authorities/institutions and State/Union Territory education departments, had 6304 books at the end of March 1989 out of which 1708 books were purchased at a cost of Rs. 1.06 lakhs and the remaining 4,596 books were received as gifts. In addition the documentation centre had 1425 unaccessioned documents. Catalogue cards were prepared and shelved alongwith other documents. The records kept in respect of the number of unaccessioned documents were not intimated. Out of a total of 6208 gifted books accessioned in the Library and Documentation Centre, price of 5806 books was not recorded. The unpriced gift books and priced gift books of documentation centre had not been capitalised.

While the physical verification of documentation centre had never been conducted since its inception, the physical verification of Library was conducted only once in 1986 after 1978.

Library and Library Books Selection Committee were constituted/reconstituted in September 1982/October 1986 and February 1981/October 1986 respectively. The duration and periodicity of holding the meetings of these Committees had not been specified.

The Institute purchased 54 micro films containing agenda and minutes of UGC since its inception at a cost of Rs. 0.41 lakh in October 1985 and January 1986. The Institute also purchased a micro film



reader in March 1988 at a cost of Rs. 0.20 lakh for putting to use the micro-filmed documents. Only one person had, however, used the micro-film reader till May 1989.

The Institute had also acquired films (6), video cassettes (8), audio cassettes (80), and micro-fiches (48) with a view to modernize the Library and develop it as multi-media resource centre. The audio cassettes were entered in the stock register after the omission was pointed out by Audit. No record for use of these items was maintained by the Institute.

**8.14. Physical verification:**— As per Government rules, physical verification of stores/stocks was required to be conducted once in a year. After the physical verification done in 1978, orders for undertaking physical verification were issued in May 1984 and September 1988. The reports of physical verification taken up in 1984 were submitted in 1985 and 1986 and shortages worth Rs. 0.12 lakh were written off in June 1987. The reports of physical verification ordered in September 1988 were submitted in June and November 1989 and further action thereon was awaited.

**8.15. Monitoring and review:**— The Institute had not maintained any unit-wise or consolidated records showing the projects approved from year to year, sanctioned budget of projects, time for completion, extension approved, actual expenditure incurred, date of completion etc. Consequently, it was not possible to monitor the progress of projects from time to time.

The Institute, however, contended that the progress of the various programmes was reviewed through monthly progress reports, quarterly resume and in meetings of Heads of Academic Units and Advisory Board of Research Studies. The monthly and quarterly reports were regularly prepared but the period of meetings of the Heads of academic units had not been fixed. The Institute stated, in August 1989, that the meetings of the Heads of the academic units were frequently held but there was no record of the number of meetings held as these meetings were held without specific agenda. A review of activities for the period 1980-85 and an internal evaluation review for 1980-87 was also conducted. It was observed that projects remaining incomplete for a long time did not find place regularly in the monthly progress reports, quarterly resume, annual reports etc.

There was no system to ascertain as to what extent each objective mentioned in the Memorandum of Association was achieved. The Institute stated, in May 1989, that the objectives were kept in view at the time of formulating the Annual and Five Year Plans of the Institute while the progress of major activities was watched through monthly progress

reports, quarterly resume and in the meetings of Programme Advisory Committee and Executive Committee, etc.

During 1984-85 to 1988-89, the number of meetings held was five in the case of Council, 11 (including one extraordinary meeting in March 1986) in the case of Executive Committee, nine in the case of the Finance Committee and eight in the case of the Programme Advisory Committee. While the Council met once in each year the meetings of the Executive Committee, Finance Committee and Programme Advisory Committee were held at intervals ranging from 6 to 10 months, 6 to 11 months and 5 to 13 months respectively.

The Review Committee recommended, in September 1989, that the faculty members, groups (units, project groups, task forces etc.) should plan and review their activities. At individual levels, every faculty member should plan his activities and time under various heads, like research, teaching, material development, advisory services etc. The Review Committee also recommended that there should be a system of performance appraisal for all faculty and research staff. The appraisal should be largely development oriented. A Faculty Review and Development Committee might be formed consisting of Director and other members suggested by the faculty.

**8.16. Service regulations:**— The service regulations of National Staff College for Educational Planners and Administrators as approved by the Government of India were adopted by the Institute in its first meeting held in October 1979. The Institute also framed a number of regulations pertaining to recruitment of faculty, appointment of project staff etc., thereafter and sought the approval of the Government. In June 1984, Government constituted a committee to review the rules/regulations of the Institute, suggest amendments therein as might be necessary and consolidate all rules and regulations to provide a clear framework for operation of the Institute. Government further directed that the draft recruitment rules should also be placed before the committee. The draft regulations finalised by the Committee were forwarded to Government for approval in June 1989.

#### **8.17 Other points of interest**

**8.17.1 Resource persons/experts:**— Persons of repute having specialised knowledge in different aspects of educational planning were invited as resource persons for training programmes etc., critical examination of research proposals and evaluation of research works/studies before publication.

There was no panel for selection of resource persons and experts in the Institute for their

selection. The Institute stated, in May 1989, that the identification of experts was done by Course Director in consultation with Dean (Training) and Director on the basis of requirements of the programmes and competence of the persons. The choice of experts was restricted to Delhi and experts were obtained from outside Delhi in exceptional circumstances.

The Institute also intimated that a national list of eminent persons was being prepared for various topics/sub-topics of research/training etc. and about 600 names had been received from 52 Universities/Institutes and Research/State Government organisations.

**8.17.2 Construction activities:-**The Institute deposited Rs. 14 lakhs in March 1988 with the Central Public Works Department (CPWD) for construction of eight type-IV quarters on the basis of rough estimates of Rs. 18.70 lakhs pending finalisation of detailed drawings and formal preliminary estimates with the stipulation that the work would be taken up on urgent basis. The CPWD furnished, in May 1988, the layout plans and the detailed estimates based thereon for Rs. 17.85 lakhs in June 1988. The Institute deposited the balance amount of Rs. 3.85 lakhs with the CPWD, in January 1989, even though the approval to the building plans from the Delhi Development Authority (DDA) had not been received by that time. The approval of the DDA was received in March 1989. The work was awarded to a contractor by the CPWD to commence from 6th November 1989 but had not started so far (November 1989).

The deposit of Rs. 14 lakhs without preparation of detailed drawings and preliminary estimates and subsequent deposit of Rs. 3.85 lakhs in January 1989 even before approval of the building plans and commencement of construction work resulted in blocking of funds.

In addition to the above, a sum of Rs. 14.12 lakhs deposited with the CPWD for various construction and maintenance works was outstanding as on 31st March 1989, out of which, a sum of Rs. 7.47 lakhs pertained to the period prior to 1987-88 for which the works had been completed and accounts were yet to be settled. The Institute stated, in July 1989, that efforts were being made to settle the accounts as early as possible.

**8.17.3 Computer centre:-** The Electronic Data Processing and Reprographic Centre (EDPR) of the Institute had 23 computers with 11 printers and one laser printer attached with these computers.

Fourteen of these computers were installed in February and March 1989. Out of the remaining nine computers, utilisation of two computers was satisfactory, two micro computers received from Govern-

ment of India, in March 1987, under CLASS project were stated to have occasionally been shown to trainee participants by giving simple demonstration and no record of their utilisation was maintained. The record of utilisation of one computer acquired, in March 1987, which was being used for computerisation of library information services and providing information services to users was also not maintained. Four other PC/AT computers acquired in July 1988 were used for data-processing. Out of the total number of 473 working hours available for each computer during January to March 1989, these computers had been utilised for 250, 203, 375 and 245 hours inclusive of the period of breakdown of machine/power.

The EDPR centre had not maintained proper records of the work done for outside agencies and for different units of faculty. It was, therefore, not possible to verify whether recovery for work done by the EDPR centre had been made in all cases.

## **9. Indian Council of Philosophical Research, New Delhi**

### **9.1. Introduction**

The Indian Council of Philosophical Research was registered as a society under the Societies Registration Act, 1860 in March 1977 and started functioning in July 1981. The Council is financed by the Central Government. The Head-quarters office of the Council is located at Delhi with an Academic Centre at Lucknow.

The main objectives of the Council are:

- (i) to review the progress of research in philosophy from time to time;
- (ii) to promote teaching and research in philosophy, sponsor or assist projects or programmes of research in philosophy and to give financial support to institutions and organisations engaged in the conduct of research in philosophy;
- (iii) to institute and administer fellowships, scholarships and awards for research in philosophy by students, teachers and others;
- (iv) to organize, sponsor and assist seminars, special courses, study circles, working groups parties and conferences for promoting research in philosophy and to establish institutes for the same purpose;
- (v) to give grants for publication of digests, journals, periodicals and scholarly works, devoted to research in philosophy and also to undertake their publication;
- (vi) to provide technical assistance or guidance for

the formulation of research projects and programmes in philosophy by individuals or institutions and/or organize and support institutional or other arrangements for training in research methodology.

### 9.2. *Scope of Audit*

The accounts of the Council are audited by the Comptroller and Auditor General of India under Section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The certified accounts and Audit Report thereon are placed every year before both Houses of Parliament. Points noticed during the audit of records relating to functions and activities of the Council during 1981-82 (October 1981) to 1988-89 are mentioned in the following paragraphs.

### 9.3. *Organisational set up*

The Council consists of a Chairman, a Member-Secretary and 24 other members including distinguished philosophers, social scientists etc. The affairs of the Council are administered, directed and controlled by a Governing body consisting of eight members including the Chairman, Member-Secretary and representatives of the Ministry of Finance and Ministry of Human Resource Development (Department of Education). A Research Project Committee consisting of the Chairman, Member-Secretary and five to nine other members appointed by the Council is vested with the authority to scrutinise and sanction grant-in-aid for research projects and other proposals for financial assistance.

The Council was reconstituted in July 1981 by the Government of India for a period of three years and thereafter again in August 1984 and February 1988. During the period September 1987 to March 1988, the Council was not in existence, however, the Chairman and the Member-Secretary took certain major decisions including for deputation of delegation consisting of Chairman and Director (Planning and Research) abroad in March 1988 for purchase of books. These decisions were ratified by the reconstituted Council in April 1989 after the omission was pointed out in Audit.

### 9.4. *Highlights*

- The Governing body of the Council did not meet regularly and at prescribed intervals. Copies of the proceedings of the meetings of the Governing body were never sent to Government as required.
- The administrative expenditure of the Council exceeded the prescribed ceiling in all the seven years during 1981-82 to 1988-89 except 1983-84. The expenditure on academic activities was less than the administrative expenditure during 1981-82, 1982-83, 1987-88 and 1988-89.

- In 68 cases the Chairman sanctioned Rs. 14.44 lakhs for extension of fellowships, seminars, travel grants etc., without prior approval of Research Project Committee. Utilisation certificates for Rs. 13.20 lakhs paid for seminars, fellowships etc., were not received.
- There was no systematic reporting of the academic activities by the National Fellows. Two of the six National Fellows did not submit the prescribed reports of their academic activities to the Council.
- Fellowships were awarded in 20 cases without the fellows being affiliated to an approved university / institution. Final reports had not been received in 5 out of 47 cases, in which these were due upto March 1989. In 10 cases, the scholars had resigned without completing the fellowships.
- The Council did not publish the proceedings of any of the three major seminars held by it during 1981-88. Utilisation certificates for Rs. 8.24 lakhs paid to other organisations for conducting seminars during 1984-89 were not received.
- Out of 16 projects approved by the Council, only one project was completed.
- The Council had not prepared the report of the first International conference on Buddhism and national culture.
- The prescribed rules were not observed by the Council in construction of its stalls for holding exhibitions at Pragati Maidan.
- In contravention of Government orders, the Council spent Rs. 2.44 lakhs on appointment of a Consultant for publications from February 1984 to July 1989. During this period, the total cost of 15 priced publications brought out by the Council was only Rs. 7.30 lakhs. The Council incurred loss of Rs. 25.84 on each published copy of its journal.
- Rs. 4.06 lakhs were spent for the purchase of Library equipment without consulting the member appointed by Library Advisory Committee. A microfilm reader and a computer acquired at a cost of Rs. 7.02 lakhs during 1986-89 remained unutilised till June 1989.
- The Council incurred expenditure of Rs. 0.89 lakh on the visit of Chairman and Director (Planning and Research) to U.K. and U.S.A. for purchase of books of the value of Rs. 0.40 lakh.
- The Council had paid Rs. 3.16 lakhs to 41 scholars for participating in International conferences who had not submitted their papers through their departments. Fifteen scholars who were paid grants totalling Rs. 1.16 lakhs did not submit reports of their visits abroad.

— Expenditure of Rs. 0.24 lakh spent on a part time consultant could not be justified. The Council violated prescribed Government orders while fixing the pay and allowances of three persons whose services were obtained on deputation.

— The Council had not covered some of the major objectives listed in its Memorandum of Association. The Council had no effective monitoring regarding its academic activities, and implementation of its

various objectives set forth in the Memorandum of Association.

### 9.5. Meetings

**9.5.1 Meetings of the Council:**— The number of meetings of the Council, Governing body and the Research Project Committee required to be held during 1981-82 to 1988-89 and the number of meetings actually held were as under:

	Number of meetings required to be held	Number of meetings actually held	Percentage of shortfall
(i) Council	16	13	19
(ii) Governing body	24	14	42
(iii) Research project committee	24	20	17

The Governing body did not hold the prescribed number of three meetings in a year. The interval between the meetings of the Council also ranged from four to ten months against maximum interval of four months prescribed in the rules and regulations of the Council. Copies of the proceedings of the meetings of the Council were never sent to Government as required under the rules and regulations.

The Council stated, in December 1989, that the meetings of the general body of the Council and Governing body had been convened keeping in view requirements of the rules, volume of business to be transacted and the consideration of economy of expenditure.

**9.5.2 Delegation of powers:**— Although the Chairman and Member Secretary had exercised powers of Heads of department, no formal delegation of financial powers in their favour had been framed and approved by the Council as required under the rules and regulations of the Council.

The Council stated, in December 1989, that the

ICPR (exercise of financial and administrative powers) Rules providing for delegation of financial powers by Chairman, Member Secretary etc. were still under preparation.

**9.5.3 Amendment of rules and regulations:**— Under the rules, the Council had powers to frame and amend regulations with the prior approval of the Government. However, the Council had amended Rule 53-A dealing with the constitution of the Finance Committee in its meeting held in February 1987 without obtaining approval of Government. The Council admitted the omission and referred it to the Government in November 1989 for approval after the omission was pointed out in Audit.

**9.6. Finance and accounts:**— The Council is mainly financed by the grants received from the Government. The grants so received are further allocated by the Council under different schemes and establishment etc. approved by the Governing body. Year-wise summary of receipts and payments of the Council from 1981-1982 to 1988-1989 is given below:—

(Rupees in lakhs)

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
<b>Receipts</b>								
Opening balance	—	1.92	0.61	4.03	9.38	3.26	4.16	3.94
Grants from Central Government	7.25	19.71*	46.49	53.44	41.75	52.00	74.89	75.00
Miscellaneous receipts	—	—	—	0.29	0.24	0.70	0.34	0.54
Grants from Ford Foundation	—	—	—	—	—	2.71	2.84	0.12
Receipts from other sources and adjustment	—	0.18	—	8.82	5.61	11.12	25.49	38.37
<b>Total</b>	7.25	21.81	47.10	66.58	56.98	69.79	107.72	117.97

(Rupees in lakhs)

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
<b>Payments</b>								
Administrative expenses including advances for non-academic purposes	2.54	10.43	10.61	17.31	19.03	21.46	41.23	47.10
Percentage of revenue expenses	74	58	28	36	45	39	52	51
Academic expenses including advances for academic purposes	0.91	7.47	27.78	30.53	28.53	33.06	37.46	44.75
Percentage of revenue expenses	26	42	72	64	55	61	48	49
Total revenue expenses	3.45	17.90	38.39	47.84	42.56	54.52	78.69	91.85
Capital expenditure	1.88	3.30	4.68	9.36	11.16	10.86	22.53	22.05
Ford Foundation expenses	—	—	—	—	—	0.25	2.56	2.72
Closing balance	1.92	0.61	4.03	9.38	3.26	4.16	3.94	1.35
<b>Total</b>	<b>7.25</b>	<b>21.81</b>	<b>47.10</b>	<b>66.58</b>	<b>56.98</b>	<b>69.79</b>	<b>107.72</b>	<b>117.97</b>

\* Includes Rs. 1.50 lakhs received from Government of Uttar Pradesh.

Note:— Accounts are based on double entry system and include contra entries.

According to the minutes of the meeting of the Council held in August 1981, at least 70 per cent of the grant should be provided for academic schemes to be formulated by the Council and 30 per cent for administrative expenditure. However, the administrative expenditure was in excess of the prescribed limit year after year except during 1983-84. Further, the expenditure on academic schemes was less than the administrative expenditure during 1981-82, 1982-83, 1987-88 and 1988-89.

The Council stated, in December 1989, that the percentage increase in academic expenses had not been of the same order as that of administrative expenditure mainly due to the fact that there had been an upward revision of pay and allowances of the Council's employees on the pattern of Central Government employees whereas the rates of fellowships which were the main item of expenditure under the academic expenses had remained the same.

**9.7. Academic activities:**— The academic activities of the Council are as follows:—

- (i) Fellowships,
- (ii) Seminars/workshops,
- (iii) Travel grants,
- (iv) Projects,
- (v) International Conferences/Collaborations,
- (vi) Exhibitions, and
- (vii) Publications

According to the rules and regulations of the Council, grants-in-aid for research projects and other proposals for financial assistance were required to be scrutinised by the Research Projects Committee.

The Chairman sanctioned 68 cases of extension of fellowships, seminars, travel grants etc. involving a

sum of Rs. 14.44 lakhs during 1983-84 to 1988-89 without scrutiny of the Research Project Committee. However, ex-post-facto approval of the Research Project Committee was obtained subsequently in all these cases.

The Council stated, in December 1989, that the decisions were taken by the Chairman since these could not await the next meeting of Research Project Committee.

The Council paid Rs. 6.87 lakhs upto March 1984 to individuals and organisations for seminars and fellowships. Out of the total amount paid utilisation certificates for an amount of Rs. 1.75 lakhs were still awaited in 32 cases for 1981-82 (Rs. 0.11 lakh), 1982-83 (Rs. 1.39 lakhs) and 1983-84 (Rs. 0.25 lakh). Statements of accounts and utilisation certificates were also not furnished for Rs. 11.45 lakhs out of Rs. 39.23 lakhs paid as advances for seminars, projects, lectures, fellowships etc., from 1984-85 onwards.

**9.8. Fellowships:**— The Council had six schemes of fellowships, viz., National Fellowship, Senior Fellowship, General Fellowship, Short-term Fellowship, Residential Fellowship and Fellowship for preparing learning material. Against the target of 199 fellowships the Council sanctioned 104 fellowships involving a sum of Rs. 48.98 lakhs during 1982-83 to 1988-89 as per details given in Annexure.

The Governing body of the Council in its meeting held in 1981 decided that in respect of award of fellowships areawise equitable distribution should be kept in mind and due consideration should be given to the weaker sections of the community at the time of making awards. The State-wise awards of fellowships during 1985-86 to 1988-89 showed that scholars from only 10 States (Assam, Andhra Pradesh, Bihar, Karnataka, Maharashtra, Madhya Pradesh, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal) and two Union Territories (Chandigarh and Delhi)

were awarded fellowships. Further out of a total of 80 fellowships awarded 44 fellowships (55 percent) went to Delhi (16), Uttar Pradesh (12) and West Bengal (16). It could not be ascertained as to how many candidate applied for the fellowships. No records were maintained to show that weaker sections of the community were allowed fellowships.

National fellowships were awarded by the Council at its own initiative to eminent scholars who had made outstanding contribution to research in Philosophy or inter-disciplinary studies. The Council awarded one fellowship each in 1982-83 and 1984-85 and two fellowships each in 1986-87 and 1987-88 and released total amount of Rs. 5.08 lakhs in these cases.

The National fellows were required to keep the Council apprised about their academic activities only viz. articles published, seminars attended, or any other academic work done by them with the financial assistance received from the Council. The Council stated, in December 1989, that out of the six scholars who were awarded National Fellowships two expired and one resigned before the expiry of their fellowships, two scholars who had completed their tenure of their fellowships had apprised the Council of their academic activities, and the submission of the report was not due from one scholar who had not so far completed the term of his fellowship. Thus two (other two having expired) out of the six scholars had never informed the Council about their academic activities. A perusal of the reports sent by the remaining two scholars also showed that one scholar had submitted his report on the conclusion of the term of his fellowships and the other scholar had briefly mentioned the progress of work done by him while requesting for extension of fellowship for the third year. Thus there was no systematic reporting of their academic activities by the scholars to the Council.

The terms and conditions of fellowships (other than National fellowship) provided that unless exempted by special permission granted by the Council, the fellows should be affiliated to an approved university or research institution. The fellowship amount was to be disbursed through the affiliated institution. In 20 cases (amount Rs. 11.94 lakhs) the scholars had not been affiliated to an approved university or institution, but the necessary permission of the Council was not obtained.

The terms and conditions of the Senior, Junior, General and Short-term fellowships further provided that the recipients must furnish final reports within three months of the conclusion of fellowship. Final reports in respect of eight (amount Rs. 6.27 lakhs) out of 47 Senior, Junior and General fellowships awarded upto March 1987 which had become due by March 1989 had not been received so far (August 1989).

The Council stated, in December 1989, that three out of eight scholars had resigned on securing appointments in various universities, three scholars had submitted their manuscripts and two other scholars had been granted extensions.

The audited statements of accounts and utilisation certificates in 14 cases (grants released Rs. 7.32 lakhs) became due in 1981-82 to 1986-87 but these had also not been received from the recipients. In most of the cases, the Council had issued reminders to the fellows.

In 10 cases (grants released Rs. 3.18 lakhs) the scholars resigned in the middle of fellowship. Of these 10 cases, final report of six fellows (grant released Rs. 1.90 lakhs) had not been received by the Council; in three cases (grant released Rs. 1.19 lakhs) only partial reports till the date of resignation had been received and one scholar had not joined (Rs. 0.09 lakh). Five fellows (grant released Rs. 3.41 lakhs) had died.

Further scrutiny of records revealed as under:-

(i) In one case, a part of contingent grant of Rs. 0.08 lakh had been converted into travel grant under orders of the Chairman although no provision existed in Fellowships rules or in Travel grant rules for such conversion.

(ii) In another case, a senior fellow who was sanctioned fellowship in December 1983 and paid Rs. 1.33 lakhs sent the final report (which was incomplete) in December 1988 after 23 months of the completion of fellowship for which he had been allowed extension of one year upto January 1987. The Council stated, in December 1989, that the scholar was allowed extension of time in view of his special difficulties and problems and had since submitted his final report.

(iii) A scholar was given a senior fellowship at the rate of Rs. 2500 and a contingent grant of Rs. 0.10 lakh for two years from 1st December 1985. The scholar was a retired professor and he was also a fellow of the Indian Council of Social Science Research from July 1984 to October/November 1985. Till June 1989 he had availed council's fellowship for 21 months (grants released Rs. 0.68 lakh) in three spells, though in his case the fellowship should have expired on 30th November 1987. The Council stated, in December 1989, that keeping in view his ill-health and death of his wife, the scholar was granted permission for completion of research in spells upto the end of November 1989.

(iv) In one case, the fellow who received Rs. 0.30 lakh for the period November 1985 to July 1986 went abroad and it could not be verified whether the money was recovered or not. The Council

stated, in December, 1989 that the scholar was asked to submit the report or refund the total amount of fellowship by March 1990.

**9.9. Seminars:**— The Council conducted sponsored seminars (fully organised by the Council), partially assisted seminars and conferences and conferences organised by other organisations and national and international seminars organised by the Council on different subjects.

During 1981-82 to 1988-89, the Council incurred expenditure of Rs. 29.08 lakhs for holding 114 seminars/conferences/workshops on different topics in the field of philosophy and interdisciplinary studies. Audited statements of accounts and utilisation certificates for Rs. 8.24 lakhs pertaining to 46 seminars were not received from grantee institutions/universities/societies from 1984-85 onwards.

The proceedings/reports in respect of 66 seminars/conferences/workshops (grant released Rs. 17.67 lakhs) were also not received.

The Research Project Committee in its meeting held in March 1985 decided that the Council should have two seminars annually, one major and one minor. Accordingly, the Council organised three major international seminars during 1986-87 to 1988-89.

(i) The first seminar on 'Philosophy, peace and international understanding' was held at New Delhi in December 1986. Against the total amount of Rs. 1.80 lakhs received from United Nations Educational Scientific and Cultural Organisation and the Indian Institute of Advanced Studies, Shimla, the Council spent Rs. 2.23 lakhs on the seminar. It was noticed in Audit that no budget estimates were prepared by the Council and no proceedings of the seminar were printed. The Council stated, in December 1989, that the proceedings were under process of printing.

(ii) The second seminar on 'Phenomenology and Indian Philosophy' was co-sponsored by the Council and Centre for Advance Research in Phenomenology of U.S.A. and was held in January 1988. The Council incurred an expenditure of Rs. 2.48 lakhs against the budgeted amount of Rs. 2 lakhs.

The Council paid honorarium totalling Rs. 0.40 lakh to its own staff which was neither included in the budgeted estimates nor separately got approved by the organising committee of the seminar. The proceedings of the seminar were also not published. The Council stated, in December 1989, that the proceedings of the seminar had been sent to the press for printing.

(iii) The third seminar on Dr. S. Radhakrishnan's Birth Centenary was held at New Delhi in February 1989. The Ministry approved the budget estimate of

Rs. 8.15 lakhs against the organising Committee's estimate of Rs. 9.35 lakhs. The Council incurred expenditure of Rs. 3.49 lakhs against the amounts received from Government (Rs. 2.00 lakhs), UNESCO (Rs. 1.05 lakhs), ICSSR (Rs. 0.24 lakh) and Indian Council of Historical Research (Rs. 0.10 lakh) and Rs. 0.10 lakh contributed by the Council. Scrutiny of accounts showed that the expenditure debited to the seminar included Rs. 0.81 lakh on purchase of a photo-copier, which was not part of the approved estimates. The proceedings of this seminar were also not published. The Council stated, in December 1989, that the Centenary Volume of Dr. Radhakrishnan released in September 1989 contained all the important papers presented at the seminar.

In addition, the Council organised an essay competition—cum—seminar on "Philosophy and social change" at Goa in the February 1988. An amount of Rs. 0.62 lakh which was the budgeted cost was paid to the Seminar Director as advance in January/February 1988. The statement of accounts with original vouchers for Rs. 0.25 lakh was sent by registered post by Seminar Director but the parcel was misplaced at headquarters office. The vouchers in support of the remaining amount of Rs. 0.34 lakh were submitted by the Seminar Director but a debit of Rs. 0.59 lakh was adjusted finally in October 1988 without passing the vouchers by the competent authority.

#### 9.10. Projects

**9.10.1 Council's own projects:**— The Council approved 16 projects with estimated budget of Rs. 13.84 lakhs during 1984-85 to 1988-89 against which expenditure of Rs. 5.09 lakhs was incurred upto March 1989. It was observed that no time schedule of completion of projects was prescribed. Of the 16 projects approved, only one project for which approval was accorded in 1986-87 was completed in 1988-89, five projects approved in 1985-86 were not taken up at all, and the remaining 10 projects approved in 1985-86 and 1986-87 were in progress. The Council was unable to furnish details of expenditure incurred on each project and the time schedule of its completion.

**9.10.2 Specific project on production of learning teaching material for value education:**— Ministry of Education and Culture, Department of Education, sanctioned a project on 'Production of learning teaching material for value education' during 1984-85 and released an amount of Rs. 2.25 lakhs to the Council for this purpose. The Council diverted an additional amount of Rs. 4 lakhs for the project from its maintenance grant during 1986-87. The work was entrusted to Shri Aurobindo International Institute of Educational Research, Auroville and grant of Rs. 5.73 lakhs was paid to it during 1985-86 to 1989-90. The Institute had incurred expenditure of

Rs. 5.13 lakhs upto March 1989. The project had not been completed (July 1989).

The Council had neither obtained approval of Government to entrust the project to the Institute nor entered into any formal agreement with the latter specifying the time schedule, the details of activities and material to be produced. The Institute had published 2000 copies each of two books under the project; copies of these books had not been taken over by the Council and the Council had no definite plans for their utilisation. The Institute had furnished accounts of the expenditure of Rs. 5.13 lakhs out of Rs.5.73 lakhs paid to it.

**9.10.3 Ford Foundation Projects:**—The Council approached the Ford Foundation in June 1984 for establishing an academic cooperation programme. The project consisted of six parts and the duration of the project was 2-3 years involving a sum of US \$ 1 lakh. The proposal was revised and the Ford Foundation approved the revised proposal with a budget of US \$ 42,000 in July 1986. Ford Foundation released a sum of Rs. 5.45 Lakhs in two instalments during 1986-87 and 1988-89. Although the Programme Evaluation Committee of the Council had suggested in April 1988 that contributions from foreign agencies should be accepted with caution and clearance of the Council and the concerned Ministry must be obtained prior to the acceptance of funds from such agencies, the Council undertook the Ford Foundation project without prior approval of the Council and Government of India. The Council stated, in May 1989, that the project was not owned by the Council and therefore the question of approval of the RPC did not arise.

**9.11. First International Conference:**— The Council organised the first international conference on Buddhism and national culture at New Delhi in collaboration with the Indian Council for Cultural Relations, Indian Council of Social Science Research, Indian Council of Historical Research, Indian National Advisory Committee on Buddhist studies, etc. in October 1984.

Against the tentative budget estimates of Rs. 14.02 lakhs for holding the conference, the Council received Rs. 10 lakhs from Government in August 1984, Rs. 0.95 lakh from ICSSR towards its share of expenditure and Rs. 0.01 lakh on account of registration fee from the local participants. The Council incurred expenditure of Rs. 8.94 lakhs and refunded Rs. 2.02 lakhs to Government in February 1987. The following irregularities were noticed.

(i) Out of the total expenditure of Rs. 8.94 lakhs, bills worth Rs. 3.43 lakhs were settled in 1985-86 but Government sanction to carry forward the unspent balance of the grant to the following year was not obtained. The unutilised amount was not surrendered

to the Government immediately after finalising the account in 1985-86.

(ii) The expenditure on the preparation of Souvenir amounting to Rs. 0.92 lakh and printing of key note address amounting to Rs. 0.33 lakh and audit fee of Rs.0.01 lakh (total Rs. 1.26 lakhs) was not included in the tentative estimates approved by the Organising Committee and sent to the Government.

(iii) An amount of Rs. 0.78 lakh was paid by way of honorarium which was also not included in the tentative estimate; of this a sum of Rs. 0.40 lakh was paid by the Council to its own staff.

(iv) No report of the conference held was prepared by the Council.

**9.12 Exhibitions:**— Government sanctioned grants aggregating Rs. 29.35 lakhs to the Council for holding five special exhibitions during 1981-82 to 1984-85 with a condition that separate accounts must be kept and the unutilised amount surrendered to the Government. The Council incurred expenditure of Rs. 29.31 lakhs on these exhibitions and refunded Rs. 0.07 lakh during 1988-89. The following points were noticed in this connection :

(a) Against the amount of Rs. 9.85 lakhs sanctioned by Government in September 1983 for organising the exhibition at Pragati Maidan during November 1983, the Council incurred expenditure of Rs. 9.40 lakhs as per the utilisation certificate. The amount of Rs. 9.40 lakhs stated to have been spent included Rs. 0.35 lakh paid as advance to the Anthropological Survey of India, Calcutta in September 1983 for which detailed accounts had not been received till December 1989. No account of dismantling the stall at Pragati Maidan was available with the Council.

(b) Government sanctioned an amount of Rs. 10 lakhs to the Council in October 1984 for holding exhibiton at Pragati Maidan, New Delhi in November 1984. In this case the utilisation certificate was not available in the file. Furniture and fixtures of the cost of Rs. 0.86 lakh were acquired by the Council at the time of dismantling the stall in December 1984. These were neither entered in the stock register nor reflected in the balance sheet of the Council upto 1988-89.

(c) Financial rules and regulations were not fully observed for the construction of stalls and payments to workers. The Council had not prepared any report by which it could be seen how many visitors had benefited from the exhibitions.

### 9.13 Publications

**9.13.1 Appointment of Consultant:**— The Council appointed a Publication Adviser (subsequently redesignated as Consultant) for one year from February 1984 to January 1985 on contract on retainerhip



basis on monthly payment of Rs. 2500 for supervising the technical aspects of Council's publications. Approval of the Council/Governing body was not obtained. The Consultant was to be allowed reimbursement of conveyance in addition against supporting documents. However, lump sum conveyance allowance of Rs. 6500 was paid to the Consultant for the year 1984-85 in two instalments without insisting upon production of supporting documents.

The Consultant was re-appointed for three years from February 1985 on a consolidated pay of Rs. 3500 per month on wholetime basis and for a further period of one year on a salary of Rs. 4500 per month from February 1988 to January 1989. This was in contravention of Government orders of October 1987 according to which a Consultant could be appointed for six months at a time which could be extended for another six months in exceptional cases. The Consultant was granted further extension of six months from February 1989 to July 1989 on a consolidated amount of Rs. 0.27 lakh in contravention of Government orders.

The Council incurred a total expenditure of Rs. 2.44 lakhs on the Consultant during February 1984 to July 1989 and in this period the Council brought out 15 priced publications at a total cost of Rs. 7.30 lakhs. The amount paid to the Consultant was 33 per cent of the total cost of publications.

**9.13.2 Priced publications:**— The Council brought out 15 priced publications during 1984-85 to 1988-89 at a cost of Rs. 7.30 lakhs against the budget estimates of Rs. 8.95 lakhs. Nine more publications were under print. The Council had not framed any policy for fixing the sale price of the priced publications. The total sale price of the 15 publications published so far amounted to Rs. 11.86 lakhs. As per the agreement with the publishers the Council got royalty at the rate of 40 per cent of the priced publications. The royalty to the author was paid by the Council out of 40 per cent sale proceeds received from the publisher.

The publisher was required to furnish accounts of sales by 30th June every year. However, the publisher had furnished accounts of 14 out of 15 publications only upto March 1989 which showed that unsold stock priced at Rs. 6.04 lakhs was still lying with him. The Council was not aware of the position of the remaining publication priced at Rs. 1.21 lakhs for which the sales statement of the distributor was not furnished (December 1989).

**9.13.3 Unpriced publications:**— The Council published four unpriced publications during 1985-86 and 1986-87 at a cost of Rs. 2.08 lakhs. The approval of the Publication Committee/RPC was not obtained.

Out of 6500 copies of four books published, the Council had in stock 4743 copies. In respect of one

publication only 500 copies were published out of which 200 copies were given to the author and 200 to the Ministry of Human Resource Development. The Council did not have well defined policy in respect of unpriced publications. The files as well as accounts of these books were not made available to Audit.

**9.13.4 Journal:**— A Journal titled 'Journal of Indian Council of Philosophical Research' (JICPR) was being brought out by the Council. The periodicity of the journal was bi-annual from November 1983 to August 1987 and from October 1987 it was made triannual. However delays of six to eight months occurred in its publications, viz., the issues for spring 1984 and 1985 were published in August 1984 and December 1985 respectively. The September-December 1988 and January-April 1989 issues of the journal had not been printed so far (July 1989).

The Council printed 7500 copies of eleven issues (Volume I to V) of the journal at a cost of Rs. 3.85 lakhs, against which 3963 copies had remained unsold with the distributor upto August 1988. The volume-wise unsold stock ranged from 35 to 81 per cent of the copies published. According to an analysis prepared by the Council in 1988, the Council incurred loss of Rs. 51.68 on two issues of the JICPR against the annual subscription of Rs. 40. The Council stated, in December 1989, that the main purpose of the journal was not to earn any profit but to promote the cause of research.

#### 9.14. Library

**9.14.1 Library at Academic Centre, Lucknow:**— The Council's library at Academic Centre, Lucknow was to be the biggest library in India for philosophy. The library had purchased 11775 books worth Rs. 31.79 lakhs upto March 1989. Apart from this, the library subscribed two Indian and 90 foreign journals. The physical verification of stocks of books was conducted for the first time since the inception of the Council in September/October 1989 after the omission was pointed out in Audit. The library did not maintain any register to indicate the number of scholars who utilised the library services. A microfilm reader costing Rs. 0.13 lakh installed in the library in 1986-87 and a computer facility created at a cost Rs. 6.89 lakhs for purpose of information storage and retrieval in order to have detailed information about the acquisitions of library within the shortest possible time had not been utilized so far (June 1989).

**9.14.2 Library Advisory Committee:**— The Council constituted a Library Advisory Committee (LAC) in 1982 which was reconstituted vide RPC Resolution of October 1984. During the period 1982-89 the Committee held only three meetings. In its meeting held in June 1986, the Committee framed the rules for library and the inter-library loan rules. One of the

members of the Committee was specifically appointed for consultation in matters relating to purchase of library equipment. However, purchase of equipment worth Rs. 4.06 lakhs was made during 1986-87 to 1988-89 without consulting him.

**9.14.3 Purchase of books from U.K. and U.S.A.:**— In July 1986 the Governing body of the Council decided that foreign books should be purchased by placing orders on a reputed foreign book seller. In March 1988, the Council purchased UNESCO coupons worth Rs. 4 lakhs for purchasing books from UK and USA. Contrary to the decision of the Governing body for purchasing books through foreign book seller in India, a team comprising the Chairman and the Director (P and R) visited the two countries in March 1988 and purchased books worth Rs. 0.40 lakh and books worth Rs. 3.60 lakhs were purchased in India after encashment of coupons on their return.

Government approval to the visit abroad of the Chairman and Director (Pand R) was not obtained.

Against the value of Rs. 0.40 lakh of books purchased, the expenditure on their visit to UK and USA amounted to Rs. 0.89 lakh. The two officers did not submit travelling allowance bills of their visits of about eight days duration but only furnished utilisation certificates of amounts of \$1320 each paid to them in foreign exchange. The Council stated, in December 1989, that it was discovered in UK and USA that the UNESCO coupons which were carried for the purpose of making payment against the purchase of books were unacceptable to several book-sellers and the Chairman and Director could spend money only with those book sellers who were prepared to accept UNESCO coupons.

**9.14.4 Reprography Services:**—The Academic Centre also provided reprographic services to the institutions as well as to individuals all over India. The reprographic services which were started in May 1985 had been provided to 502 scholars/institutions upto May 1989. The amount collected was Rs. 0.19 lakh during 1987-89, information for the period prior to 1987-88 was not available. The material was sent to the scholars through registered post for which no extra charges were levied, though .50 paise per page was prescribed. A new photocopier costing Rs. 0.95 lakh was acquired in March 1989 without approval of the LAC/ Council, although the photocopier purchased earlier was working well since 1985. The Council stated, in December 1989, that the acquisition of second photocopier was urgently needed for prompt reprographic purposes and its purchase was justified.

**9.14.5 Non-receipt of foreign journals:**— The Council had subscribed yearly in advance for the foreign journals through Indian authorised agents for regular supply of subscribed journals for the library. The Council did not furnish information regarding the payments made to the agents and the number of journals not received prior to the year 1985-86.

During 1986-87 to 1988-89, the Council had subscribed Rs. 2.26 lakhs for supply of 90 journals each year.

According to the information furnished by the Council in June 1989, journals for Rs. 0.63 lakh were not made available upto March 1989 out of which journals of Rs. 0.44 lakh-pertaining to 1986-87 were missing. The last reminder was given to the agent for 1986-87 in October 1986, no further efforts were made by the Council for obtaining supply of journals. The Council stated, in December 1989, that the agent had been requested in June 1989 to refund the amount for which journals were not supplied and the matter was being pursued. Since the agent had been meanwhile changed, the possibility of adjusting the outstanding amount from his future payment also did not exist.

**9.15. Travel Grants:**— The Council had instituted a scheme of assistance of travel grants to scholars to enable them to attend conferences, seminars, symposium and to avail other study programmes. The Council framed rules for travel grants in February 1987 though the scheme of foreign travel grants had been in operation since 1982-83.

During 1982-83 to 1988-89, the Council sanctioned Rs. 3.16 lakhs to 41 scholars for participating in international conferences/ seminars held outside India. None of these 41 scholars submitted their papers through the Departments where they were employed. Seven scholars who were paid Rs. 0.66 lakh did not furnish utilisation certificates, vouchers/ air tickets. Fifteen scholars who were paid grants totalling Rs. 1.16 lakhs failed to submit reports of their visits abroad.

According to Travel grant rules a sub-committee comprising Member-Secretary, Director (P and R) and Programme Officer was required to meet to decide the travel grant cases. Test check of six cases of travel grant (amount Rs. 0.33 lakh) sanctioned in 1988-89 revealed that the cases were not got examined by the sub committee but were sanctioned by the Member-Secretary on the recommendation of Programme Officer.

One scholar was sanctioned *per diem* expenses by the Member-Secretary in lieu of 50 percent international air travel amounting to Rs. 0.06 lakh in July 1988 to visit England. The grant of per diem expenses to the scholar was irregular and beyond the provisions of the rules.

The Chairman permitted the Director (P and R) of the Council to attend the eleventh International Wittgenstein Symposium in Austria in August 1986 and allowed the to and fro expenses of air travel. As a minimum of 14 days stay abroad was essential for admissibility of excursion tickets, the Director was asked to utilise his stay by establishing contacts with Philosophical Council and Association in Austria, to

survey the latest Philosophical literature and to prepare a bibliography of the literature published. For the additional days, he was allowed per diem expenses as admissible to the officers of his rank. Scrutiny of the report submitted by the Director showed that he did not prepare a bibliography of the literature published.

#### 9.16. Staff and Establishment

**9.16.1 Staff provided to Chairman and Member Secretary:**— The Special Secretary in the Ministry of Human Resource Development (formerly Ministry of Education and Culture) was appointed as the Member Secretary of the Council in July 1981, and he continued to hold the appointment even after his retirement from Government service in March 1988. Both the Chairman and Member Secretary were appointed in honorary capacity. Government did not specify the facilities to be provided to the Chairman and Member Secretary. It was noticed in audit that these officers were provided with staff cars with drivers, residential telephones and group 'C' (three each excluding driver) and Group 'D' (two each) staff working at their residences. The Chairman was also given a bank account with Rs. 10,000 as imprest at Calcutta which was operated by his personal assistant (who was also being paid by the Council) on monthly recoupment basis for meeting contingent and other expenditure.

**9.16.2 Appointment of Scheduled Castes/Scheduled Tribes persons:**— According to the terms and conditions of grants paid to the Council, the Council was required to make reservation for Scheduled Castes and Scheduled Tribes in the posts/ services under its control as per Government of India orders on the subject. Out of 82 posts filled in by the Council, one post each of Lower Division Clerk and peon and four posts of Store-keeper only had been held by Scheduled Castes/ Scheduled Tribes. The Council also did not maintain any roster to keep a watch over the appointment of Scheduled Castes/ Scheduled Tribes as per Government orders.

**9.16.3 Appointment of part-time consultant:**— A retired officer of the Government of India was appointed as a Consultant for a period of six months in May 1988 and his appointment was extended by another six months upto April 1989. He was paid a salary of Rs. 2000 per month. The consultant prepared draft Recruitment Rules, Service Rules, Budget and Accounts Rules which were based on Government rules. The draft rules framed by the consultant which were submitted by him to the Council in October 1988 were referred to Government in December 1988, but had not been approved so far (December 1989). The Council stated, in December 1989, that the Consultant had been specifi-

cally allotted the work of preparation of the aforesaid draft rules in addition to advice on day to day administrative and financial matters. The Council did not, however, intimate the specific work done by the Consultant after preparation of the draft rules in October 1988.

**9.16.4 Fixation of pay:**— The Council obtained the services of three Government servants on deputation for appointment as Director (Administration and Finance), Superintendent (Accounts) and Stenographer Grade 'C' from February 1984 to February 1987, October 1983 to February 1989 and October 1986 to September 1989 respectively. According to Government orders, during the period of service with the Council, these Government servants were entitled to pay of the post in the Council or retain their pay in the parent cadres and draw in addition, 10 per cent thereof (5 per cent for deputations after 1st January 1986) as deputation (duty) allowance. Contrary to these orders, the Council allowed:

(i) five advance increments in the higher pay scale of the post in the Council to the Director (Administration and Finance).

(ii) special pay of Rs. 100 per month for 15 months and Rs. 200 per month for 20 months in addition to deputation (duty) allowance to the Superintendent (Accounts) and five advance increments in the higher pay scale of the post in the Council for the remaining period of his deputation: and

(iii) five advance increment in the higher pay scale of that post in the Council to the Stenographer Grade 'C'.

The Council contended in December 1989 that the General body had authorised the Chairman in November 1981 to sanction upto five advance increments in deserving cases. However, since the services of the employees had been obtained on deputation basis on the above cases and their pay was to be regulated as per Government orders on the subject, the Council was not competent to grant the aforesaid extra benefits. The Council also did not consult the parent departments of the employees. The irregular grant of the inadmissible benefits in the above cases resulted in extra expenditure of Rs. 0.37 lakh on pay alone besides the consequential additional expenditure on other allowances.

**9.16.5 Irregular appointments:**— According to instructions of the Ministry, the Council was required to follow the recruitment rules of the Indian Council of Social Science Research (ICSSR) till the Council's own rules were framed and approved by the Government. While filling the posts of Administrative Officer and Accounts Officer, the recruitment rules of ICSSR were not followed. As per

recruitment rules of ICSSR both posts were to be filled on "deputation basis" the officers of the rank of Under Secretary to the Government of India or equivalent were eligible for the post of Administrative officer whereas officers from Indian Audit and Accounts Department, Central Secretariat or autonomous bodies set up by Government including universities were to be considered for appointment as Accounts Officer. Instead of following these rules, the Council appointed a Hindi officer, working in a Government Office as its Administrative officer while an ex-employee of a private company was appointed as the Accounts Officer. Although these were major deviations from recruitment rules, Government approval to the appointment was not obtained. In addition, such persons were also granted five advance increments which was beyond the competence of the Council.

A test check of appointments revealed that there was no well defined recruitment policy. Most of the appointments made in clerical cadre were neither sponsored by the employment exchange nor made on the basis of advertisements in newspapers. It was a routine matter for the Council to appoint people on 'ad hoc' basis which was converted later into regular appointment.

**9.17. Monitoring and evaluation:**— Under rule 25 of the rules and regulations of the Council, Government may appoint one or more persons to review the work and progress of the Council and to hold enquiries into the affairs thereof and to report thereon in such manner as the Government may stipulate. No such review committee was appointed by Government so far. The Council appointed a Perspective Planning Committee (PPC) in 1984 and a Programme Evaluation Committee (PEC) in 1986 to evaluate the work and activities conducted by the Council during the last five years and to plan for the next five years. The PPC recommended that the Council may organise some specific programmes and projects to facilitate the process of emergence of new Indian philosophy, prepare compilation of subject author index of journals and directory of Indian

philosophers and who's who, and hold seminars on spiritual experiences in India. The PEC stressed the need to follow the PPC's recommendations and to improve the quality of seminars, to organise refresher courses in selected themes, and to prepare a calendar on births/deaths centenaries of leading philosophers. Although the Council accepted the report of the PEC in its meeting held in April 1988, no follow up action had been taken (December 1989).

The objectives of the Council as defined in the Memorandum of Association assign it a very important role, in the promotion of teaching and research in philosophy in India and the development of Indian philosophers on certain themes and problems. These objectives are very wide ranging and comprehensive. The Council had not covered some of the major objectives like review of progress of research in philosophy from time to time and giving of advice to Government on matters pertaining to research and philosophy.

The Council did not have any effective system of monitoring and evaluation. It kept no proper record of the fellowships awarded, due date of completion, the progress reports to be submitted and the utilisation certificates/accounts to be received in respect of the fellowships awarded. There was no proper monitoring in respect of Council's seminars and other projects/ schemes.

**9.18. Other points of interest:**— The premises of Butler Palace, Lucknow were used by the Council for accommodating office, exhibitions and library, etc. The building was under the Custodian of Enemy Property and the terms and conditions of its lease had not been settled as the Council did not agree to the terms and conditions put forward by the Custodian. However, the Council incurred expenditure of Rs. 11.82 lakhs on its renovations and maintenance during 1982-89. The Council exhibited this expenditure under land and buildings, even though no title thereof vested in the Council.

The matter was referred to the Ministry in September 1989; reply has not been received (December 1989).

#### Annexure

(Referred to in Para 9.8)

Year	Target	National	Senior	General	Residential	Short-term	Learning material	Total	Budget	Actual expenditure (Amount in lakh of rupees)
1982-83	27	1	2	10*	—	—	—	13	9.85	1.86
1983-84	40	—	2	2	—	—	—	4	10.68	3.29
1984-85	43	1	1	5	—	—	—	7	19.47	3.78
1985-86	10	—	3	4	—	—	—	7	8.00	5.34
1986-87	24	2	2	11	3	3	2	23	10.00	8.57
1987-88	25	2	2	12	3	1	1	21	12.45	12.44
1988-89	30	—	2	22	4	1	—	29	12.50	13.70

\* Includes 5 junior fellowships.

## 10. Panjab University, Chandigarh

### 10.1. Introduction

Panjab University was established under the East Panjab University Act, 1947. Its present jurisdiction extends to the Union Territory of Chandigarh and districts of Ludhiana, Hoshiarpur and Ferozepur. The University has 49 teaching departments and 94 affiliated colleges besides a Directorate of correspondence courses and an evening college. Its annual maintenance deficit is shared by the Central Government (through Chandigarh Administration) and the Panjab Government on 60:40 basis. It also receives grants from the University Grants Commission, Central/State Governments and other organisations like the Council of Scientific and Industrial Research; the Indian Council of Agricultural Research, the Indian Council of Historical Research, etc. for specific purposes as well as loans from the Central Government for development/activities. Its own receipts comprise mainly tuition and examination fees, hostel rent, service charges, sales of publication, interest on investments, etc.

### 10.2. Scope of Audit

A review of the working of Panjab University for the period 1983-84 to 1986-87 was conducted by Audit in May/June 1988 under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

### 10.3. Organisational set up

The supreme authority of the University is vested in the Senate which consists of the Chancellor, Vice-chancellor, ex-officio fellows and ordinary fellows. The executive power of the University is vested in the Syndicate which consists of the (a) Vice-chancellor as Chairman, (b) Directors of Public Instruction, Panjab, Haryana and Chandigarh, and (c) not less than 12 or more than 15 ex-officio or ordinary fellows elected by the faculties. The Registrar is a full time paid officer of the University appointed by the Senate. He is incharge of the administration of the University acting under the immediate control of the Vice-chancellor and represents the University in all legal proceedings.

### 10.4. Highlights

- Heavy retention of cash balances in current and savings account resulted in a loss of interest amounting to Rs. 3.92 lakhs in one year.
- The enrolment of students declined sharply from 0.86 lakh in 1983 to only 0.52 lakh in 1988.
- Against grants of Rs. 1071.02 lakhs received by the University during 1983-84 to 1987-88 for specific schemes, only an expenditure of Rs. 992.22 lakhs was incurred.
- Execution of a scheme for which the Council of Scientific and Industrial Research released Rs. 2.10 lakhs to the University, only Rs. 0.46 lakh on the purchase of equipment and chemicals was spent in 1985-86. The scheme had been held up since then as the professor proceeded on leave abroad.
- Machinery worth Rs. 20 lakhs imported in 1983 had been laying idle (June 1989) reportedly due to non-imparting of training to technicians.
- Against the payment of Rs. 88.37 lakhs for supply of water to the University campus during 1981-88, the University had realised/billed only for Rs. 72.47 lakhs leaving a balance of Rs. 15.90 lakhs un-recovered/un-claimed.
- Publication worth Rs. 10.75 lakhs had been lying unsold and periodicals/journals worth Rs. 2.37 lakhs for which advance payments were made to the publishers, had not been received.
- Lease deeds/rents of commercial complex had not been renewed/revised during the last 22 years.
- The lesson scripts in the Directorate of correspondence courses had been printed far in excess. Unutilised lesson scripts worth Rs. 2.36 lakhs were disposed of as waste paper for Rs. 0.17 lakh resulting in a loss of Rs. 2.19 lakhs to the University.

10.5. *Accounts and Audit*:—A summary of receipts and payments of the University for the period 1983-84 to 1987-88 is given below:—

(In lakhs of Rupees)

	1983-84	1984-85	1985-86	1986-87	1987-88
<b>Receipts</b>					
Opening balance	879.11	1116.42	1235.16	1480.42	1756.59
Maintenance grant from central/state Governments					
Central	451.29	481.00	564.90	659.00	581.92
State	240.00	400.00	417.73	381.01	524.10
Specified and development grants					
University Grants Commission	195.44	108.55	84.36	95.09	171.15
Central	6.20	9.07	6.05	4.97	5.51
State	0.25	-	1.00	16.48	8.49
Scholarships	8.55	5.61	6.32	6.15	7.84
Other bodies	39.85	31.35	52.86	114.96	119.40

	1983-84	1984-85	1985-86	1986-87	1987-88
<b>Receipts</b>					
Loans from Central Government	25.00	25.00	50.00	25.00	50.00
Own income	195.97	198.69	229.65	224.43	256.13
Endowment and other funds receipts	2.47	3.95	4.13	0.62	2.74
Other debt and deposits					
Debt	43.80	40.68	52.37	48.67	53.20
Deposits	258.51	316.01	356.31	433.57	516.01
<b>Total</b>	<b>2346.44</b>	<b>2736.33</b>	<b>3060.84</b>	<b>3490.37</b>	<b>4053.08</b>
<b>Payments</b>					
Expenditure on revenue account	894.47	1010.49	1087.23	1233.86	1475.87
Expenditure on capital account	40.49	31.93	44.04	62.67	64.84
Expenditure met out of specific and development grants	120.33	239.19	210.50	191.83	262.21
Repayments to Central Government					
Loans	13.07	15.05	14.26	17.27	17.76
Interest	15.56	16.65	17.77	20.89	21.65
Endowment and other funds payments (except student fund)	1.05	0.58	0.38	2.40	0.47
Other debt and deposits					
Debt	34.08	34.52	38.21	37.85	60.55
Deposits	110.97	152.76	168.03	167.01	238.03
Closing balance	1116.42	1235.16	1480.42	1756.59	1911.70
<b>Total</b>	<b>2346.44</b>	<b>2736.33</b>	<b>3060.84</b>	<b>3490.37</b>	<b>4053.08</b>

The accounts of the University are preaudited by the Examiner, Local Fund Accounts under the Panjab University Act, 1947 and 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.

10.6. *Avoidable loss of interest:*— The Panjab University Act, 1947, provides that funds of the University may be kept in the State Bank of India and any balance above the minimum lying at credit of any particular trust or any University account shall be invested in Government securities in fixed deposits. There were large surplus balances in six accounts (five current and one savings bank) at the close of each year (1983-84: Rs. 32.18 lakhs; 1984-85: Rs. 31.51 lakhs; 1985-86:

Rs. 27.51 lakhs; 1986-87: Rs. 29.14 lakhs and 1987-88: Rs. 12.62 lakhs) after meeting the annual expenditure. Had the surplus funds been invested judiciously even for a year, the University could have earned an interest of Rs. 3.92 lakhs at the minimum cash balance.

The University, however, stated, in October 1988, that the balances were reviewed monthly from the cash book balances and the surplus balances where justified were invested. The reply was not tenable as the balance above the optimum liquid level remained uninvested.

10.7. *Academic programme:*— The enrolment of students in the University during 1983 to 1988 was as under:—

Particulars	1983	1984	1985	1986	1987	1988
Teaching departments	4947	4612	5145	5046	5405	5265
Directorate of correspondence courses	9384	7767	8387	8188	8180	7719
Affiliated colleges	71931	70994	77430	60413	39366	39068
<b>Total</b>	<b>86262</b>	<b>83373</b>	<b>90962</b>	<b>73647</b>	<b>52951</b>	<b>52052</b>

There was considerable decrease in the enrolment of students particularly in affiliated colleges in 1987 and 1988. The Ministry stated, in December 1988, that this could possibly be the result of overall situation prevailing in Panjab.

10.8. *Utilisation of grants:*— Out of Rs. 1071.02 lakhs received as grants during 1983-84 to 1987-88 from various sources for specific schemes, Rs. 992.22 lakhs were spent thereby leaving Rs. 78.80 lakhs as unutilised.

The reasons and details of unspent balances were called for but the reply had not been received (June 1989).

The Council of Scientific and Industrial Research, sponsored, in April 1985, a scheme on purification, characterization and cloning of cellulose and B glucosidase genes of *thermono-spora* SP for a period of two years at an annual outlay of Rs. 2.45 lakhs. For execution of the scheme, a sum of Rs. 2.10 lakhs was released to the University during 1985-86 out of which Rs. 0.46 lakh were spent during 1985-86 on purchase of equipment and chemicals. Execution of the scheme had not been taken up till May 1989. It was stated by the University, in June 1989, that the implementation of the scheme was entrusted to a professor who had left on leave for the United States of America. On his return from leave, the progress of the work done and unspent balance under the scheme would be refunded to the Council. It is, however understood that the Professor resumed his duties on 9 January 1990 but proceeded on leave again from 29 January 1990.

**10.9. Idle equipment and machinery:**— A protein sequencer worth Rs. 20 lakhs was purchased from a foreign firm by the University for the Regional Sophisticated Instrument Centre, in October 1982. The equipment was required to be installed by the engineers of the supplier.

The equipment was damaged in transit and the firm was informed of the damage in November 1983. The firm took more than four years to repair and install the equipment. During this long period, chemicals received with the equipment became unusable due to their limited shelf life. The equipment could not be operated due to non-availability of chemicals. Fresh orders for the import of chemicals valuing Rs. 1.74 lakhs were placed in February 1988.

The University informed, in June 1989, that the equipment had been installed, in April 1989, by the supplier and tested for its proper working. But the requisite training was not imparted to the technicians to enable them to run the machine with the result that the machine had remained unused even after its installation.

**10.10. Loss on recovery of water charges:**— The University makes lump sum payment to Chandigarh Administration for water charges and claims reimbursement from the consumers within the premises of the University for which water meters had been installed. The University paid Rs. 88.37 lakhs to Chandigarh Administration during 1981-82 to 1987-88, but only a sum of Rs. 72.47 lakhs had been recovered resulting in short realisation of Rs. 15.90 lakhs.

The University stated, in June 1989, that the deficit of Rs. 15.90 lakhs was due to short recovery of Rs. 5.61 lakhs from private consumers and Rs. 10.29 lakhs from the University departments. The matter

regarding finding out ways and means to tackle this uncovered deficit was stated to be under consideration of the Board of Finance of University.

**10.11. Publication bureau:**— The University had published 6600 books under ten titles during 1983-84 to 1985-86, out of which only 1759 books were sold and 429 books were issued as complementary copies. The remaining 4412 books valuing Rs. 2.65 lakhs were lying unsold.

Similarly, in Vishvashevera Nand Vishwa Bandhu Institute of Sanskrit and Indological Studies, Hoshiarpur, out of 0.26 lakh books and 0.18 lakh journals valuing Rs. 12.64 lakhs printed during 1965-66 to 1985-86, 0.18 lakh books and 9628 journals valuing Rs. 8.10 lakhs were lying unsold.

It appears that no proper assessment of the demand for these books/journals was made. The University, however, stated, in October 1988, that the books and journals had remained unsold due to poor reading habit and buying capacity of the public at large. Knowing this, it is not clear why the University printed books and journals in excess of the anticipated demand.

**10.12. University libraries:**— Six firms were paid advances amounting to Rs. 2.29 lakhs during 1975 to 1986 for supply of periodicals/journals to the Central Library at Chandigarh. The periodicals/journals were, however, not received from any of the firms.

Similarly, in the extension library at Ludhiana periodicals/journals valuing Rs. 0.08 lakh were not received from the agents to whom advance payments had been made during 1981 to 1986.

The University stated, in June 1989, that the matter had again been taken up with the defaulting firms for the refund of advances and in case, they failed to get the refund, the University may initiate legal action against the firms.

In 18 departments test-checked, 3931 books (value not available) were missing and 621 books were not returned by the students/faculty members.

Physical verification of books and stores in the libraries had not been done since their inception. The University stated, in October 1988, that stock verification was in progress.

**10.13. Commercial complex:**— There are 63 shops in the commercial complex constructed in 1961-62 at a cost of Rs. 5.90 lakhs. Out of these, 26 shops were leased out to various parties prior to March 1966 at rates ranging from Rs. 25 to Rs. 326 per month. The shops were leased out initially for one year but neither the lease deeds nor the rent had been revised for the last 22 years. The rent outstanding amounted to Rs. 0.29 lakh (November 1989).

The University stated, in June 1989, that rents of 15 shops had been enhanced from May/June 1989 and the fresh lease deeds were being executed;

similar action in other cases was also being taken.

10.14. *Printing of lesson scripts*:—Lesson scripts for various subjects/courses were got printed by the Directorate of Correspondence Courses, for supplying to candidates enrolled under correspondence courses. Out of 11.73 lakhs lesson scripts for various classes and subjects got printed from open market in 1983-84 at a cost of Rs. 9.91 lakhs, 8.93 lakh lesson scripts were supplied to students/issued to other persons leaving a balance of 2.80 lakh scripts. The proportionate cost of un-utilised lesson scripts worked out to Rs. 2.36 lakhs. These were disposed of as waste paper for Rs. 0.17 lakh resulting in a loss of Rs. 2.19 lakhs to the University.

The matter was referred to the Ministry in August 1988. The Ministry stated, in December 1988, that it was not in a position to supplement the replies of the University and that the review may be finalised after taking into account the replies of the University.

## 11. Kendriya Hindi Shikshan Mandal, Agra

### 11.1. Introduction

The Kendriya Hindi Shikshan Mandal, Agra was registered as a society in 1961 under the Societies Registration Act, 1860. The Mandal has Central Institute of Hindi at Agra having centres at Delhi, Guwahati, Hyderabad, Mysore and Shillong. Its main objectives are:

- (i) to arrange teaching-cum-training programme for Hindi at various levels; to organise research in the teaching of the subjects; to formulate, undertake and facilitate such courses as are conducive to the development and propagation of Hindi as an all India language as envisaged in the constitution; to provide for the advanced study of Hindi language and literature and comparative linguistics of different Indian languages in relation to Hindi; to prepare suitable text books for the above purposes;
- (ii) to undertake and provide for publication of journals and periodicals in furtherance of its objects; and
- (iii) to conduct seminars, exhibitions, refresher courses and symposia.

### 11.2. Scope of Audit

The accounts of the Mandal are audited under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. A review on the working of the Mandal was taken up by Audit during April and May 1989.

### 11.3. Organisational set up

The Minister/Deputy Minister of Education and Culture at the Centre is the Chairman of the Mandal. The membership of the Mandal comprises representatives of Central and certain State Governments, Hindi organisations of all India importance and nominees from amongst Hindi scholars and the Man-

dal's academic staff, apart from a Vice-Chairman nominated by the Chairman. The Director of the Mandal is the Principal executive officer.

### 11.4. Highlights

- The number of persons trained under various courses had been very small. Neither any targets were fixed nor any efforts made to increase their number. The expenditure on pay and allowances of the administrative staff and rent, etc., was more than one third of the total revenue expenditure.
- Text books and video teaching lessons prepared for the States and the then Union Territories in the North-Eastern region in 1984-85 at a cost of Rs. 4.36 lakhs had remained unpublished (May 1989).
- Two computers received as donation and one word processor purchased in 1986-87 at a cost of Rs. 0.79 lakh remained largely unused due to non-appointment of a programmer.
- The survey and research work on functional Hindi and Socio-linguistic unit project on Pan Indian Hindi was suspended after incurring an expenditure of Rs. 1.86 lakhs.
- Priced publications remained unsold for long.
- A generator installed, in October 1988, at a cost of Rs. 1.78 lakhs remained uncommissioned.
- Intercom system costing Rs. 1.65 lakhs was not in operation (May 1989) since its installation in 1982-83.
- A sum of Rs. 1.91 lakhs was incurred on a legal case for which sanction of the Government had not been obtained.

11.5. *Finance and Accounts*:—The Mandal is financed mainly by grants from the Central Government. Its own receipts consist of tuition fees, sale of publications, etc. A summary of the receipts and payments of the Mandal during 1983-84 to 1987-88 is given below:

(Rupees in lakhs)

	1983-84	1984-85	1985-86	1986-87	1987-88
<b>Receipts</b>					
Opening balance	0.93	0.54	2.51	3.08	42.26
Grants from Government	90.00	109.27	147.16	165.63	142.00
Receipts from other sources	4.19	5.18	7.54	7.75	12.10
<b>Total</b>	<b>95.12</b>	<b>114.99</b>	<b>157.21</b>	<b>176.46</b>	<b>196.36</b>
<b>Payments</b>					
Revenue expenditure	61.93	66.16	86.49	91.25	122.18
Capital expenditure	27.78	38.31	59.67	34.92	33.35
Scholarships	1.65	4.11	3.67	0.77	2.68
Loans and advances	1.74	2.88	4.30	4.88	8.82
Other recoverable advances	1.48	1.02	—	2.38	3.34



Closing balance	0.54	2.51	3.08	42.26	25.99
Total	95.12	114.99	157.21	176.46	196.36

Pay and allowances of the Administrative staff and rent, etc., as per details given below accounted for

(Rupees in lakhs, percentage to total in brackets)

Function/activity	1983-84	1984-85	1985-86	1986-87	1987-88
(i) Administrative	13.23 (21.00)	14.94 (22.50)	19.00 (22.00)	20.87 (23.00)	26.92 (22.00)
ii) Teaching and training					
(a) Salary and allowances of academic staff	31.60 (51.00)	32.92 (50.00)	41.00 (47.50)	42.55 (46.50)	64.76 (53.00)
(b) Other expenditure	5.26 (9.00)	7.54 (11.40)	9.96 (11.50)	8.97 (10.00)	10.49 (8.60)
iii) Research	1.60 (2.50)	0.20 (0.30)	1.19 (1.50)	1.41 (1.50)	0.25 (0.20)
iv) Publication	2.16 (3.50)	1.50 (2.20)	2.98 (3.50)	4.50 (5.00)	1.25 (1.00)
v) Other miscellaneous expenditure (Rent, Rates, Taxes, etc.)	8.08 (13.00)	9.06 (14.00)	12.36 (14.50)	12.95 (14.00)	18.51 (15.20)
Total	61.93	66.16	86.49	91.25	122.18

11.6. *Teaching-cum-training*— The Mandal organised the following courses at headquarters and at centres during 1983-84 to 1987-88.

- (i) Training courses for school and university teachers (10 months' course at Agra);
- (ii) Post M.A. level Diploma Course in Applied Hindi Linguistics (10 months' course at the Delhi Centre).
- (iii) Teaching-cum-training Course for Foreign Nationals (9 months' course at the Delhi Centre).
- (iv) Short term intensive courses of 60 days/90 days for the Central Government officers and employees of other Government institutions.

The expenditure on pay and allowance of the academic staff and on teaching courses formed nearly 60 per cent of the total revenue expenditure of the Mandal. The average number of persons trained each year through the above courses was as under:

Category	Number of persons trained per year
I	98
II	96
III	53
IV	7

The Mandal had neither determined the intake capacity for these centres nor fixed any target therefor. The Mandal also did not make efforts to increase the number of trainees over the years.

#### 11.7. *Research*

- (a) *Delayed publication—Tribal language research*

about one third of the revenue expenditure. Moreover, most of the research outlay was rendered not of much use due to delay in publication of results thereof, non-utilisation of equipment procured and projects left unfinished.

*and material production unit*— This unit was established at Agra in 1984. After conducting survey of five States and Union Territories in the North-Eastern region, material for teaching and application of Hindi and Hindi study courses as detailed below was prepared/formulated:—

- i) Hindi text books for classes from 1st to 8th standard, for Nagaland and Mizoram students.
- ii) 20 Video teaching lessons for the students of the North-Eastern region.
- iii) Bilingual Dictionary (Mizo).

The initial work of preparation of books, dictionary and video lessons was completed by 1984-85 but their publication was not yet done (May 1989). The target date for printing and reasons for not publishing them were not intimated by the Mandal. A sum of Rs. 4.36 lakhs was spent on these programmes during 1984-85 to 1987-88.

(b) *Language technology and audio-visual materials production unit*:— Out of 100 lessons proposed on remedial pronunciation for Naga and Mizo (35), Manipur (35) and foreign students (30), 85 were prepared upto 1987-88, but the lessons were not published (May 1989), reasons for which were not on record.

The Mandal received, in December 1985, two British Broadcasting Corporation computers for its Agra Headquarter and the Delhi Centre, as donation, through the National Council of Educational Research and Training and purchased a word-pro-

cessor for Agra in 1986-87 at a cost of Rs. 0.79 lakh, with a view to preparing material for computer application. It was expected that with the appointment of a computer programmer and academic staff, the production of computer aided language teaching material would catch up. The Mandal had not yet (May 1989) appointed a computer programmer with the result that the equipment remained unused and outlay unproductive. The Mandal has not intimated reasons for non-appointment of a computer programmer.

(c) *Infructuous expenditure*:— From 1984-85, a socio-linguistic survey of industrial units at Rourkela, Bokaro, Vishakhapattanam and Goa was started to find out (i) the language used by the people coming from different States at their homes, places of work and in other centres, (ii) the language used by people with different social and cultural backgrounds in different contexts while talking to people of relatively higher, lower or equal status, (iii) whether Hindi was used as link language in these areas, (iv) the progress made in the Hindi language instruction in these areas, and (v) the norm of Hindi spoken in these areas.

A questionnaire was used to collect material for the project. In order to analyse the use patterns of the spoken Hindi stories, conversation and work related information was tape-recorded. For collecting this material, around 1500 questionnaires were got filled up and 60 hours of spoken Hindi material tape-recorded from four places (Rourkela, Bokaro, Vishakhapattanam and Goa) during survey period 1984-85 to 1986-87 and a sum of Rs. 1.86 lakhs was spent on the survey work of the project. Thereafter, the work was suspended with the result that the objectives of the project could not be achieved and the expenditure incurred remained unproductive. The Mandal did not give reasons for not resuming further activities on the project.

11.8. *Large stocks of unsold publications*:— With a view to improving and propagating the standard of Hindi teaching, the Mandal published priced books of general literature and text-books for sale principally to the libraries of various institutions and to the students of the primary classes of non-Hindi speaking States/Union Territories. The distribution/sale of books had been very nominal. The Mandal did not give the reasons for nominal distribution/sale of books.

The details of books published and sold were as under:—

(Value in brackets in lakhs of rupees)

Year	Opening stock	Addition	Sale	Closing stock
<b>General literature</b>				
1985-86	38,600 (2.75)	9,315 (1.07)	13,160 (0.31)	34,754 (3.51)
1986-87	34,754 (3.51)	4,113 (0.63)	4,263 (0.44)	34,604 (3.72)
1987-88	34,604 (3.72)	10,543 (0.07)	—	45,147 (3.79)
<b>Test books</b>				
1985-86	26,644 (0.76)	2,855 (0.06)	6,414 (0.18)	23,086 (0.64)
1986-87	23,086 (0.64)	3,761 (0.23)	2,382 (0.05)	24,465 (0.80)
1987-88	24,465 (0.80)	—	1,970 (0.01)	22,495 (0.79)

11.9. *Meetings*:— The Mandal was required to meet at least twice in a year. The Mandal had only one meeting during 1984-85 and 1986-87, while it did not meet at all in 1985-86.

11.10. *Uncommissioned generator*:— To meet its emergency electricity requirements, the Mandal paid Rs. 1.78 lakhs to the Central Public Works Department, Jaipur, in 1986-87 for supply, installation and commissioning of a generator of 1.37 KVA capacity. The generator alongwith power sub-station was installed, in October 1988, but had not been commissioned and handed over to the Mandal so far (July 1989). Reasons for non-commissioning were not given.

11.11 *Non-functioning inter-com system*:— During 1981-82 and 1982-83, an inter-com system having 50 lines was installed at Agra at a cost of Rs. 1.65 lakhs. The system had not been in operation since its installation. The Mandal did not give any reason for non-functioning of the system.

11.12. *Legal expenses*:— The Mandal contested two writ petitions in the Allahabad High Court concerning transfer of the then Director of the Mandal from Agra to Guwahati, in December 1987 and incurred legal and allied expenses totalling Rs. 1.91 lakhs upto February 1989. Despite recommendation to that effect made, in April 1988, by the Mandal's Finance Committee, sanction of the Government to this expenditure had not been sought (October 1989).

The matter was referred to the Ministry/Kendriya Hindi Shikshan Mandal in July 1989; replies have not been received (October 1989).

### Banaras Hindu University

#### 12. Idle equipment

The Banaras Hindu University imported 10 items of equipment at a total cost of Rs. 62.82 lakhs between March 1976 and June 1987 for intensive work in basic/applied/advanced research and development programmes and for strengthening infrastructure of Medical/Technology/Science Institutes/Faculties. Six of the 10 items costing Rs. 28.27 lakhs could not be installed/commissioned (July 1989) three to thirteen years after their receipt as they were received in defective/damaged condition. Two others costing Rs. 16.14 lakhs were either not installed or could not be put to use for want of wiring or power supply even after two years of their arrival. The remaining two costing Rs. 18.41 lakhs were being used partially for routine works only for want of chemical spares/personnel required to run/operate them. Since the equipment could not be used for the purpose it was purchased, the amount spent in foreign exchange on their import remained unfruitful.

#### University of Delhi

#### 13. Blocking of Funds

In April 1983, the Municipal Corporation of Delhi (MCD) intimated the University that it was required to pay Rs. 90 lakhs on account of property tax including general tax in respect of university buildings up to 1983-84. The demand for general tax in respect of university buildings was included therein for the first time and the University had not paid general tax till then to the MCD as it held that it was exempted therefrom as per provisions contained in Section 115(4) of the Delhi Municipal Corporation Act, 1957.

The University approached the University Grants Commission (UGC), in May 1983, for funds to liquidate the tax liability. The UGC released a grant of Rs. 45 lakhs to the University, in March 1984, for payment of property tax out of which, the University paid Rs. 10 lakhs to the MCD. The University received a further amount of Rs. 22.50 lakhs for payment of property tax as part of its maintenance grant according to provision proposed in its revised estimates for 1984-85.

Meanwhile, as advised by the standing counsel, in May 1983, the University also filed a petition, in October 1983, in the High Court of Delhi challenging recovery of general tax in respect of university buildings. The petition was admitted and the recovery thereof was stayed by the High Court in November 1984.

In March 1985, the University wrote to the UGC that on the advice from its senior counsel, it had decided not to make payment of general tax to the MCD and an amount of Rs. 57.50 lakhs would be refunded to the UGC, in March 1985. Simultaneously, it asked for sanction of the grant for the same amount i.e. Rs. 57.50 lakhs for House Building

Advance Revolving Fund. The UGC replied, in March 1985, that the university could not refund the amount to the UGC nor could this amount be diverted for any other purpose. After receiving advice from the senior counsel, the University decided to keep the amount of Rs. 57.50 lakhs in a separate account with the State Bank of India. According to the information furnished by the University in February 1990, the University received Rs. 11.83 lakhs as interest on the deposit kept by it with the State Bank of India upto January 1990.

Thus, although the University had obtained legal advice, in May 1983, that it should challenge the recovery of general tax as it had a good case and also filed a writ petition against the recovery in October 1983, it nevertheless obtained additional grant for the same in March 1984 and again during 1984-85 though these were not immediately required. On the other hand, although the UGC was apprised that the amount was not required to be paid to the MCD immediately as per the stay granted, it did not allow the University to refund the same. This resulted in blocking of funds amounting to Rs. 57.50 lakhs i.e. Rs. 35 lakhs from March 1984 and Rs. 22.50 lakhs from March 1985 onwards.

The University stated, in July 1989, that the requirement was projected to the UGC in the revised estimates for 1983-84 keeping in view the constant threats from the MCD for freezing its bank account. UGC stated, in June 1989, that it had received a reference from the University that the case was not likely to be decided by the High Court in the near future and the senior counsel of the University had advised that the amount may be refunded to the UGC provided it agreed to pay the general tax immediately, if so decided by the High Court. The UGC stated, in February 1990, that the University had been asked to refund the unspent amount of Rs. 57.50 lakhs alongwith the interest thereon immediately, failing which the same would be adjusted from the last instalment of the maintenance grant payable to the University for 1989-90.

The matter was referred to the Ministry in May 1988. The Ministry stated, in July 1988, that it had no comments to offer.

#### National Book Trust

#### 14. Blocking of funds

The office of the National Book Trust (NBT) was housed in rented premises located in a residential area in Delhi. The NBT was granted permission by the Delhi Development Authority (DDA) for non-conforming use of the building on year to year basis on payment of composition fee. The NBT paid Rs. 7.78 lakhs to the DDA towards composition fee during 1981-82 to 1988-89.

In November 1980, the Department of Education (Department) decided to allot a plot of land measuring about one acre in National Council of Educa-

tional Research and Training (NCERT) campus to the NBT to enable it to put up its own building. The NCERT agreed to transfer the land to the NBT, in May 1981, and necessary approval for the same was accorded by the DDA, in February 1982. Grants aggregating Rs.6.50 lakhs were paid by the Department to the NBT, in January and March 1983, for incurring expenditure for processing construction of the building and the NBT paid rupees six lakhs to the NCERT, in March 1983 towards cost of the land. In May 1984, the department conveyed its approval to the appointment of a private architect for designing the building and decided that the construction of the building would be entrusted to the Central Public Works Department (CPWD). The plans for the building were submitted to the DDA, in April 1985, but the approval of the plan was held up, inter alia, for want of 'No Objection Certificate' and handing over/taking over letter/subleasing of land from the NCERT.

The CPWD allotted the construction work to a Construction Division, in March 1985 and demanded a deposit of Rs. 20 lakhs pending finalisation of preliminary estimates and drawings. The Department paid Rs. 20 lakhs as grants-in-aid to the NBT for construction of building, in March 1985 and March 1986 and the NBT deposited Rs. 20.46 lakhs with the CPWD, in March 1985 and May 1986.

Though the NCERT had agreed to transfer the plot of land to the NBT, in May 1981 and had received payment of rupees six lakhs towards the cost of the same in March 1983, it did not give the necessary documents viz., no objection certificate, sublease agreement and handing over/taking-over letter of plot of land and in October 1986, it informed the NBT that it found it difficult to part with the land in view of increased responsibilities entrusted to it under the New Education Policy of the Government. It was decided, in April 1989, that the Department would obtain the approval of the Cabinet Committee on Accommodation for locating the offices of the NBT in Delhi and the Department in consultation with the NCERT would allot land of suitable size to the NBT in the campus of the NCERT from additional area to be allotted by the DDA to the latter. Further, developments were not received (October 1989). No efforts were, however, made by the NBT to secure refund of the amount of Rs. 26.46 lakhs paid by it to the NCERT and the CPWD towards cost of land and construction of building respectively.

The case revealed that :

- (i) though the permanent location of the offices of the NBT, in Delhi had not been approved by the Cabinet Committee on Accommodation, the Department approved incurring expenditure on construction of building;
- (ii) although the NBT paid rupees six lakhs to the NCERT towards cost of plot, in March 1983, it did not enter into sub-lease agreement with the NCERT

nor did it take action to secure possession of the land immediately;

(iii) without securing possession of the land, the NBT went ahead with the appointment of an architect for designing the building and submission of building plans to the DDA;

(iv) the NBT paid Rs. 20.46 lakhs to the CPWD for construction of building when it had no title to land on which the building was to be constructed; and

(v) the Department paid Rs. 20 lakhs to the NBT as grants-in-aid in instalments, in March 1985 and March 1986 for construction of building when the NBT did not have title to land and the building plans were not approved by the DDA; the second instalment of Rs. 10 lakhs was paid to the NBT even without ensuring that the amount already paid had been actually utilised for the intended purpose.

Thus the release of grants amounting to Rs. 26.50 lakhs resulted in blocking of funds. In addition, the NBT had to incur an expenditure of Rs. 7.78 lakhs during 1981-82 to 1988-89 on account of composition fee paid to the DDA as it had to continue to house its office in a residential area.

The Department stated, in October 1989 and February 1990, that the NBT did not enter into a sublease agreement with the NCERT because both the NBT and the NCERT were under the same Ministry and that the main difficulty that arose, resulting in all this delay was NBT's failure to successfully obtain possession of the plot of land in the NCERT campus from the NCERT despite the Department's decision to allot the land and NCERT's own earlier concurrence in the decision. The Department also stated that it had released the second instalment of grant of Rs. 10 lakhs after getting the utilisation certificate from the NBT in regard to the first instalment; though there was blocking of funds, this was due to unforeseen circumstances, and the NBT was being advised to recover the amount deposited with the CPWD. The Department added that composition fees was on obligatory payment and approval of the Cabinet Committee on accommodation for location of NBT in Delhi was being sought. Both the NBT and the NCERT being under the same Ministry, it is, however, not clear as to why the Ministry could not persuade the NCERT to transfer the land to the NBT so that the building for which considerable amount had been spent could be started.

#### University Grants Commission

#### 15. Construction of second phase of Ram Lal Anand College building, New Delhi

Ram Lal Anand College, New Delhi, was taken over by the University of Delhi (University) in 1973 with the approval of the University Grants Commission (UGC). According to the terms and conditions of transfer, the University was committed to meet the expenditure on the existing requirements as well as further physical and academic growth of the College.

With reference to the proposals submitted by the College in 1974, UGC accepted the plans and estimates for Rs. 5.90 lakhs, in December 1977, for construction of the second phase of the College building comprising class rooms, canteen and health centre and advised the College to go ahead with the construction work on the basis of 100 per cent assistance. Tenders for construction were invited, in April 1978, by the College and the work was awarded, in July 1978, to the lowest tenderer 'A' for Rs. 5.57 lakhs to be completed by February 1979.

Despite repeated requests by the College and the South Delhi Campus, UGC did not release any grant to the College till September 1980. In the meanwhile, the contractor abandoned the work, in January 1979, after executing work worth Rs. 0.56 lakh. UGC released Rs. 0.60 lakh to the College in September 1980 and Rs. 0.25 lakh, in February 1984, which were utilised to meet the outstanding claims of the contractor, the architect, etc.

Tenders were re-invited, in July 1981 and again in October 1982 and since the response was inadequate, the College decided to approach the Central Public Works Department (CPWD), in October 1981, for taking up execution of the remaining work. The matter remained under correspondence between the College and the CPWD. In August 1983, the CPWD asked the College to furnish, inter-alia, soil investigation report, details of work already done, two sets of preliminary drawings, etc., which were supplied by the College to the CPWD by August 1984. In March 1985, the CPWD submitted the estimates to the college for Rs. 32.50 lakhs for the remaining civil works against which the UGC conveyed its approval for Rs. 26.75 lakhs in February 1986. The assistance of the UGC was to be limited to Rs. 26.75 lakhs plus services at admissible rates or actual total completion cost whichever was less. However, the UGC did not release any funds to the College and in September 1986, the CPWD revised its estimates to Rs. 40.07 lakhs due to increase in prices.

In April 1988, the UGC directed the College to restrict the estimates to the items of work provided in the original estimates and submit revised estimates. The College was also asked to send separate proposal for additional items of work which were excluded from the main estimates. Accordingly, the College submitted revised estimates to the UGC for Rs. 32.27 lakhs, in August 1988, which were approved by UGC, in November 1988. An amount of Rs. 8 lakhs towards the cost of construction was also released by the UGC, in November 1988. The work was taken up by the CPWD with an advance payment of Rs. 7.5 lakhs and awarded by the CPWD to a contractor, in October 1989. The construction started, in November 1989. The College submitted separate preliminary estimates for Rs. 10.93 lakhs for addi-

tional items like the development of site, in November 1988. These had not been approved so far (November 1989).

Thus, delays in release of funds by the UGC, abandonment of work by the original contractor and further delay in making alternative arrangements for execution of work resulted in increase in the cost of the work by an estimated amount of Rs. 27.26 lakhs besides denial of intended facilities to the students for more than ten years.

Government stated, in January 1989, that the College had never made any allegation regarding non-release of grant in time by the UGC, that the delay in release of grant was due to a pending inquiry into the construction activities of a Delhi based architect who happened to be appointed by the College to supervise the construction work in question and that the delay in execution of construction work and consequential increase in cost of construction occurred due to circumstances not entirely under the control of the College or the UGC. Government further stated, in September 1989, that the College did take immediate steps to make alternative arrangements for execution of the work immediately after the original contractor abandoned the work and the work was tendered and re-tendered, but due to lack of adequate response, the College did not think it proper to award the work to a private contractor. Thereafter, the College approached the CPWD which initially declined to execute the remaining part of the work. The above contention was not correct as:

(i) The UGC did not release any funds to the College during 1978 and 1979 despite repeated requests by the College.

(ii) After the work was abandoned by the original contractor, in January 1979, the College did not move expeditiously to make alternative arrangements for execution of work and tenders were invited, in July 1981, and again in October 1982 only.

(iii) Details like soil investigation report, design details of foundations, preliminary drawings, abstract of work already done by the original contractor, required by the CPWD, in August 1983 were furnished by the College only by August 1984.

(iv) The estimates furnished by the CPWD, in March 1985 were approved by the UGC only in February 1986 and the UGC released funds to the College only in November 1988. Separate estimates submitted by the College, in November 1988, for additional items viz development of site and other services for Rs. 10.93 lakhs had not been approved so far (November 1989).

### Indian Institute of Technology, Kharagpur

#### 16. Non-utilisation of imported instrument

The Indian Institute of Technology (IIT), Kharagpur imported, in June 1983, one 'magnetron sputter system 10' from a foreign firm at a cost of Rs. 4.20 lakhs for its Materials Science Centre for a research project sponsored by the Electronics Commission. The project was sanctioned for a period of three years terminating in October 1986. The project aimed at studying the basic properties of solid state batteries (basic research) and also deposition of thin ceramic materials (applied research). The instrument imported was essential for the applied research component of the project.

A decision to purchase the instrument direct from the foreign firm was taken by the Director of the IIT, in November 1982, on the ground that the instrument was of proprietary nature and it was so specific a requirement that it could not be substituted.

The purchase order was placed on the firm, in December 1982. The instrument was received, in June 1983, without operation manual. On preliminary verification, the supply was found incomplete. The IIT accordingly took up the matter with the firm for immediate supply of the missing items, in July 1983. As per the terms of the purchase order, the installation of the instrument was to be done free of cost by the firm. This was not done.

Also the warranty period of 12 months from the date of installation for replacement of defective parts could not be availed of in the absence of actual installation. The payment of Rs. 4.20 lakhs was released by the IIT bankers between January and April 1983 on the proof of despatch. A thorough check of the inventory was made, in December 1984 and further deficiencies in the supply were noticed and communicated to firm. The IIT approached, in December 1984, the foreign mission for assistance in securing fulfilment of contractual obligation by the firm. The mission replied, in December 1985, that there were complaints about the firm and that the firm was in a bad way. The project was terminated, in October 1986, without delivering the applied research component.

Thus, the instrument procured at a cost of Rs. 4.20 lakhs could not be utilised for the research project for which it was procured.

The IIT stated that the instrument had been installed, in October 1988 and admitted that the instrument was only partly operational. The Ministry endorsed the reply of the Institute (August 1989).

### Regional Engineering College, Durgapur

#### 17. Under-utilisation of facility

The Regional Engineering College, Durgapur conducts post-graduate engineering courses of 18 months' duration in the areas of chemical, civil, electrical, mechanical and metallurgical engineering and general sciences since July 1983. The expenditure on these courses is met fully by the Central Government.

The position regarding intake capacity established for these courses, the actual number of students enrolled and the number of students who dropped out from 1984-85 to 1988-89 was as follows:

Year	Intake capacity	Student actually enrolled	Drop outs
1984-85	55	23	17
1985-86	56	27	21
1986-87	65	25	14
1988-89	72	13	7

For 1987-88, admissions were postponed in order to regularise the lagging semesters.

Each student enrolled for the post-graduate courses was paid a scholarship of Rs. 1000 per month. The drop out students drew scholarships aggregating Rs. 2.02 lakhs from 1984-85 to 1988-89. There was, however, no provision for recovery of scholarship amounts from the drop out students in terms and conditions of the scholarship.

The position of additional teaching staff sanctioned and employed by the college for conducting the post-graduate courses from 1984-85 to 1988-89 was as follows:

	1984-85 to 1987-88		1988-89	
	Sanctioned	In position	Sanctioned	In position
Professors	5	4	6	4
Asstt.	6	1	7	1
Professors				
Lecturers	5	nil	5	nil

It is thus seen that the initial intake of students was less than 50 per cent of the capacity year after year, that the percentage of drop outs was more than 50 per cent each year, the amount of scholarship given to students who dropped out aggregating Rs. 2.02 lakhs proved infructuous and the faculty provided for this purpose remained largely unutilised.

The Ministry conceded, in August 1989, that students admitted to post graduate courses often dropped out in the middle leading to unfruitful expenditure on scholarships paid to them. The Ministry further stated that it desired to promote post-graduate courses in engineering and technology for various reasons and that the scholarship was being enhanced to Rs. 1800 per month from April 1989 onwards to make the

courses more attractive to the students. It also added that the students would be required to give an undertaking that they would not leave the courses midway or appear in any competitive examinations not related to engineering and technology, etc. before becoming eligible for the enhanced scholarship. The actual results of the proposed measures had not been intimated (December 1989).

#### **Ministry of Industries**

#### **National Institute for Entrepreneurship and Small Business Development**

#### **18. Infructuous expenditure**

National Institute for Entrepreneurship and Small Business Development Institute was set up as an apex body for co-ordinating and promoting entrepreneurial development programmes in the country. It started functioning, in July 1983, in a rented building made available by National Small Industries Corporation (NSIC).

Location of any new offices in Delhi requires the prior approval of the Cabinet according to Government policy. This was brought to the notice of all ministries/departments by the then Ministry of Works and Housing in 1957 and again in 1971. Nevertheless, in a meeting held, in January 1985, under the chairmanship of the Secretary, of the then Ministry of Works and Housing to consider proposal for location of new offices, it was recommended that the Institute may be located at Okhla, New Delhi. NSIC confirmed, in January 1986, the allotment of a plot to the Institute measuring about two acres located in the NSIC-Proto-type Development Centre Campus at Okhla, New Delhi. Permanent building was to be constructed on this plot of land.

In May 1986, in anticipation of the finalisation of purchase of the plot, the Institute arranged for foundation laying ceremony of the building and spent Rs. 0.34 lakh on the occasion. Besides, a sum of Rs. 0.29 lakh was paid to the Central Public Works Department for development of land, etc. and Rs. 0.37 lakh was paid to a private architect for architectural drawings etc.

However, it was decided, in a meeting held under the chairmanship of the Additional Secretary, Ministry of Industry, in July 1987, to locate the Institute in an adjoining State within a radius of 50 to 60 kilometres in view of the fact that the clearance of Urban Arts Commission, New Delhi Municipal Committee, Delhi Development Authority etc., may not be easily forthcoming because of the policy of the Central Government not to locate any new offices in Delhi.

The Institute stated, in January 1989, that as per latest instruction/policy of the Government of India, it had been decided to have the Institute Campus in, New Okhla Industrial Development Authority (NOIDA). While NOIDA had agreed in principle, permission from the Uttar Pradesh Government which had agreed to allot land for construction of the

Institute campus had not been received (December 1989).

Thus, an expenditure of Rs. one lakh incurred on the ceremony for laying foundation of the building, development of land, etc. proved to be infructuous.

The Department stated, in October 1989, that "by changing the venue of complex from Okhla to NOIDA, there would be a saving to the extent of Rs. 85 lakhs on cost of land and accordingly, the expenditure incurred for laying the foundation stone and other preliminary expenditure amounting to Rs. 1 lakh was not appreciable." The fact remains that avoidable expenditure was incurred on the foundation laying ceremony etc. of a building, the construction of which for locating a new office in Delhi was not allowed in view of the Government's policy.

#### **Ministry of Information and Broadcasting Press Council of India**

#### **19. Excess expenditure on pay and allowances**

The Press Council of India (Council) was re-established in March 1979. In terms of Section 26 of the Press Council Act, 1978, the Council is empowered to make regulations with prior approval of the Government specifying the terms and conditions of the service of its employees. The Council sent the draft regulations to the Ministry, in February 1982, for approval. These draft regulations specified, *inter alia*, the scales of pay of various posts under the Council.

The Ministry modified the draft regulations and conveyed its approval in October 1984. The modified regulations specified the scales of pay of various posts alongwith the number of posts in each category. The draft regulations as approved by the Ministry were, however, not promulgated by the Council. According to the Council, these were to the disadvantage of the staff of the Council because of the reduction in number of posts of various categories as well as the lower scales proposed for each category vis-a-vis the posts in the Central Secretariat. The matter regarding service regulation was taken up again, in July 1986, by the Council but the same was turned down by the Ministry, in January 1988.

The Council, instead of adopting the posts alongwith scales attached to them as approved by the Ministry, continued to pay the scales and follow the same service conditions as had been adopted since inception. The Ministry reiterated, in January 1988, that the Council could neither create posts nor adopt separate scales in lieu of the posts and scales approved by the Ministry. Scrutiny of records showed that the Council had operated posts in excess as well as in higher scales vis-a-vis what was approved by the Ministry resulting in excess expenditure on pay and allowances totalling Rs. 12.43 lakhs from January 1986 to April 1989.

Thus, although a period of more than nine years had elapsed since the Council was established, the service regulations of the employees had not been finalised so far.

The Ministry stated, in December 1989, that the regulations had not come into effect so far and action was being taken by Government as well as the Council to finalise the regulations.

## 20. Non-recovery of fees

According to the Press Council Act, 1978, the Press Council of India (Council) will strive to preserve the freedom of the Press and to maintain and improve the standards of newspapers and news agencies in India. Towards this end, the Council helps newspapers and news agencies in maintaining their independence, in promoting a sense of responsibility and public service among all those engaged in the profession of journalism and in building up a code of conduct in accordance with high professional standards. The Council may levy such fees, at such rates and in such manner as may be prescribed, from registered newspapers and news agencies for the purpose of performing its function under the Act. Any such fees payable to the Council can be recovered as an arrear of land revenue.

The table below shows the amounts of fees payable to the Council and the amounts actually received by it for the five years ended 31st March 1989.

(Rupees in lakhs)

Year	Amount of fees receivable	Amount of fees received	Cumulative arrears
Up to			
1983-84	30.32	25.78	4.60
1984-85	8.58	7.32	5.84
1985-86	8.98	7.37	7.45
1986-87	11.03	9.63	8.85
1987-88	12.95	10.44	11.38
1988-89	20.18	12.27	19.32

It is noted that the amount of outstanding fees had increased from Rs. 4.60 lakhs at the end of March 1984 to Rs. 19.32 lakhs at the end of March 1989. The realisation of fees had also progressively declined from 85 per cent of fees receivable during 1984-85 to 61 per cent during 1988-89.

The Council attributed (July and August 1989) non-recovery of fees to closing down of publications, notices of demand received back undelivered due to incomplete address, publishers reducing their circulations and contesting the figures of circulations, etc.

The Council also stated, in July and August 1989, that demand notices had been sent to the District Collectors for recovery except in three States of West Bengal, Madhya Pradesh and Uttar Pradesh but in most of the cases action had not been taken by the Collectors. The Council could not, however, intimate the amount which had been referred to the Collectors for recovery as no separate records for this purpose had been maintained.

According to the principles and procedure for payment of grant-in-aid to the Council prescribed by Government of India, in February 1983, the amount of grant-in-aid to be paid to the Council during a financial year would be equal to the amount which the Council would need for meeting its expenses during that year after taking into account the revenue from other sources including the fees levied under the Act. Failure on the part of the Council to realise the fees levied under the Act resulted in increased budgetary support of Government to the Council as well as increased dependence of the Council on Government assistance.

The Ministry stated, in December 1989, that it was of the view that the Council should make sincere efforts to ensure that the unrecovered amounts are collected thereby bringing down the higher dependence on Government for grants and that the Council had been asked to step up its efforts to recover the arrears.

## Ministry of Labour

### Employees' State Insurance Corporation, Calcutta

#### 21. Unauthorised drawal of cash and its misappropriation

The Employees' State Insurance Corporation (Corporation), Calcutta hired a flat for office accommodation in Camac Street, Calcutta at a monthly rent of Rs. 3767. In spite of his assertion of making deposit of the money to the Rent Controller, the Deputy Regional Director could not produce any document or particulars of deposit in support of his statement either from his own office or from the office of the Rent Controller, Calcutta. Regional Director confirmed, in May 1988, that rent had not been credited in the account of Rent Controller. The challan or any other documentary evidence as a proof of payment of any instalment of rent could not be traced from office records, nor was it paid to the owners of the flat personally. As there was no order for making such deposits to the Rent Controller's



office, Deputy Regional Director drew advances in cash in contravention of rules and procedures. No check or control over this act of the official was exercised at any level by the office of the Corporation.

On the basis of complaints lodged by the owner, in November 1987, for non-receipt of rent, the Corporation made payment, in February 1989, of Rs. 0.51 lakh each to the two owners for the period from July 1984 to September 1986.

The Corporation, thus, incurred an extra expenditure of Rs. 1.02 lakhs (Rs. 0.51 lakh plus 0.51 lakh) due to the unauthorised withdrawal of funds and subsequent misappropriation. Legal action against the official who retired in September 1986 had been initiated in July 1988.

The Ministry confirmed the facts (October 1989).

**Ministry of Surface Transport  
(Ports wing)**

**Bombay Port Trust**

**22. Stores and Material Management**

*22.1. Introduction*

The Stores Department of Bombay Port Trust (BPT) under the Controller of Stores (COS) is responsible for procurement, storage, distribution and inspection of materials required by various departments of the Port. The total number of items of stores held by the COS is above 15000. The value of current assets in the form of stores and material with BPT at the close of March 1989 stood at Rs. 929 lakhs, of which, stores valued at Rs. 486 lakhs (52.3 per cent) pertained to Stores Department.

*22.2. Scope of Audit*

Audit of the BPT is conducted under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. A review of the systems and procedures followed by the Stores Department of the BPT was conducted by Audit during April-May 1989 and the results thereof are given in the succeeding paragraphs.

*22.3. Organisational set up*

The material management function of the Stores Department has been organised in three parts viz. (i)

purchases (ii) receipts and inspection (iii) store keeping. On the basis of indents received from various departments of the Port Trust, COS arranges purchase of materials by calling quotations or open tenders as prescribed. On receipt of materials, inspection of stores is conducted by COS before acceptance of the stores.

*22.4. Highlights*

- There was inordinate delay in processing of indents received from various departments of the Port Trust. Of 100 cases test checked, the delay ranged from 3 to 42 months in 83 cases.
- There was inordinate delay in issue of goods received and accepted-notes after receipt of material. Of 100 cases test checked, the delay ranged from 1 to 3 months in 80 cases and from 3 to 47 months in 18 cases.
- Excessive stocking of material than what was required for immediate use was noticed.
- Materials worth Rs. 4.55 lakhs procured during 1964 to 1976 were not utilised till date of Audit. Stores costing Rs. 8.70 lakhs were categorised as non-moving materials. Spare parts for fork lifts purchased during 1943 and 1953 amounting to Rs. 2.93 lakhs were still lying in stock though the fork lifts had already been disposed of.
- Excess quantity of stitched uniforms costing rupees two lakhs had remained undisposed of since 1981, cotton *dosuti* cloth purchased at a cost of Rs. 10.27 lakhs had remained unissued with the COS as there was change in policy for issue of cloth to certain categories of employees.
- Physical verification of stores was not conducted as per prescribed periodicity, the last verification was carried out in February 1986.
- Advance payment of Rs. 162.79 lakhs was outstanding (March 1989) against suppliers of material, of which Rs. 125.99 lakhs and Rs. 36.80 lakhs were outstanding from private and Government parties respectively.
- Cases of avoidable expenditure of Rs. 1.87 lakhs due to non-acceptance of lowest tender and delay in issue of purchase order were noticed.

22.5. *Indents*:— The table below indicates the indents received and processed by the Stores Department of the Port Trust during 1985-86 to 1988-89:—

Year	Indents Received	Advertised tenders	Other than advertised tenders	Number of orders placed	Value of orders placed
					(Rupees in lakhs)
1985-86	40,536	213	11,493	8,103	836
1986-87	37,471	203	10,668	8,530	1,015
1987-88	24,140	80	5,461	7,324	1,195
1988-89	23,336	82	4,475	5,944	967

The downward trend as compared to earlier years was due to Heads of Department being authorised to effect purchase of stores and materials up to Rs. 5,000 for Original Equipment Manufacturer (OEM) items

and Rs. 1,000 for other items since June 1987. The COS is required to advertise tenders in respect of purchases estimated to cost over rupees one lakh.

The value of various articles of stores held in stock at the end of each of the four years ending 1988-89 was as follows:—

Year	Receipts	Issues	Closing Balance	Stock held in terms of months issue
	(Rupees in lakhs)			
1985-86	836	839	343	4.91
1986-87	1015	1033	325	3.78
1987-88	1195	1094	426	4.65
1988-89	1048	988	486	5.90

The Port Trust stated, in July 1989, that the main reason for increase in the closing stock of stores as at the end of March 1989 was due to receipt of spares imported for Container Handling Equipment, Flottilla, etc. worth Rs. 52 lakhs.

22.6. *Delay in processing of indents*:— There was no fixed time schedule for processing of indents at various stages up to their finalisation in the purchase organisation. The receipt and disposal of the indents received from other departments of the Port Trust during 1985-86 to 1988-89 were as under:—

(Number in lakhs)

Year	Number of indents received from the departments during the year	Number of indents disposed of during the year (including clearance of indents of previous years)
1985-86	0.41	0.36
1986-87	0.37	0.38
1987-88	0.24	0.21
1988-89	0.23	0.24

Regarding time schedule for procuring of indents, it was stated by the department that items of store which were readily available in stock were issued immediately. However, for nonstock items which were required to be specifically purchased against each indent, it was not possible to fix any time schedule as the lead time varies considerably from case to case.

A test check of 100 indents selected at random revealed that

(i) the period taken from the date of placing of indents to issue of materials to the indenting department in case of 54 indents varied from 3 to 9 months and in case of 29 indents, the period ranged from 12 to 42 months.

(ii) the period taken from due date for delivery by suppliers to the actual date of receipt of the materials also ranged from 1 to 12 months.

22.7. *Delay in issue of goods received and accepted (GRA) notes*:— Though time limits have been prescribed for inspection of the materials received from the suppliers and issue of GRA notes, there were instances of delays in the above process as indicated in the para below.

On a review of 100 cases test checked at random, it was noticed that in 80 cases, time taken to issue GRA notes after receipt of material ranged from one to three months and in 18 cases, delay was more than three months out of which, in six cases, the delay ranged from 19 to 47 months for various reasons.

It was stated by the Port Trust, in July 1989, that in some cases, where the suitability of the material could not be assessed by the COS, GRA note was issued only after receipt of confirmation from the indenting officer. In cases of materials like paints,

cloth, steel, etc. the preparation of GRA notes was delayed as the material was required to be sent to laboratory for testing before acceptance.

22.8. *Over stocking of stores:-* The maximum and minimum levels of stock are to be fixed for the stock items depending upon the average consumption for

the last three years or the requirement received from the indentors. A review of stock position at the end of March 1989, however, revealed that the stock of some materials / stores had exceeded the prescribed levels. A few cases showing the variation between maximum stock level and stock held are given below:—

Sl. No.	Particulars	Quantity in stock	Approximate value (in lakh of rupees)	Average annual issue	Quantity exceeded the maximum limit	Stock held in terms of months issue
(i)	Ropewire galvanised 32mm × 6/37	1525 metres	0.53	305 metres	1220 metres	60
(ii)	Ropewire ungalvanised 16mm × 18/7	3050 metres	0.51	1332 metres	1718 metres	28
(iii)	M.S. flat bars 26 × 6 in length of 5.5 metres	2.381 tonnes	0.15	0.77 tonne	1.611 tonnes	37
(iv)	M.S. deformed bars 10 mm	3.745 tonnes	0.20	1.485 tonnes	2.260 tonnes	30
(v)	M.S. binding wire	2.145 tonnes	0.37	0.5 tonne	1.646 tonnes	52

22.9. *Excess purchases resulting in blocking up of capital:-* During the test check, it was observed that purchase orders for 10 tonnes M.S. deformed bars 25 mm dia were placed in October 1983. The quantity of the above material delivered by the supplier, in November 1983, was, however, 30 tonnes valued at Rs. 1.45 lakhs. In December 1983, the indenting department increased the quantity of indent for 25 mm dia deformed bars by 20 tonnes. As the quantity delivered was 30 tonnes COS had revised the quantity already given in the purchase order and accepted the full quantity of 30 tonnes. Up to the end of March 1989, only 0.20 lakh tonnes were issued, leaving a balance of 0.10 lakh tonnes in stock. Reasons for the acceptance of 30 tonnes of the material against the original supply order for 10 tonnes are not on record. Excess purchase of the material had resulted in blocking up of funds to the extent of Rs. 0.48 lakh being value of 0.10 lakh tonnes of the bars. It was stated, in July 1989, that the balance quantity had been issued to the Chief Engineer in June 1989.

Purchase order for 65 × 65 × 6 mm angles was given, in January 1987, for 32 tonnes to meet the annual requirements of the Chief Mechanical Engineer (CME) for the years 1986-87 and 1987-88.

In July 1987, the indenting department had informed COS to revise the quantity of the material as it required only 17 tonnes. But the full quantity of 32 tonnes material costing Rs. 2.09 lakhs at the rate of Rs. 6540 per tonne delivered by the supplier was received by the COS in August/September 1987, on the ground that there would be difficulty in getting the refund and the specific items in future when required.

In this connection, the following observations are made:

(i) Due to non revision of the quantity as per the indenting department's revised requisition, excess purchase of 15 tonnes of the material was made.

(ii) Lack of co-ordination between the two departments of the Port resulted in excess purchase and blocking up of 13 tonnes of the material costing Rs. 0.83 lakh. The material was in stock as on 31st March 1989.

22.10. *Slow moving and non-moving stores:-* As on 31st March 1989, there were slow moving articles of stores worth Rs. 4.55 lakhs procured during 1964 to 1976 which were not issued during the last few years. A few cases are given below:-

Sl. No.	Particulars of stores	Amount (rupees in lakhs)	Month/Year of purchase	Quantity	Period upto which not issued
(i)	Cable Aluminium 185 sq. mm X 3.5 core	1.17	December 1976	795.15 metres	5 years
(ii)	Cable Aluminium PVC 400 sq.mm X 3.5 core	1.11	February 1975	736.40 metres	11 years
(iii)	22C/228G Kolakite single core-660 Volt cable 301/050 metre	0.28	1964	705 metres	25 years

Sl. No.	Particulars of stores	Amount (rupees in lakhs)	Month/Year of purchase	Quantity	Period upto which not issued
(iv)	22C/228-L 625 mm 2 single core PVC cable 1100 V.	0.11	1964	300 metres	25 years
(v)	M.S. angle 150 X 150 X 16 mm	1.45	1966	84 tonnes	22 years
(vi)	Aluminium cable 120 mm X 3.5 core	0.23	April 1972	432.70 metres	7 years
(vii)	Cable telephone 50PN	0.20	July 1971	412 metres	12 years

The Department stated, in July 1989, that the materials were not issued due to cancellation or alteration of the works and that it was proposed to dispose of these cables as they were old and deteriorated.

As on 31st March 1989, the value of non-moving stores was Rs. 8.70 lakhs. As no separate register was maintained for non-moving stores, the details such as year wise position of non-moving stores, value, period for which lying unmoved, etc. were not readily available. A proposal for disposal of all these obsolete items of stores was pending with the Financial Adviser and Chief Accounts Officer from March 1987 as their disposal required compliance with the Government directives.

A test check revealed that spares purchased during 1943 and 1953 for Yale and Towne Fork lifts amounting to Rs. 2.93 lakhs were still lying in stock, though these fork lifts were already disposed of. The Port Trust stated, in July 1989, that the lists of these spares were forwarded to the CME, in June and November 1988, for scrutiny and advice regarding its disposal.

**22.11 Stock taking:**—The physical verification of all stores was required to be done at least once in a year and the book balance reconciled with the ground balances. The last annual stock verification of stores for the period ending March 1985 was done in February 1986. The physical verification of stock had not been carried out since then due to the requirement of certain security arrangements for safe custody of material with the store keepers of respective sections before the physical verification could be taken up. The Port Trust stated, in July 1989, that as soon as partition work of enclosures was completed in main wards, the physical verification had commenced since May 1989.

Action taken on the reports of physical verification conducted between 1983 and 1985 was as under:

	1983	1985
(i) Survey sheets filed without discrepancies	1505	1607
(ii) Survey sheets filed after passing adjustment	91	60
(iii) Survey sheets sent for clarification to the COS	229	302
(iv) Survey sheets under scrutiny in stores Accounts Office	102	289
(v) Survey sheets under correspondence with the COS regarding write off proposals.	92	129

It was seen that no prompt action was taken for settlement/adjustment of differences pointed out during physical verification conducted for the period upto 1983 and 1985.

**22.12. Outstanding dues from suppliers:**—Outstanding advances paid to suppliers for supply of stores as on 31st March 1989 amounted to Rs. 162.79 lakhs from 1960-61 to 1988-89. Year wise break-up is shown below:—

Year of payment	(Rupees in lakhs)	
	Private	Government
1960-61 to 1980-81	2.34	7.51
1981-82	2.70	0.12
1982-83	3.38	—
1983-84	2.08	—
1984-85	4.57	0.10
1985-86	6.66	0.04
1986-87	1.82	0.45
1987-88	21.94	9.23
1988-89	80.50	19.35
<b>Total</b>	<b>125.99</b>	<b>36.80</b>

Out of this, Rs. 12.12 lakhs were due from three Government agencies as on 31st March 1989 and Rs. 54.36 lakhs were outstanding due to non-issue of GRA notes though the supplies had been received.

The Port Trust stated, in July 1989, that out of Rs. 12.12 lakhs, Rs. 2.93 lakhs had been refunded by one Government agency in April 1989 and reconciliation in respect of remaining two Government agencies was yet to be completed. Further, as against outstanding advances of Rs. 54.36 lakhs, Rs. 22.95 lakhs have been cleared in April to June 1989.

**22.13. Undue delay in disposal of stitched garments/uniforms:**—The stock of 0.10 lakh stitched garments/uniforms costing Rs. two lakhs was lying unutilised in stores for more than 10 years. The Port Trust stated that the above garments were either from the rejections from the contractor's supplies of such garments or excess garments of standard size stitched. Further, the uniforms were stitched for the use of the employees as per the system in vogue prior to 1981. After a

series of discussions with unions, in December 1980, it was agreed that system of supplying stitched uniforms should be discontinued and the eligible employees should be supplied cloth and paid the stitching charges in cash. It was also stated that the accounts of the main contractor who had carried out the work in 1981 were not settled because of several rejections by the indenting departments and the need to ascertain whether the full quantity of cloth given to the contractor for stitching uniform was unutilised.

The Port Trust further stated, in July 1989, that the accounts of the firm had since been finalised in June 1989 and action had been taken to recover the amount due from their security deposit. It was also stated that the stitched garments would be disposed of shortly.

22.14. *Avoidable expenditure on excess quantity of uniforms cloth:*— Sanction was accorded, in 1986, to supply terrycot cloth (48:52) blend for uniforms to the employees of the BPT from 1985 onwards once in every two years except to 64 categories of the employees to whom supply of cotton cloth once in every year was to continue. Purchase orders for terrycot and cotton cloth were issued to firm 'A' and firm 'B' respectively in August 1987. After placement of the orders, it was decided, in February 1988, to supply terrycot cloth in lieu of cotton dosuti cloth to a few other categories of employees of the Port Trust from 1987-88 onwards to maintain uniformity in the quality of cloth. Accordingly, order for additional quantity for terrycot cloth was given to firm 'A'. However, firm 'B' had not agreed for corresponding reduction in the quantity of cotton cloth ordered and delivered the full quantity within the stipulated delivery period.

The Department stated, in June 1989, that due to non-reduction of the originally ordered cotton cloth from firm 'B', excess quantity of 0.73 lakh metres of cotton dosuti cloth valued at Rs. 10.27 lakhs was now lying in stock. Though the Port Trust had made efforts to sell it off to other major ports and/or other various public sector organisations, there was no offer/demand from them.

It was further stated that the Port Trust was contemplating action to dispose of the surplus cotton dosuti cloth after meeting their requirement of 0.25 lakh metres for the years 1989, 1990 and 1991.

Even after meeting the above requirement, about 0.48 lakh metres of the cloth valued at Rs. 6.78 lakhs would remain surplus.

22.15. *Blocking up of capital:*— The BPT lodged, in November 1981, an amount of Rs. 0.60 lakh as deposit with a Bombay firm for supply of 60 cylinders of compressed industrial oxygen gas and dissolved acetylene gas. The deposit was to be refunded after

return of the empty cylinders to the firm. All the cylinders were returned to the firm early in 1982. However, the firm did not refund the deposit till date. Further amounts totalling Rs. 604 were also receivable from the firm. Due to lack of timely and effective action, an amount of Rs. 0.61 lakh had been blocked up with the firm since 1982 i.e. for more than seven years. The notional loss of interest on account of blocking up of this deposit with the firm for more than seven years works out to Rs. 0.64 lakh at the rate of 15 per cent per annum.

The Port Trust stated, in June 1989, that on taking up the matter with the firm, it had agreed to refund the deposit and that the order placed with the firm did not provide for recovery of interest on the deposit.

22.16. *Avoidable expenditure on account of purchase of photo identity cards cum dock entry permits:*— Tenders were invited, in January 1988, due in February 1988 for supply of 0.44 lakh identity cards cum dock entry permits on plastic laminated with coloured photograph and other details on the cards for employees of the Bombay Port Trust and Bombay Dock Labour Board. Twenty seven firms from Bombay, Delhi, Goa, Thane and Nasik had submitted their quotations.

The lowest tender of a firm from Shahapur, District Thane was rejected on the ground of lack of experience of the tenderer in similar type of work, though all other conditions laid down in the tender specifications were satisfied. Tenders of the next five tenderers were also rejected as samples were not found suitable. The seventh lowest tender of a firm from New Delhi was accepted at a total cost of Rs. 5.08 lakhs and purchase order was issued in July 1988. The difference between the lowest and the seventh lowest tender worked out to Rs. 1.07 lakhs. Non-acceptance of the lowest tender only on the ground of inexperience of the tenderer though all other conditions of the tender were satisfied had resulted in avoidable additional expenditure of Rs. 1.07 lakhs.

The Port Trust stated, in August 1989, that

(i) the firm of lowest tender was established just five months prior to opening of the tender and it had not made any supply of photo identity cards to any organisation. Moreover, supply of above quantity of cards involved lot of co-ordination with all the departments at various stages and the job was voluminous,

(ii) the tenderer should have had sufficient experience in the line and carried out similar work satisfactorily in the past to inspire confidence in his capacity to undertake the job,

(iii) though the two identity card samples submitted

were of required thickness of 250 microns, they were not having the required stiffness as per the specimen card mentioned in the tender and the photos were not polaroid photographs and

(iv) the sample cards submitted by the lowest tenderer were not meeting the requirement in plastic lamination, photography and finishing as per specifications.

None of the technical reasons referred to above were, however, mentioned in the detailed analysis of all tenders received and evaluation report submitted by the COS.

The Port Trust further stated, in October 1989, that the job was important from security angle and hence reasons mentioned above were considered adequate to disregard the lowest offer.

22.17. *Avoidable expenditure due to delay in acceptance of tenders:*— Tenders were invited, in January 1986, for the procurement of wire ropes of different sizes to meet the requirements of the Chief Mechanical Engineer's Department (CME) for the years 1986 and 1987. The lowest tender received, in April 1986, was of a Calcutta firm for a total amount of Rs. 1.61 lakhs. The COS did not, however, issue the purchase order within the extended validity period up to 15th September 1986. It was stated that information required by the Accounts Department in connection with these tenders could not be collected from the various sections in time. It was further stated that the user department did not also indicate any urgency in regard to the purchase of these wires.

It was observed from the files, however, that the Chief Mechanical Engineer had sent five indents during April to August 1986 for procurement of wire ropes of different sizes including 32 mm and 22mm diameter which were included in the tenders called for by the COS.

Subsequently, in July 1987, the COS invited a single quotation from the same Calcutta firm and procured 915 metres of 32 mm and 1830 metres of 22 mm wire ropes as proprietary items at the instance of the Chief Mechanical Engineer. This resulted in an extra expenditure of Rs. 0.88 lakh compared with the rates in the tender submitted by the firm, in April 1986, for the same items. Further, eleven Electric Wharf Cranes had remained idle, some of them from April 1986 onwards for want of these wire ropes.

The Port Trust stated, in October 1989, that non finalisation of tenders received, in April 1986, was under investigation with a view to fix responsibility, if any, for the additional expenditure involved in procuring the wire ropes.

The Ministry, while forwarding the Port Trust's reply, stated, in September 1989, that it had no specific comments to offer and that the Port Trust

was being separately directed to review the working of stores and improve the efficiency of material management.

### 23. Unauthorised subletting of leasehold premises

Bombay Port Trust (BPT) leased a plot at Frere land Estate to a lessee from December 1925 to January 1974 which was later renewed in March 1976 for a further period upto October 1990, for use as cotton press and offices, staff quarters and godowns. The terms of the lease provided for Trustees' usual covenants for insurance and reinstatement, against assignment of the premises, letting out on lease and licence basis, etc.

The lessees informed the Port Trust, in September 1985, their intention to effect change in the user for shops, offices godowns for storage of non-hazardous goods and such other use as may be permitted by the Bombay Municipal Corporation and also to sublet a portion of the premises. They also showed their willingness to pay reasonable additional rent. The Board of Trustees had decided, in March 1976, the guidelines for granting permission for assignment to lessee and the additional rent recoverable in the case of such assignment. The Estate Manager submitted to the Chairman of the Port Trust, a proposal, in January 1986, in accordance with these guidelines to allow subletting by the lessee with an agreement to recover proportionate additional rent based on the rent recovered by the lessee but no decision thereon was taken. The lessee, however, sublet a portion of the above premises admeasuring 28,301 square feet to a Government of India undertaking from July 1985 without the permission of the Port Trust. This fact came to the notice of the Port Trust only in 1987, after a lapse of two years. The compensation charged by the lessee for the above portion was Rs. 3.11 lakhs per month at the rate of Rs. 11 per square feet. Since there was no provision in the lease deed to sublet the premises, a termination notice for breach of lease condition could have been issued to the lessee immediately. A suit for eviction and other relief by way of compensation etc. as may be available under the law was, however, filed only in October 1989.

As per the proposal submitted, in January 1986, by the Estate Manager, the lessee would have been liable to pay an additional deposit of Rs. 5.65 lakhs and additional rent of Rs. 0.24 lakh per month for the first half of the residual period of the lease and Rs. 0.36 lakh per month for the second half of the residual period or 20 and 30 per cent of the rent recovered by them, whichever is more. On the basis of the above proposal, lease rent at Rs. 0.62 lakh per month i.e. 20 per cent of Rs. 3.11 lakhs from July 1985 to March 1988 and Rs. 0.93 lakh per month i.e. 30 per cent from March 1988 to October 1990 was

recoverable from the lessee. The amount recoverable upto September 1989 worked out to Rs. 43.14 lakhs towards lease rent and additional deposit.

The Ministry stated, in December 1989, that there being no valid contract between the lessee and the Port Trust for additional rent, the arrears could not be recovered. The fact, however, remains that the lessee unauthorisedly sublet a portion of the premises since July 1985, the Port Trust did not take any decision on the proposal submitted by its Estate Manager in January 1986 regarding subletting on recovery of proportionate additional rent, the Port Trust did not notice subletting done by the lessee in July 1985 till 1987, and it filed a suit for eviction as late as October 1989.

#### **24. Infructuous expenditure on computerisation**

In August 1984, the Bombay Port Trust requested the Computer Maintenance Corporation (CMC), a Government of India organisation, to undertake, inter-alia, the preparation of Management Information Systems (MIS) Formats covering (a) container Management and (b) Centralised Billing for services rendered to vessels. The work was to be done in two phases at a total cost of Rs. 13.45 lakhs. Phase I comprised (a) assisting the Port Trust personnel in preparing the required MIS Formats and (b) evolving a broad system design for the two application areas mentioned above. Work relating to Phase I was completed, in November 1986 and CMC was paid Rs. 0.75 lakh in three equal instalments, in December 1984, March 1985 and November 1986.

In respect of Phase II, the CMC submitted their proposal, in April 1986 and BPT decided, in June 1986, to proceed with software development for the Centralised billing system (CBS) in respect of the vessel related services so as to replace the existing manual billing system and to switch over to computerisation of billing in CBS. The Port Trust sanctioned an expenditure of Rs. 17.06 lakhs, in September 1986, on the basis of quotation submitted by the CMC. On completion of systems design specifications, 80 per cent of the charges thereof, amounting to Rs. 10.16 lakhs was paid from November 1986 to December 1988 in respect of Phase II work; balance 20 per cent was to be paid only on installation of the system. The Port Trust also purchased, in March 1987, six data entry machines, a floppy tape converter and accessories at a cost of Rs. 3.43 lakhs. It also got the required formats printed at a cost of Rs. 0.22 lakh.

The Port Trust, however, decided, in July 1987 not to pursue billing of vessel related charges on the CMC linked system as originally planned, as no agreement could be reached with the staff Union for the computerisation of operations. As a result, Rs. 10.91 lakhs (Rs. 0.75 lakh for Phase I and Rs. 10.16 lakhs for Phase II) paid to the CMC were rendered

unfruitful. In addition, six data entry machines, floppy converter and accessories costing Rs. 3.43 lakhs procured for Phase II could not be used and were lying idle for over two years.

The Port Trust stated, in August 1989, that computerisation of billing in CBS could not progress without reaching a proper understanding with the Union. It was further stated that two of the data entry machines had been put to effective use in the Revenue Audit Branch of Accounts Department since April 1989.

The matter was referred to the Ministry in August 1989. The Ministry endorsed the views of the Port Trust in November 1989.

#### **25. Unfruitful expenditure on construction of lift shafts**

Bombay Port Trust proposed, in December 1982, replacement of four hydraulic hoists by providing two tonne capacity electrically operated goods lifts at Shed No. 16 in Indira Dock. Shed No. 16 of Indira Dock was constructed in 1932-33 and had outlived its estimated life of 50 years though the structure was expected to be in useable condition for another 10-15 years. The proposal was approved by the Board, in December 1982.

Tenders were invited in February 1984 and the civil work for construction of RCC lift shafts was awarded to a contractor, in July 1984. The site for three lift shafts was released to the contractor in July, August and September 1984. The work of construction of three RCC lift shafts was completed, in April 1985, at a cost of Rs. 4.81 lakhs. The site for the fourth shaft could not be released within the time as per the contract and was consequently, excluded from the scope of the contract. However, no action had been taken for procurement and installation of lifts at Shed No. 16 of Indira Dock till May 1989.

Thus, the expenditure of Rs. 4.81 lakhs on construction of the three RCC lift shafts etc. remained unfruitful due to non installation of lifts.

The Port Trust stated, in August 1989, that the Chief Mechanical Engineer had since proposed installation of goods lifts dismantled due to the demolition of Shed No. 9 in Indira Dock.

The matter was referred to the Ministry in July 1989. The Ministry endorsed the views of the Port Trust in September 1989.

### **Calcutta Port Trust**

#### **26. Dry dock system**

##### *26.1 Introduction*

The Calcutta Port Trust (CPT) has five dry docks at Calcutta. These are rented out to various vessel owners for carrying out repairs through their own

agencies. Three dry docks are earmarked for commercial vessels and the remaining two for the CPT vessels. These dry docks are over 50 years old and provide facilities of cranes, electricity, capstans, filtered/unfiltered water, compressed air, welding points, etc. A vessel of maximum dimension 565' × 75' can be dry docked here.

The percentage occupancy of dry docks by commercial vessels declined from 90 in 1976-77 to 64 in 1981-82. With a view to improving the services at the dry docks and thereby making them more attractive to commercial vessels, a modernisation programme for the dry docks was sanctioned by the Central Government, in September 1984, for Rs. 475.76 lakhs.

### 26.2. Scope of Audit

Audit of CPT is conducted under Section 19(2) of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Functioning of dry docks and implementation of modernisation programme were reviewed by Audit during January—March 1988 and January—February 1989.

### 26.3. Organisational set up

Up to April 1983, the Marine Department exercised administrative control over dry docks including booking and operation. The Chief Mechanical Engineer (CME) was responsible for the maintenance of dry docks machinery and repairs to the CPT vessels. To streamline operation of dry docks, a new agency 'Ship Repair Complex (SRC)' was created in April 1983 under the CME which combined both these functions and was also responsible for modernisation programme.

### 26.4. Highlights

- **Percentage occupancy of dry docks for commercial vessels continued to drop and fell from 64 in 1981-82 to 39 in 1987-88. Three docks earmarked for commercial vessels remained unoccupied for 527 days resulting in a potential loss of revenue of about Rs. 105.40 lakhs.**
- **Modernisation programme sanctioned in September 1984 was to be completed by December 1986 at a sanctioned cost of Rs. 475.76 lakhs.**

- **Against this, only a sum of Rs. 179.05 lakhs was spent up to March 1989. The delay in completion led to the objectives of the programme remaining largely unfulfilled.**
- **Out of fifteen tender packages for modernisation programme, only eight tender packages were finalised upto January 1989. Of these, procurement was completed of four and the remaining four were in different stages of execution.**
- **A crane was procured in October 1984 for dry docks for Rs. 36.62 lakhs but was found subsequently unsuitable for the same resulting in potential loss of revenue of Rs. 42.10 lakhs during October 1984 to November 1987.**
- **Rs. 114.96 lakhs spent on procurement of trimmer blocks, high pressure jet pumps and spray applicators from September 1986 to March 1987 remained unproductively blocked as these were not put into use till January 1989.**
- **Rs. 5.30 lakhs additional expenditure would be required to utilise seven hydraulic units procured in 1973-74 for Rs. 1.51 lakhs as the same were rendered non-viable due to improper storage over the years.**

26.5. *Demand for dry docks:*— Calcutta being terminal port for many vessels operating in Asia, a great demand for servicing of vessels at the CPT dry docks was indicated by various studies (including study by Blohm and Voss and Engineers India Ltd. in 1982). For the three main Indian flag vessels owners alone, a potential use of 600 days per annum was estimated in July 1987. From 1977-78 to 1987-88, Rs. 348.30 crores in foreign exchange were spent by 1488 Indian vessels, for use of dry docks abroad. On the other hand, the CPT dry docks remained under-utilised.

The CPT, in June 1989, attributed the low demand for dry docks to absence of sufficient number of reputed ship repairing firms, inadequate facility in the dry docks in Calcutta and recession in international shipping.

26.6. *Financial impact of dry docks on the CPT revenues:*— Dry docks earn substantial revenue for the CPT each year. On an average, each of the five dry docks can potentially earn a revenue of Rs. 60 lakhs



per annum for its use for 300 available days in a year. Revenues earned from dry docks during 1983-84 to 1988-89 were as follows:—

(In lakhs of rupees)

Year	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
Commercial vessels	196.47	158.89	113.13	99.25	88.91	173.12
CPT vessels	80.11	85.96	184.23	231.22	200.66	267.68
Total	276.58	244.85	297.36	330.47	289.57	440.80
Percentage share of CPT vessels	29	35	62	70	69	61

26.7. *Capacity utilisation of dry docks*:— The total capacity utilisation for six years from 1982-83 to 1987-88 for commercial and CPT vessels was as follows:—

Name of dry dock	Intended use	Number of days available	Number of commercial vessels	Number of days occupied	Number of CPT vessels	Number of days occupied	Number of vacant days
Netaji Subhas dry dock I	Commercial	1800	113	961	6	42	797
Netaji Subhas dry dock II	Commercial	1800	76	1157	4	464	179
Kidderpore dry dock I	Commercial	1800	21	235	36	1276	289
Kidderpore dry dock II	Captive	1800	51	657	34	655	488
Kidderpore dry dock III	Captive	1800	7	81	73	1719	Nil
		9000	268	3091 (34 per cent)	153	4156 (46 per cent)	1753 (20 per cent)

For commercial vessels alone, yearwise capacity utilisation was as follows:

Period	Number of Commercial vessels	Number of days occupied	Percentage of occupancy calculated with reference to 900 days available in three commercial dry docks
1982-83	64	580	64
1983-84	60	747	83
1984-85	49	637	71
1985-86	35	448	50
1986-87	33	331	37
1987-88	27	348	39

(i) Against the total number of 9000 available days for dry docking during 1982-83 to 1987-88 the actual occupation was 7247 days (81 per cent). The shortfall in occupation was 27 per cent in the case of Kidderpore dry dock II and as high as 44 per cent in the case of Netaji Subhash dry dock I.

(ii) The number of ships which could have been serviced for the total of 7247 days for which dry docks were occupied, was 1208 as per the norm of six days per vessel. Against this, the number of vessels actually serviced was only 421 including 153 CPT vessels.

(iii) The number of commercial vessels serviced

declined from 64 in 1982-83 to 27 in 1987-88, corresponding to percentage occupancy decline from 64 to 39. While admitting drop in occupancy percentage, the CPT stated, in August 1988, that the occupancy during 1987-88 was 73.26 per cent. However, percentage occupancy for commercial vessels during 1987-88 was found to be only 39 (348 days out of the available 900 days).

(iv) Three dry docks earmarked for commercial use were vacant for 1265 days out of 5400 available days. 738 days of captive dry docks were, however, utilised for repair of commercial vessels. Under utilisation of dry docks for commercial purpose during six years was thus for 527 days. This resulted in a potential

loss of revenue of about Rs. 105.40 lakhs. In June 1989, the CPT attributed the potential loss to less demand. Also commercial dry docks were used by the CPT vessels for 1782 days.

Under-utilisation of dry docks was traced to poor condition of infrastructure involving longer servicing time. This resulted in higher rental charges and acted as dis-incentive to vessel owners. All the dry docks had leaky walls, floors, etc. and machinery lacked reliability. The CPT did not make any significant investment in machinery for dry docks during 1983-84 to 1988-89 and spent substantial sums on repairs and maintenance of dry docks.

(In lakhs of rupees)

Year	Total expenditure	Operating expenses	Repair / maintenance
1983-84	68.11	55.43	10.68
1984-85	57.45	46.48	10.97
1985-86	54.90	40.66	14.24
1986-87	84.36	66.44	17.92
1987-88	79.23	61.40	17.82
1988-89	54.74	42.60	8.13

During 1983-85, the CPT had to waive off dry dock charges of Rs. 7.77 lakhs for eleven vessels due to delay in docking / undocking / dewatering, waterlogging and failure of machines. The CPT stated, in August 1988, that this had happened due to sudden failure of old machinery and that efforts were being made to avoid such situations.

#### 26.8. Infrastructural deficiencies

26.8.1. *Poor performance of dewatering pumps:*— Deficiencies in pumping system at dry docks led to longer time of eight to nine hours to dewater the dry docks as against normal three to four hours. This necessitated longer stay of vessels in dry docks for which the owners had to incur an additional expenditure at the rate of Rs. 0.20 lakh per day. From September 1983 to September 1987, vessel owners had to pay an additional Rs. 7.40 lakhs for extra stay in dry docks. The CPT stated, in May 1988, that programme of overhauling the pumps was under way. However, it was noticed for Netaji Subhas Dock that the overhauling programme due in 1984 was commenced only in July 1988 and was still to be completed in January 1989. Even though the CPT stated, in August 1988, that overhauling of other pumps would be planned keeping the dry docks operation unaffected, the same was not taken up till January 1989. The CPT stated, in June 1989, that two main pumps after overhauling had been put to perfect working condition.

26.8.2. *Defective penstocks:*— Penstocks meant for flooding/dewatering the dry docks through pipes and culverts were leaking badly. This, on the one hand, caused delay in docking-undocking of vessels and on

the other, entailed heavy expenditure on repairs of penstocks.

In March 1984, the CPT engaged Garden Reach Ship Builders and Engineers (GRSE) on 'cost plus profit basis' for repair of ten leaking penstocks without stipulating a completion date for the work. GRSE had no previous experience of this type of work and could repair only two penstocks up to August 1987 at a cost of Rs. 22.50 lakhs out of which, a sum of Rs. 14.39 lakhs had been paid till June 1989. The CPT stated, in June 1989, that repair of four penstocks would again be carried out during October 1989 to January-March 1990.

26.8.3. *Defective keel blocks:*— The CPT procured 90 keel blocks for Rs. 7.04 lakhs, in October 1978 but could not utilise them as they were heavier and dissimilar to the existing keel blocks. These deficiencies were attributed to the defective design prepared and supplied by Mechanical Engineering Department of the CPT. The CPT decided, in July 1983, to modify the keel blocks and use them as bilge blocks. The modifications were, however, not carried out and expenditure of Rs. 7.04 lakhs remained unfruitful.

The CPT stated, in June 1989, that use of keel blocks as bilge blocks after necessary modifications was under consideration.

#### 26.9. Progress of modernisation programme

26.9.1. *Financial:*— With a view to reversing the declining trend of percentage of occupancy of dry docks from 90 to 64 during 1976-77 to 1981-82, the CPT formulated a modernisation programme for dry docks in April 1982. The Central Government accorded sanction to the programme, in September 1984, for Rs. 475.76 lakhs with the completion date as December 1986. The main objectives of the programme were:

- to improve the level of dry docking services;
- to attract vessel owners by making dry docking system efficient thereby ensuring better capacity utilisation and higher returns; and
- conservation of foreign exchange.

Utilisation of funds released in phased manner by the Central Government was as follows:

(In lakhs of rupees)

Year	Amount released	Actual expenditure
1984-85	100.00	4.57
1985-86	200.00	94.96
1986-87	100.00	49.24
1987-88	Nil	30.28
1988-89	Nil	Nil
Total	400.00	179.05

Up to March 1989, the CPT had spent only

Rs. 179.05 lakhs including Rs. 14.39 lakhs for repair of two penstocks and Rs. 2.75 lakhs on consultancy, not covered under the programme.

26.9.2. *Implementation*:— (a) Expenditure incurred on the modernisation programme up to March 1989 was Rs. 179.05 lakhs constituting 37.6 per cent of total sanctioned expenditure. According to CPT 48.6 per cent of the work had been completed in physical terms. The programme had not been completed till March 1989 and CPT could not specify any firm date for completion.

(b) A consultant was engaged in December 1984 at a fee of Rs. 5.90 lakhs for consultancy services on concept engineering, materials planning and programme implementation. Till March 1989 the consultant had been paid Rs. 2.75 lakhs.

Following items of work were considered urgent under concept engineering to keep dry docks functioning.

(Rupees in lakhs)

Sl. No.	Items	Estimated cost	Actual expenditure as on 31st March 1989
(i)	Replacement of 10 hydraulic capstans	101.20	29.33
(ii)	Overhauling of oil hydraulic and conversion of 10 penstocks	56.30	Nil
(iii)	Overhauling of two reflux valves and two sluice valves of main dewatering pumps	5.00	5.22
(iv)	Establishment of two new electrical sub-station	54.04	Nil
(v)	Procurement of high pressure jet pumps	20.20	22.17
(vi)	Procurement of bilge block	52.00	88.27
(vii)	Erection of six tower lights	52.00	6.08
(viii)	Procurement of detachable stagings, adjustable stagings, spray painting machines	10.60	4.49 4.52
(ix)	Conversion of portal crane	21.00	Nil
(x)	Procurement of miscellaneous equipment including four drainage pumps	6.19	1.83
(xi)	General improvement like provision for canteen, toilets, fresh/ fire water supply, sinking of tubewells, installation of fire fighting pumps, replacement of four air compressors conversion of existing sheds to store/workshop	119.17	Nil
	Total	482.95	161.91

These, however, did not include other important works like replacement of dewatering pumps and sealing of dock walls, culverts, etc. to stop structural

leakages. The progress of above tabulated works was also very slow.

Fourteen tender packages were floated from August 1985 to May 1986 covering all items of work under the concept engineering plan. Out of this, only seven tender packages were finalised upto January 1989. Procurement for three of these was completed which included equipment viz. high power jet pumps, detachable stagings and airless spray painting machine. The remaining four tender packages were under different stages of implementation. Bilge blocks were procured separately from a foreign supplier. Non-finalisation of remaining seven tender packages was mainly due to deficiencies in tender documents requiring clarifications from the tenderers, etc. and delay in evaluation of tenders received.

(c) Following machines and equipment procured under the modernisation programme were either not installed or not utilised for the purpose of dry docking:

(i) *Crane for Kidderpore dry dock*:— A 30 tonne crawler mounted crane was procured, in October 1984, at a cost of Rs. 36.62 lakhs for Kidderpore dry dock. It was estimated that CPT would earn a revenue of Rs. 14.65 lakhs per annum as crane hire charges. The crane, however, could not be operated as the service area between the dry docks was unsuitable for free movement of the heavy crane. Also, there was no crane operator till the end of August 1985. During trial run in September 1985, the crane damaged the underground hydraulic pressure pipe line at the head of Kidderpore dry dock No. 2 and the movement of the crane was restricted. The crane was operated for only 141 days in one shift from July 1986 to November 1987. The crane could not be operated in other shift for want of a second crane operator. It was transferred to wet berth, in December 1987, on the ground that the crane was idle at the dry dock due to its unsuitability for that particular site. Thus, non-operation of crane from October 1984 to June 1986 and idleness of the crane during July 1986 to November 1987 resulted in a loss of revenue of Rs. 42.10 lakhs. The crane was put to use in wet berth in December 1987. The CPT stated, in May/August 1988, that two 5 tonnes surface cranes were being shifted to Kidderpore dry dock. The shifting of the cranes was yet to take place (March 1989).

(ii) *Trimmer blocks*:— The CPT procured 36 trimmer blocks, in September 1986, from an overseas party at a cost of Rs. 88.27 lakhs with a view to providing uninterrupted space on both sides of vessels for easy repairs in dry docks. The trimmer blocks were not put into use till June 1988 as the CPT could

not obtain customs clearance. Even after obtaining customs clearance, in July 1988, the blocks were not taken delivery of and put into use (November 1989). Thus, an amount of Rs. 88.27 lakhs had remained unproductively blocked since September 1986.

(iii) *Mechanised hull cleaning equipment*:— The CPT aimed to reduce period of hull cleaning and painting of vessels from six to seven days done manually to four to five days done mechanically. For this, it procured two high pressure jet pumps at a cost of Rs. 22.17 lakhs in October 1986 and four airless spray applicators costing Rs. 4.52 lakhs in March 1987. But the machines were not put in to commercial use (May 1989) resulting in blocking of Rs. 22.17 lakhs. Ministry stated, in November 1989, that a contract had been finalised for running and maintenance of the machines and a decision had been taken to train personnel who would ultimately be entrusted with the maintenance and operation of the machines.

Thus, out of a total of Rs. 400 lakhs released under the modernisation programme, only Rs. 179.05 lakhs had been utilised up to 1988-89 and the progress of the work of finalisation of tender packages was slow, the CPT also did not ensure that necessary infrastructure in terms of more private ship repairers around the CPT commensurate with the scope of modernisation programme would be coming up simultaneously so that the potential customers for dry docking were not turned away due to inadequate ship repairing facilities resulting in underutilisation of dry docks.

#### *Other points of interest*

The CPT procured eight hydraulic power units at a cost of Rs. 1.73 lakhs in 1973-74 to avoid stoppage of penstocks at a time, due to failure of existing hydraulic systems in any area. Only one unit was, however, installed and was working smoothly. Remaining seven units costing Rs. 1.51 lakhs were not installed and were stored in the locked for reasons not stated. Due to improper storage, the units have deteriorated and would require overhauling at a cost of Rs. 5.30 lakhs before their installation and commissioning.

The CPT stated, in May 1988, that the hydraulic units were very old and economically non-viable for installation. It further stated, in August 1988 and June 1989, that alternative utilisation for the units was being explored.

While endorsing the views of the CPT, the Ministry stated, in November 1989, that the functioning of the dry docks at Calcutta as also the implementation of the modernisation scheme were being looked into and corrective measure, wherever necessary, would be taken in due course.

#### **27. Non recovery of dues**

The operation and maintenance of mechanical

grain unloading equipment owned by the Food Corporation of India (FCI) for unloading of food grains from ships was being carried out by the Calcutta Port Trust (CPT) on cost plus basis since 1966. But no agreement specifying the terms and conditions for undertaking the work by the CPT, was made available to Audit.

It was observed in Audit that consequent upon suspension of import of foodgrains, the operation of the equipment was discontinued for varying periods between September 1978 and March 1989. The bills raised by the CPT for non-operative period amounting to Rs. 134.56 lakhs were not paid by the FCI in the absence of agreed terms and conditions in regard to payment of maintenance charges incurred by the CPT during the period of non-operation of equipment.

In April 1986, the FCI observed that a staff of only 55 was justified for maintenance of the equipment during idle period against 66 and 108 during September 1978 to September 1981 and during the remaining three spells of idle period respectively. Non-settlement of terms and conditions before undertaking the maintenance work on behalf of the FCI led to non-payment of Rs. 134.56 lakhs incurred by the CPT on maintenance of the equipment pertaining to non-operational period. The whole amount continued to remain unrecovered from the FCI (July 1989).

While agreeing to the observations by Audit, the CPT stated, in July 1989, that no pre-condition could be imposed since the plant was commissioned in the exigencies arising out of import of a large quantity of foodgrains consequent on shortage of foodgrains in that region. The matter was also being examined by a Joint Committee, formed, in December 1986, comprising officials of the CPT and the FCI but the report has not yet been received.

The Ministry stated, in September 1989, that the CPT was trying to sort out the matter with the FCI.

#### **28. Loss due to non-availing of exemption from payment of customs duty**

In terms of Government of India, Ministry of Finance notification of July 1983, capital goods, components, raw materials and consumables are exempted from customs duty when imported for repair to ocean-going vessels including tugs, dredgers, fire-floats and salvage ships by a ship repair unit registered with the Director General of Shipping. The Calcutta Port Trust (CPT) had been registered with the Director General of Shipping with effect from 28th November 1986. The registration was valid upto 27th November 1987. But the CPT did not avail of exemption from payment of customs duty amounting to Rs. 47.59 lakhs on several components, consumables, etc. imported for repair of ocean-going vessels during the currency of the registration from 28th

November 1986 to 27th November 1987. The CPT also did not apply for renewal of registration before expiry of the same. The application for renewal of registration was forwarded to the Director General of Shipping only on 9th December 1987. The delay in submission of application was attributed by the CPT to certain changes in the organisational set up of the Ship Repair Complex. Although information asked for by the Director General of Shipping was furnished by the CPT on different dates, between February and April 1989, the Director General of Shipping could not renew the registration till June 1989 pending receipt of comments from the Chief Controller of Imports and Exports, Enforcement Division. Consequently, the Port authorities could not get exemption from payment of customs duty amounting to Rs. 16 lakhs paid after expiry of the certificate of registration till March 1989. Thus, the Calcutta Port Trust had to incur a total loss of Rs. 63.59 lakhs.

In June 1989, the CPT stated that an application for claiming refund of Rs. 63.46 lakhs was made on 12th September 1988. In view of inadequate knowledge as regards time limit for submission of claim, there was some delay in preferring the claim and the Customs authorities had intimated that the claim for refund of duty in respect of parts/components imported upto 27th November 1987 was barred by limitation of time and the claims for the items imported subsequent to 27th November 1987, were also not admissible because the registration was not renewed.

While endorsing the above views of the CPT, the Ministry stated, in July 1989, that they have written to Director General Shipping for detailed reasons for non-renewal of the registration.

#### 29. Irregular payment of interest on arrears of adhoc/interim relief

In October 1987, Government sanctioned adhoc/interim relief with effect from January 1986 to the officers, employees and workers of the major port trusts who were on industrial dearness allowance pattern. While sanctioning the relief, the Ministry made it clear that the entire expenditure on this account would have to be met by the port trusts from their internal resources. The Government also added, in October 1987, that the modalities of payment of interim relief were to be finalised by the concerned port trusts. The Government sanction did not envisage payment of any interest on deferred disbursement of adhoc/interim relief.

In pursuance of a settlement made in January 1988, with the Federations of officers, employees and workers, the Calcutta Port Trust (CPT) decided, in February 1988, that the arrears of adhoc/interim relief would be paid in the next financial year i.e.

1988-89 with interest at the rate of 10.80 per cent from January to March 1988. Accordingly, the CPT paid in 1988-89 interest to the tune of Rs. 23.72 lakhs on arrears of adhoc/interim relief to the officers, employees and workers of the Calcutta Dock System and Haldia Dock System debiting the amount in the accounts under salaries head. Under Sections 23 and 95 of the Major Port Trusts Act, 1963, sanction of the Government is required even in matters like compounding, compromising any claims and demands, etc. In this particular instance, the payment of interest, which was not covered by any specific sanction of the Government and which is normally not allowed on deferred disbursement of pay and allowances, was paid without obtaining the approval of the Government.

The payment of Rs. 23.72 lakhs as interest treating the same as part of salaries of staff was irregular.

The CPT stated, in June and July 1989 that it was not possible for them to pay adhoc/interim relief to their employees upto January 1988 on account of difficult cash position. Their attempts to obtain overdraft from State Bank of India having failed, they would have had no option but to encash prematurely the long term deposits bearing interest of 11 per cent. There was thus no loss on account of payment of interest at the rate of 10.80 per cent. In reply to the question of not obtaining specific sanction of Government, the CPT stated that this was treated as covered under Section 88(1) (K) of the Major Port Trust Act, 1963. The reply is not tenable in view of the fact that this was a payment of unusual nature and even the principal amount pertaining to adhoc/interim relief was paid only with the prior approval and sanction of the Government.

The matter was referred to the Ministry in May 1989; reply has not been received (December 1989).

#### 30. Loss due to non-revision of rates of electricity charges

The Calcutta Port Trust (CPT) purchases high voltage electrical energy in bulk from the West Bengal State Electricity Board for Haldia Dock Complex. The CPT supplies a portion of the high voltage electricity to two outside consumers in bulk and realises the charges at procurement rates. It also supplies electricity, in low voltage, to the CPT's employees (domestic consumers) as well as to contractors, market-stall holders, banks, etc. (commercial consumers) through inner distribution lines on "no loss, no profit basis".

The charges from low voltage domestic consumers were being realised by the CPT at 40 paise per unit from June 1975, which was at that time at par with the procurement rate. The rate for commercial consumers was fixed at 58 paise per unit from October 1981. Although the procurement rate had undergone several upward revisions from February 1983 to

February 1988, the last revision being in June 1987 raising the rate to Rs. 1.05 per unit, the CPT did not enhance its rate of recovery from the domestic and commercial consumers. During February 1983 to February 1988, the CPT sustained a loss of Rs. 21.78 lakhs due to non-revision of the recovery rate for low voltage supplies at par with the procurement rate.

In August 1989, the CPT stated, *inter alia*, that had the principle of recovering charges on 'no loss, no profit' basis been imposed, the rate of recovery from the domestic consumers of the CPT would have been three times higher than that prescribed by the West Bengal State Electricity Board and that such high charges would be against public interest and unwarranted. In August 1989, the Ministry also endorsed the views of the CPT.

But it was noticed that the rates fixed by the CPT were even lower than those fixed by the West Bengal State Electricity Board from time to time for their consumers. The CPT supplied 60.65 lakh units of electricity to low voltage consumers between February 1983 and February 1988 and raised bills for Rs. 29.03 lakhs on that account. Had the CPT raised bills even at the rates prescribed by the Electricity Board for supply to low voltage (domestic and commercial) consumers, they could have realised an additional revenue of Rs. 8.77 lakhs.

### 31. Procurement of cutter suction dredger

The Calcutta Port Trust (CPT) placed an order, in December 1969, for construction and supply of one 12" cutter suction dredger on Garden Reach Workshop Limited (GRWL), a Central Government Undertaking, at a cost of Rs. 22.92 lakhs inclusive of the cost of spares. The dredger was to be delivered at Calcutta after successful trial operations by September 1970 and was to be used for dredging the upper compartment of the Bhagirathi-Hooghly river. CPT accepted provisional delivery of the dredger "Netai", in October 1974, subject to demonstration of successful trial operation on a subsequent date and extension of guarantee period up to April 1975. Although there was no provision in the supply order for provisional acceptance, CPT had accepted the dredger which was not in a finally acceptable shape.

As provided under the supply order, the final 20 per cent of the cost of the dredger was to be released on launching and handing over the dredger at Calcutta after successful trial. CPT, however, released the entire payment of Rs. 22.38 lakhs during May 1971 to May 1975 without demonstration of successful operation of the dredger. Recovery on account of liquidated damages amounting to Rs. 1.15 lakhs for delay in completion of delivery as stipulated in the supply order was also not enforced for reasons neither on record nor stated.

As successful trial operation of the dredger could not be demonstrated due to various defects, the dredger underwent several repairs at GRWL and at the hands of the Dredging Corporation of India (DCI). The DCI finally repaired the dredger at a cost of Rs. 15.22 lakhs and the dredger was put into service from March 1983. Since the guarantee period, which had expired in April 1975, was not got extended for reasons not on record, no legal steps could be taken to recover the amount of Rs. 15.22 lakhs paid to the DCI from GRWL.

Thus, the dredger which was required for operations in 1970 could be put into use only in 1983, i.e. after a gap of 13 years and that too after an additional expenditure of Rs. 15.22 lakhs.

Subsequently, in pursuance of the decision of the study team constituted by the Central Government in 1984, silt trap dredging was kept in abeyance from August 1985 and the dredger was consequently, rendered idle thereafter. The CPT moved the Ministry in 1988 for disposal of all the silt trap dredging crafts including 'Netai' to avoid further unnecessary expenditure towards their upkeep. Meanwhile, Rs. 18.60 lakhs had already been incurred on manning, maintenance and repair of 'Netai' from August 1985 to March 1989. The Ministry's decision had not been intimated (October 1989).

The Ministry endorsed the views of CPT, in August 1989, that the dredger was deployed gainfully from March 1983 to July 1985 to lift 4.1 lakh tonnes of silt with the total investment of Rs.48.61 lakhs. This, however, does not alter the fact that the dredger could not be put into use for 13 years from 1970 to 1983 and thereafter could be used only for two years from 1983 to 1985. Further, the additional expenditure of Rs.15.22 lakhs incurred on the repair of the dredger could not be recovered from GRWL as CPT failed to have the guarantee period extended. The CPT also continued to incur additional expenditure on the upkeep of the dredger which had already amounted to Rs.18.60 lakhs from August 1985 to March 1989 and would continue to be incurred until the disposal of the dredger.

### 32. Blocking up of funds and avoidable expenditure

With a view to providing adequate rerailling facilities for Calcutta Port Railway System, Calcutta Port Trust (CPT) procured, in October 1977, one set of rerailling equipment from a foreign firm through their Indian agent at a total cost of Rs.5.13 lakhs including a foreign exchange component of Rs.2.32 lakhs and agency commission of Rs.0.98 lakh. The trial run of the equipment was successfully completed, in August 1978. The delay in trial run was attributed by the CPT to non-availability of wooden planks, lubricating oil, etc.

Action for manning the equipment for operation

was initiated only in March 1979; reasons for delayed action had not been stated. In October 1980, CPT decided to man the equipment by existing staff after abolition of third shift of breakdown gang. The labour unions objected to it and moved the Regional Labour Commissioner who ordered, in September 1981, to keep the abolition of breakdown gang in abeyance. In spite of several negotiations with the unions, the dispute could not be settled till April 1986 when CPT decided to adopt the manning pattern prevailing at Haldia for operation of the same equipment.

In the meantime, due to prolonged non-use, the equipment became unserviceable. In October 1986, the Indian agent of the manufacturer, when approached by the CPT for servicing the equipment, recommended replacement of some accessories and spares which were estimated to cost rupees six lakhs. The CPT initiated action for procurement of accessories and spares only in August 1987, when they asked for the requisite clearance from the Directorate General of Technical Development (DGTD) for import of the material. In November 1988, the CPT also explored the possibility of procuring the material from an indigenous firm which did not succeed. In April 1989, the CPT finally decided to import the material and again applied for clearance of the DGTD for import of the material valued at Rs. 5.43 lakhs.

Due to non-operation of the equipment from August 1978 to March 1989, the CPT incurred an expenditure of Rs. 12.20 lakhs for hiring of accident relief vans from the Eastern Railway to tackle the high incidence of derailment in the Calcutta Port Railway System.

The non-use of the equipment for about eleven years resulted in blocking up of Rs. 5.13 lakhs apart from the avoidable expenditure on hire charges amounting to Rs. 12.20 lakhs.

The CPT stated, in June 1989, that some of the spares recommended by the Indian agent for replacement were diverted to the Railway System at Haldia, in June 1986, for use in the rerailling equipment at Haldia. The CPT further stated that had the equipment been recommissioned by importing the parts loaned to Haldia at a cost of rupees six lakhs, the interest on the above investment together with other maintenance and operational expenditure would have been not less than Rs. 1.2 lakhs per year which was incurred on payment of hire charges. In November 1989, the Ministry also endorsed the views of the CPT. But the CPT's reply is not tenable in view of the fact that not all the spares and accessories now intended to be imported were diverted to Haldia.

### 33. Procurement of gear boxes

For replacement of gear boxes fitted to Canadian diesel locomotives, Calcutta Port Trust (CPT) placed an order, in April 1985, on a firm for manufacture and supply of seven gear boxes for Rs. 25.91 lakhs plus taxes and duties, etc. The supply order provided for payment of 25 per cent of the order-value as advance on submission of indemnity bond by the firm and the balance amount to be paid on delivery of the gear boxes in good condition and according to the specifications. Accordingly, the CPT made an advance payment of Rs. 6.48 lakhs to the firm in April 1985. The CPT, however, did not include in the supply order any provision for liquidated damages, charging of interest on advance payment for any delays in supply and for final payment only after testing inspection of gear boxes.

The delivery of the seven gear boxes was to be completed before August 1986 but only five were supplied during October 1985 to December 1986. Out of these five, two gear boxes failed during trials at Haldia and were taken back by the firm for repair in July 1987. These two are yet to be returned to the CPT. For the remaining three gear boxes out of the five supplied, final payments of Rs. 4.98 lakhs and Rs. 10.20 lakhs were made in August 1985 and August 1986 respectively. Of these three, one was lying idle as the same was not manufactured according to the required specifications and the other two were in use.

The remaining two gear boxes out of the original order of seven had not been received from the supplier as yet (December 1989), as the workers of the factory had been on strike since December 1987. No liquidated damages or interest on advance payment for delayed supplies of gear boxes had been charged from the firm.

Thus, the failure of the CPT to include in the supply order, provisions for liquidated damages, charging of interest on advance payment for delayed supply and for final payment only after testing/inspection of gear boxes resulted in blocking up of funds of Rs. 6.30 lakhs for one gear box not put to use and also afforded undue financial help to the firm in allowing it to keep the advance payment of Rs. 2.87 lakhs in respect of four gear boxes.

Notwithstanding the failure of the firm to supply the seven gear boxes by the stipulated date, the CPT placed another order on the same firm for supply of ten more gear boxes for Haldia dock in August 1986 at a total cost of Rs. 49.49 lakhs plus taxes and duties. Rs. 12.37 lakhs representing 25 per cent of the order-value were paid to the firm as advance against a bank guarantee for an equivalent amount in September 1986. The delivery of the ten gear boxes was to be completed before August 1987. However,

only six gear boxes (two in October 1987, three in January 1988 and one in October 1988) were received and final payment for these amounting to Rs. 31.82 lakhs was made in October 1987 (Rs. 10.51 lakhs) and December 1987 (Rs. 21.31 lakhs) after deduction of Rs. 4.95 lakhs as liquidated damages and interest of Rs. 0.17 lakh on account of delay in delivery as provided in the supply order. Out of these six gear boxes, only two were put to use and the remaining four were lying idle due to non-receipt of full set of accessories. Remaining four gear boxes out of the total of ten for which advance payment of Rs. 3.91 lakhs was made had not yet been received. The CPT stated, in August 1989, that non-replacement and non-supply of gear boxes/accessories were due to strike by the workers of the firm from December 1987.

The matter was referred to the Ministry in June 1989; reply has not been received (December 1989).

#### 34. Delay in supply of generating sets

For replacement of the existing generating sets of the research vessel 'Anusandhani' during its special survey repair to be undertaken from July 1987, the Calcutta Port Trust (CPT) placed an order, in July 1987, on firm 'G' for supply, installation and commissioning of two diesel auxiliary generating sets along with spares at a total cost of Rs. 14.01 lakhs. Supply of generating sets was completed, in May 1989, against the stipulated delivery date of September 1987.

According to the terms of the order, the CPT paid 50 per cent value of the generating sets amounting to Rs. 6.66 lakhs, in November 1988 (Rs. 5.83 lakhs) and May 1989 (Rs. 0.83 lakh) against a proforma invoice on receipt of bank guarantee and again Rs. 5.40 lakhs representing 40 per cent of the value thereof, in July 1989, against another proforma invoice on completion of delivery of generating sets. The payment of the balance 10 per cent, which was to be released after commissioning the sets, was pending (October 1989) as the sets were awaiting installation during next laid up period of the vessel.

Since the new sets were not received during execution of special survey works, the CPT had to get the existing generating sets overhauled to temporary working condition by firm 'H' during March 1988 to October 1988 at a cost of Rs. 5.45 lakhs for completion of the special survey repair. Thus, due to delay in supply of the sets by firm 'G' the CPT had to incur an avoidable expenditure of Rs. 5.45 lakhs. But due to failure on the part of the CPT to incorporate in the supply order, any penal clause for delay in supply, no action could be taken against the firm on this score.

The CPT stated, in July 1989, that due to a combination of circumstances, the firm could not fulfil their schedule of contract. The CPT, however, did not explain the "combination of circumstances".

The CPT stated further, in October 1989, that the penal clause could not be included in the supply order as the firm was the only concern in India to manufacture and supply such generating sets. The Ministry endorsed (November 1989) the views of the CPT, and stated that delay in delivery of generating sets was beyond the expectation of the CPT. Thus, the delays in delivery of the generating sets defeated the purpose for which they were procured viz. replacement of existing generating sets during special survey repair and also resulted in an additional avoidable expenditure of Rs. 5.45 lakhs on overhauling of existing generating sets.

#### 35. Avoidable extra expenditure

For use in hydraulic pumping station, the Calcutta Port Trust (CPT) decided, in February 1986, to procure one additional high pressure pump set and one electric motor. The two components were being manufactured by two different firms viz. firm 'A' and firm 'B' respectively. Even though different firms were manufacturing the two components, the CPT obtained a single composite quotation from firm 'A', in June 1986 and placed an order for supply of both the pumping set and the motor, in April 1987, on firm 'A'. The pump set and the motor were to be supplied respectively at a cost of Rs. 2.22 lakhs and Rs. 4.91 lakhs ex-manufacturer's works plus taxes and duties as applicable. The CPT also accepted, in April 1988, the price variation of Indian Electrical and Electronic Manufacturer's Association on the base date May 1986, as asked for by firm 'A' in its offer.

Firm 'A' supplied the pump set, in June 1987, and was paid Rs. 2.30 lakhs for the same. It further supplied the motor, in March 1988, and was paid Rs. 6.79 lakhs including Rs. 1.33 lakhs on account of cost escalation. However, it was seen that firm 'A' had supplied the motor after procuring the same from firm 'B' at a cost of Rs. 4.05 lakhs as was evident from the gate pass issued by firm 'B'. Had the CPT placed an order directly on the manufacturing firm 'B' for the motor, it could have avoided an extra expenditure of Rs. 2.74 lakhs (Rs. 6.79 lakhs minus Rs. 4.05 lakhs) on its procurement.

The CPT stated, in July 1989, that the pump and the motor were to be a composite unit and that the procurement was made from a single supplier for affording technical assistance in the general arrangement of the drawing and foundation drawing with load data and guarantee for satisfactory performance of the equipment after commissioning. In November 1989, the Ministry also endorsed the views of the CPT.

The reply of the CPT is not tenable as the pump set and the motor were supplied separately in June 1987 and March 1988, respectively and the installation



was also done by the CPT itself and not by firm 'A'.

### Cochin Port Trust

#### 36. Unfruitful expenditure

The work of closing a gap of 456 metres in the reclamation bund of a total length of 4000 metres at the Southern end of Willingdon Island was awarded to a contractor, in June 1984, at an estimated cost of Rs. 27.29 lakhs. The work required construction of a wall of 2.1 metres above water level and was to be completed within one year. However, by November 1985, the work was only partially completed up to a length of 176 metres. The Executive Engineer reported to the Chief Engineer, in November 1985, that (i) there was heavy sinkage and erosion of the rubble dumped in a portion of gap of about 200 metres; (ii) even after dumping 5200 cubic metres of rubble in the reach for about 150 metres as stated by the Ministry of Surface Transport against the estimated quantity of 3556 cubic metres, the wall was about two metres below water level; (iii) it was not desirable to attempt for the dumping of rubble in the area; and (iv) construction of the wall on the reach could be taken up after filling up the area by dredging. An expenditure of Rs. 9.1 lakhs was incurred on the dumping of 5200 cubic metres of rubble in the reach which would have been dislocated and washed away from the alignment of the proposed wall in view of the heavy sinkage and erosion caused by heavy water current and tidal waves. This expenditure of Rs. 9.1 lakhs incurred on dumping of rubble in the reach was thus rendered unfruitful.

The Port Trust stated, in October 1988, that (i) there was no reason to anticipate that normal method of construction of reclamation wall would not be suitable for the area, (ii) the problem of sinkage was noticed only during actual execution of the work, (iii) it was essential to complete the wall, and (iv) it would be done after doing the dredging work.

The Ministry, while endorsing the reply of the Port Trust, stated, in November 1989, that the work would be completed by having some pre-dredging.

The contention of the Department that the problem of sinkage was noticed only during actual execution could not be accepted in Audit as the work in that reach was abandoned, in March 1981 also because of the abnormal tidal conditions. Pre-dredging should have been attempted earlier in place of dumping of random rubble at a cost of Rs. 9.1 lakhs. As the chances of retrieving or making use of the rubble dumped in the area, which might have already been largely washed away from the alignment of the wall are remote, the expenditure of Rs. 9.1 lakhs was rendered infructuous, besides the reclamation project remaining unfinished so far (January 1990).

### Jawaharlal Nehru Port Trust

#### 37. Extra and avoidable expenditure on filling work

The work relating to planning, designing, preparation of estimates, tender documents invitation and evaluation of tenders and supervision of execution of the work of filling in the Township and Container Freight station areas comprising 125 hectares, was awarded to Consulting Engineers (Consultants), in July 1982. Tenders for the work (estimated cost Rs. 15.39 crores) were invited, in December 1985, on local competitive bid basis. Of the 20 offers received, in January 1986, the second lowest offer of Gujarat State Construction Corporation Ltd. (an undertaking of the Government of Gujarat) for Rs. 12.39 crores was accepted by the Board of Trustees, in February 1986. The letter of acceptance was issued to the contractors, in March 1986.

The Consultants brought to the notice of the Port Trust, in April 1986, that the quantities of various fills were likely to increase compared with the quantities given in the tender documents. As stated by the Consultants, on physical measurement, it was noticed that the existing ground levels were found at a lower elevation by about 0.5 to 1.5 metre compared with the approximate levels shown in the map given by the Survey of India in 1984 on the basis of aerial photographs. Consequently, the estimated cost of the work was revised twice from Rs. 12.39 crores to Rs. 17.63 crores, in July 1987 and again to Rs. 21.50 crores, in October 1987, which was sanctioned by the Ministry, in December 1987.

As the increase in quantity of Grade I fill was in excess of 20 per cent of the quantity indicated in the tender, the contractor represented, in August 1986, for a revised rate for the increased quantity of the filling work. The revised rate was negotiated by the consultants and approved by the Port Trust at Rs. 67.25 per cum. as against the tendered rate of Rs. 45 per cum. The increased rate was made applicable for the quantity in excess of 20 per cent over the tendered quantity.

The work was stated to have been completed in April 1987. Against the original estimated quantity of 9.40 lakhs cum, the quantity of Grade I fill executed (May 1988) was 30.18 lakhs cum. This resulted in payment to the Contractor at a higher rate of Rs. 67.25 per cum. as against the originally agreed rate of Rs. 45 per cum. for the increased quantity of the work. The extra expenditure due to payment at the higher rate amounted to Rs. 4.21 crores which could have been avoided if a more accurate estimate had been prepared by the Consultant after physical measurement of the ground levels at site before awarding the work to the Contractor.

The Ministry stated, in December 1988, that during 1983-84 neither the Consultants nor the project authorities could enter the project area due to the hostile environment created by the agitation of the villagers and the estimates were framed on the basis of the levels obtained through aerial survey maps provided by the Survey of India. The Ministry further stated that the increase was also due to changes in the areas taken up for filling work and unforeseen settlement in certain other areas. However, the fact remains that before inviting the tenders, in December 1985, the Port authorities or the Consultants did not ascertain the extent of reliability of the blue prints received from the Survey of India since it is an established survey practice that the aerial blue prints have to be supported by ground observations. The Consultants had obtained clarifications from the Survey of India only in July 1986 by which time, the contract was already in operation.

It was not clear from the records whether any action was contemplated against the Consultants for their failure in drawing up reasonably accurate bill of quantities and in the absence of penal provisions, whether any penal action could be initiated/taken to recover the loss/damages to the Port Trust to the extent, the Consultants could be held responsible.

The Port Trust replied, in July 1988, that the lapse on the part of the consultants had been reported to the Government.

The Ministry further stated, in December 1988, that penalty clause was not normally included in consultancy agreements because of practical difficulty in implementing the same. It was also stated that the recovery of any loss or damage was not feasible and that the report of performance of the consultants was communicated to other Port Trusts to be kept in view before awarding any work to this Consultant.

#### Kandla Port Trust

#### 38. Under-utilisation of container handling equipment

The Government of India had appointed a Committee to study the mounting congestion problems in Bombay Port. The Committee had recommended limited container handling facilities at Kandla Port so as to enable the Port to function as a feeder Port.

Accordingly, the Kandla Port Trust decided, in September 1979, to purchase container handling equipment of indigeneous make at an estimated cost of Rs. 59.35 lakhs. The proposal was approved by Government, in January 1980.

The following equipment was purchased from 1980 to 1986:—

Name of equipment	Year of purchase	Life fixed	Cost (in lakhs of rupees)
Hippo tractor chassis—one no.	December 1980	10 years	6.05
Semi trailer 40'-two nos.	February 1981	10 years	4.15
Coles Tower crane of 36 tonnes—one no.	May 1982	15 years	44.98
Four wheeled trailer—one no.	March 1983	10 years	0.26
Spares for Hippo tractor and trailer	1981 to 1986	—	1.03
Spares for Tower crane—36 tonnes	1983 to 1986	—	4.32
		Total	60.79

It was envisaged that about five lakh tonnes cargo per annum would be handled by container service. The Port Trust did not, however, appoint any crane drivers having expertise in operating the higher capacity crane but only the services of the existing staff from the common pool were utilised. As a result, the crane was not put to optimum use and remained heavily underutilised as under:—

Year	Container coverage handled in tonnes (in lakhs)	No. of hours the crane was available for working as per norms	No. of hours the crane worked	Percentage
1982-83	0.40	2750	829	30
1983-84	0.23	3000	924	31
1984-85	1.12	3000	1027	34
1985-86	1.71	3000	1035	35
1986-87	2.56	3000	59	2
1987-88	3.35	3000	36	1

The Port Trust was unable to provide any reasons for the steep fall in utilisation of the crane during 1986-87 and 1987-88.

The Hippo tractor and trailer were also not in much demand by the users as the equipment was slow in movement involving extra cost for handling containers.

The Port Trust attributed (April 1988), the following reasons for underutilisation of the container handling equipment:

- i) non-development of container traffic to the expected level due to non-linkage of inland container depot with Kandla Port;
- ii) reluctance of the trade to use the crane as compared to private mobile crane then available;
- iii) failure to develop expertise by the crane drivers in operating higher capacity crane due to under-utilisation thereby resulting in the equipment not being operated by them at the optimum efficiency;
- iv) inadequate load bearing capacity of the paved area at 6th berth meant for stacking the containers.

The reasons attributed at Serial Nos. (i) to (iii) are not tenable due to the following reasons:

(a) The non-development of container traffic was not a contributory factor for the underutilisation of the container handling equipment.

(b) The cranes supplied by private parties were more mobile and consumed less time compared to Kandla Port Trust machines. The reasons for Kandla Port Trust not going in for an up to date mobile equipment were not on record. This should have been taken care of when placing order for cranes.

(c) The expertise was available at Bombay and the Kandla Port Trust could have got its drivers trained well before taking delivery of crane which was not done.

Due to under utilisation of the equipment, on the basis of the recommendations of a Survey Committee, it was declared surplus by the Port Trust in September 1987.

Agreeing with the facts stated above, the Ministry stated in November 1989 that semi trailer and four wheeled trailer acquired at a cost of Rs. 4.41 lakhs (depreciated value Rs. 1.58 lakhs) were sold for Rs. 2.79 lakhs while Hippo tractor chassis and its spares acquired at a cost of Rs. 7.08 lakhs (depreciated value Rs. 2.16 lakhs) were sold for Rs. 3.21 lakhs. Coles Tower Crane and its spares costing Rs. 49.30 lakhs (depreciated value Rs. 28.53 lakhs) declared surplus were yet to be disposed of.

#### **39. Loss of revenue due to vacant shops**

Construction of 18 shops in Gandhidham was completed at a cost of Rs. 6.53 lakhs as against the tendered cost of Rs. 7 lakhs by the Kandla Port Trust (KPT), in January 1986. No demand survey was conducted before the work was undertaken.

It was decided, in January 1986, to lease out the shops for a period of 10 years on payment of annual rent, development charges and ground rent. In response to an advertisement, in February 1986 by the KPT, only two shops could be leased out, in July

and September 1986. Two more advertisements, in October 1986 and June 1987 evoked no response. Since the response was poor, the KPT advertised to allot the remaining 16 shops on monthly lease and licence basis. Further six shops were allotted by December 1988. Thus even after three years of completion of the work, only eight shops out of 18 had been allotted (December 1988) leaving 10 shops costing Rs. 4.46 lakhs vacant. The loss in revenue upto March 1989 from the vacant shops at 10 per cent interest on blocked up capital amounted to Rs. 1.34 lakhs.

The Ministry stated, in September 1989, that shopping centre was constructed as a welfare measure for employees of KPT. The fact of the shops remaining vacant was attributed by the Ministry to the existence of unauthorised shops in the area.

If the shopping centre was intended as a welfare measure, that purpose has not been served.

### **Paradip Port Trust**

#### **40. Infructuous expenditure**

The Paradip Port Trust decided, in November 1985, to construct 18 units of B and 12 units of C type quarters at a site opposite to the administrative building. Administrative approval for the construction of quarters was received from the Ministry in March 1987. Before taking up the construction of quarters, construction of 400 metres of approach road was sanctioned by the port authorities, in March 1986 and the work was awarded, in April 1986, to a contractor for Rs. 7.14 lakhs. The work was commenced, in May 1986. In July 1986, when the contractor had executed the work worth Rs. 1.27 lakhs towards sand filling, soling and excavation of earth, the port authorities changed the proposed site for construction of quarters on the ground that the original site did not possess the load bearing capacity for the type of piles proposed to be adopted for the quarters. The expenditure of Rs. 1.27 lakhs on the road work thus became infructuous.

The Paradip Port Trust stated, in July 1986, that they proposed to make use of the approach road already constructed for future development of the area. The Port's reply is, however, not tenable in view of the fact that no proposal had been put up so far (October 1989) regarding the utilisation of the abandoned work and the items of work executed in May-June 1986 may not stand the ravages of time.

The matter was referred to the Ministry in August 1989; reply has not been received (December 1989).

## Ministry of Textiles

### Indian Jute Industries Research Association, Calcutta

#### 41. Blocking of funds

The Indian Jute Industries Research Association, Calcutta, owned a Fade-O-Meter-cum-Weather-O-Meter procured about fifteen years back for carrying out tests aiming at production and process development related to bleaching, dyeing, rot-proofing and chemical finishing of jute products. As the machine was old and loaded with work continuously, it went out of order frequently and this had necessitated the procurement of a new machine not only for replacement of the old one but also for having wider applicability.

The Association, therefore, imported a Fade-O-Meter-cum-Weather-O-Meter from an American firm, in December 1986, at a cost of US \$ 55390 equivalent to Rs. 7.50 lakhs without making any suitable arrangement for installing it. A further sum of Rs. 0.06 lakh was spent to get the machine cleared from the port. One refrigeration condensing unit being an essential accessory to the machine was also purchased in April 1987, at a cost of Rs. 0.35 lakh from an Indian firm. But no concrete steps had been initiated to get the machine installed even after a lapse of more than two and a half years. The warranty period of 15 months from the date of invoice had already expired.

Funds amounting to Rs. 7.91 lakhs, thus, have remained blocked for more than two and a half years thereby defeating the purpose of procurement.

The Association stated, in March 1989, that accommodation for installation of the Fade-O-Meter-cum-Weather-O-Meter was being arranged at an early date.

The matter was referred to the Ministry in July 1989, reply has not been received (December 1989), despite reminder issued in November 1989.

## Ministry of Tourism

### Institute of Hotel Management, Catering Technology and Applied Nutrition, Bombay and Calcutta

#### 42. Infuctuous expenditure on water proofing treatment

The building of the Institute of Hotel Management, Catering Technology and Applied Nutrition, Bombay was constructed during 1965-66 through a private contractor and was being maintained by the Institute. A leakage in the terrace of the building was noticed for the first time during 1977-78. The Institute approached the Central Public Works Department (CPWD) for water proofing work of the terrace and deposited Rs. 2.97 lakhs with the CPWD in June

1981. The work was completed in the same month. However, the leakage in the terrace persisted and the Institute attributed the leakage to the unsatisfactory work done by the CPWD (October 1983). While observing that the Institute pointed out the defects only after lapse of three monsoons, the CPWD, in March 1984, attributed the continued leakage of the terrace to the following:

(a) The Institute had been misusing the terrace by keeping unwanted material thereby damaging the tar felt treatment to the terrace.

(b) The building had architectural defects as regards the levels of the terrace and water outlets.

(c) The Institute did not accept the CPWD's suggestions to raise the level of the door frames fixed on the terrace, which obstructed the adjustment of level upto the requirement.

Thereafter, in response to the request of the Institute for completion of the work on the building, the CPWD carried out further repairs by readjusting the slope slightly without raising the frame level of the doors of the terrace. However, the leakage persisted. The CPWD incurred till March 1984, a total expenditure of Rs. 3.68 lakhs on the water proofing work including the amount of Rs. 2.97 lakhs deposited by the Institute. The CPWD, however, stated in March 1988, that effective water proofing work was not possible due to initial architectural deficiency in the construction of the building already pointed out to the Institute and that whatever remedial measures could be taken had been taken.

The Institute stated, in September 1989, that the job carried out by the CPWD was left incomplete and the leakage of monsoon water continued over years and had damaged the structure of the building as well as electrical installations.

Despite an expenditure of Rs. 3.68 lakhs, the leakage in the terrace could not be stopped rendering the whole expenditure infructuous. Moreover, the continuing leakage was likely to further aggravate the damage it had already caused to the electrical installation and structure of the building.

The matter was referred to the Ministry in July 1989; reply has not been received (December 1989).

#### 43. Idle Cold Storage Plant

The main building of the Institute of Hotel Management Catering Technology and Applied Nutrition, Calcutta, was constructed, in February 1980, by the Central Public Works Department (CPWD) as a deposit work which included installation and commissioning of cold storage plant consisting of one cold storage room and one cold room at a cost of Rs. 2.22 lakhs. The cold storage was necessary for storing raw materials for food procured by way of bulk purchases and cold room was required for storing

items of cooked food. Such bulk purchases and storing of cooked food were a part of training imparted to students.

The cold storage plant was commissioned by the CPWD in two rooms of the building and the same was handed over to the Institute in a running condition after proper test on 24th August, 1984. However, since the date of take over by the Institute, the Plant could not be put to use and the trainees could not get the benefit of the facility so far (November 1989). The Plant was run only for a brief period of nine days i.e. from 14th to 22nd February 1986. The Institute stated that the Plant could not be run for want of operators and despite repeated requests to the Ministry, the requisite posts could not be sanctioned. Thus, the facility (the plant) created at a cost of Rs. 2.22 lakhs specifically for the benefit of the trainees remained practically unutilised since its inception.

The matter was referred to the Ministry in June 1989; reply has not been received (December 1989), despite reminder issued on November 1989.

#### Ministry of Welfare

#### Institute for the Physically Handicapped, New Delhi

#### 44. Purchase of flats from the Delhi Development Authority

The erstwhile Jawaharlal Nehru Complex of the Institute managed by the Council for the aid of Crippled and Handicapped, was taken over by the Central Government, Ministry of Social Welfare, in May 1975 and was named as the Institute for the Physically Handicapped and registered as a Society in 1976. At the time of take over, about 58 employees, both handicapped and others, were living unauthorisedly in irregular structures alongside the sheltered workshop since 1961. In order to get the premises vacated for construction of a new building, the Institute acquired 30 flats under Janata Category at Nand Nagri from the Delhi Development Authority (DDA) at a cost of Rs. 6.30 lakhs, in June 1982, with a view to providing accommodation on payment of rent to employees squatting in the premises. The flats were actually allotted in May 1983; the delay was attributed to delay in provision of electricity, squatters representations regarding their unwillingness to leave the Institute premises, etc.

The allottees had been representing to the Ministry and the Institute for transfer of these flats on ownership basis although they had never registered for purchase of flats with the DDA and only 5 per cent of flats are reserved by the DDA for allotment to physically handicapped persons. The normal practice in Government as well as in bodies like this Institute is to only allot residential accommodation to employees on lease basis and the allotment remains

valid during the period of service of the employees and the question of transfer of flats or residential accommodation on ownership basis does not arise. This is on the principle that transfer of such accommodation to existing employees would permanently deprive future employees of this benefit. Government agreed, nevertheless, in February 1986, to transfer the flats to displaced and disabled employees on ownership basis. The reasons for agreeing to transfer the flats initially allotted to and owned by the Institute to the disabled and displaced employees on ownership basis were not on record. The modalities for transfer of flats to the displaced and disabled employees were to be settled between the Institute and the DDA.

The matter remained under correspondence between the Institute and the DDA and in December 1986 and July 1987, the DDA communicated its approval to the request of the Institute for transfer of the flats to individual physically handicapped persons as a special case, subject *inter-alia* to the surrender of flats by the Institute to the DDA and payment of rent by the Institute at the rate of one *per cent* per month calculated at the disposal cost of each flat from June 1982 to October 1987 when the quarters were surrendered to the DDA. The Institute was entitled to get interest on the deposit towards cost of the flats at the rate of seven *per cent* and was also liable to pay the charges, for damage of flats, if any, during the period when the flats were in possession of the Institute. The Institute surrendered the flats to DDA, in October 1987, and these were re-allotted to the individual employees by the DDA, in April 1988, who were simultaneously granted house building advance for purchase of flats.

It was observed that:

(i) contrary to the general policy of providing residential accommodation to the employees on lease for the period of their service, the Institute arranged transfer of the flats acquired from the DDA to the employees on ownership basis which would adversely affect the interest of the present and future employees. These employees had never registered with the DDA for purchase of flats and only 5 *per cent* of flats are reserved by the DDA for allotment to physically handicapped persons;

(ii) although both the Government and the DDA had communicated their approval to the transfer of ownership of flats to the physically handicapped employees of the Institute, 16 out of 30 employees to whom flats were allotted were not physically handicapped and two of the remaining 14 employees did not figure in the original list of applicants sent by the Institute to the DDA;

(iii) the Institute did not get the flats checked at

the time of their surrender to the DDA in October 1987 and incurred expenditure of Rs. 0.85 lakh on their maintenance between January and March 1988;

(iv) the Institute had not secured refund of original amount of Rs. 6.30 lakhs paid by it to the DDA;

(v) although the Institute granted house building advances to the employees for the purchase of flats, in April 1988, it had not secured mortgage of flats in its favour.

The Ministry stated, in September 1989, as follows:—

“The flats were allotted by the DDA in 1982 for use as staff quarters. The DDA had not imposed any condition about the allotment of these quarters to the physically handicapped. However, while communicating approval for surrender of the quarters by the Institute and subsequent allotment by them to the individual employees, the DDA had inadvertently mentioned the transfer of the flats to physically

handicapped persons. After surrender of the flats by the Institute, the actual allotment was made by the DDA and not by the Institute”.

The reply of the Ministry is not tenable since, in February 1986, the Ministry had communicated its decision to the Institute to transfer the flats to the displaced and disabled employees of the Institute. Further, a perusal of DDA's letter of December 1986 agreeing to the request of the Institute for allotment of flats to individual employees subject to furnishing of health certificate by them gave clear indication that these were meant for individual physically handicapped persons only.

The Ministry also stated that the Institute was liable to pay rent of about Rs. 5.61 lakhs to the DDA and recover Rs. 6.30 lakhs paid in 1982 towards the cost of flats. Besides, the Institute had to pay damage charges, if any, to be worked out by the DDA but the DDA had not intimated the final figure of payment to the Institute so far.

*Dharam Vir*

(DHARAM VIR)  
Principal Director of Audit-I,  
Central Revenues

New Delhi  
The

20 MAR 1990

Countersigned

*T.N. Chaturvedi*

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

New Delhi  
The

22 MAR 1990

**APPENDIX-I**  
[Vide sub-paragraph 1.3]

**Outstanding Utilisation Certificates**

Ministry/Department	Period to which grants relate upto September 1987	Number of utilisation certificates outstanding at the end of March 1989	Amount (in lakhs of rupees)
1	2	3	4
Agriculture and Co-operation	1976-77	29	20.62
	1977-78	25	37.49
	1978-79	72	407.48
	1979-80	36	264.82
	1980-81	26	229.47
	1981-82	37	462.57
	1982-83	58	433.88
	1983-84	97	1189.23
	1984-85	133	964.43
	1985-86	128	646.88
	1986-87	115	907.31
1987-88	92	9128.02	
		848	14,692.20
Civil Aviation and Tourism	Not received		
Commerce	1976-77	3	5.00
	1977-78	3	2.90
	1983-84	10	988.68
	1984-85	30	631.71
	1985-86	18	1130.93
	1986-87	39	2630.78
	1987-88	81	2979.98
		184	8369.98
Energy Power	Not received		
External Affairs	1984-85	2	22.29
	1985-86	7	11.28
	1986-87	23	241.93
	1987-88	11	112.24
		43	387.74
Finance			
(i) Economic Affairs	1986-87	1	2.00
	1987-88	1	6.06
		2	8.06
(ii) Revenue	1985-86	2	0.04
	1986-87	14	36.02
	1987-88	5	22.50
		21	59.16

1	2	3	4
Food and Civil Supplies	1977-78	1	0.07
(i) Civil Supply	1979-80	1	200.00
	1980-81	1	0.40
	1981-82	3	1.63
	1982-83	1	0.25
	1983-84	10	11.22
	1984-85	3	2.58
	1985-86	2	2.62
	1986-87	2	2.21
		<u>24</u>	<u>220.98</u>
(ii) Food	Not received		
Health and Family Welfare	1976-77	22	8.95
(i) Family Welfare	1977-78	15	26.66
	1978-79	12	25.47
	1979-80	18	64.15
	1980-81	32	102.36
	1981-82	42	197.67
	1982-83	47	90.33
	1983-84	87	363.22
	1984-85	132	645.25
	1985-86	98	1000.31
	1986-87	72	1330.51
	1987-88	60	374.83
		<u>637</u>	<u>4229.71</u>
(ii) Health	1976-77	96	104.36
	1977-78	87	186.55
	1978-79	81	900.47
	1979-80	138	275.06
	1980-81	80	344.97
	1981-82	128	226.99
	1982-83	146	829.93
	1983-84	287	3747.71
	1984-85	327	5736.11
	1985-86	256	8356.41
	1986-87	272	5421.97
	1987-88	95	3028.93
		<u>1993</u>	<u>29159.46</u>
Home Affairs	1983-84	1	1.02
	1985-86	3	0.06
	1986-87	11	1.65
	1987-88	5	0.84
		<u>20</u>	<u>3.57</u>
Andaman and Nicobar Administration	Not received		
Central Board of Direct Taxes	1985-86	1	.02
	1986-87	11	3.07
	1987-88	18	3.50
		<u>30</u>	<u>6.59</u>



1	2	3	4
Chandigarh Administration	Not received		
Delhi Administration	1977-78	118	1322.39
	1978-79	141	1498.46
	1979-80	109	2438.56
	1980-81	98	611.15
	1981-82	108	1069.45
	1982-83	160	1519.58
	1983-84	103	1225.43
	1984-85	122	2489.17
	1985-86	213	7584.29
	1986-87	402	13476.51
	1987-88	225	8044.75
		1799	41,279.74
Human Resource Development			
(i) Culture	Not received		
(ii) Education	1976-77	258	281.71
	1977-78	248	508.69
	1978-79	508	544.23
	1979-80	401	604.73
	1980-81	266	541.15
	1981-82	259	1247.84
	1982-83	614	1607.68
	1983-84	591	6354.32
	1984-85	2576	25071.83
	1985-86	2850	22243.52
	1986-87	2785	26875.81
	1987-88	410	2712.88
		11766	88,594.39
(iii) Youth Affairs and Sports	Not received		
(iv) Women and Child Development	1986-87	274	16.33
	1987-88	406	33.18
		680	49.51
Industry			
(i) Public Enterprises	1987-88	1	25.00
		1	25.00
(ii) Salt Commission, Jaipur	1980-81	1	0.01
	1986-87	1	0.02
	1987-88	2	0.01
		4	0.04
(iii) Small Scale Industries	1986-87	1	5.00
	1987-88	16	141.10
		17	146.10
(iv) Industrial Development	1987-88	12	74.06
		12	74.06

1	2	3	4	
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	3	68.00	
	1985-86	2	35.34	
	1986-87	13	227.41	
	1987-88	6	138.13	
		<u>32</u>	<u>538.65</u>	
Labour	Not received			
Law and Justice	1981-82	1	0.10	
	1982-83	10	3.13	
	1983-84	25	11.26	
	1984-85	18	12.26	
	1985-86	26	12.19	
	1986-87	17	5.90	
	1987-88	1	1.50	
		<u>98</u>	<u>46.34</u>	
Personnel Public Grievances and Pension	1983-84	3	1.25	
	1984-85	3	0.75	
	Personnel and Training	1985-86	5	0.94
		1986-87	16	11.13
	1987-88	19	9.39	
		<u>46</u>	<u>23.46</u>	
Social Welfare	Not received			
Surface Transport	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	
	1986-87	54	1668.38	
	1987-88	3	6.15	
			<u>484</u>	<u>17508.14</u>
Steel and Mines	Not received			
Textiles	1977-78	3	11.55	
	1978-79	37	146.45	
	1979-80	49	112.17	
	1980-81	19	30.47	
	1981-82	5	4.51	
	1982-83	27	27.43	
	1983-84	31	32.18	
	1984-85	26	23.66	
	1985-86	42	42.88	
	1986-87	34	34.76	
	1987-88	5	13.70	
			<u>278</u>	<u>479.76</u>

1	2	3	4
Urban Development	1981-82	23	16.23
	1982-83	42	21.43
	1983-84	39	34.85
	1984-85	31	39.66
	1985-86	48	28.05
	1986-87	20	52.60
	1987-88	8	6.82
		<u>211</u>	<u>199.64</u>
Water Resources	1984-85	7	10.00
	1985-86	22	27.00
	1986-87	24	31.00
	1987-88	11	418.00
		<u>64</u>	<u>486.00</u>
	<b>Grand Total</b>	19294	206638.28



E R R A T A

Page	Column	Line	For	Read
1	2	3	4	5
(v)	Ist	2nd	eighth	eight
(ix)	Ist	6th	infrastructure	infrastructure
(ix)	1st	15th	Municipal Corporation Delhi	Municipal Corporation of Delhi
(xi)	Ist	2nd from bottom	and and	and
(xi)	IInd	13th	between	between
3	Ist	13th from bottom	indentification	identification
4	Ist	10th and 11th from bottom	received	TDA received
18	IInd	15th	dealy	delay
50	Ist	5th	whereas	-
56	Ist	4th from bottom	Terrortories	Territories
56	IInd	13th	Test books	Text books
57	Ist	10th	theree	three
58	IInd	8th from bottom	buiding	building
64	Ist	4th from bottom	purhcased	purchased
76	Ist	21st	voltage	voltage
80	IInd	26th	under	-
83	Ist	22nd	on	in
84	IInd	4th	Ministry	Ministry
84	IInd	5th	communicated	communicated
84	IInd	9th	agreeing	agreeing

