Report of the Comptroller and Auditor General of India

for the year ended March 2004

Union Government (Civil)

Autonomous Bodies

No.4 of 2005

CONTENTS

PREFACE

This Report for the year ended 31 March 2004 has been prepared for submission to the President under Article 151 of the Constitution. The results of test audit of the financial transactions of the Central Autonomous Bodies (other than those under Scientific Departments included in Report No.5 of 2005) 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. This Report includes 42 paras and three reviews on:

a) Coal Mines Provident Fund Organisation, Dhanbad

b) Preservation and Restoration of Art Objects in the Indian Museum, Victoria Memorial Hall and the Asiatic Society, Kolkata

c) Allotment of Land to Educational Institutions by the Delhi Development Authority

The audited organisations are autonomous bodies of varying character and discipline. These organisations are intended to perform certain specified services of public utility or to execute certain programmes and policies of the Government, essentially out of financial assistance from the Government. Such bodies and authorities include Major Port Trusts, Prasar Bharati, Indian Institutes of Technology, Indian Institutes of Management, other educational and cultural institutions and research institutions.

The cases mentioned in this Report came to notice in the course of test audit during the year 2003-2004.

OVERVIEW

General

Annual accounts of Autonomous bodies

In 2003-04 there were 241 central autonomous bodies whose accounts were to be certified under section 19 (2) and 20 (1) of the CAG's (DPC) Act, 1971. Government of India released Rs. 8164.03 crore towards grants and Rs. 95.85 crore towards loan to 218 bodies during 2003-04. Information on the amount of government grants released to the remaining 23 bodies was not available.

Grants amounting to Rs. 4737.59 crore (58.03 *per cent* of total grants) were disbursed by the Ministry of Human Resource Development to 81 educational institutions, Rs. 630.49 crore (7.72 *per cent* of total grants) were disbursed by the Ministry of Health and Family Welfare to 21 health and research institutions and Rs. 314 crore (3.85 *per cent* of total grants) were disbursed by the Ministry of Commerce to 14 autonomous bodies.

Audited accounts for 2002-2003 of 232 central bodies were to be placed before the Parliament by 31 December 2003. Of these, audited accounts of 69 bodies were submitted for audit within the stipulated time. The accounts of 14 bodies were not submitted for audit by the concerned organisations as on December 2004.

(Paragraph 1.1)

Utilisation certificates

As many as 41038 utilisation certificates for sanctions amounting to Rs. 10572.56 crore during 1976-77 to March 2003 were outstanding at the end of March 2003-04 in respect of grants released to statutory bodies. This indicated that the system by which Government satisfies itself that grants are used for the purpose for which they are given was not functioning effectively.

(Paragraph 1.2)

Ministry of Coal and Mines

Coal Mines Provident Fund Organisation

In the performance review of the Organisation for the period 1999 to 2004, it was noted that the statutory social welfare schemes were not extended to all eligible employees, especially workers engaged by contractors. Such coverage remained particularly poor. Surveys for identifying eligible workers were not conducted and targets for inspection by P.F. inspectors for this purpose were also not fixed.

Dues of coal companies were not determined promptly and powers to realize outstanding dues were not exercised. Damages of Rs. 207.60 crore from defaulting coal companies were not recovered. The Organisation's accounting for fund and pension contributions had major shortcomings. The amounts in Suspense General Account increased from Rs.1903.02 crore during 1999-2000 to Rs. 4300.20 crore during 2002-03. Similarly, balances under Interest Suspense Account rose from Rs. 4805.06 crore in March 1999 to Rs. 9233.53 crore in March 2003. As a result, the posting of individual ledger accounts of members was insignificant. The returns on fresh investments made by the fund manager on behalf of CMPFO were declining year to year.

Proceeds of administrative charges were misused. Rs. 1.68 crore was spent on computerisation of PF Accounts. However, the Organisation was unable to provide error free input data, as a result, the project for computerisation could not be implemented and the expenditure remained unfruitful. The grievance redressal mechanism was unsatisfactory. Internal Control was weak.

(Paragraph 2.1)

Ministry of Culture

The Indian Museum, Victoria Memorial and The Asiatic Society, Kolkata

The Indian Museum, Victoria Memorial and The Asiatic Society, Kolkata are Institutions of National importance having a wide ranging collection of art objects. No standards or norms for acquiring, preserving and collecting art objects were adopted. No perspective plan was prepared by the Institutions for acquiring art objects. There was no policy for valuing objects received as gifts. A large number of objects were yet to be accessioned by the Institutions. The digitization of art objects was not taken up. Physical verification of the art objects was not taken up in the preceding five years. No systematic approach existed for identifying damages and conserving art objects. The security system in the Institutions were very inadequate. As a result, an antiqueted statute was stolen from the art gallery of the Indian Museum in December 2004.

(Paragraph 3.1)

Ministry of Urban Development

Delhi Development Authority

Delhi Development Authority failed to enforce the terms of allotment of land to educational institutions, during 1990-91 to 2003-04. The primary objective of these concessional allotments was to provide 25 *per cent* reservation for the children from weaker sections of the society. This was not achieved. DDA also failed to ensure that the societies possessed the financial capacity to meet the cost of land and construction before alloting the land. This resulted in allotment of land to ineligible societies who did not possess the necessary resources. Tution fees were also increased by the schools in violation of the rules. Rs. 1.88 crore was outstanding against 89 societies on account of ground rent and licence fee as well as interest thereon for the period 1997-98 to 2003-04. No action had been initated by the DDA to recover these dues.

(Paragraph 4.1)

Ministry of Finance

Insurance Regulatory and Development Authority

Insurance Regularity and Development Authority established the Institute of Insurance and Risk Management without appropriate approval. The Authority irregularly contributed Rs. 11.00 crore to this institute.

(Paragraph 9.1)

Injudicious decision of Insurance Regularity and Development Authority to reduce rates of renewal fee retrospectively resulted in irregular refund of Rs. 8.94 crore to insurance companies.

(Paragraph 9.2)

Ministry of Health and Family Welfare

Department of Health

All India Institute of Medical Science (AIIMS)

All India Institute of Medical Sciences irregularly paid Rs. 68.59 lakh as conveyance allowance during 2002-04 to ineligible staff despite clear orders to the contrary from the Ministry.

(Paragraph 10.1)

AIIMS's failure to adhere to the guidelines framed for the grant of financial assistance to attend conferences resulted in irregular payment of Rs. 42.97 lakh to ineligible staff members.

(Paragraph 10.2)

Ministry of Human Resource Development

Department of Secondary and Higher Education

Indian Institute of Technology, Delhi, Guwahati, Kanpur, Kharagpur, Madras, Bombay and Roorkee.

The Indian Institutes of Technology, Delhi, Guwahati, Kanpur, Kharagpur, Madras and Bombay misinterpreted Government orders on pay fixation and overpaid Rs. 2.44 crore to 479 Assistant Professors as of March 2004. They have not recovered this amount despite Ministry's orders.

(Paragraph 11.5)

The Indian Institute of Technology at Delhi, Kanpur, Kharagpur, Bombay and Roorkee made irregular payment of bonus amounting to Rs. 84.24 lakh to ineligible employees in the pay scale of Rs. 6500-10500 and Rs. 7500-12000 during 1999-2003, against the orders of the Ministry.

(Paragraph 11.6)

The Indian Institute of Technology, Kharagpur did not accept the offer of the lower pre-qualified tenderer and awarded the work of construction of a Lecture Hall Complex to a contractor in violation of the instructions of the Central Vigilance Commission and the CPWD Manual. This resulted in avoidable expenditure of Rs. 51.08 lakh. Moreover, the work was also not completed in time.

(Paragraph 11.8)

Indira Gandhi National Open University

Indira Gandhi National Open University printed study material, in 1997, far in excess of its actual needs for a course that was discontinued in January 2000. This resulted in avoidable surplus stock leading ultimately to wasteful expenditure of Rs. 58.20 lakh.

(Paragraph 11.9)

Ministry of Information & Broadcasting

Prasar Bharati

Doordarshan failed to deduct income tax at source which led to levy of penalty and interest amounting to Rs. 4.43 crore by the Income Tax Department.

(Paragraph 12.1)

Prasar Bharati did not adhere to the schedule of payment of instalments of telecast right fees to Board of Control for Cricket in India, during the period 1990-2003,which resulted in avoidable payment of interest of Rs 1.42 crore.

(Paragraph 12.2)

Prasar Bharati irregularly allowed agency commission at the rate of 15 *percent* to National Film Development Corporation for the telecast of 210 films between June 2001 and September 2003 which resulted in irregular expenditure of Rs. 22.68 lakh.

(Paragraph 12.4)

Ministry of Shipping

Chennai Port Trust

Irregular adoption of reduced gross tonnage for levy of vessel related charges by the Chennai Port Trust resulted in short collection of Rs. 4.58 crore. An amount of Rs. 3.25 crore was recovered at the instance of Audit.

(Paragraph 13.1)

Kolkata Port Trust

The Kolkata Port Trust decided to repair the survey vessel RSV Tribeni, which had outlived its economic life. But the vessel could be utilised for only 14 days after its repair. This ill-considered decision led to infructuous expenditure of Rs. 5.83 crore on manning and maintenance of the idle vessel which included Rs. 97.28 lakh spent on repair work of the vessel.

(Paragraph13.2)

Mormugao Port Trust

Crane drivers attached to five wharf cranes, disposed of in October 1997, were not redeployed upto March 2004, which resulted in infructuous expenditure of Rs. 99.83 lakh.

(Paragraph 13.3)

Paradip Port Trust

Paradip Port Trust failed to adhere to the provisions of Rules 28 and 29 of the Paradip Port Trust Rules and Regulations of 1966 which resulted in avoidable expenditure Rs. 86.49 lakh on dredging cargo spillage of 34596 metric tonne.

(Paragraph 13.5)

Ministry of Small Scale Industries and Rural Agro Industries

Khadi and Village Industries Commission (KVIC)

KVIC had borne excess liability of interest subsidy amounting to Rs. 1.03 crore on account of bank finance provided to one institution due to the failure of the Commission to modify the Interest Subsidy Scheme in line with the deregulated interest rate regime.

(Paragraph 14.1)

Ministry of Urban Development

Delhi Development Authority

DDA failed to route its advertisement through the Directorate of Advertisement and Visual Publicity in accordance with the Ministry's instructions which resulted in avoidable expenditure of Rs. 6.07 crore.

(Paragraph 16.1)

Defective fixation of reserve price and formulation of an unrealistic parking fee structure resulted in parking sites remaining unauctioned leading to revenue loss of Rs. 2.57 crore.

(Paragraph 16.2)

Incorrect fixation of reserve price of commercial plots resulted in loss of Rs. 1.79 crore to DDA.

(Paragraph 16.3)

DDA failed to comply with the land use norms stipulated in the Master Plan 2001 for Delhi and non availability of clear site for construction of residential colonies of work resulted in blockage of Rs. 1.49 crore.

(Paragraph 16.4)

CHAPTER I : GENERAL

1.1 Annual accounts of autonomous bodies

Bodies established by or under law made by Parliament and containing specific provisions for audit by the Comptroller and Auditor General of India are statutorily taken up for audit under Section 19(2). Audit of other organisations (corporations or societies) is entrusted to C&AG in public interest under section 20(1). The nature of audit conducted under these provisions is that of certification of annual accounts and value for money audit.

As on 31 March 2004 there were 241 central autonomous bodies (other than those under Scientific Departments) whose annual accounts were to be audited by the Comptroller and Auditor General of India as the sole auditor under Sections 19(2) and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (Act).

During 2003-04, grants and loans amounting to Rs. 8164.03 crore and Rs. 95.85 crore respectively were released by the Union Government to 218 autonomous bodies (**Appendix-I).** Of these, grants amounting to Rs. 4737.59 crore (58.03 *per cent* of total grants) were disbursed by the **Ministry of Human Resource Development** to 81 educational institutions, Rs. 630.49 crore (7.72 *per cent* of total grants) were disbursed by the **Ministry of Health and Family Welfare** to 21 health and research institutions, Rs. 314 crore (3.85 *per cent* of total grants) were disbursed by the **Ministry of Commerce** to 14 autonomous bodies and Rs. 202.65 crore (2.48 *per cent* of total grants) were disbursed by the **Ministry of Culture** to 27 autonomous bodies.

Information for 2003-04 in respect of 23 bodies were not furnished by the concerned Ministries; thus, the amount of Government grants released by them was not available as of December 2004 (**Appendix-II).**

(i) According to information furnished by various Ministries there were 91 central autonomous bodies as on 31 March 2004, which were substantially financed by grants/loans from the Union Government and attracted audit by the Comptroller and Auditor General of India under the provisions of Sections 14(1)/14(2) of the Act. Audit under these provisions is in the nature of value for money audit. These bodies were released grants/loans amounting to Rs. 2509.37 crore by the

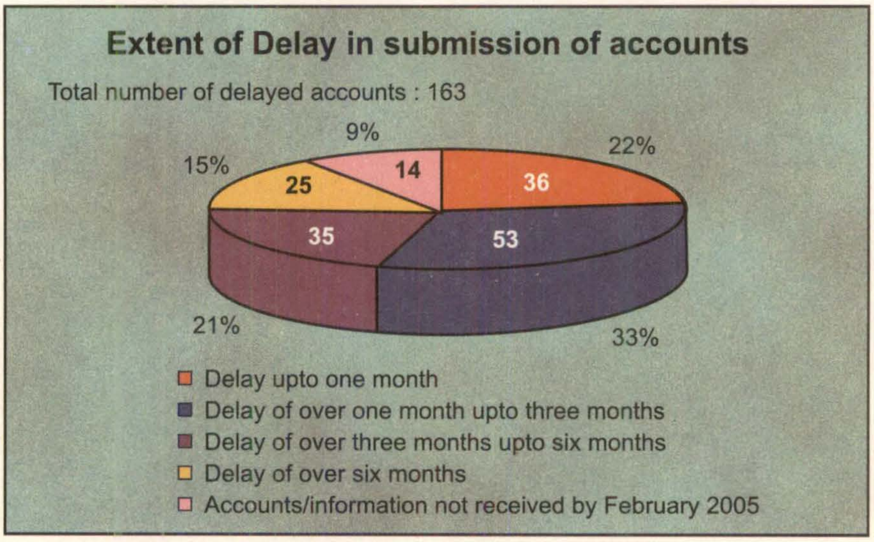
Union Government during 2003-04 (**Appendix-III**). Annual accounts of these entities were to be audited by Chartered Accountants.

(ii) Delay in submission of accounts by autonomous bodies

The Committee on Papers Laid on the Table of the House recommended in their 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 2002-03, audit of accounts of 232 Central autonomous bodies was to be conducted under Sections 19(2) and 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and these audited accounts were to be placed before the Parliament by 31 December 2003. Out of these, the accounts of only 69 autonomous bodies were made available for audit within the prescribed time limit of three months after the close of the accounting year. Submission of accounts of remaining 163 autonomous bodies was delayed as indicated below:-

Delay upto one month	36
Delay of over one month up to three months	53
Delay of over three months upto six months	35
Delay of over six months	25
Accounts/information not received by February 2005	14
Total	**163**



In **Appendix-IV** the position of Autonomous Bodies whose accounts were delayed between three to six months and for over six months is given.

The list of bodies whose accounts/information were not received as of February 2005 is given in **Appendix-V.**

Arrears in submission of accounts:

A few Autonomous Bodies have not submitted the accounts even for earlier years as per details given hereunder:

1.	Central Agricultural University, Imphal	1999-00 onwards
2.	Indian Council of World Affairs, New Delhi	1999-00 onwards
3.	North-East Zone Cultural Centre, Dimapur, Nagaland	2000-01 onwards
4.	National Institute of Public Co-operation and Child Development, New Delhi	2001-02 onwards
5.	National Commission for Backward Classes, New Delhi	1993-94 onwards
6.	National Institute of Adult Education, New Delhi	2001-02 onwards
7.	Indira Gandhi National Center for Arts, New Delhi	2001-02 onwards

1.2 Utilisation certificates

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 organisations etc to ensure that these had been properly utilised for the purpose for which these were sanctioned. The Ministry/Department-wise details indicating the position of 41038 outstanding utilisation certificates due by March 2004 involving Rs. 10572.56 crore in respect of grants released upto March 2003 are given in **Appendix-VI**. The Ministry of Human Resource Development and the Election Commission did not furnish the required information.

Out of 37698 utilisation certificates amounting to Rs. 9881.77 crore awaited from 10 major Ministries/Departments for the period ending March 2003, 26391 certificates for Rs. 5899.04 crore related to grants released upto March 2002 as shown below:

Utilisation certificates outstanding as on 31 March 2004

(Rupees in crore)

Sl. no.	Ministry/Department	For the period ending March 2003		For the period ending March 2002	
		Number	Amount	Number	Amount
1.	Agriculture and Cooperation	144	163.97	75	56.00
2.	Environment and Forest	5359	642.83	5216	606.03
3.	Ocean Development	872	230.92	804	109.47
4.	Health	2354	2121.27	1749	1060.84
5.	Family Welfare	1279	954.07	838	480.76
6.	Economic Affairs	19	1613.80	18	1612.86

(Rupees in crore)

Sl. no.	Ministry/Department	For the period ending March 2003		For the period ending March 2002	
		Number	Amount	Number	Amount
7.	Urban Employment & Poverty Alleviation	266	531.98	116	178.81
8.	Social Justice and Empowerment	27294	1252.35	17546	901.78
9.	Information and Broadcasting	35	2155.87	13	888.63
10.	Small Scale Industries and Agro and Rural Industries	76	214.71	16	3.86
Total		**37698**	**9881.77**	**26391**	**5899.04**

Thus, before releasing grants to statutory bodies and non-government organisations, the Ministries/Departments did not satisfy themselves about utilisation of grants in 70 *per cent* cases involving 60 *per cent* of the total grants released.

While very large number of utilisation certificates were pending receipt, the following Ministries/Departments released fresh grants to the defaulting statutory bodies/non-government organisations during 2003-04 without insisting on the utilisation certificates in respect of grants released in the previous years. Fresh grants were released despite Minstry of Finance, Department of Expenditure's instructions (May 2003) following the judgement of the High Court of Delhi directing that no fresh grant was to be released unless utilisation certificates for the previous grants were furnished.

Fresh grants released during 2003-04

(Rupees in crore)

Sl. No.	Ministry/ Department	No. of utilisation certificates due	Amount	Amount of fresh grants released without obtaining utilisation certificates of previous year
1.	Atomic Energy	143	5.84	0.02
2.	Industry (three deptt.)	117	324.54	24.43
3.	Economic Affairs	19	1613.80	32.31
4.	Civil Aviation	1	1.10	0.50
5.	Andaman & Nicobar Administration	48	23.67	68.60
6.	National Legal Service Authority	285	13.53	0.92
7.	Mines	38	29.51	0.09
8.	Information and Broadcasting	35	2155.87	1000.73
9.	Tourism	11	7.16	1.49
		697	**4175.02**	**1129.09**

Thus, Ministries/Departments released fresh grants to statutory bodies, non-government organisations etc. without ensuring that the previous grants had been utilised for the purpose for which they were sanctioned, violating one of the essential conditions for release of further instalments.

1.3 Delay in presentation of Reports in relation to accounts of Central Autonomous Bodies before both Houses of Parliament

The Comptroller & Auditor General of India is entrusted with audit of accounts of Central Autonomous Bodies u/s 19(2) and 20(1) of the CAG's (DPC) Act, 1971. According to existing arrangements for entrustment of audits u/s 20(1) and the provisions contained in Section 19(A)(2) of the Act *ibid,* audit reports are required to be placed before the Parliament. There have been abnormal delays in presentation of audit reports in respect of a number of Central Autonomous Bodies. As on 31 October 2004, 87 audit reports have not been tabled in the Parliament. The details of the cases, where there have been delays are indicated in **Appendix VII**. The delay in presentation of audited accounts has deprived both the Houses of Parliament of information on the financial position and performance of the respective Central Autonomous Bodies.

Section A - Reviews

MINISTRY OF COAL AND MINES

COAL MINES PROVIDENT FUND ORGANISATION, DHANBAD

CHAPTER II : MINISTRY OF COAL AND MINES

2.1 Coal Mines Provident Fund Organisation, Dhanbad

The Coal Mines Provident Fund Organisation (CMPFO) is responsible for administering the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (Act) and Schemes framed there under i.e. Coal Mines Provident Fund Scheme, 1948, Coal Mines Pension Scheme, 1998 and Coal Mines Deposit Linked Insurance Scheme, 1976.

The CMPFO was unable to extend the schemes to all eligible employees, especially workers employed by contractors. The Organisation failed to determine dues and exercise its powers to realise from the employers the outstanding dues of its members. Its accounting for fund and pension contributions had major shortcomings. As a result, 83 per cent of member's passbooks were not updated and postings of individual ledger accounts of members were in arrears. The returns on fresh investments by the organisation were falling. Several attempts were made to introduce a computerized system of accounting. The measures failed because the CMPFO was unable to provide error free input data. The grievance redressal mechanism was also in deep arrears.

Collections on account of administrative charges from the employers were misused and internal control was weak.

Senior Management of the CMPFO were seconded from coal companies, resulting in a potential conflict of corporate interests of the CMPFO and the employer coal company on matters relating to enforcement of the Act.

Highlights

- Coverage of contractor's workers remained very poor. Out of 83,304 workers engaged by contractors 52,304 (63 *per cent)* remained uncovered upto March 2003.

- CMPFO failed to exercise its power to realize outstanding dues amounting to Rs. 314.22 crore on account of PF and Pension arrears. Arrears of damages recoverable amounted to Rs. 207.60 crore as on March 2004.

- Balances under "Interest Suspense Account" had risen from Rs. 4805.06 crore in March 1999 to Rs. 9233.52 crore (192.16 *per* *cent*) by the end of March 2003 indicating that Provident Fund member accounts were not updated.

- The project on computerization of Provident Fund Accounts failed due to CMPFO's failure to supply error free input data.

- Proceeds of administrative charges were misused in acquiring household effects for CMPFO officials.

- Despite establishing a separate cell for redressal of grievances, pendency of complaints rose from 435 in March 1999 to 1382 by the end of March 2004 (317.70 *per cent*).

- The rate of interest earned on investments on the funds of CMPFO showed a declining trend and during the years 2002-03 and 2003-04, was even less than the interest payable to the subscribers.

- CMPFO withdrew an excess amount of Rs. 75 crore from Special Deposit Scheme (SDS) resulting in loss of interest of Rs. 1.24 crore, indicating poor financial management.

Recommendations

- The Board of Trustees should develop and implement a mechanism that would ensure that all eligible "coal mine workers" are covered by the Act.

- The CMPFO should appoint adequate number of Inspectors to discharge the functions provided for in the Act.

- A computerized system of accounting for contributions should be urgently established.

- The CMPFO should develop an accounting, internal audit and office procedure manual.

- The rate of administrative charge should be reviewed periodically so that it matches administrative expenses.

- Secured investment avenues should be found so that assured returns can be guaranteed and rates of interest on PF can be sustained.

- An effective system of internal control should be designed and implemented.

- The CMPFO should review its policy of appointing its senior officers on deputation basis from coal companies to avoid conflict of interest.

2.2 Introduction

The Coal Mines Provident Fund Organisation (CMPFO) was established under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948. Its main function was to administer schemes to provide social security, inculcate a spirit of savings and make provision for the future of coalmine workers on retirement, or for their dependents, in case of early death.

The CMPFO is under the administrative control of the Ministry of Coal and Mines.

2.2.1 The Legal mandate

The Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (Act) was enacted to make provisions for the framing of a Provident Fund Scheme, a Family Pension Scheme and a Deposit Linked Insurance Scheme for persons employed in coal mines. Under the schemes, the benefits provided are lump sum retirement benefits, monthly pension/family pension and an amount not exceeding Rs. 10,000 to nominees in case of early death.

2.2.2 The Schemes

The schemes are briefly outlined below:

a) The Coal Mines Provident Fund Scheme, 1948 (CMPFS) provides for establishing a Provident Fund comprising of contributions from both employees and employers.

b) The Coal Mines Pension Scheme, 1998 (CMPS) establishes a Pension Fund. This Scheme's predecessor was the Coal Mines Family Pension Scheme, 1971 (introduced to create a Family Pension Fund by diverting a portion of employees' and employers' contributions to the Provident Fund). The entire corpus of the Coal Mines Family Pension Fund was transferred to Pension Fund.

c) A social security scheme entitled Coal Mines Deposit Linked Insurance Scheme, 1976 (CMDLI) was introduced to provide insurance cover to the members of the provident fund.

2.3 Organisational set up

The Board of Trustees (BoT) a tripartite Board, is the administrative agency for the schemes, and consists of representatives of Central/State Government, employers and employees. The Coal Mines Provident Fund Commissioner is the ex-officio member of the Board and over all in-charge of the Organisation. At the state level, the schemes are implemented through 23 regional offices detailed in **Annex-I**. A Regional Commissioner heads each regional office. While the regional offices are located in different states, the headquarters of CMPFO is at Dhanbad (Jharkhand).

2.4 Audit Objectives

The performance audit of the CMPFO was conducted with a view to assess whether:

- all eligible employees were actually covered by the schemes;
- outstanding dues were recovered systematically;
- an effective mechanism for accounting for contributions existed;
- the quantum of administrative charge recovered from employers to defray administrative expenses was appropriate;
- investments made could sustain obligations of payment to be made to subscribers;
- a suitable grievance redressal mechanism existed;
- the internal controls were adequate.

2.4.1 Scope of audit

The performance audit was conducted by test check of records of the headquarters' of CMPFO and five out of 23 regional offices. The audit covers the activities of CMPFO from 1999-2000 to 2003-2004.

2.5 Audit findings

2.5.1 Coverage of the Act

The Act is applicable to all coal companies. The provisions of the Act, as on 31 March 2003, are applicable to 971 establishments, excluding coke plants and cover over 6.50 lakh employees. Figures for the year ending March 2004 were not provided by the CMPFO.

The expression "coal mine" implies any excavation where any operation for the purpose of searching for or obtaining coal has been or is being carried on. This also includes support services in the nature of hospitals and canteens maintained for the benefit of the employees of the coalmines. An "employee" means any person who is employed for wages in connection with a coal mine and includes any person employed by or through a contractor. Hence, the Act also covers labourers employed by contractors in coalmines.

2.5.2 Inspection and Survey

The primary responsibility of the CMPFO is to ensure compliance of the relevant legal provisions by the management of coalmines. To discharge this function it is necessary to identify the coal mines and all categories of employees employed in the mines through periodic surveys. However, CMPFO did not carry out any such survey.

Under the Act, the PF Inspector, in respect of any coalmine within his jurisdiction, can ask for any records of any scheme, framed under the Act, from the employer. Hence, the inspectors play an important function in identifying eligible employees. However it was seen in audit that against the sanctioned strength of 30 Inspectors, there was shortage of 16 Inspectors as of 31 March 2004. Further, no target of inspections for these inspectors was fixed.

Audit ascertained from the records of Coal India Limited (CIL) that the coverage of contracted labour under the CMPF Scheme during the years 2000-01 and 2002-03 was poor with only 6,622 (out of 43,923) and 30,621 (out of 83,304) workers covered under the scheme. This worked out to 15 *per cent* and 37 *per cent* only. This shortfall was not detected through inspections. The figures of 2001-02 were not made available to audit.

Thus, the shortage of Inspectors and the absence of surveys prevented effective enforcement of the Act.

Management replied (October 2004) that for want of sufficient staff, inspection could not be carried out. Further, the matter was placed before the Board of Trustees in July 2004 and it was decided that Director (Personnel), CIL would monitor the enlistment of contractor workers under CMPF Scheme.

2.6 Contribution to the Funds

The rates of contributions payable under different schemes and actual contributions collected from employees/employers and the Central Government as well as the corpus fund as on 31 March 2003 are given in the following tables:

(a) Rate of contribution

	Rate of contributions *(in per cent)*		
	Employees	**Employers**	**Central Government**
1. Coal Mines Provident Fund Schemes, 1948	12 of total emoluments of employee	12 of total emoluments of employee	Nil
2. Coal Mines Pension Scheme, 1998	1.16 of salary (Basic + Dearness Allowance) 2 of salary (Basic + Dearness Allowance Notional salary) and an amount equal to one increment	1.16 of salary (Basic + Dearness Allowance)	1.67 of salary (Maximum salary Rs. 1600/- per month)
3. Deposit Linked Insurance Scheme, 1976	Nil	0.5 of aggregative wages	0.25 of employer's contribution
4. Administrative charges	Nil	3 of total amount of compulsory PF contributions of both employees and employers.	All expenses on administration of Pension scheme are excluding benefits payable by the Central Government

(b) Contributions collected

(Rupees in crore)

1. Provident Fund	**1999-2000**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
Employees and employers contributions	1278.98	971.03	1858.29	1758.81	NA
2. Pension Fund					
a) Employees & employers contributions	433.38	281.02	420.36	381.61	NA
b) Govt. contributions	27.93	Nil	42.57	30.75	NA
Total	**461.31**	**281.02**	**462.02**	**412.36**	
3. Deposit Linked Insurance Scheme					
a) Employers contribution	1.50	1.59	2.62	2.36	NA
b) Govt. contribution	0.69	0.95	1.01	1.55	NA
Total	**2.19**	**2.54**	**3.63**	**3.91**	

NA: Annual Account for the year 2003-04 was not made available.

The contributions increased substantially in 2001-02 over the previous year on account of delay in communicating the revised rate of PF contributions from 10 to 12 *per cent* from May 2000. As a result, some of the coal companies revised their contributions only in 2001-02.

Corpus Fund

(Rupees in crore)

Fund	1999-00	2000-01	2001-02	2002-03	2003-04
Provident Fund	11962.83	12601.06	14079.06	14948.70	NA
Pension Fund	1982.90	2194.74	2466.88	2795.51	NA
Deposit Linked Insurance Fund	53.93	60.57	68.68	72.58	NA

2.7 Arrears of contributions

2.7.1 The Coal Mines Provident Fund Scheme

The Act provides for damages and criminal prosecution for default or delay in the deposit of contributions by employers.

Audit noticed that Bharat Coking Coal Limited (BCCL) and J&K Minerals defaulted or delayed in making the deposits. PF/Pension contributions amounting to Rs. 314.22 crore were outstanding from BCCL and J&K Minerals till March 2004. BCCL remitted PF contribution of Rs. 689.67 crore and Pension contribution of Rs. 146.30 crore during June 2000 to March 2003, after delays ranging from three months to one year. However, the CMPFO did not levy damages of Rs. 207.60 crore (at prescribed rate) for delayed payment of contributions.

Management replied (October 2004) that a demand for Rs. 79.79 crore representing interest for delayed payment of PF/Pension contributions was raised against the company in response to the audit comments. However, Audit observed that there is no provision in the Act for levy of interest and an amount of Rs. 207.60 crore is still outstanding from the company.

Hence, the CMPFO did not exercise the statutory options available under section 10F, 10A and 9 of the Act to recover arrears of contributions and damages from these companies.

2.7.2 The Coal Mines Pension Scheme

The Coal Mines Pension Scheme, 1998, replaced Coal Mines Family Pension Scheme, 1971. According to para 3 (c) and 3 (d) of the new scheme, payment of two *per cent* of basic pay and dearness allowance/notional salary of the employee from 1 April 1989 onwards and an amount equivalent to one increment to be calculated on the basis of the salary of the employee as on 1 July 1995, was to be transferred to the Pension Fund. According to the provisions of the scheme, these arrears were to be recovered and remitted to the Organisation by 29 July 1998.

To ascertain the actual arrears required to be remitted by the employer, the CMPFO was required to carry out a detailed exercise of reconciling prescribed statements. This exercise was not undertaken; as a result, the arrears payable were not determined.

Meanwhile, BCCL deposited Rs. 80.58 crore against full settlement of arrears, though a preliminary estimate by the organisation indicated that the company's arrear liability was atleast Rs. 299.70 crore.

In response to audit observations, the CMPFO replied (October 2004) that the estimate of Rs. 299.70 crore was an un-reconciled figure. However, the CMPFO did not state the reasons for its failure to undertake this reconciliation exercise and thus protect the financial interests of its members.

2.7.3 Accounting for the contributions

The CMPF Scheme provides that each employer must submit a monthly abstract of contributions towards Provident and Pension Fund (form PS-5). Further, the employers should also submit subscriber-wise annual statement of contributions (form V.V). Information from these statements are used to update the account of each subscriber.

Information from form PS-5 (monthly abstract) is used to credit "Suspense General Account". On receipt of Form "V.V" (subscriber wise annual statement) and after reconciliation with PS-5, the amount is credited to the "Provident Fund Account" and the Suspense General Account is correspondingly reduced.

Similarly, the scheme provides that all interest and other income, excluding the transactions of Administration Fund, should be credited to an "Interest Suspense Account". After similar reconciliation between the V.V. and PS-5 forms, the account of each subscriber is updated with the accrued interest, while the Interest Suspense Account balance is correspondingly reduced. Hence, the balance on this account would indicate whether the interest and other income earned are adequate to meet the interest declared payable to its members.

Audit scrutiny of these two accounts revealed the following:

2.7.4 Huge increase of Suspense General Account and Interest Suspense Account balances

Suspense General Account balances increased from Rs. 1903.02 crore during 1999-2000 to Rs. 4300.20 crore (225.97 *per cent*) during 2002-03. This showed that individual accounts of subscribers were not updated which defeated the scheme objectives.

Similarly, the closing balance under Interest Suspense Account increased from Rs. 4805.06 crore during 1999-2000 to Rs. 9,233.52 crore (192.16 *per cent*) as on 31 March 2003 as accrued interest was not credited timely to the individual member accounts' defeating the scheme objective.

Further, in the absence of an accurately updated interest suspense balance, it was also not possible for the organisation to ascertain whether the interest earned on the PF accretions was adequate to cover the interest declared payable to the employees from time to time.

Management replied (October 2004) that non-receipt of PS-5 and V.V. statement from the employers was responsible for the mounting balances in these accounts.

The reply was untenable as according to the provisions of the Act, CMPFO inspectors are empowered to obtain any information relating to the employment of persons in coal mines. Further, the employer is bound to provide this information. This obligation also falls within Section 175 of the Indian Penal Code 1860. Hence, the CMPFO is fully empowered to obtain the information contained in statements PS-5 and V.V., yet the CMPFO failed to protect the interest of its members. Hence, CMPFO's reply regarding its inability to carry out these tasks in view of non-receipt of the statements was not valid.

2.7.5 Updating of Pass Books

Timely updating of subscriber passbooks is a core activity of the organisation. The updating of passbooks was in heavy arrears as detailed below:

Year	Total No. of members	No. of Pass Books updated	Balance not done	Percentage of posting not done
1999-2000	510786	84454	426328	83.46
2000-01	481761	441270	40491	8.40
2001-02	497836	84458	413378	83.03
2002-03	NA	NA	NA	NA
2003-04	NA	NA	NA	NA

NA: Figures not supplied by the Organisation

These arrears increased from 8.40 *per cent* during 2000-01 to 83.03 *per cent* during 2001-02. The Organisation stated that passbooks could not be updated due to incomplete information provided to CMPFO by the employers. The reply was untenable as according to para 67 of CMPF scheme, the Regional Commissioner is required to send teams to each Coal Mine, from time to time, in order to update the Pass Books already in possession of the members. Hence complete information could have been collected by the Organisation. This matter was also reiterated by the National Productivity Council (NPC) in it's report on CMPFO which stated that the updating of Pass Books was seriously affected due to the lack of coordination and enforcement in the field.

2.8 Final payment from the Funds

Under the CMPF Scheme the amount standing to the credit of a member upto the end of the penultimate year of his service is to be paid to him at least three months in advance of his impending date of retirement. To enable timely payment, employers are required to submit a return containing details of members whose employments have ceased and employees who will retire in the next six months.

Audit test checked 485 cases of PF refund claims of five Regional Offices at Dhanbad and Ranchi and noted that the payments were made after delays ranging from six months to 14 years. As a result, the employees were subjected to undue hardship and the Organisation paid interest of Rs. 23.81 lakh in 69 cases for holding the balances after the due date. The Organisation attributed this delay in payment of PF claims to incomplete information and wanting documents. The reply was untenable as according to the provisions of the Act, CMPFO has full powers to obtain any information from the employers. Further, delay in timely settlement of claims resulted in denial of timely statutory benefits to the subscribers which defeats the very purpose for which the organisation was created.

2.9 Grievance Redressal

A separate cell was established in the Headquarters at Dhanbad to monitor and redress grievances of members. Usually, these grievances relate to delay in settlements of claims and updating individual member accounts.

As on 31 March 2004, 1382 cases were pending disposal as detailed below. The outstanding cases mounted by 317.70 *per cent* during the period 1999-2004 indicating that the grievance settlement mechanism was unsatisfactory.

Year	Grievances pending at the beginning of the year	Received during the year	Total	Disposal during the year	Balance at the end of the year	Percentage of non-disposal
1999-00	435	299	734	291	443	60
2000-01	443	239	682	293	389	57
2001-02	389	192	581	225	356	61
2002-03	356	386	742	338	404	54
2003-04	404	1232	1636	254	1382	84

Management replied (October 2004) that the pendency would come down shortly as the grievances were continuously being redressed. However, it stated that there was no specific programme for expediting the redressal of grievances.

2.10 Administrative Charges

2.10.1 The CMPF Scheme prescribes an administrative charge, payable by the employer. This charge is levied at the rate of three *per cent* of the total amount of compulsory contribution. The proceeds of this charge can only be used to defray the cost of administration. Hence, all revenue expenses are met from the proceeds of this charge.

Income and expenditure of Administration Fund during 1999-2000 to 2003-04 were as under: -

(Rupees in crore)

Income	1999-2000	2000-01	2001-02	2002-03	2003-04**
Administrative charge	34.40	31.52	56.79	52.90	NA
Interest on investment	28.94	84.14	61.62	86.53	NA
Other Income	01.04	01.24	0.90	0.08	NA
Total Income	64.38	116.90	119.31	139.51	NA
		(81.58)	*(85.32)*	*(116.70)*	
Total Expenditure	18.22	45.18	28.25	19.75	NA
		(147.97)	*(55.05)*	*(8.40)*	
Surplus	46.16	71.72	91.06	119.76	NA
		(55.37)	*(97.27)*	*(159.45)*	

(Figures in bracket indicate percentage of cumulative growth over base year 1999-2000)

During 1999-2003, income on this account increased by 117 *per cent*, while expenditure grew by eight *per cent*. As a result, the surplus increased by 159 *per cent* over this period.

Since the administrative charge was not a source of income, collections on this account should approximate administrative expenditure. However, the rate was not reviewed or reduced after 1981. Further, the CMPFO had misutilised administrative charge proceeds on items of capital expenditure. This violated para 55(3) of the CMPF Scheme which required that expenses on acquiring

** Due to non-finalisation of Annual Accounts figures for 2003-04 were not available.

tangible assets, having an estimated life of over five years, should be met from the balances in the Reserve Account. The CMPFO incurred capital expenditure of Rs. 5.17 crore during 1999-2004, out of the Administration Fund, that was irregular.

The Management replied (October 2004) that to cope with the increased workload, the expenditure on computerization, accounting, management expenses, distribution of pension would increase and more appointments would take place. All these were to be met out of the Administrative Charges. The Organisation was not charging anything for additional work of pension distribution. NPC had recommended staff strength of 1700 against existing strength of 1161. This additional manpower would have to be funded with the same amount of Administrative Charges.

The reply was not tenable because a major portion of the computerization project had been completed. Further, only Rs. 3.77 crore was proposed for this activity. Expenses on administration of the pension scheme were reimbursed by the Central Government and net financial implication on 1700 staff was only Rs. 5.44 crore per year. This may be contrasted with the Administration Fund balance of Rs. 119.76 crore in March 2003.

Mounting balances of the Administration Fund also promoted irregular and wasteful expenditure on supply of household items to staff/officers, supply of electricity to staff quarters at Dhanbad on nominal charge, instances of which have been discussed in paragraphs 2.9.2 to 2.9.4.

2.10.2 Computerisation

The CMPFO took several measures to computerize the provident fund accounting system. The expenses were met out of the Administration Fund.

(a) The CMPFO entered into an agreement with M/s Computer Maintenance Corporation Ltd. Kolkata (CMC) in October 1994 for a turnkey project of computerizing CMPF accounts at a cost of Rs. 1.16 crore. The main components of the project were to design and develop application software for the PF Accounting System according to functionalities detailed in the Software Requirement Specification (SRS) and to install the application software at five locations covering 12 regional offices of the Organisation. The CMPFO was obliged to supply error free input data to the CMC. The Project was to be completed by February 1997.

The CMPFO made payments totaling Rs. 87 lakh during January 1995 to November 2003. However, the regional offices failed to provide error free data to CMC. As a result CMC was unable to commission the turnkey project.

The CMPFO admitted (October 2004) that the project could not progress due to supply of erroneous data at the stage of master data creation.

(b) The CMPFO engaged M/s D'Alasoft (September 2002), at a contracted value of Rs. 54.92 lakh, to carry out data entry and its verification for use in the project for computerizing PF accounts. CMPFO was to provide error free input data through its 23 regional offices for this exercise.

However, the regional offices were again unable to supply the required error free data. As a result M/s D'Alasoft could not perform its contractual obligations. Meanwhile, Rs. 24.74 lakh were paid to M/s D'Alasoft.

(c) In an attempt to revive the PF computerization project, the CMPFO purchased (July-October 2002) 92 personal computers at a cost of Rs. 57 lakh from M/s Wipro Infotech Ltd., Kolkata. These computers were delivered to the 23 regional offices but could not be utilised because the required application software had not been developed.

The Management replied (October 2004) that these computers were being used for pension work.

The reply of the Management was not tenable because the pension work had been outsourced to M/s IIT, Kharagpur. The hardware used by M/s IIT, Kharagpur was earlier acquired from ECIL for five locations covering 12 regional offices. In the other 11 regional offices, M/S IIT Kharagpur were using their own hardware/software.

Hence, all measures taken by the CMPFO to introduce a computerized system of PF Accounting failed principally because the Organisation was unable to provide error free primary data. This resulted in unfruitful expenditure of Rs. 1.68 crore. Further, balances from the Administration Fund were irregularly utilised for these activities.

2.10.3 Irregular supply of household items amounting to Rs. 54 lakh

The Organisation made a provision for supply of welfare amenities to staff for common use e.g. subsidy to canteen, club sports etc. However, household effects were purchased and distributed among staff/officers at a total cost of

Rs. 54 lakh during 1999-2004. These household amenities included woolen sheets, suitcases, dinner sets, fans etc.

2.10.4 Supply of electricity to staff quarters at Dhanbad on nominal charge

Electricity was provided to the office building and staff quarters at Dhanbad through two 100 KVA transformers by two HT connections. Total expenditure of Rs. 2.69 crore was incurred during 1999-2004 on supply of electricity to the office building and staff quarters. The power load was assessed as 19.41 *per cent* for the office building and 80.59 *per cent* for staff quarters.

The Organisation paid Rs. 2.17 crore on supply of electricity to staff/ officers quarters from April 1999 to March 2004 but recovered only Rs. 1.07 lakh at a nominal charge of Rs. 4/- to Rs. 15/- per month (depending on the type of quarters) as no electric meters were fixed in the quarters. This resulted in loss of Rs. 2.16 crore during this period.

In response to the Audit observation (May 2004), the Organisation stated (July 2004) that a committee was being formed to provide meters in each quarter or suggest revision of the fixed amount. No further reply was furnished (October 2004).

2.11 Investment

Under the provisions of para 54 of the CMPF Scheme and para 9(2) of the Coal Mines Pension Scheme all money belonging to CMPF/Pension fund were to be invested according to the guidelines prescribed by the Ministry of Finance. Reserve Bank of India handled the investment of the Organisation upto September 1995. The portfolio management of the surplus fund was transferred to Bank of India from October 1995 to March 1998. Industrial Development Bank of India (IDBI) was the fund manager of the Organisation after April 1998 till date.

Year-wise total investment under each category during the period under review is given below:

(a) Provident Fund Investment

(Rupees in crore)

Year	Special Deposit Scheme (SDS)	Central Govern-ment Bonds	State Government Bonds	Public Sector Undertaking Bonds	STDR	Treasury Bills	Total
1999-2000	12468.01	1317.32	1304.73	1546.14	---	42.85	16679.05
2000-01	13870.21	1503.07	1355.71	1968.11	---	---	18697.10
2001-02	15033.90	1831.25	1646.41	2387.93	200.00	---	21099.49
2002-03	16405.48	2332.08	1947.96	2272.70	100.00	---	23058.22
2003-04	NA	NA	NA	NA	NA	NA	NA

Pension Fund Investment

(Rupees in crore)

Year ending	Public Account	Central Government Securities	State Government Securities	PSU Bonds	Total
31-3-2000	1946.44	310.03	184.00	713.00	3153.47
31-3-2001	2111.89	401.86	239.14	918.06	3670.95
31-3-2002	2291.40	578.13	351.20	1295.86	4516.59
31-3-2003	2486.17	819.66	439.26	1554.75	5299.84
31-3-2004	NA	NA	NA	NA	NA

Audit scrutiny of investments made by IDBI on behalf of CMPFO revealed the following:

2.11.1 Declining rate of interest earned on investments year on year

The rates of interest earned on fresh investments by IDBI for Provdent Fund each year and the interest paid to subscribers by CMPFO during the period under review is as follows:

Year	Yield till Maturity (YTM) (%)	Interest paid to subscribers (%)
1999-00	12.11	12
2000-01	11.28	11
2001-02	9.89	9.5
2002-03	8.03	9
2003-04	6.21	8

Thus, the rates of interest earned by CMPFO was continuously declining and during the years 2002-03 and 2003-04 was even less than the interest payable to the subcribers. Audit analysis revealed that out of the total invested funds of Rs. 23558.22 crore as of 31 March 2002, Rs. 6475.55 crore had a return of eight *per cent* and above of which Rs. 4555.12 crore i.e. 70.34 *per cent* would have matured by 2012. Hence given the profile of returns on investment, it would not be financially sustainable for the Organisation to maintain the current rate of interest paid to subscribers after 2012. There was no investment committee in the Organisation to monitor the investments made. The National Productivity Council (NPC) in it's report on the functioning of the Organisation also commented that investment was a neglected are in the Organisation and that good investment opportunities were yet to be tapped by the Organisation.

2.11.2 Special Deposit Scheme (SDS)

The Ministry of Finance introduced (June 1975) a Special Deposit Scheme (SDS) for the benefit of non-Government provident, superannuating and gratuity funds. The scheme was effective from 1 July 1975. The eligible funds could invest up to twenty *per cent* of their monthly accretions in the form of interest bearing deposits under the SDS. Interest was payable on 31 December each year.

The CMPFO applied for premature withdrawal of Rs. 200 crore from SDS in December 2000 for discharging the liabilities of obligatory payments viz. Provident Fund and Pension. The withdrawal was permitted in October 2001.

Audit ascertained that on receipt of Rs. 200 crore, the CMPFO invested the entire amount in short-term deposits in three different Banks from October 2001 to June 2002. Subsequently, the CMPFO transferred Rs. 30 crore and Rs. 25 crore to Regional Office, Hyderabad in June 2002 and December 2003 respectively. It further transferred a sum of Rs. 50 crore and Rs. 20 crore to its Revenue Account (Account No. I) in September 2002 and December 2002 respectively. Hence, Rs. 125 crore was only utilized for obligatory payments. The remaining Rs. 75 crore remained in short term deposits up to December 2004.

The excess withdrawal of amount by Rs. 75 crore and its retention in short term deposits in scheduled banks, which offered a lower rate of interest than SDS deposits, resulted in loss of Rs. 1.24 crore. This loss occurred on account of poor financial management.

2.12 Internal Control

The following issues significantly weakened the internal control in the CMPFO.

(i) BCCL had committed several breaches of the Act, which attracted punitive measures. Under the Act, these measures, in the form of damages and criminal prosecution, were to be initiated by the CMPFO. Senior posts in CMPFO were however filled by employees from the subsidiaries of CIL[1]. Officers of BCCL (from April 1999 to January 2001) and MCL[2] (from April 2001 to December 2004) were appointed on deputation basis to the post of Commissioner while three officers on special duty (OSD) from CCL[3], BCCL and ECL[4] were posted on loan basis. One of the OSDs was in charge of Finance and Accounts from August 2001 to December 2004 and two were incharge of Pension from December 2000 to March 2004 and June 2002 to date respectively (December 2004). The salaries of these OSDs were also paid by their parent company. As a result there existed a conflict of interest, affecting the corporate interests of the CMPFO, particularly in matters of enforcement of the provisions of the Act. The NPC also unfavourably viewed this practice and suggested in its report that the Commissioner CMPFO should either be from the CMPF Organisation or the Central Services.

(ii) The Organisation had no accounting, internal audit and office procedure manual of its own.

(iii) No procedure for rotating duties of employees dealing with cash, valuables, stores and stock had been established.

(iv) In terms of form GFR-19, an Asset Register should be prepared containing information on the purchase of all assets, suppliers, cost, location, rate of depreciation, accumulation of depreciation, net value etc. However, this register was not maintained. As a result, the Management could not assure the existence and condition of assets.

---

[1] Coal India Limited
[2] Mahanadi Coalfields Limited
[3] Central Coalfields Limited
[4] Eastern Coalfields Limited

(v) Ledger for contractors/suppliers advances and day to day transactions were not maintained.

(vi) The CMPFO headquarters did not carry out any inspection of the regional offices to ensure that they functioned in accordance with the prescribed procedures and practices.

In response, the CMPFO stated (October 2004) that these observations were noted. Management also stated that they would prepare their own accounting and auditing manual and inspection teams would also be constituted after appointment of additional staff through the Staff Selection Commission.

2.13 Conclusion

The CMPFO failed to ensure complete coverage of the schemes administered by it. It did not ensure full recovery of contributions of its members from the employers. The contributions actually received were not properly accounted in its books. Significantly, the CMPFO was unable to determine if the income earned each year on its provident fund investments actually matched the interest declared payable. Recoveries on account of administrative charges were misused. The internal control system and complaints redressal mechanism were weak and the CMPFO failed to effectively protect the interests of its members.

The matter was referred to the Ministry in October 2004 and November 2004; its reply was awaited as of December 2004

Annex –I

(Referred to in paragraph 2.3)

Details of Regional Offices of Coal Mines Provident Fund Organisation

1. Dhanbad I
2. Dhanbad II
3. Dhanbad III
4. Ranchi I
5. Ranchi II
6. Ranchi III
7. Deoghar
8. Asansol I
9. Asansol II
10. Asansol III
11. Asansol IV
12. Kolkata
13. Singrauli
14. Chhindwara
15. Jabalpur
16. Bilaspur
17. Nagpur
18. Hyderabad
19. Kothagudam
20. Talchar
21. Margerita
22. Jammu
23. Sambalpur

MINISTRY OF CULTURE

PRESERVATION AND RESTORATION OF ART OBJECTS

CHAPTER III : MINISTRY OF CULTURE

Indian Museum, Victoria Memorial Hall and the Asiatic Society

3.1 Preservation and Restoration of Art Objects

The Indian Museum, Victoria Memorial Hall and The Asiatic Society, Kolkata, are Institutions of National Importance engaged in acquisition, preservation and restoration of art objects of historical importance. Audit appraisal to evaluate the performance of the Institutions in respect of their functions revealed significant shortcomings. None of these institutions had a well-defined set of objectives. Their functions overlapped and there was no synergy among them, leading to inefficient and sub-optimal resource utilization. In the absence of any adopted strategic or perspective plan indicating precise, measurable and achievable targets, their activities often lacked any direction. None of them had ever attempted to evolve or adopt any benchmarks or standards in respect of acquisition, conservation or documentation of the invaluable artefacts possessed by them.

The Institutions had never evolved any consistent policy in respect of acquisition of artefacts, whether by way of purchase or gifts or for their valuation, in the absence of which the decisions for acquisition were often arbitrary and lacked rationale. There was no mechanism to assess the genuineness of these artefacts. Shoddy documentation of the acquired artefacts and the inability of the Institutions to modernize their documentation systems with the help of digital technology, coupled with the absence of any physical verification during the last five years make the artefacts vulnerable to loss.

Absence of planning was also noticed in the approach towards conservation and restoration of art objects. The Institutions had not created the necessary infrastructure for conservation and training. Further, failure to create appropriate storage facilities for their priceless possessions made the artefacts vulnerable to damage and undetected loss.

The security systems of the Institutions presented a poor and alarming picture. Effective manual or electronic surveillance systems were absent. Security guards were deployed without adequate training and experience and artefacts were exposed to very high risk of damage and loss.

Such lapses had resulted in the theft of a fifth century Buddha Head from Sarnath from the Museum in December 2004.

Highlights

- All the three Institutions were characterised by the absence of planning for the acquisition of artefacts. Funds budgeted for this purpose were left mostly unutilised and the expenditure incurred for the acquisition of art objects reflected ad-hocism. No perspective plan for the acquisition and conservation of artefacts was prepared or adopted.

- Expenditure made on the purchase of artefacts constituted only a fraction of the total capital expenditure of the Institutions during the last five years. There was no policy for the valuation of the purchased and gifted artefacts, neither were there any benchmarks/ standards to ensure that the acquired artefacts conformed to the objectives of the Institutions. There was no methodology to assess the genuineness of the acquired artefacts.

- The Indian Museum did not maintain any Centralised Accession Register for its artefacts. The Museum claimed to possess 1,02,646 art objects, but there were wide discrepancies between the number of objects possessed and accessioned. While most of the objects were not accessioned in the Art and Anthropology sections, in the Archaeology section, the number of objects accessioned was more than the number of objects claimed to be under possession. The Museum never prepared any plan to complete the work of accessioning and to reconcile the discrepancies.

- There was inadequate photo-documentation of art objects by the Indian Museum and Victoria Memorial Hall. More than 90 *per cent* of the 1,02,646 objects possessed by the Indian Museum were yet to be photo-documented and digitised. The Museum did not prepare any plan for accomplishing this task. The Asiatic Society had also failed to achieve the target set by itself for photo-documentation and there were huge shortfalls in the production of microfilm and microfiche by the Society.

- None of the three Institutions conducted any physical verification of the art objects possessed by them during the last five years. Thus the physical existence or condition of the art objects could not be ascertained.

- Expenditure incurred by the Institutions on conservation was inadequate and had little relation to the budget estimates which indicated the absence of any systematic approach for conservation and restoration of artefacts. There was no system in the Institutions to identify the nature of damages to the art objects and to prepare reports indicating priority of their conservation.

- The conservation laboratory of the Museum performed at only 31 *per cent* of its capacity during the last five years. The performance of the Mobile Conservation Laboratory of the Museum was also far below the desired level. The Laboratory was utilised for only 112 days during the last five years.

  Despite the acute need for infrastructure for restoration and conservation of manuscripts/paintings/artefacts, the Asiatic Society did not establish such facilities.

  The operations and resources of the Institutions were not coordinated and synergised for conservating and restorating the artefacts by utilising existing capabilities developed over the years.

- The security systems in the Indian Museum were inadequate and ineffective which resulted in the theft of a fifth century sculpture. The capital expenditure made for purchase of security equipment was insignificant compared to the revenue expenditure of the Museum. Many priceless sculptures and architectural objects in the Indian Museum had visitors' names etched on their enclosures. The close circuit television system commissioned by the Victoria Memorial in 1990 at a cost of Rs. 14.02 lakh was lying inoperative since November 2002.

  Adequate security measures were not adopted by the Asiatic Society, despite recommendations by the Ministry of Home Affairs.

  Indian Museum and the Asiatic Society recruited Security Guards without adequate training and experience, in violation of the service rules.

Recommendations

- The Institutions should evolve a set of globally accepted standards and norms for themselves in conformity with defined objectives.
- The Institutions should evolve a pricing and valuation policy for the acquisition of artifacts.
- A system of regular and periodic physical verification of all art objects should be instituted immediately.
- Art objects requiring restoration/ conservation should be systematically identified and a time schedule for their restoration should be drawn up.
- The Institutions should identify and develop specialty areas for efficient utilisation of available resources.
- The Institutions should adopt appropriate security measures to provide protection against theft, damage and losses.

3.2 Introduction

The Indian Museum, Victoria Memorial and The Asiatic Society, Kolkata are Institutions[1] of National Importance under the administrative control of the Ministry of Culture. The Indian Museum was founded in 1814 and is the largest and oldest institution of its kind in India. The Museum has many rare and unique specimens both Indian and trans-Indian, relating to Humanities and Natural Sciences. The administration of the Museum is run in accordance with the Indian Museum Act, 1910 and the Museum rules and bye laws as amended from time to time. The Victoria Memorial was established under the Victoria Memorial Act, 1903. The Memorial has a collection of sketches and drawing, coins and medals, arms and armour, books and manuscripts, etc. that represents and draws our attention visually to the history of pre-camera days. The Asiatic Society was established in January 1784 and registered under the Societies Registration Act of 1860. Subsequently, the Society was declared an Institution of National Importance under the Asiatic Society Act, 1984. The Society possesses a priceless collection of manuscripts, letters, work of arts, coins, etc. and serves readers, researchers and visitors from different parts of India and abroad. Although established at different times, one of the main functions of these Institutions is the preservation and conservation of cultural property, involving acquisition, documentation, conservation and safe custody of the art objects in their possession.

3.3 Organisational Set-up

The administration, direction and management of the affairs of the Indian Museum and Victoria Memorial are entrusted to separate Boards of Trustees. The Governor of West Bengal is the ex-officio Chairman of both the Boards. Other members of the Boards include representatives of the Central and State Governments and eminent personalities in the field of art and culture, judiciary and accounts. The administration, direction and management of the affairs of Asiatic Society are entrusted to the Council comprising of eminent personalities as well as representatives of the Central and State Governments.

3.4 Objective and Scope of Review

The accounts of the **Indian Museum** and **Victoria Memorial** are audited under Section 20 (1) while the accounts of **The Asiatic Society** are audited under Section 19 (2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

---

[1] The three organisations are hereinafter jointly referred to as "Institutions".

The present system review covering the period from 1999-2000 to 2003-2004 focused on the efficiency and effectiveness of the activities undertaken by the Institutions in the following four functional areas:

(i) Acquisition of art objects

(ii) Documentation of art objects

(iii) Conservation of art objects

(iv) Safe Custody of art objects

3.5 Absence of Standards or Norms followed by the Institutions

Audit ascertained that none of these three Institutions had evolved any standards or norms pertaining to any of their functional areas nor had they adopted any of the established international standards in respect of these areas. Various international standards exist for acquisition, preservation, documentation and custody of objects possessed by museums and libraries prescribed by various organisations like the International Council of Museums, USA, United Kingdom Institute for Conservation, International Centre for the Study of the Conservation and Preservation of Cultural Property (ICCROM), Museums' Documentation Association, UK, Museums and Galleries Commission, UK, United Kingdom Institute for Conservation of Historic and Artistic Works (UKIC), United Kingdom Institute of Conservation, British Standards Institute, UK etc.

In the absence of any standards, the decisions taken by the Institutes in the above four major functional areas of their activities often lacked objectivity, uniformity and transparency, as discussed subsequently.

3.6 Art Objects Possessed and Displayed by the Institutions

The position regarding the total artefacts possessed by these institutions as on 31 March 2004 is depicted in Table 1 below, along with artefacts purchased as well as received by way of gifts from various donors:

Table 1: Possession and Acquisition of Artefacts by the Institutions

Name of the Institution	Total No. of Art Objects as on 31-03-2004	Total No. of Artefacts Purchased during 1999-2004	No. of Artefacts Received as Gifts during 1999-2004
Indian Museum	1,02,646	168	173
Victoria Memorial Hall	27,242	319	10
Asiatic Society	59,523	115	1958

Most of the objects possessed by Asiatic Society were received by way of gifts during the last five years. These objects were usually manuscripts of various old works.

3.7 Overlapping of Objectives and Functions of the Institutions

All the three Institutions were engaged in preservation of the cultural heritage of the country. However, no functional, geographical or chronological boundaries were delineated for these institutions. As a result, they ended up acquiring & conserving art objects and artefacts of similar kind highlighting the lack of synergy and cohesion in their functioning. For instance, all three Institutions possessed coins and photographs. Further, both the Indian Museum and the Asiatic Society possessed statues.

3.7.1 Recommendations:

- *The Institutions should define their objectives clearly, keeping in mind the strengths and capabilities acquired by each of them over the years and synergise their functions and activities;*
- *The Institutions should evolve a set of globally accepted standards and norms for themselves in conformity with their defined objectives, functional areas and resource positions to bring about uniformity and transparency in their operations.*

3.8 Acquisition of Art Objects

3.8.1 Lack of Planning in the Acquisition of Artefacts

Table 2: Budget Provisions vis-a-vis Expenditure on Acquisition of Artefacts by the Institutions

(Rupees in lakh)

	Indian Museum			Victoria Memorial Hall			Asiatic Society		
	BE	RE	Actual Expen-diture	BE	RE	Actual Expen-diture	BE	RE	Actual Expen-diture
1999-00	25.00	1.00	0.40	NA	NA	0	0.02	0.02	0.15
2000-01	5.00	3.00	0	8.00	0	0	0.02	NA	0.35
2001-02	10.00	5.00	4.30	0	0	0	1.00	1.00	1.90
2002-03	5.00	5.00	0	20.00	35.00	18.70	2.00	5.00	2.47
2003-04	10.00	5.00	11.00	40.00	40.00	37.31	5.00	5.00	2.55
Total	55.00	19.00	15.70	68.00	75.00	56.01	8.04	11.02	7.42
Total Capital Expenditure made during the Period			359.79			293.37			330.65
Percentage of total expenditure on acquisition of artefacts to capital expenditure			4.36			19.09			2.24

The three Institutions acquired art objects mainly by way of purchase and gifts. Purchases of artefacts were made in accordance with the recommendations made by the Art Purchase Committees of the respective organisations from time to time. The budget provisions vis-a-vis expenditure on acquisition of artefacts by the Institutions are shown in table 2 above. As indicated by the table, none of these Institutions followed any consistent policy towards acquisition of artefacts during the last five years. The budgeted funds were mostly unutilised and budget estimates were drastically revised which reflected the absence of any clear direction and plan. Even the revised estimated did not bear relation to the actual expenditure. The expenditure also reflected ad-hocism. For example, **The Indian Museum** could not furnish any reason for excess expenditure during 2003-04 or nil expenditure during 2000-01 and 2002-03. **The Victoria Memorial** stated that during 2002-03 and 2003-04, expenditure was incurred on modernisation of its galleries and no provision was made for acquisition of artefacts during 2000-01 and 2001-02 in the estimates.

It can also be seen from table 2 that the expenditure on purchase of artefacts constituted only a fraction of the total capital expenditure made by these Institutions during the last five years. Hence, in the absence of systematic planning, expenditure on this major function of these Institutions was erratic.

3.8.2 Absence of standards and bench marks for Acquisition and Evaluation of Objects

None of these Institutions established standards or benchmarks for the acquisition and valuation of artefacts as may be seen from the following cases:

In December 2003, the Indian Museum acquired two pieces of African ivory carvings with human figures on two elephant tasks along with one set of chess pieces. The decision to purchase these items was taken by the Purchase Committee in November 2003 based merely on a statement made by the individual seller that these artefacts were collected from African countries by her mother-in-law. The antiquity of the artefacts was not established nor was the claim of the seller of Rs. 10 lakh verified. As against the original price demanded by the seller, the price paid by the Museum was Rs. 5.5 lakh. The basis or the consideration on which the final price was arrived at was not on record. Further, there was no evidence to establish that the artefacts deserved a place among the Museum objects.

In another case, a pair of golden bangles highly engraved and decorated with stones was acquired by the Museum in March 2000 at a price of Rs. 20,000 as against the demanded price of Rs. 40,000. The individual seller only declared that the pair of bangles was inherited by her from her grandmother. The Purchase Committee in its meeting held in March 2000 did not establish the authenticity of the claim, nor was there anything on record to assess the correct value of the objects. Further, the grounds for acquiring these objects in the first instance were not on record.

The institutions did not have any policy for the acceptance of gifts. They did not evolve a valuation policy for the objects received by way of gifts. As such, value of these objects were not reflected in the accounts. The decision to accept gifts also lacked transparency. For example, the accession register of **Indian Museum** showed that it had received 100 Ganesha icons by way of gifts from an individual. However, the Museum could not produce any record to disclose the grounds on which the decision to accept the gifts was taken. The antiquity and historical value of the objects donated were also not evaluated.

The Institutions did not evolve any methodology to assess the genuineness of the artefacts. As such, the manner in which the Museum satisfied itself about the genuineness and authenticity of the art objects acquired by it could not be ascertained in Audit The Indian Museum stated in its reply that it would evolve an appropriate policy to eliminate the possibility of acquisition of any false objects.

3.8.3 Absence of Any Perspective Plan for Acquisition or Conservation of Artefacts

The Institutes never prepared any perspective plan for acquisition or conservation of artefacts. The **Indian Museum** stated in reply that it would formulate the perspective plan for purchase of antiquities. **Victoria Memorial Hall** stated that the perspective plan was being prepared, but no record was shown to audit in respect of this claim. **The Asiatic Society** had developed Draft of the Vision Report of 2001 of their Planning Board, but the Institute was unable to say whether the Draft Report was finalised and accepted by their Board. In any case, there was no mention of the Institutional objectives or of any perspective plan in this document.

3.8.4 Recommendations

> - *The Institutions should evolve and adopt a perspective plan for all their activities including for acquisition of art objects;*
> - *The Institutions should evolve a pricing policy for the acquisition of artefacts and valuation policy for artefacts ;*
> - *The Institutions should evolve a well-documented scientific methodology to ascertain the genuineness of artefacts acquired by them.*

3.9 Documentation of Art Objects by the Institutions

3.9.1 Organisation of Activities

The activities of the **Indian Museum** are organised under different sections and units. There are three sections directly controlled by the Museum Directorate, and seven service units, also reporting to the Director. Apart from the above, there are three scientific sections, viz. Geology, Zoology and Economic Botany, controlled respectively by the Geological Survey of India, Zoological Survey of India and Botanical Survey of India. Activities of the **Victoria Memorial Hall** are organised under six units, the activities of the **Asiatic Society** are organised primarily under six sections: Library, Museum and Manuscript, Reprography, Conservation and Publication and Academic.

3.9.2 Accessioning of Art Objects

Proper and regular maintenance of the Accession Registers is essential for the safety and security of the Museum objects as well as for their proper accountal. These registers have columns indicating the year of possession of the object, location, details and all other particulars relating to the object. This process of entering the details of objects in registers is called Accessioning.

Of these three Institutions, the **Indian Museum** did not maintain any Centralised Accession Register with the details and locations of all objects possessed by the Museum. After acquisition, the artefacts were sent to one of its three major sections, viz. Art, Archaeology and Anthropology, depending upon their nature and entries were made in the Accession Registers maintained by the respective sections. Audit noted that entries in the Accession Registers were not complete. Details of age and location of the objects and their conditions were not recorded. There was no running number in the accession registers allotted to the objects to disclose the total number of objects possessed by the Museum.

3.9.3 Irregular Maintenance of Accession Registers

The **Indian Museum** claimed to possess 1,02,646 art objects as on 31 March 2004. However, review of the accession register showed several discrepancies. Detail of the objects possessed by the different sections and as entered in the accession register were provided by the Museum as shown in Table 3:

Table 3: No. of Objects Accessioned by the Indian Museum

Name of The Section	No. of Objects Possessed by the Section	No. of Objects Accessioned	% of total Objects Accessioned
Art	14,062	1,634	11.62
Anthropology	9,178	1,427	15.55
Archaeology	79,406	81,491	102.63
Total	**1,02,646**	**84,552**	

It can be seen from above that not all the objects possessed by the Museum were accessioned. While in the Art and Anthropology sections, 88.38 *per cent* to 84.45 *per cent* of the objects were not accessioned, in the Archaeology section, the number of objects accessioned was more than the number of objects possessed by the Museum. The Museum attributed the discrepancy in the figures to a large number of transfers of objects between the Museum and the different Surveys, viz, Botanical, Zoological, Geological and Anthropological. No record was, however, maintained of such transfers, in the absence of which the authenticity of the figures or the physical existence of the unaccessioned objects could not be established.

In the absence of accession there was no mechanism to detect theft or loss of any of these unaccessioned objects. Despite the wide discrepancies between the numbers of objects possessed and accessioned, the Museum did not prepare a time-bound plan for completing the work of accessioning and reconciling the discrepancies in respect of the archaeological objects.

The Asiatic Society claimed to possess 59,523 art objects as on 31 March 2004, which included 46,994 manuscripts. Out of this, only 28,423 manuscripts (47.74 *per cent* of total objects) were accessioned till November 2004. Though the majority of objects were yet to be accessioned, the Society never prepared any action plan for completing the work.

The Indian Museum also received art objects from the Anthropological Survey of India (ASI) and the Asiatic Society during 1966-1967 along with registers indicating details of the objects. These objects were subsequently accessioned by the Museum without verifying or reconciling the same with the registers received from the Anthropological Survey of India (ASI) and the Asiatic Society. As such, the Museum was not in a position to identify theft/ loss of artefacts, if any, of the originally received objects from the Society.

3.9.4 Inadequate Photo-Documentation of Art Objects

A Photography Unit was set up in the **Indian Museum** in 1964 for photo documentation of art objects. Apart from other advantages, photo documentation would also establish the existence of the art objects. The Museum did not adopt any policy nor specified any procedure to photograph the art objects and to preserve their negatives. The negative registers where details regarding the photo-documentation work were recorded did not have any entry in respect of Art and Anthropological Sections after October 1983 and May 1986 respectively. It was seen from the registers maintained by the Photography Unit that out of 1,02,646 objects possessed by the Museum, only 8,587 were photo-documented. The remaining 94,059 objects, representing 91.64 *per cent* of the total holdings, were yet to be photo-documented as of March 2004. The Museum did not prepare any plan for accomplishing this task either.

The **Victoria Memorial Hall** in their Annual Action Plan for 2003-04 had set a target for photo documentation of 2000 objects. Of this, only 786 objects were photo-documented during 2003-04. No reason for such huge shortfall was given by the Memorial.

The Asiatic Society had established their Reprography Unit in 1964. The unit was further augmented in 1985 with the procurement of modern electronic devices for the purpose of documentation and preservation of old and rare collections. In order to preserve old books and manuscripts, the Unit produced microfilm and microfiche[2] from the old and rare books. The targets and achievements of the unit during 2000-01 to 2003-04 are shown in Table 4:

[2] Two-dimensional layout of micro images on sheet film.

Table 4: Performance of Reprography Unit of the Asiatic Society

Year	Target		Achievement		Percentage of Shortfall	
	Microfilm	Microfiche	Microfilm	Microfiche	Microfilm	Microfiche
2000-01	25000	5000	19000	750	24	85
2001-02	25000	5000	7510	2500	69.96	50
2002-03	10000	10000	9494	226	5.06	97.74
2003-04	8000	12000	9026	Nil	Excess	100
Total	**68000**	**32000**	**45030**	**3476**	**33.78**	**89.14**

It is evident from the above that the Society had failed to achieve its own targets and there was a shortfall of 34 *per cent* and 89 *per cent* in the production of microfilm and microfiche respectively during the period 2000-01 to 2003-04. No reason could be furnished by the Society for such significant shortfall in targets.

3.9.5 Digitisation and Computerised Documentation of Art Objects

Digitisation[3] involves acquiring, converting, storing and providing information in a standardised, organised format and availability on demand from a common system accessible to the users of museum objects for various purposes. The objective of digitization is easy retrieval of data and ability to make entries of data into the main database. Computerised documentation in contrast involves storing information about the objects (such as condition of the object, its collection data etc.) in a database in computer, with or without digitisation of the corresponding objects.

The Computer Unit of the **Indian Museum** took up the work of computerised documentation system of artefacts in 1993 and the project of digitization of museum objects subsequently. Audit ascertained that out of a total of 1,02,646 holdings, the unit was able to complete computerised documentation of 86,979 objects and digitization of 4,573 objects as of March 2004. Digitisation work of the remaining 98,073 objects, representing 95.54 *per cent* of the total holdings, was yet to be undertaken as of March, 2004. The Museum, did not prepare any time-bound action plan to complete the work, despite underperformance of the Unit. The Museum assured in September 2004 to prepare a perspective plan to complete the digitization work within a period of five years.

The Asiatic Society had a microfilm scanner with a printer costing Rs. 10.05 lakh installed in March 2003. The scanner could be used to scan images from the microfilm/ microfiche. The scanned and digitised images could then be

[3] Digitisation means conversion of analog data to digital formats and preparation of textual and image data of artefacts.

stored in the computer. As the Society did not purchase any computer for this purpose, digitisation of the art objects could not be undertaken as of March 2004, thereby frustrating the very objective behind the purchase of the scanner and the printer. The approach of the Society thus lacked systematic planning and co-ordination.

3.9.6 Absence of Physical Verification of Art Objects by the Institutions

None of the three Institutions conducted any physical verification of the art objects possessed by them during the last five years. As such, the physical existence and condition of the art objects as shown in the records of the Institutions could not be ascertained in audit. This fact was repeatedly mentioned in the Separate Audit Reports issued to the Institutes every year.

3.9.7 Recommendations:

- *The Accession Registers may be maintained centrally and these registers should be regularly updated. A time bound action plan may be immediately drawn up by both the Indian Museum as well as the Asiatic Society for completing the documentation work relating to the accessioning of all art objects possessed by these Institutions at the earliest. Possibility of use of electronic scanning or any suitable technology may be explored to expedite the process.*
- *All discrepancies in accessioning of the art objects should be reconciled by adopting a strict time-bound programme for the same.*
- *Photo-documentation and digitisation work may be completed similarly in a time bound manner and with adequate seriousness.*
- *A system of regular and periodic physical verification of all art objects possessed by the Institutions should be instituted immediately. Proper training may be imparted to the staff designated for this purpose.*

3.10 Conservation of Art Objects

3.10.1 Inadequate Expenditure Towards Conservation

The following table shows the expenditure incurred by the three Institutions on conservation/ restoration:

Table 5: Expenditure on Conservation/ Restoration against Budgetary Allocations of the Institutions

(Rupees in lakh)

Years	Indian Museum			Victoria Memorial Hall			Asiatic Society		
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
1999-00	16.00	7.00	3.88	NA	NA	7.00	0.22	0.22	5.49
2000-01	8.00	6.00	10.91	8.00	8.00	7.00	0.09	NA	3.12
2001-02	10.00	7.20	1.34	6.00	6.00	4.00	5.50	4.50	2.55
2002-03	9.00	4.00	3.52	10.00	10.00	7.75	16.00	11.50	7.95
2003-04	6.00	4.00	3.33	10.00	10.00	4.85	12.00	12.50	9.06

There was significant variation between the expenditure incurred by the three Institutions and the estimates, indicating the absence of a systematic approach to the task of conservation/ restoration of historical or art objects.

3.10.2 Inadequate Conservation and Restoration Efforts by the Indian Museum

There was no system in any of the three Institutions to identify the nature of damages to the art objects and to prepare reports indicating priority of their conservation.

The Indian Museum

There was no system of periodical checking of the stores or galleries by the Conservation Unit for identification of damages, indicating the absence of a systematic approach to the conservation of artefacts. The Art, Archaeology and Anthropological Sections of Indian Museum sent the identified artefacts on their own to the Conservation Unit for conservation purposes. The estimated time required for completion of work was also not recorded and no completion report was ever prepared. In the absence of any priority list indicating the total number of objects requiring conservation/ restoration, it was not possible to determine the extent of conservation work yet to be completed.

The Review Committee set up in December 1992 by the Board of Trustees of the Indian Museum mentioned in its report that the conservation laboratory of the Museum was in a position to treat and conserve about 1000 antiquities per year. However, the Museum could treat only 1,547 objects in five years which represented 30.94 *per cent* of the capacity. No reason for such underperformance was furnished to audit.

Table 6: Conservation Work Undertaken by Indian Museum

Year	Preventive Conservation	Curative Conservation	Total Conservation work done
1999-00	144	16	160
2000-01	264	6	270
2001-02	127	77	204
2002-03	230	26	256
2003-04	560	97	657
Total	**1,325**	**222**	**1,547**

With a view to rendering assistance to small Museums for conservation of the artefacts and to conduct workshops for the purpose, the Indian Museum in 1998-99 acquired a mobile conservation laboratory at a cost of Rs. 7.37 lakh having instruments and chemicals required for restoration. The activities of the mobile laboratory during 1999-2004 are as shown in table 7:

Table 7: Underperformance of Mobile Laboratory

Year	No. of Museums Attended	No. of days	No. of artefacts treated
1999-00	13	53	239
2000-01	8	28	438
2001-02	2	6	11
2002-03	2	8	155
2003-04	3	17	126
Total	**28**	**112**	**969**

The laboratory could attend to only 28 museums within the state of West Bengal using a total of only 112 days during the last five years. Reasons for such low performance of the mobile laboratory over the years were not furnished to Audit. The Museum, however, stated in September 2004 that adequate steps would be taken for optimum utilisation of the laboratory.

The Asiatic Society

In 1986, the Asiatic Society had a collection of 75 oil paintings. As the condition of most of the paintings was unsatisfactory, in January 1986, the Society sent nine paintings for restoration to the National Museum, New Delhi, which returned the paintings in January 1990 after restoration.

The Society, however, was of the opinion that the paintings were not properly restored.

In March 1991 the Society entrusted the work of restoring these nine painting and five additional paintings to a private restorer, who restored only three paintings till December 2000, when the Society terminated his contract on the grounds of unsatisfactory performance. The restorer, however, alleged in October 2000 that the Society had provided him with the necessary infrastructure and chemicals only after a lapse of seven years, resulting in the delay. In reply to Audit, the Society conceded that there were space and other infrastructural constraints. The fact, however, remains that restoration of most of the paintings could not be completed even within a span of over 18 years.

The Society informed Audit that it had sought Rs. 5 lakh from the Ministry of Tourism and Culture in July 2002 for the purpose of restoration work to be undertaken within the Society premises by engaging National Research Laboratory for Conservation, Lucknow, as advised by the then Minister of Tourism and Culture, but could not undertake any further restoration since the money was not received from the Ministry.

3.10.3 Absence of Synergy in Conservation Efforts of the Institutions

As mentioned already, in para 3.10.2 the Indian Museum has a Conservation Unit but its services were never availed of by the other two Institutions. The three Institutions did not synergise their operations and resources for the purposes of conservation and restoration of their objects. The strength areas of each of these Institutions in terms of their restoration and conservation capability should be identified and synergised.

3.10.4 Absence of a System of Training Staff Members in Conservation Techniques

Audit ascertained that none of the three Institutions had any programme and earmarked budget for training of their staff, in the absence of which the Institutions had to depend on the limited private expertise available in conservation/ restoration of art objects within the country. In the absence of any effort towards in-house capacity building in these areas, the conservation efforts of the Institutions suffered.

3.10.5 Recommendations

> - *The Institutions should introduce regular training of staff members in techniques of conservation/ restoration of art objects through earmarked training budget. Possibilities of involving the expert bodies, universities and institutions in training efforts may be explored.*
> - *Appropriate mechanisms should be instituted by all the three Institutions to identify art objects requiring restoration/ conservation and a time schedule drawn up for their restoration.*
> - *Infrastructure for restoration and conservation work should be created in the Institutions. For this purpose, the Institutions should synergise their resources and capabilities and each one should identify their speciality area and develop on these areas for better and efficient utilisation of resources.*

3.11 Safe Custody of Art Objects

3.11.1 Inadequacy of Security Systems

The Review Committee set up in December 1992 by the **Indian Museum** (as already referred to in para 3.10.2) recommended, *inter alia,* the installation of smoke detector and fire alarm system. The Indian Museum, however, did not install the equipment till November 2004. Further, the capital expenditure made for purchase of security equipment was insignificant compared to the revenue expenditure on security of the Museum as seen from Table 8:

Table 8: Capital Expenditure on Security made by Indian Museum

(Rupees in lakh)

Year	Capital Expenditure (A)	Revenue (B)	A as percentage of B
1999-00	14.95[4]	25.78	58.00
2000-01	6.95	122.25	5.69
2001-02	2.78	37.49	7.41
2002-03	0	60.43	0
2003-04	Not Verifiable	46.46	0
Total	**24.68**	**231.98**	**10.63**

Through a process of direct observation, Audit also noticed several security lapses in the galleries open to public. The general public could approach the several priceless objects. Audit noticed several inscriptions and scribblings

[4] Due to installation of Closed Circuit Television System.

made by the visitors on the enclosures where architectural pieces were kept, some just below the pedestals of the statues.

In December, 2004, the statue 'Buddha Head' (Sarnath) of 5^{th} century AD was reported missing from the Museum. The area where the theft occurred was not covered by close circuit television system. The Museum confirmed the theft. It also stated on 30 December 2004 that the value of the antiquity had not been assessed. In the absence of assessment, the loss could not be quantified.

With a view to strengthening the security arrangement of the galleries, in May 1990, the **Victoria Memorial** commissioned a close circuit television system costing Rs. 14.02 lakh. However, the system was lying inoperative since November 2002 as it was unserviceable and outdated.

The Chief Security Officer, Ministry of Home Affairs, conducted a survey of the security management of **The Asiatic Society** during September-October 1993 and submitted a report in October 1993. The report, *inter alia,* contained the following recommendations:

1. Increase in the number of cameras for close circuit TV.
2. Introduction of visitor's pass system.
3. Modification and renovation work at main gate.
4. Installation of walkie-talkie radio transmission system.

Audit ascertained that the Society did not take any action to implement any of these measures till November 2004.

3.11.2 Recruitment of Security Guards without Adequate Training and Experience

The service rules for employees of the Indian Museum provided that only Class VIII passed ex-servicemen with at least 10 years of regular service were eligible for direct recruitment as security guards. It was observed that of the 52 security guards appointed between November 1984 and April 2003, as many as 30 were not ex-servicemen. None of them had ever been trained in security aspects by the Museum, thereby seriously jeopardising and compromising the security interests of the Museum.

The Society's service rule for employees effective from December 1998 also provided that only Class VIII passed Ex-Servicemen with certificate and proficiency in use of fire fighting equipment were eligible for direct recruitment as security guards. It was observed that of the 32 Security Guards who were not ex-servicemen and were appointed prior to 1998, only six Security Guards had been imparted training in fire fighting. The remaining 26 Security Guards did not have any training in fire fighting. This compromised the security of the Society's objects.

3.11.3 Improper Storage of Artefacts by Indian Museum and Victoria Memorial

Proper storage facilities with effective air-conditioning and adequate air-circulation are essential in order to avoid deterioration of artefacts. Audit ascertained that the store room of the Indian Museum and Victoria Memorial Hall were neither air-conditioned nor had adequate air circulation facilities. The store room of Victoria Memorial Hall also had poor lighting and were damp due to the continuous seepage of water. Improper preservation of art objects would inevitably lead to their deterioration. The Memorial stated that the building and the roof were in dilapidated conditions due to non-repair of the monument for decades. As a result the stores were not in ideal conditions. The stores of Asiatic Society were, however, in relatively good condition.

3.11.4 Recommendations

- *The Institutions, especially Indian Museum and Victoria Memorial Hall, should urgently formulate a time bound action plan for comprehensive improvement in the storage conditions of the art objects possessed by them by recurring or re-appropriating existing funds.*
- *Appropriate security mechanisms should be put in place to protect the priceless objects possessed by these Institutions against theft or damage or defacement.*
- *The closed circuit television system installed in the Victoria Memorial Hall should immediately be made operational for ensuring proper surveillance of the art objects.*
- *The Asiatic Society should take appropriate and immediate measures to ensure safe custody of the invaluable art objects and manuscripts in its possession.*
- *Proper and adequate training arrangements for security guards recruited by the Indian Museum and Asiatic Society should be instituted.*

The matter was referred to the Ministry December 2004; its reply was awaited as of January 2005.

MINISTRY OF URBAN DEVELOPMENT

DELHI DEVELOPMENT AUTHORITY

ALLOTMENT OF LAND TO EDUCATIONAL INSTITUTIONS

CHAPTER IV : MINISTRY OF URBAN DEVELOPMENT

Delhi Development Authority

4.1 Allotment of Land to Educational Institutions

DDA allots land to educational institutions at concessional rates for setting up of educational institutions subject to certain mandatory terms and conditions. The primary purpose of such allotment is provision of educational facilities particularly to weaker sections of society. However, 133 out of the 381 societies which had been allotted land at concessional rates failed to provide the stipulated 25 per cent reservation for children from the weaker sections as of March 2004 while 343 schools hiked their tuition fees by five per cent to 44 per cent as of March 2004 without the requisite approval of the Directorate of Education in violation of the terms of allotment. Further, instructions of the Central Government for 25 per cent reservation for wards of Central Government employees were ignored. Moreover, 46 out of 90 schools test checked in audit were yet to be functional despite lapse of the stipulated period of two years. This was partly attributable to the failure on the part of DDA to ensure sufficiency of funds by societies before allotting land as required under the Nazul Rules. Lastly, DDA failed to initiate any action to recover outstanding dues of Rs. 1.88 crore from 89 societies despite adequate powers to recover the dues as arrears of land revenue. Both the DDA as the land owning agency as well as the Directorate of Education as the sponsoring department had failed to fulfill their joint responsibility of ensuring adherence to the terms of concessional allotment of land. No established mechanism for ascertaining breaches of terms of allotment existed so as to enable remedial action.

4.2 Introduction

The Delhi Development Authority (Disposal of Developed Nazul Land) Rules, 1981, provide for allotment of Nazul lands to educational institutions, i.e. schools, colleges and universities at concessional rates. Rule 20 stipulates inter alia that allotment of land at concessional rates may be made to a society which is registered under the Societies Registration Act, 1860, is of a non profit making character and is sponsored or recommended by a Department of the Delhi Government or a Ministry of the Central Government. Such allotment of land to educational institutions is made subject to certain mandatory terms and conditions. The primary purpose of such allotment of land at concessional rates is to serve a public purpose of facilitating establishment of or extending educational facilities particularly for the weaker sections of society.

4.3 Allotment procedure

The allotment of land is looked after by the Land Disposal Department of DDA which is headed by the Commissioner (Land Disposal). He is assisted by the Director (Lands), the Deputy Director (Institutional Land) and other subordinate staff.

Applications for allotment of land at concessional rates for setting up educational institutions are considered initially by the Land Allotment Advisory Committee of the Directorate of Education, Government of NCT of Delhi, in accordance with the extant guidelines. The Committee is headed by the Commissioner–cum-Secretary (Education) of the Government of Delhi. The recommendations of this Committee are submitted to the Institutional Allotment Committee (IAC) of DDA which is headed by the Commissioner (Lands) DDA. Once an allotment is approved by the IAC, land allotment letters are issued by the Institutional Branch of DDA. The entire procedure of allotment is to be completed within a period of three months from the date of application to handing over of possession. The societies are thereafter required to complete the construction of the school buildings and commence functioning within two years from the date of taking possession of the land. It is the responsibility of these Committees to ensure that the applicant society fulfills the prescribed conditions before approving the allotment.

4.4 Scope of audit

An audit exercise was carried out from April to July 2004 to assess the extent to which the stated public objective of the allotment of land at concessional rates to educational institutions was achieved. The principal audit objective was to review compliance with the terms of the allotment. For this purpose, audit scrutinized the records of the Institutional Land Branch of DDA relating to allotment of land to educational institutions during the period 1990-91 to 2003-04. Audit also called for and examined relevant linked records from the Directorate of Education, Government of NCT of Delhi, which was the sponsoring department for the allotment of land at concessional rates. During the period 1990-91 to 2003-2004, DDA allotted land to 381 registered societies for constructing buildings to establish schools. Of these, audit selected 90 cases for detailed scrutiny. In

70 cases the stipulated period of two years, after taking possession of land by allottees, had elapsed. Forty six of these schools were non-functional.

4.5 Deficiencies in allotment of land – failure to ensure sufficiency of funds before approving allotment

Rule 20(d) of Nazul Rules stipulates that no allotment shall be made unless the institution is in possession of sufficient funds to meet the cost of land and the construction of buildings. This provision was made to ensure that construction of buildings by the institution is completed within a reasonable time so that the purpose of the allotment is achieved. Despite this clear stipulation, DDA failed to ensure the financial status of the societies to meet the cost of land and construction of buildings, before allotting the land. As a result, the following irregularities occurred:

a) Out of the selected cases, the declared financial resources of 27 societies were not enough to even meet the cost of land. The stipulated two year period had lapsed in 15 of these 27 cases.

b) On grounds of inadequacy of funds, 27 societies sought and were granted time extensions.

c) Seventeen societies were granted permission to mortgage the allotted land to raise loans to meet the cost of construction.

Thus, land was allotted at concessional rates to societies which were otherwise ineligible as they did not possess the necessary resources.

4.6 Non-enforcement of terms of allotment

4.6.1 Non-enforcement of conditions relating to reservation for weaker sections of society

One of the primary conditions stipulated in the terms of allotment of land at concessional rates is that they will ensure admission to students belonging to weaker sections of society to the extent of 25 *per cent* and grant freeships from the tuition fees in accordance with the rules prescribed by the Government of Delhi from time to time.

Audit ascertained that of the 24 functional schools selected for audit, 19 schools were extending no reservation or freeships to the students from the weaker section while five schools had provided reservation/freeships only to the extent of three *per cent* to 20 *per cent* against the mandatory 25 *per* *cent* as of 31 March 2004. Hence, none of these functional schools complied with the conditions. Consequently, not only was the social objective of allotment of land at concessional rates to provide educational opportunities to the weaker sections defeated, but the DDA also had to unnecessarily forgo additional revenue of Rs. 125.15 crore in these 24 plots which it could have earned had the plots been allotted at commercial rates.

In addition to the above 24 cases, the Directorate of Education identified another 109 cases where the condition of reservation of seats for the weaker sections was violated. No reservation had been provided in 69 cases while it varied between one *per cent* to twenty four *per cent* in the remaining 40 cases. Thus, 66 *per cent* of the total of 133 functional schools were not adhering to the terms and conditions of the allotment relating to reservation for the weaker sections as of March 2004.

Audit also ascertained that there existed no established mechanism for identifying breaches of terms of allotment so as to enable remedial action. It was clearly the joint responsibility of both the DDA as the land owning and allotting agency as well as of the Directorate of Education as the sponsoring department to ensure adherence to the terms of allotment of land which was being allotted at concessional rates, forgoing possible revenue, in order to achieve a public purpose.

In pursuance of the directions of the Delhi High Court of 20 January 2004, the Directorate of Education forwarded in April 2004 a list of 133 schools to DDA for taking necessary action. Subsequently, DDA issued show cause notices to 55 defaulting societies in June 2004 and to 76 societies in September 2004 directing them to respond within 15 days from the date of issue of notice failing which the allotments would be liable to be cancelled. However, no further action had been taken though none of the 131 defaulting schools responded to the notices (November 2004).

Hence, neither the DDA nor the Directorate of Education initiated any action to enforce the terms of allotment till compelled to take notice of the breaches by the Hon'ble High Court.

4.6.2 Enhancement of tuition fees in disregard of the terms of allotment

According to the terms and conditions of allotment of land at concessional rates, no increase in the rates of tuition fees would be effected without the prior approval of the Director of Education, Government of Delhi. The institutions were also to follow the provisions of the Delhi School Education (DSE) Act 1973 and the rules framed thereunder in this regard.

Audit ascertained that 11 schools had increased their tuition fees by 10 *per cent* to 13 *per cent* without the prior approval of the Directorate of Education. As a consequence of the PIL filed in the Delhi High Court, the Directorate of Education identified 332 additional schools in March 2004 which had similarly hiked their tuition fees without the prior approval of the Directorate or had violated the provisions of the DSE Act by levying higher fees and other charges. The quantum of hike ranged from five *per cent* to 44 *per cent*. However, show cause notices could be issued in May 2004 to only 185 out of the total of 343 defaulting schools, by the Directorate of Education and their further reply is awaited as of December 2004. Hence, neither DDA nor the Directorate monitored the adherence of the terms of the allotment and the provisions of the DSE Act by the societies. Further, even after receiving information from the Delhi Government of non compliance, DDA did not take effective action.

4.6.3 Non-inclusion of conditions relating to reservation of seats for children of Central Government employees

In July 1990, the Central Government instructed DDA to evolve a policy to allot land for public schools only to such organizations which were prepared to reserve 25 *per cent* of seats for wards of Central Government servants posted in Delhi. It was also directed that a Central Government representative should be included in the board of management or admission committee of such schools. Both these conditions were to be incorporated in the lease deed. In case the organization failed to admit the required minimum percentage of children of Central Government employees, the land allotted by the Government would be liable for resumption.

Audit ascertained that this stipulation had not been included in any of the allotment letters issued nor incorporated in the lease deeds. Thus, Central Government employees were deprived of the intended benefit.

4.7 Outstanding dues of Ground Rent and License Fees

The Director (Land Costing) in DDA is responsible for maintaining proper records of recoveries due on account of premia, ground rent and license fee in respect of land allotted to educational societies for establishing schools. The ground rent and license fee are payable by the allottee in advance failing which interest at the rate of 10 *per cent* per annum is leviable. Arrears of ground rent and license fee may be recovered as arrears of land revenue under the DDA Act, 1957.

Audit noted that an amount of Rs.1.88 crore (Rs. 1.70 crore ground rent and license fee + Rs.18.05 lakh interest) was outstanding against 89 societies as on 31 March 2004. The outstanding ground rent, license fee and interest thereon related to the period 1997-98 to 2003-2004. No action had been initiated by the DDA to recover these dues (July 2004).

4.8 Conclusion

The terms and conditions for allotment of land to educational institutions at concessional rates were not enforced by either the DDA as the land owning agency or the Directorate of Education as the sponsoring Department. Consequently, 133 out of 381 societies allotted land at concessional rates, failed to fulfill their obligation of reservations for the weaker sections. Tuition fees were hiked in violation of the extant rules without prior permission of the Directorate of Education while instructions relating to reservation for wards of Central Government employees were not even incorporated in the agreement. The allotments themselves were flawed in as much as the pre-condition of ensuring sufficiency of funds for construction and commencement of the school was not ensured before approving allotment. There was no coordination between the Directorate of Education and the DDA to ensure adherence by the allottees to the obligatory terms and conditions of the allotment of the land nor was there any mechanism to detect deviations, monitor adherence or take action against defaulters.

The matter was referred to the Ministry in August 2004; its reply was awaited as of December 2004.

Section B – Transaction Audit Paragraphs

CHAPTER V : MINISTRY OF COMMERCE

Tea Board of India, Moscow

5 Deficient cash management and loss of interest

Deficient cash management by overseas Tea Board of India, Moscow resulted in retention of cash balances in excess of eight week's requirement and consequential loss of interest of Rs. 38.29 lakh.

According to the provisions of the Financial and Accounting procedure of the Tea Board of India, the headquarters office of the Tea Board had to remit funds to its overseas offices bi-monthly.

Paragraph 3.2 of Report no. 4 of the Comptroller and Auditor General of India for the year ended March 1999, Union Government (Civil) (Autonomous Bodies) had highlighted deficient cash management and loss of interest. In September 2000, Ministry in its Action Taken Note stated that all the overseas offices of the Tea Board had been advised to review the cash balance from time to time as per their promotional requirements. In September 2002 it was also reiterated by the Tea Board of India, Kolkata that the closing balance of the cash held should not exceed eight week's requirement.

Audit ascertained from the records of Tea Board of India, Moscow for April 2000 to March 2004 that the monthly cash balance varied between Rs. 96.05 lakh and Rs. 247.29 lakh as against eight[1] week's requirement ranging from Rs. 26.16 lakh to Rs.54.08 lakh. Further, the expenditure on promotion of Value Added Tea was only 24.34, 29.8 and 24.47 *per cent* of the budgeted expenditure during the year 2000-01, 2001-02 and 2003-04 while it was 141.42 *per cent* in 2002-03.

Audit also ascertained that the maximum monthly expenditure during the same period never exceeded Rs. 32.64 lakh[2], which was less than five weeks' requirement for the respective years, except in the month of February and March 2003 when payment was made for a special TV campaign. Hence, the cash balances were always in excess of requirement. This ranged between

[1] Eight weeks requirement have been worked out with reference to the budgeted provisions on office expenses and provisions for special promotion expenses for value added tea for the respective years.

[2] October 2003.

Rs. 69.89 lakh and Rs. 193.21 lakh however, the excess cash was never remitted back.

In response, Ministry stated (July 2004) that its process of approval was a time consuming process and took a few months. Therefore, it was practically not feasible for the overseas Tea Board offices to carry balances to cover eight weeks requirements only. The Ministry further explained that the excess cash balance from September 2002 to February 2003 was on account of a remittance for a specific contract. The Ministry also admitted that remittances should have been sent only after verification of actual cash balance with the overseas Tea Board.

The process of taking approval of each remittance needs to be shortened, analogous to the practice adopted by the Ministry of External Affairs. Further, as admitted by the Ministry, Tea Board Moscow should have remitted the cash to its headquarters after verifying the actual cash balance and anticipated expenditure.

Thus, the retention of cash in excess of eight weeks' requirement resulted in loss of interest[3] of Rs. 38.29 lakh[4].

---

[3] Calculated @ 10.03 *per cent* p.a. being average borrowing rate of Government of India during the year 2002-03.

[4] During the period from April 2000 to March 2004 excluding the period from September 2002 to February 2003 justified by the Ministry.

CHAPTER VI : MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

Department of Consumer Affairs

National Test House, Kolkata

6 Blocking of fund

Failure of the National Test House to invoke warranty and payment of agent's commission and release of performance security in violation of contractual provisions resulted in unfruitful investment of Rs. 52.18 lakh.

The National Test House (NTH), Kolkata placed in February 1999, an order on M/s Anter Corporation, USA for supply of a Thermal Conductivity Test Apparatus for testing of thermal insulating and building materials, fiber glass and board, mineral wool, powder and particulate materials etc. for US$ 1,16,870 (equivalent to Rs. 52.18 lakh). This included commission amounting to US$ 11,687 payable to M/s Avac System, Mumbai in Indian currency after installation, commissioning and successful performance of the apparatus.

According to the terms of the purchase order accepted by the supplier in March 1999, 90 *per cent* cost of the apparatus was to be paid on proof of despatch and balance 10 *per cent* after successful installation and commissioning. The apparatus also carried a warranty of 12 months from the date of commissioning or 18 months from the date of supply of the apparatus whichever was earlier. The said warranty also stipulated that in case of the apparatus not conforming to the quality, the purchaser would be entitled to reject it and the supplier, if called upon to do so, would replace it free of cost within a period of one month. Besides, the supplier was responsible to impart training to at least two scientists of NTH for routine maintenance and smooth running of the apparatus.

The apparatus was air-shipped in May 2000 and was received at NTH in June 2000. The Indian agent of the foreign supplier checked the ordered material in July 2000. Ninety *per cent* cost was released on 15 May 2000. The apparatus was initially installed in the meteorology building in November 2000. Its installation and commissioning was certified by a scientist of NTH. Consequently, payment for the balance 10 *per cent* of the apparatus was released in March 2001. In June 2001, NTH tried to test samples, but the apparatus malfunctioned. On being informed, the foreign supplier offered suggestions for setting right the error, which, however, did not work. In August 2001, the apparatus was re-installed at another location. However, the apparatus continued to malfunction.

Audit noted that despite persistent malfunctions, the NTH had not approached the foreign supplier to replace the apparatus during its warranty period, which expired in November 2001. Further, the supplier did not impart training to NTH scientists according to the contractual terms and condition. Ignoring these factors, NTH (March 2002) released the performance security to the supplier on the ground that it was not prudent to hold back foreign supplier's money. In March 2003, NTH also released Agency Commission in violation of the contractual provisions pending successful performance of the apparatus. Meanwhile, the Indian Agent intimated that the service engineer from USA might visit NTH during 2003-04 to rectify the fault. However, the visit never materialised and no tangible action for making the apparatus operational was taken either by the foreign firm or the Indian Agent. The apparatus was lying unproductive and idle (September 2004).

Thus, failure of NTH to invoke the warranty within the validity period resulted in the apparatus remaining unutilised entailing investment of Rs. 52.18 lakh remaining unfruitful. No responsibility was fixed for the irregular payment of the Agent's commission and release of performance security.

The matter was referred to the Ministry in July 2004; its reply was awaited as of December 2004.

CHAPTER VII : MINISTRY OF CULTURE

North East Zone Cultural Centre, Dimapur

7 Unauthorised investment of corpus fund resulting in loss of revenue

Director, North East Zone Cultural Centre, Dimapur unauthorisedly invested Rs. 1.00 crore from the corpus fund in a Non-Banking Finance Company without the approval of the Governing Body resulting in a loss of Rs. 1.60 crore as the company closed its branch. Effective punitive action has not been taken.

The power of investment of funds of the North East Zone Cultural Centre (NEZCC), Dimapur and the sale or alteration of such investments is vested with its Governing Body.

Audit ascertained that without obtaining the approval of the Governing Body, Director NEZCC placed Rs. 1.00 crore in the fixed deposit scheme of a non-Banking Finance Company M/s Leafin India Limited, Dimapur Branch (registered office located at Hyderabad) for the period of two years from 6 August 1999 to 30 September 2001. The rate of interest on the deposit was 15 *per cent*, payable monthly. The date of maturity of the deposit was 30 September 2001. Copies of the agreement made with M/s Leafin India Limited, Dimapur Branch, were not made available to audit.

Audit ascertained that Rs. 31.25 lakh was to be received as interest on the deposit (from August 1999 to September 2001). However, the NEZCC received only Rs. 8.75 lakh during November 1999 to September 2001 in seven installments of Rs. 1.25 lakh. At the instance of the Governing Body, the Director requested M/s Leafin India Limited to refund the amount of fixed deposit in September 2000. But the Company did not respond and their Branch Office at Dimapur was closed.

NEZCC filed a money suit in June 2001, which is pending disposal in the court of law (November 2004).

Thus, due to unauthorised investment of funds made by the Director, in contravention of the prescribed rules laid down in the Memorandum of Association, the Centre suffered a loss of Rs. 1.60 crore being the amount of principal (Rs. 1.00 crore) and interest (Rs. 0.60 crore calculated upto March 2004).

The matter was taken up by the Centre with the Secretary, Department of Higher Education, Government of Manipur in August 2002 to initiate disciplinary proceedings against the Director in accordance with the Manipur Government Servant's Conduct, Discipline and Appeal Rules. Further developments are awaited (November 2004).

The matter was referred to the Ministry in August 2003 and again in April 2004; its reply was awaited as of December 2004.

CHAPTER VIII : MINISTRY OF EXTERNAL AFFAIRS

Indian Council for Cultural Relations

8 Irregular expenditure

Indian Council for Cultural Relations spent Rs. 27.60 lakh on printing and distribution of calendars for the year 2004 in violation of Government's instructions. The Council also failed to observe codal provisions while awarding the contract for printing work.

According to the Ministry of Finance, Department of Expenditure's instructions of October 1992, no expenditure was to be incurred from Government funds on printing and distribution of diaries, calendars, greeting cards, visiting cards and other similar items in connection with New Year and other functions. These instructions were reiterated by the Ministry of Finance (MoF) in March 2002 and were to be strictly complied with by all Ministries/Departments and the Autonomous Bodies under them.

Audit scrutiny revealed that despite the ban orders, the Indian Council for Cultural Relations (Council) printed 4700 calendars for the year 2004 at a total cost of Rs. 11.24 lakh and incurred a further expenditure of Rs. 16.36 lakh on distribution of these calendars through courier. Thus, the Council spent Rs. 27.60 lakh on this activity.

It was also noticed in audit that in violation of the provisions of the General Financial Rules (GFR) which stipulated that for purchase of value of Rs. five lakh and above, open tenders may be advertised in the national dailies, the Council obtained verbal quotations from three printers in September 2003. Print orders for supply of the calendars were placed in December 2003 with Firm 'A', the lowest bidder, at a cost of Rs. 11.24 lakh. In the absence of open tenders, Audit could not ascertain if the most economical option was selected and the most competitive rates obtained.

The Council in its reply stated (May 2004) that it had not been advised by the Ministry about the economy instructions issued by the MoF. The Council added that it had been regularly undertaking printing of calendars/diaries etc. for presenting to diplomatic organisations abroad and diplomatic missions residing in India with a view to enhancing India's image–a function for which ICCR was created and the Finance Committee of ICCR had been providing Rs. 25 to 30 lakh annually for this activity.

The reply of the Council is not tenable as its budget of Rs. 25 to 30 lakh annually (Rs. 27.00 lakh in 2003-04) was meant for presentation of books and art objects and not for presentation of New Year calendars and diaries. The Council further informed Audit in September 2004 that no calendars were printed and distributed in the previous year, thus contradicting its own statement of May 2004. Further out of 4700 calendars, 27.7 *per cent* (1304) were distributed to Indians (261 amongst members of ICCR and 1043 to other VIPs). Another 105 calendars constituting 2.2 *per cent* of the total printed remained undistributed while the distribution details of 2800 calendars supplied to Indian missions abroad were not available on record.

The Ministry stated (November 2004) that Government's economy instructions were directed at curtailing the non-productive administrative expenditure and not expenditure on projection of Indian culture abroad which was a primary and only objective in printing of these calendars. The reply is not tenable as about 30 *per cent* of the calendars were either distributed to Indians locally or remained undistributed and the Council was not exempted from the operation of the economy instructions. As for limited enquiries, the Ministry stated that the Council took recourse to limited tender system under GFR 102, paragraph 1, rule 36 as the competent authority was satisfied that the source of possible supply was definitely known and possibility of fresh source beyond those being tapped was remote. By resorting to limited enquiries, however, the Council lost the benefit of getting competitive rates.

CHAPTER IX : MINISTRY OF FINANCE

Department of Economic Affairs

Insurance Regulatory and Development Authority

9.1 Irregular expenditure

Insurance Regulatory and Development Authority irregularly transferred Rs. 11.00 crore to the Institute of Insurance and Risk Management.

In January 2002 the Insurance Regulatory and Development Authority (IRDA) signed a Memorandum of Understanding (MoU) with the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) for establishing the Institute of Insurance and Risk Management (IIRM). The investment of APIIC was to be equivalent to the cost of land to be transferred to IIRM and IRDA was to contribute to the equity capital of IIRM. In July 2002, IIRM was incorporated as a company under the Companies Act, 1956. The Chairman of IRDA was also appointed Chairman of the IIRM. IRDA paid Rs. 11 crore to IIRM during 2002-03. As on December 2004, APIIC was yet to transfer the land to IIRM.

However, IRDA had collaborated with APIIC for establishing IIRM without obtaining the approval of the Ministry. This came to the notice of the Ministry in November 2002. The Ministry sought an explanation from IRDA in January 2003 on this issue. IRDA responded (January 2003) that it was competent to do so under the IRDA Act and there was no need to obtain the approval of the Ministry. However, the Ministry of Law, Justice and Company Affairs opined (June 2003) that IRDA was not empowered under the IRDA Act, 1999 to create IIRM. Accordingly, the Ministry directed (June 2003) IRDA to cancel all action taken with regard to the establishment of IIRM and obtain a refund of Rs. 11 crore transferred to the latter.

Audit pointed out this irregular transfer of Rs. 11 crore in March 2004. In response, the Ministry stated (October 2004) that they had since decided to promote IIRM through IRDA and had asked the latter to frame guidelines for regulating its activities. However, the reply of the Ministry is inconsistent with its earlier stand in which it was stated that the function of IRDA was to regulate professional organisations connected with insurance and re-insurance business. The duties, power and functions of the Authority did not include establishing and running such institutions. Further, it was the view of the

Ministry that the regulator should stand apart from the system and work objectively on the specific tasks assigned to them and the establishment of such an institute did not fall within the purview of Section 14 of the IRDA Act. Hence, the Ministry completely reversed its stand without any alteration in the legal framework within which IRDA was constituted and without obtaining any fresh opinion from the Ministry of Law, Justice and Company Affairs.

9.2 Avoidable refund of renewal fee

Injudicious decision of Insurance Regulatory and Development Authority to reduce rates of renewal fee from 0.2 *per cent* to 0.1 *per cent* with retrospective effect resulted in irregular refund of Rs. 8.94 crore.

Insurance Regulatory and Development Authority (IRDA) was established under the Insurance Regulatory & Development Authority Act, 1999 with a view to protecting the interests of the holders of insurance policies. Rule 16 of the Act provides for constitution of 'Insurance Regulatory and Development Fund' (Fund) wherein all grants, fees and charges received by the Authority are to be credited. The provisions of the Act do not provide for remission, waiver or refund etc. of the fees and charges already recovered/received and credited to the fund.

Clause 20 of the IRDA (Registration of Indian Insurance Companies) Regulations 2000 lays down that an insurer, who has been granted a certificate of registration under Section 3 of the Act, shall make an application for the renewal of the certificate to the Authority before 31 December of each year. Such application shall be accompanied by evidence of payment of the fee which shall not be less than Rs. 50,000 or 0.2 *per cent* of the total gross premium of the financial year preceding the year in which the application for renewal of certificate is required to be made subject to a maximum of Rs. 5 crore.

The Governing Body of the IRDA in its meeting held in October 2001 decided to reduce the renewal fee from 0.2 *per cent* to 0.1 *per cent* of the gross premium. Regulation 20(1) of IRDA (Registration of Indian Insurance Companies) Regulations was amended on 26 February 2003 in accordance with this decision. Audit observed that the minutes did not record the rationale for this decision and only stated that it was explained by the chairman to the members. The reduction of renewal fee was made effective retrospectively from 1 April 2001 and renewal fee amounting to Rs. 8.94 crore for the year 2001-02 was refunded to the insurance companies. The decision of IRDA to refund renewal fee already collected and credited to the fund was irregular as the Authority is not vested, under the provisions of the Act ibid, to refund receipts/revenues already collected and credited to the fund nor was the renewal fee paid under mis-application of law. Further, the reduction in rates of renewal fee recoverable from insurance companies should have been made operative from a prospective date i.e. after October 2001 as the burden of the renewal fee at higher rates was likely to have already been passed on by the insurance companies to the individual policy holders in the form of higher premium etc.

The decision of the Authority to reduce the fee with retrospective effect from April 2001, resulted in irregular and injudicious refund of Rs. 8.94 crore to the insurance companies for the year 2001-02.

In response, the Ministry agreed (October 2004) with Audit's view that the reduction of renewal fee with retrospective effect was not in order.

CHAPTER X : MINISTRY OF HEALTH AND FAMILY WELFARE

All India Institute of Medical Sciences

10.1 Irregular payment of conveyance allowance

All India Institute of Medical Sciences paid conveyance allowance to ineligible staff despite clear orders to the contrary from the Ministry. The irregular payment amounted to Rs. 68.59 lakh during 2002-03 and 2003-04 alone.

The Government of India, Ministry of Health and Family Welfare, had sanctioned conveyance allowance in November 1987 with retrospective effect from July 1987 at different rates to Specialists/General Duty Medical Officers of the Central Health Service (CHS) working under Central Government Health Scheme and non-CHS Medical officers/Specialists working in Hospitals. The allowance was payable for making on an average, a minimum number of 20 domiciliary visits during a month or equal number of visits to the hospital outside working hours and subject to fulfillment of certain prescribed conditions including provision that expenditure incurred on domiciliary/hospital visits was not to be less than the amount claimed as conveyance allowance. These orders were further extended in March 1990 by Government of India, Ministry of Health and Family Welfare to non-medical (Group 'A') Specialists/Scientists retrospectively from 1 April 1989. Accordingly, All India Institute of Medical Sciences (Institute) identified 14 categories of Group 'A' Scientists/Specialists in June 1992 and granted conveyance allowance to these officers with retrospective effect from 1 April 1989.

On the basis of representation made by its Officers' Association, the Institute proposed to the Ministry in April 1993 grant of conveyance allowance to all its Group 'A' & 'B' officers. The Ministry rejected the proposal in July 1993 and observed that the conditions prescribed for grant of conveyance allowance should be strictly observed. Despite Ministry's rejection of the proposal, the Institute in January 1999 granted conveyance allowance, with retrospective effect from 1 April 1989 to the remaining Group 'A' officers. These included officers holding the posts of Registrar, Educationist, Chief Librarian, Asstt. Controller of Examination, Publication & Public Relation Officer, Financial Adviser, Finance & Chief Accounts Officer etc. These officers were *prima facie* not required to pay visits to hospital after office hours, a basic condition for grant of conveyance allowance. In September 2002, the Institute further extended the benefit of conveyance allowance to all its Group 'B' officers although they were not eligible under the orders of the Government of India. The payment of conveyance allowance made to 549 ineligible Group 'A' and Group 'B' officers during 2002-03 and 2003-04 alone amounted to Rs. 68.59 lakh.

After the issue was raised in audit, the Institute referred the matter (July 2003) to the Ministry for ex-post facto sanction to grant of conveyance allowance. The Ministry categorically directed (June 2004) the Institute to discontinue the payment of conveyance allowance to ineligible officers and recover the irregular payment made earlier.

The Institute stated (October 2004) that the payment of conveyance allowance to Group 'A' and 'B' officers and other technical officers had since been discontinued. The reply is silent on whether the overpaid amount for the earlier years had been recovered from the ineligible personnel as directed by the Ministry.

The matter was referred to the Ministry in August 2004; its reply was awaited as of February 2005.

10.2 Irregular grant of financial assistance

All India Institute of Medical Sciences made irregular payment of financial assistance of Rs. 42.97 lakh to its staff members.

The guidelines framed by the Governing Body of the All India Institute of Medical Sciences (Institute) for providing financial support to its members of faculty for attending various scientific conferences, workshops and congress abroad provided that the grant of financial assistance was subject to the condition that the members of the faculty should have served the Institute for at least three years and had at least three years or more of service left before superannuation. The financial assistance, which was inclusive of airfare, registration fee and daily allowance, was to be provided once in two years and was also to be limited to actual expenditure incurred or lump sum payment ranging from Rs. 0.10 lakh to Rs. 1.00 lakh, depending upon the country to be visited, whichever was less.

Audit scrutiny of the records relating to financial assistance released during 2002-03 and 2003-04 revealed the following irregularities:

a) Rs. 25.60 lakh was paid as financial assistance to 26 non-faculty members.

b) Rs. 16.27 lakh was paid to 19 faculty members who were either due to retire within three years or who had served the Institute for less than three years. In one case, Rs. 0.50 lakh was paid in excess of the prescribed ceiling.

c) Rs. 1.10 lakh was paid to two faculty members who had already availed of the financial assistance during the previous year.

The Institute stated (February 2004) that all proposals received from faculty members and other non-academic staff were placed before the Financial Grant Committee of the Institute, which was headed by the Director of the Institute and that the said committee had approved all these proposals. The reply is not tenable as the guidelines framed by the Governing Body of the Institute and amended from time to time specifically debarred employees falling under the above categories from the grant of financial assistance. The committee's decision cannot over-ride the guidelines framed by the Institute.

Thus, non-adherence to the guidelines framed by the Institute resulted in irregular payment of Rs. 42.97 lakh to ineligible staff members. This amount has not been recovered.

The matter was referred to the Ministry in August 2004; its reply was awaited as of February 2005.

10.3 Deficient procurement planning resulting in idling of equipment

Equipment costing Rs. 14.30 lakh was procured without ensuring availability of space for its installation resulting in its idling in storage for over four years.

The All India Institute of Medical Sciences (AIIMS) placed an order on a foreign firm (July 1999) for purchase of 'inverted microscope with closed circuit television system and motorized micromanipulator system' costing Rs. 14.30 lakh. The equipment, which was received in the Institute in October 1999, was handed over to the Department of Obstetrics and Gynaecology in November 2000 i.e. after a lapse of one year. Audit scrutiny revealed (November 2003) that the machine had not been installed as of November 2003 even after the lapse of over four years.

The Department of Obstetrics and Gynaecology stated (November 2003) that the equipment could not be installed for lack of space. It added (July 2004) that equipment was likely to be installed by September 2004 on completion of renovation work in the Department. Although in February 2003 the Director (AIIMS) had decided that responsibility needed to be fixed in this case and disciplinary action taken, yet AIIMS did not furnish the details of the action taken, if any, to audit.

Thus, purchase of equipment without ensuring availability of basic infrastructure for its installation indicated deficient planning, which resulted in idling of investment of Rs. 14.30 lakh. The patients were also deprived of the benefit of improved treatment with the help of this equipment, apart from the risk of damage to the equipment during its storage for over four years.

The matter was referred to the Ministry in June 2004; its reply was awaited as of February 2005.

CHAPTER XI : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Department of Secondary and Higher Education

All India Council for Technical Education

11.1 Irregular expenditure on cellular phones

Chairman, All India Council for Technical Education approved purchase of cellular phones for use by the non-entitled officers in violation of the orders of Government of India resulting in irregular expenditure of Rs. 18.10 lakh between 1999-2004.

The Government of India (Ministry of Finance) imposed a ban (September 1995) on purchase of cellular phones/pagers for official use in the Union Government. All the Ministries/Departments were requested to ensure strict compliance with these instructions and advise the Public Sector Undertakings/Autonomous Bodies under them accordingly. Subsequently, the Government while partially relaxing the ban in January 2003, decided to allow the facility of cellular phones to the Secretaries and Secretary level officers of the Government of India subject to a monthly ceiling of expenditure of Rs. 1500 on rental and call charges. The cost of the hand set for cellular phone had also to be limited to Rs. 10,000. In January 2004, facility of mobile phone was extended to the officers of the rank of Joint Secretary and Additional Secretary under WLL phone schemes of MTNL/BSNL subject to monthly ceiling of Rs. 500 on telephone call charges. Thus, in the All India Council for Technical Education (AICTE), only the Chairman and four level I Advisors whose status were equivalent to that of the Secretary and Joint Secretary to the Government of India respectively were entitled to cellular phone facility.

Audit ascertained (September 2003) that in violation of the Government orders, the AICTE, with the approval of its Chairman, purchased 25 handsets for cellular phones (including 10 sets for its regional offices) between November 1999 and August 2003 at a cost of Rs. 3.18 lakh for use by non-entitled officers. AICTE and its regional offices also incurred recurring expenditure of Rs. 14.92 lakh on rental and call charges of these cellular phones provided to non-entitled officers during the period 1999-2000 to 2003-2004. The total irregular expenditure on the use of cellular phones by non-entitled officers was, therefore, Rs. 18.10 lakh upto March 2004.

Ministry directed AICTE in August 2004 to withdraw the cellular phones from the non-entitled officers and effect recoveries from them.

Delhi University

11.2 Avoidable expenditure on payment of interest

The University of Delhi delayed payment of ground rent for the land allotted to it on perpetual lease, which resulted in avoidable expenditure of Rs. 22.30 lakh towards interest.

The Land and Development Office (LDO), Ministry of Works and Housing (now Ministry of Urban Development and Poverty Alleviation) allotted (July 1977) to the University of Delhi, a plot of land measuring 65.913 acre in the Dhaula Kuan Institutional Area, New Delhi. The allotment was subsequently (November 1978) reduced by LDO to 64.999 acre. The land was given on perpetual lease at a total premium of Rs. 26.45 lakh. In addition, the University was to pay a total ground rent of Rs. 72,501 *per annum* for various uses at different rates (at the rate of Rs. 12,500 *per annum* for administrative block, faculty building, library etc., at the rate of Rs. 60,000 *per annum* for staff quarters and hostels and at rupee one *per annum* for playground, stadium and gymnasium). The rent was payable half yearly in advance on 15 January and 15 July each year irrespective of a demand notice. Delayed payment or non-payment of ground rent attracted interest at the rate of 10 *per cent per annum* for the period of delay.

Audit ascertained (January 2004) that since the allotment, the University was either not paying or short paying different components of the ground rent. The request of the University (April 2003) for waiver of interest on belated payments was not acceded to by the Ministry of Urban Development and Poverty Alleviation (June 2003). Consequently, it had to pay Rs. 22.30 lakh between July and November 2003 as interest on the delayed payments.

The University stated (June 2004) that payment of ground rent was not made as no demand was received from LDO. The reply is not tenable as, according to the conditions of allotment of land, the ground rent was payable half yearly in advance irrespective of a demand notice. Inaction of the Delhi University led to avoidable expenditure of Rs. 22.30 lakh towards interest charges.

The Ministry stated (November 2004) that the University did not pay the ground rent, as the lease of the said land had not been executed in its favour.

The reply is not tenable as the ground rent became payable on allotment of the land and by not adhering to the conditions of allotment, the University incurred the avoidable expenditure of Rs. 22.30 lakh.

Indian Council of Historical Research

11.3 Irregular expenditure on running home offices

Ministry did not prevent the Indian Council of Historical Research from incurring irregular expenditure of Rs. 12.92 lakh in running home offices of its Chairmen during the period 1997-98 to February 2004.

The Indian Council of Historical Research is a registered society under the Societies' Registration Act, 1860. The Council, being wholly financed by the Union Government, is bound to follow the financial rules and regulations laid down by the Government of India from time to time. The Chairman of the Council is appointed by the Government on honorary basis.

Audit observed (August 2003) that the Chairmen of the Council appointed by the Government during the period 1997-98 to 1999-2000 and July 2001 onwards had, without the approval of the Ministry, set up offices in their respective residences in Dharwad (Karnataka) and Calicut (Kerala) and incurred expenditure of Rs. 12.92 lakh on pay and allowances of staff, rent of building, telephone charges etc. upto 23 February 2004. Audit also observed that though the Council had been showing this irregular expenditure in its budget and annual accounts, the Ministry had failed to point out and disallow this irregularity.

In response, the Council informed (February 2004) that the home office of the Chairman had been closed from 10 December 2003 and all assets brought to its Southern Region Centre, Bangalore. The Ministry (April 2004) while endorsing the facts mentioned by the Council, added that for the honorary Chairmen residing outside New Delhi, skeleton staff and other facilities were necessary to enable them to discharge their responsibilities. It added (August 2004) that ICHR was an autonomous body and expenditure on those items was approved by their Administrative Committee and the Council. The reply of the Ministry contradicts its own action of instructing the Council to close the home office. Further, it had also asked for the explanation of the former Member Secretary of ICHR for hiring the building in Calicut and opening an office without prior approval. Moreover, it had not provided for home office facilities for the Chairmen in their terms of appointment. The Ministry did not intimate further developments regarding the explanation asked from the former Member Secretary of ICHR although requested (September 2004) by Audit.

Thus, failure of the Ministry to prevent the expenditure on home office of the Chairmen resulted in avoidable irregular expenditure of Rs. 12.92 lakh.

Indian Institute of Management, Calcutta

11.4 Avoidable loss on investment

Failure of the Indian Institute of Management Calcutta to assess the declining trend of US-64 and to take timely decision regarding redemption of its investment in the Scheme resulted in an avoidable capital loss of Rs. 66 lakh.

The Board of Governors of the Indian Institute of Management Calcutta (Institute) in June 1994 constituted a Managing Committee for managing its Endowment Fund. The Institute invested Rs. 1.94 crore out of the Endowment Fund[1] in 11,57,400 Units of US-64 Scheme of the Unit Trust of India (UTI) between February 1994 and January 1995. UTI declared dividend of Rs. 2.60 per Unit on US-64 for the year ended June 1995. In December 1996 the Institute received one bonus unit for every ten units held by it - taking the total number of Units to 12,73,140. UTI reduced the dividend for the year ended June 1996 to Rs. 2 per Unit and maintained the same rate for the subsequent two years.

In July 1998 UTI announced that the reserves of US-64 had turned negative to the extent of Rs. 1,098 crore due to steep depreciation in its investments. This was followed by redemptions of US-64 to the tune of Rs. 1,500 crore in the first six months of the fiscal year ending June 1999. UTI drastically reduced the dividend on US-64 to Rs. 1.35 per Unit for the year ended June 1999. But the Institute continued with the investment in US-64 despite the decline in the performance of the Scheme. UTI declared Rs. 1.375 per Unit dividend on US-64 for the year ended June 2000, which was marginally higher than the previous year, but again reduced the dividend to Rs. 1 per Unit in the following year. In July 2001 UTI imposed restriction on repurchase of US-64 and did not declare any dividend thereafter. In March 2003 UTI conveyed its decision to terminate the Scheme in its present form with effect from June 2003. Consequently, the Institute in May 2003 redeemed 12,73,140 Units of

[1] This includes Rs. 56 lakh pertaining to the Institute's Management Centre for Human Values

US-64 and received Rs. 1.28 crore[2] against the investment of Rs. 1.94 crore, thereby suffering a capital loss of Rs. 66 lakh.

Audit ascertained that the Institute's effective yield on the investment in US-64 fell from 16.09 *per cent* for the year ended June 1995 to 8.35 *per cent* for the year ended June 1999. Compared to this, the average rate of earning on other investments during 1998-99 was around 12.5 *per cent.* It was also noticed that the Institute had made investment in July 2000 in ICICI Bonds at 12 *per cent* rate of interest. The Endowment Fund Managing Committee (EFMC), however, had not considered the issue of falling returns in US-64 and the Institute continued with its investment in the Scheme till May 2003 without any justification.

Thus, failure of the Institute to assess the declining trend of US-64 and to take timely decision regarding redemption of its investment in the Scheme resulted in an avoidable capital loss of Rs. 66 lakh.

The Ministry stated in September 2004 that the investment was continued till May 2003 with the expectation of recovery of US-64.

However, the Institute could not furnish any resolution of the EFMC in this regard. Further the EFMC had not considered the declining performance of US-64 at any stage. Hence, the Institute continued with the investment in the Scheme merely by default.

Indian Institutes of Technology

11.5 Overpayment due to incorrect pay fixation

Misinterpretation of orders on pay fixation resulted in overpayment of Rs. 2.44 crore to 479 Assistant Professors as of March 2004 by the Indian Institutes of Technology. The Institutes have not recovered the overpaid amount despite orders of the Ministry.

Orders issued by the Ministry of Human Resource Development in February 1999 on revision of pay scales of faculty and scientific/design staff of the Indian Institutes of Technology (Institutes)[3] provided that the pay of Assistant Professors, in the pre-revised pay scale of Rs. 3700-125-4950-150-5700, who had completed five years in the grade as on the 1 January 1996, be fixed initially in the revised pay scale of Rs. 12000-420-18300 in terms of the

[2] This includes Bonds valuing Rs. 7.60 lakh.

[3] IIT Delhi, IIT Guwahati, IIT Kanpur, IIT Kharagpur, IIT Madras, IIT Bombay,.

Central Civil Services (Revised Pay) Rules, 1997 and if the pay so fixed as on the 1 January 1996 was less than the stage of Rs. 14,940, it be stepped up to Rs. 14,940. Subsequently, the Ministry in its letter of March 2001 clarified that the pay of Assistant Professors who had not completed five years of service in the grade as on the 1 January 1996 be stepped up to the stage of Rs. 14,940 on completion of five years if the pay otherwise admissible in terms of the CCS (RP) Rules, 1997, was less than the stage of Rs. 14,940. Similarly, the pay of Assistant Professors who were appointed after 1 January 1996, whether for the first time or by transfer or promotion, in the pre-revised pay scale could be fixed initially in the revised pay scale and stepped up to the stage of Rs. 14,940 on completion of five years if the pay otherwise admissible in the revised pay scale was less than the stage of Rs. 14,940.

Audit scrutiny showed that the Institutes misinterpreted the stipulation for fixing of pay of the Assistant Professors, who had not completed five years in the grade by 1 January 1996 or were appointed after 1 January 1996. The pay was first fixed at the stage of Rs. 14,940 on a future date of completion of five years and then brought down notionally to find the pay at the current date, instead of fixing their pay initially in accordance with the relevant provision of the CCS (RP) Rules, 1997 and finally stepping up to the stage of Rs. 14,940 on completion of five years, if the pay happened to be less than this stage. This faulty method of pay fixation resulted in undue benefit of Rs. 2.44 crore to 479 Assistant Professors in their emoluments during the period 1996-2004 as detailed below:-

(Rupees in lakh)

S. No.	Name of Institute	No. of Assistant Professors	Amount of overpayment to be recovered	Period covered
1.	IIT, Delhi	71	39.94	01.01.96 to 31.3.2004
2.	IIT, Guwahati	41	22.92	01.01.96 to 31.3.2004
3.	IIT, Kanpur	59	37.43	01.01.96 to 31.3.2004
4.	IIT, Kharagpur	137	62.82	01.01.96 to 31.3.2004
5.	IIT, Madras	101	47.57	01.01.96 to 31.3.2004
6.	IIT, Bombay	70	33.02	01.01.96 to 31.3.2004
	Total: -	**479**	**243.70**	

IIT Delhi stated (September 2004) that the decision to fix the pay in the manner it was done in all IITs, was taken after discussion among their Directors on the consideration that whereas in the University system a person could join as Assistant professor without possessing a Ph.D. degree in IIT system the minimum qualification for such appointment was Ph.D. Also, in the University system, a person on acquiring Ph.D. was given two additional increments. IIT Delhi also contended that all IITs had adopted a policy of uniformity on the applicability of the instructions of the Ministry and that it had also obtained the approval of the Board of Governors. It added that Boards of Governors/Directors of IITs had observed (April 2004) that any recovery at this stage would be difficult for the above reasons. IIT Bombay also replied (October 2003) in a similar manner and added that Directors of IITs had decided that recovery at that stage was not desirable since it would send a wrong signal to the young faculty and would result in difficulties in retaining good faculty. IIT Kanpur stated (September 2003) that pay had been fixed as per the Ministry's circulars and Board of Governor's decisions. The contentions of IITs are not tenable as in matters of fixation of pay; the Institute have to follow Government's orders. They do not enjoy the privilege of suo motu interpretation or rationalisation. The rules for pay fixation are prescribed by the Government of India and the Institutes as grantee bodies have to abide by these rules. Further, the Ministry had directed the Institutes in August 2002 to fix the pay in accordance with the clarification issued by the former in March 2001 and recover the amounts due. However, the Directors of Institutes, in disregard of these instructions, decided not to effect the recovery. This resulted in the overpayment of Rs. 2.44 crore remaining unrecovered.

The Ministry endorsed (October 2004) the above views of IITs. The reply is not tenable as it contradicts its own orders for fixation of pay and its instructions to IITs for refixing the pay and recovering the amounts overpaid.

11.6 Irregular payment of bonus

Indian Institute of Technology at Delhi, Kanpur, Kharagpur, Bombay, Madras and Roorkee paid bonus of Rs. 84.24 lakh to ineligible employees in contravention of the Government of India orders.

Government of India, Ministry of Finance (Department of Expenditure) sanctioned (October 1997) ad-hoc bonus equivalent to 30 days' emoluments from the accounting year 1996-97 to Central Government Employees in Groups 'C' and 'D' and all non-gazetted employees in Group 'B' who were not covered by any Productivity Linked Bonus Scheme. These orders were also extended to the autonomous bodies. In October 1999, the Ministry of Human Resource Development, with the concurrence of Ministry of Finance, clarified to Kendriya Vidyalaya Sangathan and all other autonomous bodies that since there was no classification as gazetted employees in the autonomous bodies, the payment of bonus may be made to only those categories which were comparable in all respects with similar categories in the central government. Ministry further clarified that the employees who were drawing pay in the scale exceeding Rs. 1640-2900 (pre-revised) revised to Rs. 5500-9000 were not eligible for ad-hoc bonus. All autonomous bodies were requested to make payments of bonus in the light of the above clarification and make recoveries in cases where excess payments had already been made for the year 1996-97 and 1997-98. The Ministry on a reference from IIT Kanpur, reiterated (September 2000) that the employees of autonomous bodies including IITs in the pre-revised scales of pay of Rs. 2000-3200 and Rs. 2000-3500 (revised scales of pay of Rs. 6500-10500) were not entitled to ad-hoc bonus on the basis of orders issued by the Ministry of Finance.

Audit ascertained (April 2004) that Indian Institute of Technology (IIT), Delhi's Board of Governors had approved, in March 2003, the payment of adhoc bonus for the period 1999-2000 to 2002-03 to its employees in the pay scale of Rs. 6500-10500 and Rs. 7500-12000. The approval accorded by the Board of Governors was in contravention of the Government of India's order and resulted in irregular payment of bonus amounting to Rs. 22.90 lakh for the year 1999-2003. Audit further revealed that similar irregular payments of bonus were made by IITs at Bombay, Kanpur, Kharagpur, Madras and Roorkee amounting to Rs. 17.52 lakh, 9.14 lakh, 19.01 lakh, 10.81 lakh and 4.86 lakh respectively for the period between 1999-2000 and 2002-03. Thus, there was total irregular payment of Rs. 84.24 lakh on this account.

In response, IIT, Delhi stated (April 2004) that Group 'B' employees in the scale of Rs. 6500-10,500/7500-12,000 were eligible for grant of the bonus as they were equivalent to non-gazetted status only. The reply is not tenable in view of the specific clarification from the Ministry that employees who were drawing pay in a scale exceeding Rs. 5500-9000 were not entitled for adhoc bonus.

The Ministry (December 2004) stated that it has considered the matter in consultation with its Internal Finance Division and has advised IIT, Delhi to make necessary recoveries. Recoveries also need to be made in respect of the irregular payments made by the other IITs.

Indian Institute of Technology, Bombay

11.7 Short Recovery of Licence fee

Due to non-implementation of revised rate for recovery of licence fee for quarters allotted to employees, the Institute suffered revenue loss of Rs. 29.16 lakh.

The Board of Governors of the Indian Institute of Technology, Bombay in its 121 meeting (May 1989) resolved to recover licence fee from the occupants of residential units constructed in the campus and allotted to its employees at rates circulated by the Ministry of Urban Development. Accordingly, the Institute was required to recover licence fee at rates revised by the Government of India from time to time after the approval of the Board of Governors. The licence fee rates were revised by the Government of India in July 1990, July 1993, July 1996, July 1999 and April 2001.

Audit ascertained (November 2003) that the Institute had implemented earlier revisions of licence fee but had not effected the revision made by the Government of India in July 1999 and April 2001. This non-revision led to short recovery of licence fee of Rs. 29.16 lakh (as on February 2004).

In response, the Institute stated (January and May 2004) that the revision of licence fee could not be done in the absence of communication from the Ministry. The Institute further replied in August 2004 that the revised licence fee as per the Government of India order was being deducted from March 2004 and arrears of licence fee would be deducted from the month of September 2004 in 24 monthly installments.

The reply is not acceptable, as the Institute should have established a mechanism to ensure receipt of all relevant orders from the Government of India. Further, the Institute had previously (January 1997) revised the licence fee on the basis of Government orders printed in a private publication.

While accepting the facts, the Ministry stated (November 2004) that the matter would be examined further and necessary remedial measures adopted.

Indian Institute of Technology, Kharagpur

11.8 Undue favour to a contractor

The Indian Institute of Technology, Kharagpur did not accept the offer of the lowest pre-qualified tenderer and awarded the work to another contractor in violation of the instruction of the Central Vigilance Commission and the provisions of CPWD Manual, resulting in avoidable expenditure of Rs. 51.08 lakh.

With a view to tacklè corruption and to usher in transparent and effective system in the tendering process, the Central Vigilance Commission (CVC) in November 1998 banned all post tender negotiations except negotiations with the lowest tenderer. This restriction is also laid down in the CPWD Manual (Manual).

The Indian Institute of Technology, Kharagpur (IIT) issued a press notice in February1999 inviting pre-qualification application for selection of contractor for the work of construction of a Lecture Hall Complex in its campus at an estimated cost of Rs. 7.60 crore. Thirteen firms submitted pre-qualification applications. After examining the pre-qualification applications, in March 1999 IIT issued tender documents to only four firms.

Out of the four firms, L&T[4] quoted the highest price of Rs. 10.09 crore (32.67 *per cent* above the estimated cost) while EPIL[5] quoted the lowest price of Rs. 7.98 crore (4.92 *per cent* above the estimated cost).

IIT did not accept the offer of EPIL - the lowest tenderer. It conducted post tender negotiations with all the four tenderers, in violation of CVC's instructions and the specific Manual provision[6]. After the negotiation L&T reduced their price to Rs 8.82 crore (16 *per cent* above the estimated cost) but EPIL remained the lowest tenderer even without altering their earlier price.

IIT, instead of awarding the contract to EPIL, further evaluated the performance of the four tenderers on the basis of their competence, competitiveness and reliability by allotting marks. One of the factors under reliability was timely completion of work. No such procedure is, however, laid down in the Manual. On evaluation, IIT awarded the highest marks to L&T and selected it for the work.

[4] Larsen and Tubro Limited
[5] Engineering Projects (India) Limited
[6] Para 18.16 of CPWD Manual (Volume-II)

In April 1999 IIT placed the work order on L&T for Rs. 8.82 crore to be completed within 24 months. L&T commenced the work in June 1999 but could not complete it within the scheduled time. IIT granted extension of time upto April 2003. With some deletion and addition of items, L&T completed the construction in March 2003 at a cost of Rs. 6.36 crore. This included Rs. 59.41 lakh towards cost of extra items of work.

A comparative study of L&T's final bill, settled in November 2003, with that of the price quoted by EPIL revealed that IIT incurred extra expenditure of Rs. 51.08 lakh on scheduled items of work.

Thus, IIT extended undue favour by awarding the work to L&T instead of EPIL, the lowest pre-qualified tenderer, in violation of CVC's instructions and the Manual provision, resulting in avoidable expenditure of Rs. 51.08 lakh. The work was also not completed in time.

IIT stated in August 2004 that CVC's guidelines would be strictly followed in the Institute. It has also issued instructions to all concern in the Institute to follow CPWD norms only.

The matter was referred to the Ministry in July 2004; its reply was awaited as of December 2004.

Indira Gandhi National Open University

11.9 Wasteful expenditure

Study material printed in substantial excess of the actual need resulted in avoidable surplus stock leading ultimately to wasteful expenditure of Rs. 58.20 lakh as the course for which the material had been printed was discontinued rendering the material unusable.

Indira Gandhi National Open University (IGNOU) offered an academic course styled "Diploma in Computers in Office Management" (DCO) which was taught to 26837 students during 1991 to 1999. The course was discontinued from January 2000.

The study material for the course was divided into different units in booklet form. IGNOU did not keep in view the number of students enrolled and the stock available in hand at the time of placing orders for printing of study material, which resulted in unnecessary accumulation of a large stock. For instance, in 1997, 7935 students were enrolled for DCO programme and each student was to be provided study material comprising 18 booklets. Audit observed that against the requirement of 1,42,830 booklets (7935 students x 18 booklets), IGNOU printed 9,01,500 booklets on an average of 50,000 of each unit.

As a result, IGNOU had in stock 5,62,268 copies of the booklet of the course produced at a cost of Rs. 58.20 lakh as on 31 March 2000. The Vice Chancellor constituted (February 2001) a committee to suggest the action to be taken for the study material, which had been rendered useless because of the discontinuance of the course. The Committee proposed (December 2001) that the material could be given in bulk to Kendriya Vidyalayas and Navodaya Vidyalayas on "as is where is" basis to be distributed in their respective schools or it could be provided as additional reading material for certificate in computing and other computer-related programmes. The Committee felt that the first option was cost-effective. It was noticed in audit that there were no records to show whether the material was offered to the two Vidyalayas and what was their reaction.

In response to Audit observations, IGNOU stated (May 2004) that obsolete DCO material would be disposed of as per the existing rules, regulations and procedures of the University. In another reply IGNOU stated (June 2004) that since their material was also adopted by State Open Universities and Institutions, provision was made in anticipation of such demand. The reply of IGNOU is not borne out by facts as against the last print run of 9,01,500 in 1997, only 1,42,830 copies of the material were issued to fresh students and 19,602 to others in that year.

Thus, printing of study material without assessing the actual requirement led to substantial excess printing resulting in surplus stock worth Rs. 58.20 lakh, which was yet to be disposed even after the lapse of more than three years of the Vice Chancellor initiating the process.

The matter was referred to the Ministry in November 2003 and again in September 2004; its reply was awaited as of Feburary 2005.

National Institute of Open Schooling

11.10 Irregularities in award of contract

Irregularities committed by the National Institute of Open Schooling in awarding the contract for packing, transportation and distribution of study material to its Accredited Institutions resulted in undue favour to a contractor and extra expenditure of Rs. 47 lakh.

National Institute of Open Schooling (Institute) provides admission to students in various courses in the month of July/August through its 2000 Accredited Institutions (AIs) spread all over India. The students collect their study material from these AIs. Till August 2000, the Institute engaged casual labour for packing the study material after which the packets were sent to the AIs throughout India by hired transport. In August 2000 the Institute divided the country in six zones and invited tenders for packing, transportation and distribution of the study material to AIs located in different zones. Of the six firms that quoted, the rates of the lowest bidder (M/s Bombay South Freight Movers) were rejected by the Institute on the ground that it did not have a fleet of trucks of its own and did not have branches all over India, although these two conditions did not figure in the tender documents.

The Institute then asked the remaining five tenders to re-quote their rates by 13 September 2000. Four firms responded and the rates of M/s R.N. Poly Plast Pvt. Ltd. were the lowest except for one zone. The Tender Opening Committee of the Institute visited the premises of M/s R.N. Poly Plast Pvt. Ltd. in September 2000 and reported that it had proper infrastructure and was capable of carrying out the work. The committee asked this firm to reduce the rate for zone-D and match with the lowest. The firm quoted its revised rates in September 2000 which were approved by the Chairman of the Institute in September 2000 itself. The work was awarded to M/s R.N. Poly Plast Pvt. Ltd. in September 2000 for one year in the first instance.

Audit scrutiny revealed that the rates quoted by M/s Bombay South Freight Movers were lower than the rates originally quoted by M/s R.N. Poly Plast Pvt. Ltd. by 14 *per cent* to 39 *per cent* for different zones. It was also noticed that the condition of having a fleet of trucks of it own and branches all over India, the basis on which M/s Bombay South Freight Mover's bid was rejected, was also not fulfilled by M/s R.N. Poly Plast Pvt. Ltd. The action of the Institute in rejecting the rates of lowest tenderer (M/s Bombay South Freight Movers) on invalid grounds and negotiating with M/s R.N. Poly Plast Pvt. Ltd. was irregular.

Audit further observed that the Institute extended the contract twice to M/s R.N. Poly Plast Pvt. Ltd. in June 2001 and June 2002 for the years 2001-02 and 2002-03 respectively on the existing terms and conditions on the ground that the service provided by the firm was satisfactory. In March 2003 the Institute invited fresh tenders for the same work for the academic session 2003-04. The work was awarded to M/s ABC at rates which were lower by 13 *per cent* to 34 *per cent* for different zones as compared to rates charged by M/s R.N. Poly Plast Pvt. Ltd. during the earlier years. Audit scrutiny revealed that Institute incurred extra expenditure of Rs. 47 lakh by applying the rates of M/s ABC to the rates at which work was done by M/s R.N. Poly Plast Pvt. Ltd. during the years 2000-01 to 2002-03. M/s R.N. Poly Plast Pvt. Ltd. was paid Rs. 54.25 lakh for 2000-01, Rs. 69.79 lakh for 2001-02 and Rs. 90.31 lakh for 2002-03 for the succeeding year. The Institute simply extended the contract. Further, an internal inquiry commissioned by the Institute in April 2004 after the matter was pointed out in Audit, clearly brought out that undue favour was extended to M/s R.N. Poly Plast Pvt. Ltd.

Audit also ascertained that while the tender documents for the subsequent bids invited in March 2003 mentioned that the study material was to be packed in 0.6 lakh packets in jute/gunny bags, the tenders invited in August 2000 mentioned that the material would be packed in approximately 10 lakh packets in jute/gunny bags. Audit noted that the study material was actually packed in 0.40 lakh packets and not 10 lakh packets as mentioned in the tender documents in August 2000. A correct assessment of the quantum of work could have resulted in lower bids in 2000.

In response, the Institute admitted (May 2004) that there was ambiguity in the tender clause and it ought to have been worded correctly. The Institute mentioned (July 2004) that based on the suggestions received in the inquiry report, it had modified the tender documents.

The Ministry stated (November 2004) that in order to discover the facts regarding the alleged irregularities, a Committee had been constituted which had started examination of the records and some more time would be required to complete the enquiry. Subsequently, Ministry intimated (February 2005) that the Committee had confirmed the irregularities and responsibility was being fixed and suitable action taken against the concerned officials.

National Institute of Technical Teachers' Training and Research

11.11 Unfruitful expenditure

Injudicious decision of the National Institute of Technical Teachers' Training and Research to construct 42 staff quarters, without assessing the demand, resulted in unfruitful expenditure of Rs. 1.60 crore towards construction of 24 surplus quarters, which were never occupied by the staff in the last six years, besides non-recovery of rent amounting to Rs. 16.17 lakh from two organisations.

The National Institute of Technical Teachers' Training and Research, Kolkata (Institute)[#] has 42 staff quarters, of six different types, in Salt Lake. The quarters were constructed by Mackintosh Burn Limited at a cost of Rs. 3 crore and handed over to the Institute in August 1998.

Audit ascertained that the Institute made no assessment of the demand for residential accommodation while taking the decision to construct the staff quarters. Of the 42 quarters, staff members had occupied a maximum of only 11 quarters during the period from January 1999 to August 2004. There was no demand for the remaining 31 quarters representing 74 *per cent* of the total staff quarters.

Between May 1999 and August 2003 the Institute let out some of the surplus quarters to two organisations[*]. It charged rent ranging from Rs. 1,320 to Rs. 6,720 per month, depending on the type of quarter, and licence fee as per Central Government norms. The Institute did not enter into any formal agreement with these organisations. Electricity charges were paid by the Institute on behalf of the organisations and subsequently, reimbursement was to be claimed.

Both organisations defaulted in payment of rentals. They vacated the quarters in December 2002 and August 2003. The Institute, however, failed to recover Rs. 16. 17 lakh due from the two organisations towards rent, licence fee and electricity charges. The dues are still to be recovered (November 2004).

As 31 quarters were lying vacant, the Institute in November 2003 converted six quarters into Guest Houses and one quarter was utililsed as electric room. The remaining 24 surplus quarters, whose proportionate cost of construction works out to Rs. 1.60 crore, have been lying vacant as on November 2004.

[#] Formerly known as Technical Teachers' Training Institute

[*] West Bengal National University of Juridical Sciences, Kolkata and Educational Consultants India Limited, Kolkata

Thus, injudicious decision of the Institute to construct 42 staff quarters, without assessing the demand, resulted in unfruitful expenditure of Rs. 1.60 crore towards the construction of 24 surplus quarters. These quarters were not occupied by the staff members in the last six years. Further, rent amounting to Rs. 16. 17 lakh was also not recovered.

The Institute stated in September 2004 that the quarters were constructed with the expectation that the vacancies would be filled up.

The reply is not tenable as the quarters were constructed without any assessment of demand.

The matter was referred to the Ministry in August 2004; its reply was awaited as of December 2004.

Rashtriya Sanskrit Sansthan

11.12 Excess release of funds

Sale proceeds amounting to Rs. 20.19 lakh were not adjusted from the annual grants released to Deccan College, Pune in contravention of Ministry's decision leading to excess release of funds.

Deccan College, Pune, a deemed university, had been receiving financial assistance since 1948 from the Union Government for preparing a Sanskrit Dictionary of historical principles. In May 1990, the Government of India (Ministry of Human Resource Development) decided that sale proceeds of the dictionary/savings from grant received would not be deposited in fixed deposits by Deccan College as proposed by them in April 1990, but would be adjusted against future grants. In July 1991, the Ministry transferred the project under the control of Rashtriya Sanskrit Sansthan (RSS) and placed funds at their disposal for releasing to Deccan College.

Audit ascertained (October 2003) that RSS had been releasing funds to Deccan College without adjusting the sale proceeds of the dictionary. Funds so released amounted to Rs. 20.19 lakh as of March 2003 in violation of Ministry's decision.

In response, RSS admitted (October 2003) the facts and stated that the amount would be adjusted from the grants of 2003-04. Further, the Ministry confirmed (January 2004) the release of funds to Deccan College and endorsed the commitment of RSS to adjust the excess release of funds from the grant for the year 2003-04. Subsequently, in response to the audit comment, RSS intimated (July 2004) that the amount of sale proceeds was Rs. 21.83 lakh out of which it had adjusted Rs. 15.95 lakh from the grant for the year 2003-04 and remaining sum would be adjusted during the year 2004-05. The RSS intimated in December 2004 that the remaining amount had also been adjusted from the grant for the year 2004-05.

CHAPTER XII : MINISTRY OF INFORMATION & BROADCASTING

Prasar Bharati (Doordarshan)

12.1 Additional expenditure due to failure to deduct tax at source

Failure on the part of Doordarshan to pay balance income tax while discharging an award, led to levy of penalties and interest amounting to Rs. 4.43 crore by Income Tax Authorities.

In May 1994, Doordarshan (DD) entered into a Memorandum of Understanding (MoU) with World Tel (WT) in May 1994 for exclusive live coverage of Wills World Cup Cricket 1996 matches within India for a licence fee of US $ 47.50 lakh equivalent to Rs. 16.06 crore (net of any taxes). The licence fee was payable in four instalments. After payment of two instalments, a dispute arose between the two parties about the date of payment of third instalment and WT unilaterally cancelled the MoU. DD filed a case (November 1995) in Delhi High Court. The Court directed (January 1996) WT to deposit the amount received by it and DD to deposit the balance amount due to WT. Accordingly, WT deposited US $ 28.50 lakh and DD Rs. 712.31 lakh in UCO Bank (Bank). Thereafter the Court referred (February 1996) the case to sole arbitrator who awarded (6 January 1998) US $ 7 million (Rs. 29.75 crore) to WT to be paid by DD within one month. The Court allowed the deposits in Bank together with accrued interest to be adjusted against the payment. DD appealed (February 1999) against the award but later withdrew it. The Court permitted the withdrawal (November 1999) and modified the award to the extent that interest accrued on deposits from 6 December 1998 to the date of intimation to deposits etc. by Bank would also be payable to WT by DD. In discharge of these awards, the Bank remitted Rs. 31.27 crore to WT in two instalments in January 2000 after getting from DD the difference in deposits (Rs. 6.50 crore) and interest accrued.

Audit noticed that DD had deposited income tax payable on Rs. 16.06 crore only out of the entire payment of Rs. 31.27 crore on 5 February 1998. Due to the failure of DD in deducting tax at source on the balance amount of Rs. 15.21 crore Income Tax Department levied a penalty of Rs. 2.28 crore equal to tax payable on Rs. 15.21 crore under section 195 of Income Tax Act as well as interest and penalty of Rs. 2.15 crore under other sections of the Act.

Thus, DD had to incur additional expenditure of Rs. 4.43 crore (Rs. 2.28 crore + Rs. 2.15 crore) due to their failure to pay balance tax while discharging the award.

While admitting the facts (December 2003) Prasar Bharati stated that total amount of penalty and penal interest paid by them was Rs. 3.39 crore. The reply is not tenable since besides Rs. 3.39 crore (penalty and interest), Income Tax Authorities had recovered Rs. 80.06 lakh directly from the bankers of Prasar Bharati (State Bank of India) on 8 February 2000 and D.D. had also deposited Rs. 0.24 crore on 15 January 2001 bringing the total amount deducted to Rs. 4.43 crore.

The matter was referred to the Ministry in December 2003; its reply is awaited as of February 2005.

12.2 Avoidable interest payment

Non-adherence to the schedule of payment of instalments of rights fee to Board of Control for Cricket in India resulted in avoidable payment of interest of Rs. 1.42 crore.

Prasar Bharati (PB) acquired TV rights to broadcast cricketing events for the five-year period 1 October 1999 to 30 September 2004 from the Board of Control for Cricket in India (BCCI), for which it agreed to pay Rs. 46 crore per annum. The agreement was signed in September 1999 between PB and BCCI. In terms of clause 12.3 of the agreement, PB was to make the payment of the agreed amount to BCCI in three instalments each year. In the first year, 50 *per cent* of the amount was payable within 30 days of the date of agreement, 25 *per cent* within eight weeks prior to the start of the first tour or tournament of the season and 25 *per cent* on the last day's scheduled play in last such tour or tournament. In the subsequent years, 50 *per cent* of the amount was payable on 1 October each year and the second and third instalments were payable in the same manner as for the first year. In case of default of payment of any instalment, BCCI was entitled to interest @15 *per cent per annum* on the defaulting instalment amount.

Audit ascertained that PB did not adhere to the schedule of payment of instalments and had paid instalments in eight cases after delays ranging from 1 day to 116 days. Consequently, PB had to pay to the BCCI interest of Rs. 1.42 crore in May 2004 due to delay in processing the amount of instalments and their timely disbursement during the period 1999-2000 to 2002-2003 as detailed below:

(Rupees in crore)

Period	Details of instalments due			Date of payment of instalments	Delay in making payment (in days)	Interest @ 15 *per cent* paid on delayed amount
	Instalment number	Amount	Date			
1999-00	1st (a)	3.00	25.10.1999	18.11.1999	24	0.03
	(b)	20.00	18.11.1999	17.12.1999	29	0.23
	3rd	11.50	19.03.2000	02.05.2000	44	0.20
2000-01	1st	23.00	01.10.2000	18.10.2000	17	0.16
	2nd	11.50	23.09.2000	17.01.2001	116	0.54
2001-02	3rd	11.50	19.03.2002	03.04.2002	15	0.07
2002-03	2nd	11.50	14.08.2002	23.09.2002	40	0.19
	3rd	11.50	24.11.2002	25.11.2002	1	0.00
Total						**1.42**

In response, PB confirmed (November 2004) the interest payment of Rs. 1.42 crore. Thus, lack of financial planning and control in PB resulted in avoidable interest payment of Rs. 1.42 crore.

The matter was referred to the Ministry in September 2004; its reply was awaited as of February 2005.

All India Radio, Rampur

12.3 Avoidable Expenditure

Non-disposal of a closed Receiving Centre building of All India Radio at Rampur resulted to avoidable expenditure of Rs. 26.51 lakh.

A Receiving Centre (RC) for All India Radio (AIR), Rampur was established during the year 1965. The RC was closed in June 1994 due to the introduction of new technology in radio receiving and broadcasting.

Audit ascertained (March 2004) from the records of the Station Engineer (SE), AIR, Rampur that on closure of the RC, the entire technical installations were dismantled and transferred but the building and land were not disposed of. An expenditure of Rs. 26.51 lakh (Security: Rs. 22.19 lakh, Electricity: Rs. 4.32 lakh) was incurred by AIR on the vacant RC building from the date of closure till March 2004. Five years after the closure of the RC, a proposal was sent (August 1999) by SE to the Director General (DG), AIR, New Delhi to either transfer the site to Doordarshan Maintenance Centre (DMC), Rampur which was running in a rented building or to rent it out to any Central/State (Semi-Government) Department. No decision was, however, taken till August 2004.

Meanwhile, DMC, Rampur housed in a rented building paid Rs. 5.54 lakh on account of rent from July 1994 to July 2004.

In response, SE stated (March 2004) that correspondence in this regard was being made with DG. The reply was not tenable because even after the lapse of more than 10 years no meaningful action was taken to arrest the avoidable recurring expenditure.

Thus, inaction to dispose of/transfer the RC building led to an avoidable expenditure of Rs. 26.51 lakh till March 2004 which would increase with the passage of time. Separately, timely decision to transfer the building to DMC, a unit of the same organisation, would have saved Rs. 5.54 lakh on account of payment of rent for office building.

The matter was reported to the Ministry in September 2004; its reply was awaited as of December 2004.

12.4 Inadmissible grant of agency commission

Prasar Bharati irregularly allowed an item of expense to the National Film Development Corporation against the terms of the agreement resulting in short recovery of Rs. 22.68 lakh.

The Prasar Bharati (PB) entered into two agreements (May 2001) with National Film Development Corporation (NFDC) for supply of Hindi feature films to be telecast on Doordarshan-I channel at 9.30 p.m and 10.30 p.m on each Friday and Saturday respectively during June 2001 to May 2002. The agreement was extended from time to time till December 2002 and thereafter NFDC was allowed to supply the films without a formal agreement till September 2003 under the same terms. According to the agreement, NFDC was to pay Rs. 81 lakh and Rs. 21.50 lakh per film as minimum guarantee amount to PB for telecasting films on Fridays and Saturdays respectively. PB was to allow NFDC marketing rights, which included free commercial time and additional commercial time[1] at the prescribed rates. In addition, PB was to charge NFDC Rs. 72,000 for branding[2] each film.

Audit ascertained that PB irregularly allowed agency commission @ 15 *per cent* (Rs. 10,800) to NFDC on the branding charges of Rs. 72,000. The initial agreement with NFDC did not provide for this item of expense to NFDC. In all, 210 films were telecast between June 2001 and September 2003 and by

[1] Additional commercial time is purchased by an agency marketing the film.
[2] Usages of punchline.

allowing for this item of expense, PB received Rs. 22.68 lakh less than the amount actually recoverable.

In reply, PB admitted (July 2004) that branding charges were being revised and arrears added against NFDC. In November 2004 it confirmed that arrears had been added against NFDC but they were yet to be recovered. Ministry endorsed PB's reply and stated (December 2004) that necessary corrective measures had been taken by PB. However, the arrears of branding charges are yet to be recovered.

CHAPTER XIII : MINISTRY OF SHIPPING -PORTS WING

Chennai Port Trust

13.1 Short collection of vessel-related charges

Irregular adoption of reduced gross tonnage for levy of vessel related charges resulted in short recovery of Rs. 4.58 crore. An amount of Rs. 3.25 crore was recovered at the instance of audit.

The 'Scale of Rates' applicable to Chennai Port Trust (ChPT) provided that the vessel related charges (port dues, pilotage fees and berth hire charges) shall be levied on the basis of Gross Registered Tonnage (GRT) of the vessels. An amendment to the Major Port Trusts Act, 1963, made the newly constituted 'Tariff Authority for Major Ports' (TAMP), the authority responsible for approving any revision in the scale of rates with effect from April 1997.

In November 1993, the International Maritime Organisation (IMO) adopted a resolution (a) emphasising the urgent need for promoting the use of oil tankers with segregated ballast tanks in order to reduce the risk of oil pollution and (b) recommending that tonnage based fees in respect of such oil tankers be based on reduced gross tonnage (RGT)[*]. Based on this, the Director General of Shipping (DGS) in his circular dated 6 August 1999 advised all concerned, including Chennai Port Trust, that the International Tonnage Certificate of such vessels should also indicate their RGT and this be used for calculating tonnage based fee.

In April 2000, based on the proposal of Paradip Port Trust, TAMP directed all major ports to introduce appropriate changes in their scale of rates for levy of "port dues" with reference to the RGT.

Audit ascertained that even before obtaining the approval of TAMP, ChPT adopted (August 1999) RGT as a basis for levying all vessel related charges as well. Hence, the ChPT incorrectly interpreted the scope of the concession to include pilotage fees and berth hire charges. Further, these concessions were given effect from an incorrect date. In response to an audit query (February 2002), the Chairman, ChPT stated (April 2002) that India was a signatory to the resolution of the IMO, hence there was no option but to abide by the

[*] Calculated by reducing from GRT the total tonnage of tanks used exclusively for carriage of segregated water ballast.

IMO's resolution and the directives of DGS. However, Audit noted that the Port Trust discontinued the application of RGT for collection of pilotage fees and berth hire charges from July 2002. Subsequently, in October 2002, TAMP, after obtaining the views of all major ports ordered that RGT of oil tankers with segregated ballast would continue to be applied for the purpose of levying port dues only. As the provisions of the Act clearly stipulate the approval of TAMP for any change in the scale of rates before adoption, the contention of the Chairman (April 2004) is untenable.

The combined effect of these irregularities led to short-recovery of Rs. 4.58 crore for the period August 1999 to July 2002.

Chennai Port Trust replied (November 2003 and June 2004) that Rs. 3.25 crore had been recovered and out of the balance of Rs. 1.33 crore, Rs. 1.25 crore was pending due to a stay obtained by the concerned parties from the High Court.

The matter was referred to the Ministry in August 2004; its reply was awaited as of December 2004.

Kolkata Port Trust

13.2 Infructuous expenditure

The Port Trust's ill-considered decision to repair a vessel which had outlived its useful life led to infructuous expenditure of Rs. 5.83 crore.

RSV Tribeni, a river survey vessel of the Kolkata Port Trust, was built in 1965 at a cost of Rs 1.10 crore. It was laid up in January 1998 for annual survey repair. As the vessel had already exhausted its economic service life in 1995, it was decided in a Board Meeting held in March 1998 to replace RSV Tribeni with one large craft.

However, in June 1998, the Port Trust also felt that the services of RSV Tribeni would be utilized for undertaking survey operations at lower reaches till a new survey vessel/launch was procured and decided to repair the vessel within the shortest possible time. The Port Trust estimated that the vessel would work for one year after survey repair.

The repair work was awarded to Hoogly Dock and Port Engineers Limited (HDPE) in November 1998 at a total cost of Rs. 1.24 crore. The work was scheduled to be completed in 120 days from the date of placement of the order or placement of the vessel in dry dock, whichever was later. Though the work order was placed in November 1998, the vessel could actually be placed in dry dock only in June 1999, because of other priority vessels. However, HDPE failed to repair the vessel even within 180 days from the date of drydocking and the vessel again had to be taken out of dry dock in December 1999 to accommodate another vessel. It was placed in dry dock once again in February 2000 and after repair the vessel was commissioned in December 2000. The total value of work done by HDPE was Rs. 97.28 lakh. The Port Trust imposed liquidated damages amounting Rs. 9.73 lakh on the firm for delay in completion of the work.

After commissioning, the vessel could work for only 14 days till April 2002, due to various technical problems. During its inoperative period, the survey commitments of RSV Tribeni were fulfilled by two launches procured by Port Trust in August and November 1999 and hired launches of other operational points of Marine Department. Meanwhile one survey vessel M.V. Sarojini was also delivered in April 2001. Thus, RSV Tribeni which was uneconomical to maintain and operate became surplus to requirement and Director, Marine Department, proposed (December 2001) its disposal. The Port Trust finally condemned the vessel in April 2002.

The vessel was disposed of in September 2003 for Rs. 79.50 lakh. Meanwhile the Port Trust incurred an expenditure of Rs. 5.83 crore from February 1998 to May 2002, on the crew members of RSV Tribeni, towards payment of salary, wages and other incidental charges, including the cost of repair of the vessel. The expenditure incurred did not yield any material benefit because the vessel could be utilized for only 14 days against its expected service life of one year after repairs. Further, during the period it was not in operation, the survey requirements were fulfilled by other vessels. Thus, the Port Trust's decision to repair RSV Tribeni, which had outlived its economic life was imprudent.

The Port Trust stated (September 2004) that the crew members of the vessel were gainfully utilised in other craft/launches/survey stations of Marine department, barring a skeleton staff engaged in ship keeping duty, hence the expenditure incurred was not infructuous. This reply is not tenable, as the Port Trust could not furnish any documentary evidence or administrative orders in support of such utilisation of crew members.

The matter was referred to the Ministry in July 2004; its reply was awaited as of December 2004.

Mormugao Port Trust

13.3 Infructuous expenditure on pay & allowances of crane drivers

Delay in redeployment of redundant staff resulted in infructuous expenditure of Rs. 99.83 lakh.

The Mormugao Port Trust (MPT) had condemned five wharf cranes and put them up for disposal in October 1997. Audit ascertained (August 2003) that though the cranes were decommissioned, sufficient efforts were not made to redeploy the crane drivers who continued to draw pay and other allowances without any fruitful work. Out of the 20 surplus crane drivers, 15 retired subsequently and consequent to the audit observation, the remaining five were deployed in the Workshop in April 2004. The expenditure incurred on idle wages to the surplus crane drivers during the period 1998-99 to 2003-04 was Rs. 99.83 lakh.

The Port Trust while accepting the payment of idle wages, replied (July 2004) that the services of the crane drivers could not be utilised elsewhere due to practical problems and as they did not fulfill the qualification criteria, they could not be deployed in the alternative posts.

Thus, by not taking timely action to redeploy the services of the redundant staff, the Port incurred an infructuous expenditure of Rs. 99.83 lakh on idle wages for five years.

The matter was referred to the Ministry in November 2004; its reply was awaited as of December 2004.

Mumbai Port Trust

13.4 Undue benefit of interest to the contractor in premature release of retention money

By releasing retention money of Rs. 3.29 crore before the due date and in relaxation of conditions of contract to provide financial support to the contractor for timely completion of the project, Port afforded undue benefit to the contractor. Interest was recovered at the instance of Audit but at a lower rate. Recovery of interest amounted to Rs. 1.24 crore and undue benefit due to recovery at lower rate of interest amounted to Rs. 15.45 lakh.

M/s Afcons Infrastructure Limited (AFCONS) was awarded contract for modernization of three berths of Marine Oil Terminal at Jawahar Dweep in September 2000 with Government approval at a cost of Rs. 144.44 crore with completion period of 32 months. The contract consisted of Completion of Approach Trestle and Laying Pipelines (Milestone No.1), Demolition & Reconstruction of Jetty Head, Pipe laying, Fire Fighting facilities, etc. in Jetty Heads J3, J2, J1. (Milestones 2,3 &4)

The contract provided for deduction of retention money at 10 *per cent* of amount due in respective currencies from the contractor's interim bills. This retention money was to be released in two instalments, one half after issue of "taking over" certificate and the balance after expiry of the defects liability period.

The aggregate retention money recovered from the contractor's bills for the period upto July 2002 was Rs. 6.59 crore. The progress of work was slow. The contractor attributed (August 2002) it to cash flow problems and requested the Port for the release of the retention money against an unconditional bank guarantee, with promise of timely completion of the project on getting the funds. In order to avoid any delay in completion of the project, the Port (October 2002) agreed to release 50 *per cent* of the retention money immediately and balance after construction and commissioning of one of the three jetties (J3), against bank guarantee. The Port also decided not to deduct retention money from subsequent interim bills and instead to accept bank guarantees in lieu of the same. Accordingly, an amount of Rs. 3.29 crore[1] being 50 *per cent* of retention money was released (Nov. 2002). Before relaxing the relevant conditions in the contract, pursuant to a Trustee

---

[1] Conversion of US$ @ Rs. 46.30 based on mean value of dollar from date of release of retention money and present value.

resolution, the Port did not obtain any approval from Government.

Audit noted (January 2003) that the Port's decision of release/non-deduction of the retention money before due dates was contrary to the provision of the contract, and the same afforded undue benefit to the contractor in the form of interest potential on the retention money released. Despite the financial assistance the contractor failed to adhere to the schedule of completion of the project as detailed below:

Milestone	**Completion**	
	Schedule date	**Actual date**
Milestone no. 1	15.01.2002	31.03.2003
Milestone no. 2	15.07.2002	12.08.2003
Milestone no. 3	15.12.2002	08.05.2004
Milestone no. 4	15.06.2003	Work in progress (November 2004)

The Port decided (June 2003) not to release further retention money ahead of due dates. The contractor was given the option either to pay back the prematurely released money in three instalments or to retain the money on payment of interest at 10 *per cent per annum* from the date of release. The contractor opted (December 2003) to retain the money by paying interest. Accordingly interest amounting to Rs. 1.24 crore was recovered by the Port for the period from November 2002 to September 2004 from the contractor's bills.

The early release of retention money was justified by the department stating (July 2004) that the same was done with the objective of completion of the balance work within the stipulated time as any delay in completion of the project would have adverse impact on the Port's traffic. It was also stated that the release of the money had helped in improving the progress of the work.

The reply of the Port is not acceptable as the release of retention money was not in conformity with the provisions of the contract and resulted in extension of undue financial benefit to the contractor. As this provision of premature release of funds was not known while inviting the bids, other bidders could not factor it in and the possibility of obtaining better competitive rates was lost. On the contrary, the preferential treatment given to the lowest bidder during the contract did not afford any cost advantage to the Port as the average rate of interest charged by the banks at the time of the decision of the Port (June 2003) was 11.25 *per cent* while the Port levied interest at the rate of 10 *per cent* leading to a differential of Rs. 15.45 lakh upto November 2004. Further, the purpose of releasing the money early was defeated, as the contractor did not complete the work on time. The remaining work of one of the three Jetties (JI) is expected to be completed in December 2004 nearly 18 months after the original scheduled date of completion June 2003.

The matter was referred to the Ministry in August 2004; its reply was awaited as of December 2004.

Paradip Port Trust

13.5 Loss of Revenue

Failure to realise the expenditure for the removal of the cargo spillage from the port users led to loss of revenue of Rs. 86.49 lakh to the Paradip Port Trust.

According to Rule 28 of Paradip Port Trust (PPT) Rules and Regulations of 1966, if any person or the master or owner of any vessel or the stevedore engaged in loading or unloading of a vessel allows any cargo to fall from any vessel, pier or quay into the harbour waters, he shall take immediate steps to remove the said cargo, from the water. Rule 29 ibid further envisages that if such persons fail to remove the cargo, the Deputy Conservator may remove it and any expenses incurred in such removal shall be recovered from the concerned persons without prejudice to any other penalty to which they may be liable. The polluter must pay principle underlies this rule. This is a fundamental principle that governs international law on environment.

Audit ascertained (May 2003) that the Marine Department had undertaken grab dredging of the berth face in PPT between February 2002 and March 2003 for removal of cargo spillage. Cargo spillage of 34,596 metric tonne (MT) was dredged that contained mostly thermal coal and coking coal. Expenditure of Rs. 86.49 lakh was incurred on the dredging. However, the PPT failed to realise this amount from the defaulting port users which resulted in loss of revenue of Rs. 86.49 lakh.

In response, the PPT (July 2003) agreed that any port user/stevedore found to be responsible for dropping cargo into the harbour waters should be penalised.

However, the PPT stated that the amount spent towards berth face dredging could not be recovered owing to the following reasons:

(i) the polluters were not identifiable;

(ii) the expenditure incurred on berth face dredging was a part of the total dredging expenditure of the Port Trust; and

(iii) the present volume of the dredged material was accumulated material of the last 10 years and it was difficult to apportion the cost of dredging among different users.

The reply of the PPT cannot be accepted because the accumulated quantity pertained to the period from February 2002 to March 2003. The other arguments of the PPT are also not tenable because in July 2002, the Deputy Conservator had proposed recovery of the cost of spillage of 18338.8 MT, accumulated upto June 2002 from the stevedores. The charges were proposed to be apportioned in terms of the quantity of cargo handled by them in the previous year. No difficulty about the identification of the stevedores was mentioned in this proposal. The Chairman of PPT had approved this proposal (July 2002). However, no recovery was made for removal of 18338.8 MT of cargo spilled upto June 2002 or for the additional quantity of 16257.2 MT cargo spilled thereafter, upto March 2003.

The matter was referred to the Ministry in August 2004; its reply was awaited as of December 2004.

CHAPTER XIV : MINISTRY OF SMALL SCALE INDUSTRY AND AGRO RURAL INDUSTRIES

Khadi and Village Industries Commission

14.1 Avoidable excess payment of interest subsidy

Khadi and Village Industries Commission paid an additional interest subsidy of Rs. 1.03 crore for bank finance availed by a directly aided institution due to its failure to revise the provision of the Interest Subsidy Scheme.

The Government of India approved (May 1977) a Comprehensive Interest Subsidy Scheme (Scheme) for institutional financing of the Khadi and Village Industries Programme. Under the Scheme, interest subsidy would be admissible to prescribed entities[#] for funds raised from certain financial institutions.

According to the Scheme, the Commission issued Interest Subsidy Eligibility Certificates with reference to limits of bank finance approved by the Standing Finance Committee. The entities thereafter negotiated with the bankers for the required finance. The quantum of interest subsidy would be limited to the actual rate of interest reduced by four *per cent*. The four *per cent* component would be borne by the borrower.

The Reserve Bank of India made significant changes in the administration of the interest rates, which covered the interest rates applicable to these loans. Lending rates of commercial banks were deregulated with effect from October 1994 which allowed the banks to vary their actual lending rates to creditworthy borrowers. Hence, borrowers were in a position to negotiate competitive borrowing rates. However, no corresponding changes in the Scheme were made by the Khadi and Village Industries Commission (KVIC) to provide an incentive for borrowers to negotiate competitive rates or disincentive for failing to obtain such rates.

Audit ascertained (December 2003) that the Commission had issued Interest Subsidy Eligibility Certificates to Shri Mahila Griha Udyog Lijjat Papad, which allowed the entity to avail bank finance of Rs. 5.90 crore during 1998-

[#] KVIC, its aided agencies, State/Union Territories, KVIC Boards and its aided agencies engaged in Khadi and Village Industries activities.

99 and 1999-2000 and Rs. 7.90 crore during the period 2000-01 to 2003-04 from three banks at varying rates of interest.

The rates charged by the three banks namely Bank of Baroda, Bank of India and Dena Bank for the period April 2002 to March 2004 were 0.5 *per cent* to 2 *per cent*, 1.36 *per cent* to 2.6 *per cent*, 3.06 *per cent* to 4 *per cent* higher than the prime lending rates fixed by the respective Banks. Hence, Commission had to bear excess interest liability of Rs. 38.70 lakh for the period 2002-03 and 2003-04. Further, considering the average difference in rates of interest, the excess payment of interest subsidy for the period 1998-99 to 2001-02 worked out approximately to Rs. 64.47 lakh. Thus, failure of the Commission to harmonise the Scheme with the deregulated interest rate regime resulted in excess payment of interest subsidy amounting to Rs. 1.03 crore for the period up to March 2004 on account of bank finance provided to only one institution.

The matter was referred to Ministry in September 2004, its reply was awaited as of December 2004.

14.2 Loss due to non-revision of Licence fee

Failure by Khadi and Village Industry Commission to revise licence fee and service charges in respect of 274 staff quarters located in Mumbai resulted in loss of Rs. 20.60 lakh.

Fundamental Rule 45A IV(C)(ii), stipulates recovery of flat rate of monthly licence fee based on the cost of construction and plinth area and living area of the type of accommodation allotted to the employees, subject to the condition that the amount taken from any officer shall not exceed 10 per cent of his monthly emoluments. Further, according to the provision under S.R. 324, licence fee has to be recalculated on expiry of five years or three years as the case may be, from the date of last calculation.

KVIC follows rules and regulations as applicable to Central Government employees for pay and allowance and other administrative matters. The commission has 274 quarters at different locations at Mumbai allotted to eligible employees for which licence fee is recovered. Audit ascertained that licence fee of KVIC staff quarters had not been revised since August 1994. During this period, pay scales for staff and officers were revised in line with Pay Commission recommendations, the licence fee of Central Government employees was also revised in July 1996, July 1999 and April 2001. Due to non-revision of licence fee, KVIC suffered a loss of Rs. 8.38 lakh (approx) for the period from July 1996 to March 2004.

Further, KVIC did not recover water charges separately but collected service charges from its allottees in lieu of water charges at the rate fixed in October 1986 with reference to the type of quarters.

Audit further ascertained that the concerned local authority (Brihan Mumbai Municipal Corporation) regularly revised the rate of water charges. However, KVIC failed to correspondingly revise service charges. As a result, KVIC paid water charges amounting to Rs. 13.51 lakh for the period February 2002 to September 2004, for the staff quarters located in Mumbai, whereas service charges recovered amounted to Rs. 1.29 lakh only. Hence KVIC had borne Rs. 12.22 lakh from its own budgetary sources.

In response, KVIC stated (May 2004) that due to non-receipt of Government circulars regarding revision of licence fee, the same was not revised and the licence fee had since been revised from April 2004. KVIC also stated that it was making all possible efforts to review the issue of water charges by constituting a high level committee.

However, KVIC's reply is not tenable because rules clearly prescribe recalculation of licence fee after a stipulated period. Moreover, the Commission should have exercised due care to ensure that it obtained copies of relevant orders from Government of India or the Ministry. KVIC should have also revised the rate of service charge with reference to the revised increased rate of water charges fixed by local authority.

Hence, non-revision of licence fee and service charges resulted in loss of Rs. 20.60 lakh to KVIC. The details of such losses incurred by KVIC for quarters located in different states were not available.

The matter was referred to the Ministry in July 2004; its reply was awaited as of November 2004.

CHAPTER XV : MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT

Maulana Azad Education Foundation

15 Loss of interest due to delay in taking investment decision

Delay in taking investment decisions by the Maulana Azad Education Foundation resulted in loss of interest of Rs. 36.50 lakh.

The Maulana Azad Education Foundation (Foundation), a registered society under the Societies' Registration Act 1860, received a corpus fund of Rs. 70.01 crore (between March 1993 and August 1997) from the Ministry of Social Justice and Empowerment. This fund was invested by the Foundation in a blend of securities to generate revenues for its programme of financial assistance to various minority institutions.

Audit ascertained (January 2004) that fixed deposits amounting to Rs. 12.50 crore had matured on 21 August 2001 and the Foundation received this amount on 30 August 2001. However, the amount was reinvested by the Foundation only on 31 January 2002 in fixed deposits for one year with three banks (Oriental Bank of Commerce Rs. 5.00 crore, State Bank of Mysore Rs. 5.00 crore and Andhra Bank Rs. 2.50 crore) carrying interest @ 8.5 *per cent* per annum. During the intervening period of 154 days from 30 August 2001 to 31 January 2002, the amount was kept in a saving account at an interest rate of four *per cent per annum*. Thus, due to delayed reinvestment of the amount the Foundation earned a lower interest, in the saving accounts. Further, the interest earned on its reinvestment as fixed deposit fell as the return on deposits for one year declined from 9.5 *per cent* to 8.5 *per cent*. Had the deposit been renewed with effect from 31 August 2001, it would have earned interest at the rate of 9.5 *per cent*, which was prevalent on that date. The loss of interest amounted to Rs. 36.50 lakh.

In response, the Foundation stated (April 2004) that immediately on receipt of the money, they had initiated the process for its reinvestment and had submitted the recommendations of the Governing Body to the President of the Foundation for approval. However, the Ministry had constituted a Committee (October 2001) to consider the issue relating to safety of the corpus fund and to evaluate the investment options. By the time the investment proposal received the approval of the President of the Foundation, the rate of interest had fallen on three occasions. As a result, the Foundation followed the entire procedure of obtaining approval for the investment every time the interest rate fell. The Ministry also admitted (August 2004) that the delay took place in following due procedures. Thus, procedural delays in taking the investment decision resulted in loss of interest of Rs. 36.50 lakh indicating an urgent need for the Foundation to streamline its investment procedures.

CHAPTER XVI : MINISTRY OF URBAN DEVELOPMENT

Delhi Development Authority

16.1 Avoidable Expenditure

Failure of DDA to adhere to instructions of the Ministry and route its advertisement requirements through Directorate of Advertisement and Visual Publicity resulted in avoidable expenditure of Rs. 6.07 crore.

The Delhi Development Authority (DDA) releases advertisements to various newspapers through advertising agencies at commercial card rates. The advertisement rates and the agencies are approved/empanelled every year with the approval of the Member (Finance) DDA.

In October 2001, the Ministry of Urban Development and Poverty Alleviation[1] circulated to DDA for guidance and necessary action a letter received from the Directorate of Advertisement and Visual Publicity (DAVP), Ministry of Information and Broadcasting. In it, DAVP requested all Ministries to advise all PSUs/Autonomous Bodies under their administrative control to route their publicity requirements through DAVP as their rates were only 40 *per cent* of the commercial card rates. DAVP added in December 2001 that according to the Allocation of Business Rules of the Union Government, production and release of all displays as well as classified advertisements on behalf of the Government of India were to be done through DAVP. Subsequently, in response to queries of DDA, DAVP clarified in February 2002 that DAVP rates were uniformly applicable to all client departments and furnished a copy of the procedure to be followed by PSUs/Autonomous Bodies for routing their advertisements though DAVP. However, DDA continued to place advertisements through their own empanelled agencies rather than through DAVP. During 2001-02 and 2002-03, DDA spent Rs.11.99 crore on advertisement in various newspapers. Had the advertisement been routed through DAVP, DDA could have saved Rs.6.07 crore. The matter was referred to the Ministry as well as to the DDA in April 2004.

DDA stated in May 2004 that it was an autonomous body and unlike Government departments, such autonomous bodies are charged commercial rates by various newspapers. It added that it had been making concerted efforts to get DAVP rates but the newspapers had been insisting that commercial rates should be charged from them.

[1] now Ministry of Urban Development

The reply is not tenable as DDA did not explain why it did not route its advertisement and publicity requirements though DAVP in accordance with the Ministry's circular instead of attempting to directly negotiate with the newspapers/advertisement agencies.

Thus, failure of DDA to route its advertisements through DAVP in accordance with the Ministry's circular deprived the Authority of the benefit of concessional rates and resulted in avoidable expenditure of Rs. 6.07 crore during the period November 2001 to March 2003.

The matter was referred to the Ministry in April 2004; its reply was awaited as of December 2004.

16.2 Loss due to fixation of Higher Reserve Price

Defective fixation of reserve price and formulation of an unrealistic parking fee structure resulted in parking sites remaining unauctioned leading to revenue loss of Rs. 2.57 crore.

DDA constructs and allots parking sites to private contractors on licence fee basis through public auction after fixing the reserve price. The reserve price is calculated on the basis of the capacity of the vehicles in the parking site multiplied by the rates ranging from Rupees two to Rupees 20 for five to twelve hours in respect of different vehicles or last auction price of similar site whichever is higher. According to the terms and conditions of grant of licence, the successful contractor is required to deposit the licence fee with DDA on monthly basis and thereafter to charge parking fee from the users according to the schedule of rates fixed by DDA.

DDA invited in May 2000 tenders for 17 parking sites for charging parking fee at the following rates:

	Upto 4 hours	Upto 12 hours	Upto 24 hours	Per Month
Car	5	10	15	400
Scooter. (Re. 1/- extra per helmet)	3	6	10	200
Bicycle	1	2	3	75
Bus	15	25	40	900

However, tenders were received for only seven of the seventeen sites. As a result, the Vice Chairman asked for a review of the reserve price. The Committee on Reserve Prices chaired by Commissioner (LD) reviewed in July 2001 the reserve price fixed by the Finance Wing in the light of responses received in the past and particularly for the parking sites which remained unauctioned and recommended a downward revision of the reserve price by 10 to 40 *per cent*. This was approved by the Vice Chairman in August 2001.

Based on the reduced reserve price, tenders were invited on four occasions between October 2001 and March 2003 but six sites continued to remain un-auctioned. Audit observed that the main reason for the lack of response was the fixing of parking fees on a slab rate system. This was in contrast to the flat rate system adopted by other local bodies managing similar parking sites. A survey conducted by the department in May 2001 which stated that the contractors were reluctant to tender for parking sites located in commercial centres, which housed offices, in which parking space users were frequent visitors who preferred a uniform parking fee for the day irrespective of the number of visits. The findings of the survey were however not taken into account while reviewing the terms and conditions of the tender and reserve price in July 2001. Further, Audit noticed that while the seventh parking site at Rohtak Road had been allotted to a contractor, no revenue had been received as of October 2004.

Thus, prescribing an unrealistic pattern of charging parking fees and fixing high reserve prices, resulted in six parking sites remaining un-auctioned leading to revenue loss of Rs. 2.57 crore during the period May 2000 to October 2004 worked out on the basis of the minimum reserve price fixed for the parking site by the DDA.

The matter was referred to the Ministry in August 2003, and reminder was issued in July 2004, its reply was awaited as of December 2004.

16.3 Loss due to incorrect fixation of reserve price

Loss of Rs. 1.79 crore due to incorrect fixation of reserve price of commercial plots.

The Delhi Development Authority disposes of Nazul Land for commercial purposes either by auction or by tender on payment of such premium as may be fixed in accordance with the provisions of the DDA (Disposal of Development Nazul Land) Rules 1981. Under the extant rules, commercial plots are put to auction after fixing the reserve price. The reserve price is fixed by reducing the average auction price in the immediate preceding year by 10 *per cent* subject to its not being less than the cost of acquisition and development of the plot. This may be further reviewed after one year or when the market price picks up again which ever is earlier.

Audit ascertained that the above provisions relating to fixation of reserve prices were not correctly adhered to in the following cases which resulted in loss of Rs. 1.79 crore to DDA:-

An auction of 25 commercial plots was held on 16 January 2002. The reserve price in respect of Plot No.9 (260 sq meters) in M.L.U[1]. Pocket in Sector-XII, Dwarka, was fixed at Rs. 1.56 crore. However, while arriving at the reserve price, DDA did not consider the average auction price of the immediate preceding year (auction held on 30 October 2001), in which three plots in the same area fetched an average price of Rs. 76,489.00 per sq. m. Thus, the reserve price should have been fixed at Rs. 1.79 crore instead of Rs. 1.56 crore. Moreover, only one bid for Rs. 1.56 crore was received from M/s Sunder Construction Co. as the Builders Association had boycotted the auction. Acceptance of this single bid coupled with failure to correctly fix the reserve price resulted in loss of at least Rs. 22.98 lakh.

(a) A property bearing No.5, (396.31 sqm) situated at Community Center No.5, Zone E-II, Karkardooma was auctioned on 3 October 2001 by applying a reserve price of Rs.1.93 crore. A single bid for Rs. 1.93 crore was accepted by the Vice Chairman on 15 October 2001. Audit scrutiny revealed that in another auction held on 22 August 2001, four plots in the same complex had fetched an average price of Rs. 92,354 per sqm. Accordingly, the reserve price should have been fixed at Rs. 3.30 crore instead of Rs. 1.93 crore. Thus, incorrect fixation of reserve price resulted in a loss of Rs. 1.37 crore.

(b) Similarly, plot no.11 (210 Sq.m.) in MLU, Dwarka was auctioned for Rs. 1.26 crore during an auction held on 6 February 2002. The correct reserve price as per the above formula worked out to Rs. 1.45 crore resulting in loss of Rs. 18.55 lakh to DDA.

The matter was reported to the Ministry in June 2004; its reply is awaited as of December 2004.

---

[1] Alphabetical name of Pocket

16.4 Blocking of funds

Breach of the Master Plan 2001 for Delhi by Delhi Development Authority and non-availability of clear site for the intended purpose before award of work resulted in blockage of Rs. 1.49 crore.

Para 15.2.1.3 of the CPWD Manual stipulates that availability of clear site should be ensured before award of work. Ensuring availability of clear site includes ensuring that the site proposed for the work is available for the intended purpose as per the land use norms stipulated in the Master Plan.

Test check of the records of DDA revealed that it invited tenders in October 2001 for construction of 852 HIG/MIG/LIG flats at Mehrauli Mahipal Pur Road in Vasant Kunj, New Delhi, at an estimated cost of Rs. 32.50 crore. The Executive Engineer awarded the contract to M/s Larsen and Toubro Limited in February 2002 at a negotiated rate of Rs. 36.07 crore for completion within 30 months. Similarly, DDA awarded another work for construction of 850 HIG/MIG/LIG flats at Sultangarhi in Vasant Kunj to M/s Ahluwalia Contractors (India) Limited at a negotiated rate of Rs. 35.27 crore in May 2002.

At the time of award of the contracts, the proposed sites were categorized as for "rural use" in the Master Plan 2001 and hence they were not available for the construction of residential colonies unless the land use was first changed from rural to residential. Consequent upon a writ petition filed in the Delhi High Court, the Hon'ble Court observed (September 2002) that DDA being a statutory authority was bound to follow the law and the Chairman DDA should look into the issue as to how construction could commence without following the procedure prescribed under the law. The Court directed that the construction work should be stopped forthwith and resumed only after compliance with the provisions of the Delhi Development Act.

In pursuance of the above directions of the Hon'ble Court, DDA instructed M/s Larsen & Toubro Limited (September 2002) and M/s Ahluwalia Contractors Limited (November 2002) to stop the work till further orders. DDA had paid a sum of Rs. 1.49 crore to both the contractors (M/s L&T Rs. 119.87 lakh and M/s Ahluwalia Contractors Rs. 29.35 lakh.) till then. One of the contractors viz. M/s Ahluwalia Contractors Limited filed (November 2002) a claim of Rs. 50 lakh against DDA on account of losses suffered by him due to suspension of the work for no fault of his.

While confirming the facts, DDA stated (July 2004) that the Ministry had directed DDA in January 2004 not to take up any such work without obtaining prior statutory approval and to act only in accordance with the provisions of the Master Plan in future. DDA added that change in land use from rural to residential had since been approved in January 2004 and M/s Larsen & Toubro Limited had been asked to resume the work.

Thus, the failure of the DDA to ensure conformity with the land use norms as per the Master Plan before award of work resulted in delay in-completion of two housing projects costing Rs. 71.34 crore as well as blockage of Rs. 1.49 crore paid to the contractors. It also exposed the Authority to claims of losses due to suspension of work and payment of compensation to the contractors as well as additional liability on account of cost escalation of the project.

The matter was reported to the Ministry in July 2004; its reply was awaited as of December 2004.

16.5 Idle investment

Failure of the Department to adhere to codal provisions regarding availability of clear site and required materials before award of work resulted in idle investment of Rs. 53.54 lakh.

The provisions[2] of CPWD Manual stipulate that no tender shall be invited unless the stipulated materials are available or are likely to be received before the work commences. Further, availability of clear site is also to be ensured before approval of the Notice Inviting Tender (NIT).

The Delhi Development Authority awarded the work of providing and laying peripheral C-I water supply line at Dallupura/Chilla to M/s Satish Kumar Gupta in September 2002 at a tendered amount of Rs. 80.57 lakh against the estimated cost of Rs. 61.06 lakh. The stipulated dates of start and completion of the work were 12 September 2002 and 11 January 2003 respectively.

Audit ascertained in March 2004 that the work was initially held up for 53 days from 12 September 2002 to 3 November 2002 due to non-availability of site. Thereafter the contractor completed all works except laying of the 400 mm diameter C-I pipe which was to be supplied by the Department. The pipes were not available in the stores of DDA after 5 December 2002 and the Authority failed to arrange the pipes even thereafter. As a result, the work

[2] Para 17.3.1 & Para 15.2.1 of CPWD manual Vol II

could not be completed and it was ultimately closed with the approval of the competent authority in March 2004. The work remained incomplete despite the expenditure of Rs. 53.54 lakh.

Thus, failure of the Authority to ensure the availability of the required material as well as clear site before awarding the work as stipulated in the codal provisions resulted in idle investment of Rs. 53.54 lakh.

The matter was referred to the Ministry in June 2004; its reply was awaited as of December 2004.

CHAPTER : XVII

17 Follow up action on Audit Reports-Summarised Position

The Lok Sabha Secretariat issued instructions in April 1982 to all Ministries to furnish notes to the Ministry of Finance (Department of Expenditure), indicating remedial/corrective action taken on various paragraphs contained in the Audit Reports, soon after these were laid on the Table of the House.

In their Ninth Report (Eleventh Lok Sabha) presented to the Parliament on 22 April 1997, PAC desired that submission of pending Action Taken Notes (ATNs) pertaining to Audit Reports for the years ended March 1994 and 1995 be completed within a period of three months and recommended that ATNs on all paragraphs pertaining to the Audit Reports for the year ended March 1996 onwards be submitted to them duly vetted by Audit within four months from the laying of the Reports in Parliament.

A review of the position of receipt of ATNs on paragraphs included in Audit Reports (Autonomous Bodies) upto the period ended 31 March 2003 (**Appendix-VIII**) revealed that the Ministries did not submit remedial/corrective ATNs in respect of a large number of paragraphs inspite of the above instructions. Out of 112 paragraphs on which ATNs were required to be sent, final ATNs in respect of 27 paragraphs were awaited while ATNs in respect of 85 paragraphs had not been received at all.

Out of 85 paragraphs on which ATNs had not been received, 35 paragraphs pertained to Reports for the years ended March 1989 to March 1993 and related to the Ministry of Urban Development.

(Dr. A.K. BANERJEE)
Director General of Audit
Central Revenues

New Delhi
Dated 31 March 2005

Countersigned

(VIJAYENDRA N. KAUL)
Comptroller and Auditor General of India

New Delhi
Dated 1 April 2005

APPENDIX - I

(Referred to in paragraph 1.1)

Grants/loans released during 2003-2004 to central autonomous bodies audited under sections 19(2) and 20(1) of CAG's (DPC) Act, 1971

(Rupees in lakh)

Sl. No.	Ministry /Name of Body	Grant	Loan
	Agriculture and Co-operation		
1.	Coconut Development Board, Kochi	1.28	Nil
2.	National Co-operative Development Corporation, New Delhi	2650.92	Nil
3.	National Horticulture Board, Gurgaon	5625.00	Nil
4.	National Institute for Agricultural Extension Management, Hyderabad	502.47	Nil
5.	National Oil Seeds and Vegetable Oil Development Board, Gurgaon	590.00	Nil
		9369.67	**Nil**
	Animal Husbandry and Dairying		
6.	Veterinary Council of India, New Delhi	37.44	Nil
		37.44	**Nil**
	Chemicals and Fertilizers		
7.	National Institute of Pharmaceutical Education and Research, Mohali	1986.80	Nil
		1986.80	**Nil**
	Coal & Mines		
8.	Coal Mines Provident Fund Organisation, Dhanbad	Nil	Nil
	Commerce		
9.	Agricultural & Processed Food Products Export Development Authority, New Delhi	4215.22	Nil
10.	Coffee Board (General Fund Accounts), Bangalore	3862.55	Nil
11.	Coffee Board (Pool Fund Accounts), Bangalore	Nil	Nil
12.	Export Inspection Agency, Chennai	Nil	Nil
13.	Export Inspection Agency, Cochin	Nil	Nil
14.	Export Inspection Agency, Delhi	0.61	Nil
15.	Export Inspection Agency, Kolkata	Nil	Nil
16.	Export Inspection Agency, Mumbai	Nil	Nil
17.	Export Inspection Council, Kolkata	642.04	Nil
18.	Marine Products Export Development Authority, Kochi	4790.55	Nil
19.	Rubber Board, Kottayam	9133.22	Nil
20.	Spices Board, Kochi	2480.00	Nil
21.	Tea Board, Kolkata	6273.39	Nil
22.	Tobacco Board, Guntur	2.19	Nil
		31399.77	**Nil**
	Consumer Affairs		
23.	Bureau of Indian Standards, New Delhi	0.10	Nil
		0.10	**Nil**
	Culture		
24.	Allahabad Museum Society, Allahabad	203.00	Nil

Sl. No.	Ministry /Name of Body	Grant	Loan
25.	Asiatic Society, Kolkata	525.00	Nil
26.	Central Institute of Budhist Studies, Leh	566.00	Nil
27.	Central Institute of Higher Tibetan Studies, Sarnath, Varanasi	538.27	Nil
28.	Centre for Cultural Resources and Training, New Delhi	679.00	Nil
29.	Delhi Public Library, New Delhi	594.16	Nil
30.	Eastern Zonal Cultural Centre, Kolkata	89.46	Nil
31.	Gandhi Samriti and Darshan Samiti, New Delhi	498.00	Nil
32.	Indian Museum, Kolkata	750.00	Nil
33.	Indira Gandhi National Centre for the Arts, New Delhi	7.00	Nil
34.	Indira Gandhi Rashtriya Manav Sangrahalaya, Bhopal	480.00	Nil
35.	Kalakshetra Foundation, Chennai	391.00	Nil
36.	Khuda Baksh Oriental Public Library, Patna	226.00	Nil
37.	Lalit Kala Academy, New Delhi	697.47	Nil
38.	National Council of Science Museum, Kolkata	3115.02	Nil
39.	National Institute of Public Co-operation and Child Development, New Delhi	1056.00	Nil
40.	National Museum of History of Art Conservation and Museology, New Delhi	128.00	Nil
41.	National School of Drama, New Delhi	1157.49	Nil
42.	Nehru Memorial Museum and Library, New Delhi	708.84	Nil
43.	North East Zone Cultural Centre, Dimapur	594.52*	Nil
44.	Raja Ram Mohan Roy Library Foundation, Kolkata	1203.21	Nil
45.	Rampur Raza Library Board, Rampur	2420.00	Nil
46.	Sahitya Academy, New Delhi	888.96	Nil
47.	Salarjang Museum Board, Hyderabad	850.00	Nil
48.	Sangeet Natak Akademi, New Delhi	1370.51	Nil
49.	Victoria Memorial Hall, Kolkata	454.17	Nil
50.	West Zone Cultural Centre, Udaipur	73.85	Nil
		20264.93	**Nil**
	Defence		
51.	Himalayan Mountaineering Institute, Darjeeling	75.76	Nil
52.	Jawahar Institute of Mountaineering and Winter Sports, Pehalgam	14.88	Nil
53.	Nehru Institute of Mountaineering, Uttarkashi	44.00	Nil
		134.64	**Nil**
	External Affairs		
54.	Indian Council of World Affairs, New Delhi	160.00	Nil
55.	Indian Council for Cultural Relations, New Delhi	5650.00	Nil
56.	Haj Committee	Nil	Nil
		5810.00	**Nil**

* Including Rs. 5 crore as Additional Corpus Fund.

Sl. No.	Ministry /Name of Body	Grant	Loan
	Finance		
57.	Insurance Regulatory and Development Authority	Nil	Nil
58.	Securities and Exchange Board of India, Mumbai	Nil	Nil
		Nil	Nil
	Health and Family Welfare		
59.	All India Institute of Medical Sciences, New Delhi	32732.00	Nil
60.	Central Council for Indian Medicine, New Delhi	91.64	Nil
61.	Central Council for Research in Ayurveda and Siddha, New Delhi	2946.10	Nil
62.	Central Council for Research in Unani Medicine, New Delhi	1787.50	Nil
63.	Central Council for Research in Yoga and Naturopathy, New Delhi	191.25	Nil
64.	Central Council of Homoeopathy, New Delhi	55.71	Nil
65.	Central Council of Research in Homoeopathy, New Delhi	972.80	Nil
66.	Chittaranjan National Cancer Institute, Kolkota	913.00	Nil
67.	Dental Council of India, New Delhi	16.00	Nil
68.	Indian Nursing Council, New Delhi	30.00	Nil
69.	Medical Council of India, New Delhi	135.00	Nil
70.	Morarji Desai National Institute of Yoga, New Delhi	367.00	Nil
71.	National Board of Examination, New Delhi	20.00	Nil
72.	National Institute of Ayurveda, Jaipur	1155.80	Nil
73.	National Institute of Health and Family Welfare, New Delhi	3172.04	Nil
74.	National Institute of Homoeopathy, Kolkata	600.00	Nil
75.	National Institute of Mental Health and Neuro Sciences, Bangalore	4769.56	Nil
76.	National Institute of Naturopathy, Pune	145.00	Nil
77.	Pharmacy Council of India, New Delhi	10.00	Nil
78.	Post Graduate Institute of Medical Education & Research, Chandigarh	12885	Nil
79.	Rashtriya Ayurveda Vidyapeeth, New Delhi	53.17	Nil
		63048.57	**Nil**
	Home Affairs		
80.	National Human Rights Commission, New Delhi	1068.00	Nil
		1068.00	**Nil**
	Human Resource Development		
81.	Aligarh Muslim University, Aligarh	14866.41	Nil
82.	All India Council for Technical Education, New Delhi	5000.00	Nil
83.	Assam University, Silchar	623.27	Nil
84.	Auroville Foundation, Auroville	155.00	Nil
85.	Baba Saheb Bhimrao Ambedkar University, Lucknow	203.08	Nil
86.	Banaras Hindu University, Varanasi	16184.92*	Nil
87.	Board of Apprenticeship Training, Chennai	81.02	Nil
88.	Board of Apprenticeship Training, Kanpur	77.00	Nil
89.	Board of Apprenticeship Training, Mumbai	61.00	Nil

* Including Rs. 572.00 lakh by adjustment.

Sl. No.	Ministry /Name of Body	Grant	Loan
90.	Board of Practical Training, Kolkata	67.00	Nil
91.	Central Tibetan Schools Administration, New Delhi	1692.12	Nil
92.	Delhi University, New Delhi	12910.94**	Nil
93.	Dr. B.R. Ambedkar National Institute of Technology, Jallandhar	813.00	Nil
94.	Indian Council of Historical Research, New Delhi	647.30	Nil
95.	Indian Council of Philosophical Research, New Delhi	413.00	Nil
96.	Indian Council of Social Sciences Research, New Delhi	4129.95	Nil
97.	Indian Institute of Advanced Studies, Shimla	447.22	Nil
98.	Indian Institute of Information Technology, Allahabad	1250.00	Nil
99.	Indian Institute of Management, Bangalore	Nil	Nil
100.	Indian Institute of Management, Indore	1100.00	Nil
101.	Indian Institute of Management, Kolkata	Nil	Nil
102.	Indian Institute of Management, Kozhikode	1125.00	Nil
103.	Indian Institute of Management, Lucknow	1280.00	Nil
104.	Indian Institute of Technology, Chennai	8893.00	Nil
105.	Indian Institute of Technology, Delhi	11378.00	Nil
106.	Indian Institute of Technology, Guwahati	7480.00	Nil
107.	Indian Institute of Technology, Kanpur	8868.00	Nil
108.	Indian Institute of Technology, Kharagpur	9068.00	Nil
109.	Indian Institute of Technology, Mumbai	9268.00	Nil
110.	Indian School of Mines, Dhanbad	Nil	Nil
111.	Indira Gandhi National Open University, New Delhi	1656.00	Nil
112.	Jamia Millia Islamia, New Delhi	3920.87	Nil
113.	Jawaharlal Nehru University, New Delhi	5693.50*	Nil
114.	Kendriya Hindi Shikshan Mandal, Agra	900.00	Nil
115.	Kendriya Vidyalaya Sangathan, New Delhi	66157.00	Nil
116.	Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeeth, New Delhi	426.00	Nil
117.	Mahatma Gandhi Antarrashtriya Hindi Vishwavidyalaya, Wardha	180.83	Nil
118.	Malviya National Institute of Technology, Jaipur	1031.00	Nil
119.	Maulana Azad National Institute of Technology, Bhopal	1278.00	Nil
120.	Maulana Azad National Urdu University, Hyderabad	37.62	Nil
121.	Mizoram University Aizal	623.19	Nil
122.	Motilal Nehru National Institute of Technology, Allahabad	1325.00	Nil
123.	Nagaland University, Kohima	1403.46	Nil
124.	National Bal Bhavan Society, New Delhi	677.28$^{\beta}$	Nil
125.	National Book Trust, New Delhi	1160.00	Nil
126.	National Commission for Women, New Delhi	582.36	Nil
127.	National Council for Promotion of Sindhi Language, Vadodara	45.00	Nil

** Including Rs. 235.00 lakh by adjustment.

* Including Rs. 17.00 lakh by Adjustment.

$^{\beta}$ Rs. 217.54 lakh in addition to grant released on unspent balance carried forward from previous year was also allowed to be utilised in the year 2003-04.

Sl. No.	Ministry /Name of Body	Grant	Loan
128.	National Council for Promotion of Urdu Language, New Delhi	975.00	Nil
129.	National Council for Teachers Education, New Delhi	464.57	Nil
130.	National Council of Educational Research and Training, New Delhi	5396.00	Nil
131.	National Institute of Adult Education, New Delhi	50.00	Nil
132.	National Institute of Educational Planning and Administration, New Delhi	260.25	Nil
133.	National Institute of Foundry and Forge Technology, Ranchi	771.00	Nil
134.	National Institute of Technical Teachers Training & Research Institute, Bhopal	562.50	Nil
135.	National Institute of Technical Teachers Training & Research Institute, Chandigarh	725.00	Nil
136.	National Institute of Technical Teachers Training & Research Institute, Chennai	610.00	Nil
137.	National Institute of Technical Teachers Training & Research Institute, Kolkata	470.00	Nil
138.	National Institute of Technology, Hamirpur	653.00	Nil
139.	National Institute of Technology, Jamshedpur	1537.75	Nil
140.	National Institute of Technology, Kozhikode	1555.19	Nil
141.	National Institute of Technology, Kurukshetra	975.97	Nil
142.	National Institute of Technology, Rourkela	1896.00	Nil
143.	National Institute of Technology, Srinagar	720.00	Nil
144.	National Institute of Technology, Warangal	2020.00	Nil
145.	National Institute of Training in Industrial Engineering, Mumbai	1300.00	Nil
146.	National Open School, New Delhi	900.00	Nil
147.	Navodaya Vidyalaya Samiti, New Delhi	56956.00	Nil
148.	North Eastern Hill University, Shillong	3435.31	Nil
149.	North Eastern Regional Institute of Science and Technology, Nirjuli Itanagar	2100.00	Nil
150.	Pondicherry University, Pondicherry	1113.66	Nil
151.	Project of History of Indian Science, Philosophy and Culture, New Delhi	169.09	Nil
152.	Rashtriya Sanskrit Sansthan, New Delhi	3150.00	Nil
153.	Rashtriya Sanskrit Vidyapeeth, Tirupati	473.52	Nil
154.	Sant Longowal Institute of Engineering and Technology, Sangrur	1500.00	Nil
155.	Sardar Vallabh Bhai National Institute of Technology, Surat	1037.50	Nil
156.	School of Planning and Architecture, New Delhi	1600.00	Nil
157.	Tezpur University, Tezpur	544.06	Nil
158.	University Grants Commission, New Delhi	164905.00	Nil
159.	University of Hyderabad, Hyderabad	3474.83	Nil
160.	Visvesvaraya National Institute of Technology, Nagpur	1457.71	Nil
161.	Viswa Bharati, Shantiniketan	4820.92	Nil
		473759.17	**Nil**
	Industries		
162.	Coir Board, Kochi	1673.62	Nil

Sl. No.	Ministry /Name of Body	Grant	Loan
163.	Khadi and Village Industries Commission, Mumbai	45980.25	Nil
		47653.87	**Nil**
	Information and Broadcasting		
164.	Prasar Bharati, New Delhi	103534.00	9585.00
165.	Press Council of India, New Delhi	135.11	Nil
		103669.11	**9585.00**
	Labour & Employment		
166.	Central Board of Workers Education, Nagpur	2385.00	Nil
167.	Employees Provident Fund Organisation, New Delhi	Nil	Nil
168.	Employees State Insurance Corporation, New Delhi	Nil	Nil
169.	V.V. Giri National Labour Institute, Noida, Uttar Pradesh	425.00	Nil
		2810.00	**Nil**
	Law & Justice		
170.	State Legal Services Authority, (UT) Chandigarh	5.28	Nil
		5.28	**Nil**
	Power		
171.	Bureau of Energy Efficiency, New Delhi	Nil	Nil
172.	National Power Training Institute, Faridabad	1178.66	Nil
		1178.66	**Nil**
	Railways		
173.	Centre for Railway Information Systems, New Delhi	Nil	Nil
		Nil	**Nil**
	Shipping		
174.	Chennai Port Trust, Chennai	Nil	Nil
175.	Cochin Port Trust, Cochin	Nil	Nil
176.	Jawahar Lal Nehru Port Trust, Navasheva	Nil	Nil
177.	Kandla Dock Labour Board, Kandla	Nil	Nil
178.	Kandla Port Trust, Gandhidham	Nil	Nil
179.	Kolkata Dock Labour Board, Kolkata	Nil	Nil
180.	Kolkata Port Trust, Kolkata	Nil	Nil
181.	Mormugao Port Trust, Goa	Nil	Nil
182.	Mumbai Dock Labour Board, Mumbai	Nil	Nil
183.	Mumbai Port Trust, Mumbai	Nil	Nil
184.	New Mangalore Port Trust	Nil	Nil
185.	Paradip Port Trust, Paradip	Nil	Nil
186.	Seaman's Provident Fund Organisation, Mumbai	Nil	Nil
187.	Tariff Authority of Major Ports	177.79	Nil
188.	Tuticorin Port Trust, Tuticorin	Nil	Nil
189.	Vizag Dock Labour Board, Vishakapatnam	Nil	Nil
190.	Vizag Port Trust, Vishakapatnam	Nil	Nil
		177.79	**Nil**
	Social Justice and Empowerment		
191.	Ali Yavar Jung National Institute for the Hearing Handicapped, Mumbai	1175.00	Nil
192.	Central Adoption Resource Agency, New Delhi	103.00	Nil

Sl. No.	Ministry /Name of Body	Grant	Loan
193.	Central Wakf Council, New Delhi	158.00	Nil
194.	National Institute for Visually Handicapped, Dehradun	1049.00	Nil
195.	National Institute of Mentally Handicapped, Hyderabad	1015.00	Nil
196.	National Institute of Orthopaedically Handicapped, Kolkata	566.00	Nil
197.	National Trust for Welfare of Persons with Austism, Cerebral Palsy, Mental Retardation and Multiple Disabilities, New Delhi	Nil	Nil
198.	Pandit Deen Dayal Upadhyay Institute for the Physically Handicapped, New Delhi	506.00	Nil
199.	Rehabilitation Council of India, New Delhi	294.00	Nil
200.	Swami Vivekananda National Institute for Rehabilitation Training & Research, Olatpur	1057.00	Nil
		5923.00	**Nil**
	Telecommunications		
201.	Telecom Regulatory Authority of India, CPF Account	Nil	Nil
202.	Telecom Regulatory Authority of India, New Delhi	1160.00	Nil
		1160.00	**Nil**
	Textile		
203.	Central Silk Board, Bangalore	15404.00	Nil
204.	Jute Manufactures Development Council, Kolkata	3773.00	Nil
205.	National Institute of Fashion Technology, New Delhi	4236.45	Nil
206.	Textiles Committee, Mumbai	2405.00	Nil
		25818.45	**Nil**
	Urban Development & Poverty Alleviation		
207.	Delhi Development Authority, New Delhi	Nil	Nil
208.	Delhi Urban Arts Commission, New Delhi	79.00	Nil
209.	Lakshaadweep Building Development Board, Kavaratti	Nil	Nil
210.	National Capital Region Planning Board, New Delhi	5390.00	Nil
211.	Rajghat Samadhi Committee, New Delhi	160.00	Nil
		5629.00	**Nil**
	Water Resources		
212.	Betwa River Board, Jhansi	Nil	Nil
213.	Brahamputra Board, Guwahati	4581.38	Nil
214.	Narmada Control Authority, Indore	Nil	Nil
215.	National Water Development Agency, New Delhi	1860.00	Nil
		6441.38	**Nil**
	Youth Affairs and Sports		
216.	Lakshmibai National Institute of Physical Education, Gwalior	696.50	Nil
217.	Nehru Yuva Kendra Sangathan, New Delhi	5922.86*	Nil
218.	Sports Authority of India, New Delhi	12662.77♣	Nil
		19282.13	**Nil**
	Grand total	**816402.90**	**9585.00**

* Including Rs. 394.62 pertaining to 2002-03 received in 2003-04.

♣ Including Rs. 86.74 from Department of N.E.

APPENDIX - II

(Referred to in paragraph 1.1)

Bodies audited under sections 19(2) and 20(1) of the CAG's (DPC) Act 1971, whose information for 2003-2004 not received as of December 2004

Sl. No.	Ministry /Name of Body
	Environment and Forests
1.	Animal Welfare Board, Chennai
	Health and Family Welfare
2.	National Illness Assistance Fund, New Delhi
	Human Resource Development
3.	Central Agricultural University, Imphal
4.	Indian Institute of Information Technology and Management, Gwalior
5.	Indian Institute of Management, Ahmedabad
6.	Indian Institute of Maritine Studies, Mumbai
7.	Indian Institute of Technology, Roorkee
8.	National Council of Rural Institutes, Hyderabad
9.	National Culture Fund, New Delhi
10.	National Institute of Technology, Durgapur
11.	National Institute of Technology, Patna
12.	National Institute of Technology, Silchar
13.	National Institute of Technology, Surathkal
14.	National Institute of Technology, Tiruchirapalli
15.	North Central Zone Cultural Centre, Allahabad
16.	North Zone Cultural Centre, Patiala
17.	South Central Zone Cultural Centre, Nagpur
18.	South Zone Cultural Centre, Thanjavur
	Law & Justice
19.	National Judicial Academy, Bhopal
	Power
20.	Central Electricity Regulatory Commission, New Delhi
	Rural Development
21.	Council for Advancement of People's Action and Rural Technology, New Delhi
22.	National Institute of Rural Development, Hyderabad
	Social Justice and Empowerment
23.	National Commission for Backward Classes, New Delhi

APPENDIX - III

(Referred to in paragraph 1.1)

Grants released during 2003-2004 to central autonomous bodies audited u/s 14(1) and 14(2) of CAG's (DPC) Act, 1971

(Rupees in lakh)

Sl. No.	Ministry/Name of Body	Grant	Loan
	Agriculture and Co-operation		
1.	National Co-operative Union of India	616.01	Nil
2.	National Council for Co-operative Training	1380.00	Nil
3.	Small Farmers Agriculture Business Consortium	11809.00	Nil
	Chemical and Fertilisers		
4.	Central Institute of Plastics Engineering Technology, Chennai	1258.83	Nil
	Commerce		
5.	Cashew Export Promotion Council of India	122.20	Nil
6.	Engineering Export Promotion Council, Kolkata	974.93	Nil
7.	Federation of Indian Export Organisation	952.75	Nil
8.	Indian Institute of Foreign Trade	668.88	Nil
9.	Shellac Export Promotion Council, Kolkata	107.05	Nil
10.	Sports Goods Export Promotion Council	64.73	Nil
	Culture		
11.	Maulana Abul Kalam Azad Institute of Asian Studies, Kolkata	132.13	Nil
	Finance		
12.	Indian Investment Centre, New Delhi	225.00	Nil
13.	Industrial Credit and Investment Corp. of India	2945.00	Nil
14.	Industrial Finance Corp. of India	157300.00	Nil
15.	Institute of Economic Growth, New Delhi	45.00	Nil
16.	National Agriculture Bank for Rural Aid and Development	923.00	108.00
17.	National Council of Applied Economic Research	50.00	Nil
18.	National Institute of Financial Management, Faridabad	171.00	Nil
19.	National Institute of Public Finance & Policy, New Delhi	174.50	Nil
20.	State Industrial Development Bank of India	2305.00	Nil
	Food Processing Industries		
21.	Paddy Processing Research Centre Thanjavur	239.00	Nil
	Health and Family Welfare		
22.	All India Institute of Speech and Hearing, Mysore	910.00	Nil

Sl. No.	Ministry/Name of Body	Grant	Loan
23.	Central Council Combined Building Complex	128.00	Nil
24.	Central Drug Research Institue, Lucknow	230.00	Nil
25.	Central Research Institute, Chennai	100.00	Nil
26.	Gandhi Gram Institute of Rural Health and Family Welfare Trust, Tamil Nadu	36.50	Nil
27.	Gujarat Cancer and Research Institute	100.00	Nil
28.	Indian Medical Association, New Delhi	25.00	Nil
29.	International Institute of Population Sciences, Mumbai	524.93	Nil
30.	Kasturba Health Society ,New Delhi	1000.00	Nil
31.	Lala Ram Swaroop Institute of Tuberculosis and Allied Diseases, New Delhi	1420.00	Nil
32.	National Academy of Medical Sciences, New Delhi	62.00	Nil
33.	National Institute of Biologicals	2510.00	Nil
34.	National Institute of Sidha	700.00	Nil
35.	National Institute of Unani Medicine, Bangalore	300.00	Nil
36.	New Delhi T.B Centre	90.00	Nil
37.	North Eastern Indira Gandhi Institute of Health and Medical Sciences, Shillong	6500.00	Nil
38.	Pasteur Institute of India, Coonoor	750.00	Nil
39.	State Innovation in Family Planning Services Project Agency, Lucknow	5499.76	Nil
40.	Vallabhbhai Patel Chest Institute, New Delhi	1080.00	Nil
41.	Voluntary Health Scheme, Chennai	800.00	Nil
	Human Resource Development		
42.	Central Social Welfare Board	9055.08	Nil
43.	Maharshi Sandipani Rashtriya Veda Vidya Pratishthan, Ujjain	100.00	Nil
	Industries		
44.	Central Manufacturing Technology Institute, Bangalore	1470.00	Nil
45.	Fluid Control Research Institute Palakkad	250.00	Nil
46.	National Institute for Entrepreneurship and Small Business Development	119.90	Nil
	Information and Broadcasting		
47.	Children's Film Society India, Mumbai	377.88	Nil
48.	Film and Television Institute of India, Pune	848.39	Nil
49.	Indian Institute of Mass Communication	533.93	Nil
50.	Satyajit Ray's Film & TV Institute, Kolkata	363.99	Nil

Sl. No.	Ministry/Name of Body	Grant	Loan
	Industrial Policy and Promotion		
51.	Central Footwear Training Institute, Chennai	81.50	Nil
52.	Central Institute of Tool Design, Balanagar, Hyderabad	245.00	Nil
53.	Central Tool Room Training Centre, Kolkata	275.00	Nil
54.	National Institute of Small Industry Extension Training, Hyderabad	30.25	Nil
55.	National Productivity Council	1329.70	Nil
	Labour & Employment		
56.	Child Labour Abolition Support Scheme Society , Vellore	101.51	Nil
57.	National Instructional Media Institute, Chennai	227.50	Nil
58.	SMILE Project Society, Salem	67.41	Nil
	Personnel, Public Grievances and Pensions		
59.	Central Civil Services Cultural and Sports Board, New Delhi	60.00	Nil
60.	Grih Kalyan Kendra	68.00	Nil
61.	Indian Institute of Public Administration	454.00	Nil
	Planning		
62.	Institute of Applied Manpower Research, New Delhi	454.00	Nil
	Power		
63.	Central Power Research Institute, Bangalore	148.42	Nil
	Social Justice and Empowerment		
64.	District Rehabilitation Centre, Vijayawada	28.00	Nil
65.	Dr. Ambedkar Foundation, New Delhi	100.00	Nil
66.	LIBENSHILFE Visakhapatnam, Association for the Mentally Handicapped	50.03	Nil
67.	Manasika Vikasa Kendra Vijayawada	73.50	Nil
68.	Maulana Azad Education Foundation	375.00	Nil
69.	National Institute of Social Defence	303.00	Nil
70.	Zilla Vikalangula Sangam, Vinu Konda	26.19	Nil
	Textiles		
71.	All India Handloom Fabric Marketing Co-operative Society	350.00	Nil
72.	Apparel Export Promotion Council	3185.00	Nil
73.	Bombay Textile Research Association	162.50	Nil
74.	Handloom Export Promotion Council, Chennai	159.11	Nil
75.	Indian Jute Industries Research Association, Kolkata	331.59	Nil
76.	National Centre for Jute Diversification, Kolkata	745.00	Nil

Sl. No.	Ministry/Name of Body	Grant	Loan
77.	South India Textile Research Association, Coimbatore	173.65	Nil
78.	Wool Research, Thane	73.61	Nil
	Tourism		
79.	Indian Institute of Tourism and Travel Management, Gwalior	80.84	Nil
80.	Institute of Hotel Management Catering Technology and Applied Nutrition , Chennai	100.00	Nil
81.	Institute of Hotel Management Catering Technology and Applied Nutrition, Patna	453.50	Nil
82.	Institute of Hotel Management Catering Technology and Applied Nutrition, Ahmedabad	200.00	Nil
83.	Institute of Hotel Management Catering Technology and Applied Nutrition, Shimla	200.00	Nil
84.	Institute of Hotel Management Catering Technology and Applied Nutrition, Guwahati	345.87	Nil
85.	Institute of Hotel Management Catering Technology and Applied Nutrition, Gwalior	200.00	Nil
86.	National Council for Hotel Management and Catering Technology, Pusa, New Delhi	150.00	Nil
	Tribal Affairs		
87.	Bhartiya Adim Jati Sewak Sangh, New Delhi	76.59	Nil
	Urban Development		
88.	Building Material Technology Promotion Council	400.00	Nil
89.	National Institute of Urban Affairs	174.96	Nil
	Youth Affairs and Sports		
90.	Rajiv Gandhi National Institute of Youth Development, Chennai	20361.00	Nil
91.	Indian Olympic Association, New Delhi	58.77	Nil
	Grand Total	**250829.37**	**108.00**

APPENDIX - IV

(Referred to in paragraph 1.1)

Delay in submission of annual accounts for the year 2002-03 by autonomous bodies audited under section 19(2) and 20 (1)

Sl. no.	Name of the Autonomous Bodies	Date of Receipt of Accounts
(A)	**Delay of three to six months**	
1.	Maulana Azad National Urdu University, Hyderabad	03/10/2003
2.	Indian Institute of Management, Calcutta	06/10/2003
3.	National Institute of Educational Planning & Administration, New Delhi	07/10/2003
4.	National Horticulture Board, Gurgaon	08/10/2003
5.	Rashtriya Sanskrit Sansthan, New Delhi.	09/10/2003
6.	Coffee Board (General Fund Accounts), Bangalore	10/10/2003
7.	Banaras Hindu University, Banaras	13/10/2003
8.	Motilal Nehru National Institute of Technology, Allahabad	13/10/2003
9.	Chittaranjan National Cancer Institute, Calcutta	14/10/2003
10.	Haj Committee	14/10/2003
11.	Insurance Regulatory and Development Authority	15/10/2003
12.	Central Schools Organisation, New Delhi.	15/10/2003
13.	Sant Longowal Institute of Engineering and Technology, Longowal	16/10/2003
14.	Technical Teachers Training Institute, Chennai	16/10/2003
15.	Indira Gandhi Rashtriya Manava Sangrahalaya, Bhopal	20/10/2003
16.	Indian Institute of Management, Indore	21/10/2003
17.	Indian Institute of Technology, Chennai	21/10/2003
18.	Indian Council of Philosophical Research, New Delhi	22/10/2003
19.	Tariff Authority for Major Ports, Mumbai	22/10/2003
20.	National Bal Bhawan Society, New Delhi	24/10/2003
21.	North-Central Zone Cultural Centre, Allahabad	27/10/2003
22.	North-Zone Cultural Centre, Patiala	27/10/2003
23.	National Water Development Agency, New Delhi	27/10/2003
24.	Post Graduate Institute of Medical Education and Research, Chandigarh	05/11/2003
25.	National Institute of Pharmaceutical Education and Research, Mohali	09/11/2003
26.	Board of Apprenticeship Training, Chennai	10/11/2003
27.	National Institute of Technology, Warangal	10/11/2003
28.	National Institute of Ayurveda, Jaipur	12/11/2003
29.	Sardar Vallabhbhai National Institute of Technology, Surat	19/11/2003
30.	Gandhi Samriti and Darshan Samiti, New Delhi	20/11/2003
31.	Pondicherry University, Pondicherry	21/11/2003
32.	National Council for Promotion of Sindhi Language, Vadodara	01/12/2003
33.	National Museum of History of Art Conservation & Museology, New Delhi	03/12/2003
34.	Malviya National Institute of Technology, Jaipur	10/12/2003
35.	Agricultural & Processed Food Products Export Development Authority, New Delhi.	15/12/2003

(B)	**Delay of over six months**	
1.	National Institute of Fashion Technology, New Delhi	05/01/2004
2.	National Institute of Technology, Kozhikode	07/01/2004

3.	Tezpur University	11/01/2004
4.	Eastern-Zonal Cultural Centre , Kolkata	12/01/2004
5.	Indian Museum, Kolkata	13/01/2004
6.	National Human Right Commission, New Delhi	13/01/2004
7.	Telecom Regulatory Authority of India, New Delhi	14/01/2004
8.	Vishva Bharati University, Shantiniketan	29/01/2004
9.	Indira Gandhi National Open University, New Delhi	29/01/2004
10.	Sports Authority of India, New Delhi	13/02/2004
11.	Assam University, Shillong	17/02/2004
12.	Indian Council for Cultural Relations, New Delhi	23/02/2004
13.	Indian Institute of Information Technology and Management, Gwalior	03/03/2004
14.	Bureau of Energy Efficiency, New Delhi	08/03/2004
15.	South Zone Cultural Centre, Thanjavur	17/03/2004
16.	Coal Mines Provident Fund Organisation, Dhanbad	17/03/2004
17.	Mahatma Gandhi Antarrashtriya Hindi Vishwavidyalaya, Wardha	19/03/2004
18.	Nagaland University, Kohima	26/03/2004
19.	National Book Trust, New Delhi	08/04/2004
20.	Central Adoption Resource Agency, New Delhi	06/05/2004
21.	Dental Council of India, New Delhi	19/05/2004
22.	Indian Instt. of Management, Ahmedabad	21/05/2004
23.	Delhi Development Authority	06/09/2004
24.	Delhi University	06/10/2004
25.	Prasar Bharati, New Delhi	23/11/2004

APPENDIX - V

(Referred to in paragraph 1.1)

Non-submission of annual account for the year 2002-03 by autonomous bodies as of February 2005

Sl. no.	Organisations
1.	Babasaheb Bhimarao Ambedkar University, Lucknow
2.	Central Agricultural University, Imphal
3.	Indian Council of World Affairs, New Delhi
4.	Indian Instt. of Technology, Guwahati.
5.	Indira Gandhi National Center for Arts, New Delhi
6.	Mizoram University
7.	National Commission for Backward Classes, New Delhi.
8.	National Institute of Adult Education, New Delhi
9.	National Institute of Homeopathy, Kolkata
10.	National Institute of Public Co-operation & Child Development, New Delhi
11.	Nehru Institute of Mountaineering, Uttarkashi
12.	Nehru Yuvak Kendra Sangathan, New Delhi
13.	North-East Zone Cultural Centre, Dimapur, Nagaland
14.	South-Central Zone Cultural Centre, Nagpur

APPENDIX - VI

(Referred to in paragraph 1.2)

Outstanding utilisation certificates

(Rupees in lakh)

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	Amount
Agriculture and Cooperation	1990-91	3	11.25
	1991-92	8	16.50
	1992-93	1	2.50
	1996-97	7	8.85
	1997-98	13	33.78
	1998-99	9	76.03
	1999-00	8	27.45
	2000-01	5	190.57
	2001-02	21	5233.05
	2002-03	69	10797.15
		144	**16397.13**
Andaman & Nicobar Admn.	2001-02	12	560.10
	2002-03	36	1807.01
		48	**2367.11**
Atomic Energy	1991-92	1	2.51
	1995-96	1	1.19
	1996-97	5	5.21
	1997-98	7	21.77
	1998-99	7	9.92
	1999-00	12	26.55
	2000-01	13	24.97
	2001-02	15	54.10
	2002-03	82	438.15
		143	**584.37**
Civil Aviation	2002-03	1	110.00
		1	**110.00**
Coal	2002-03	1	5.92
		1	**5.92**
Environment and Forest	1981-82	15	5.79
	1982-83	21	41.00
	1983-84	90	58.50
	1984-85	143	229.80
	1985-86	121	495.40
	1986-87	74	533.77
	1987-88	278	6531.00
	1988-89	359	2543.18
	1989-90	545	192.00
	1990-91	70	123.30
	1991-92	81	1439.00

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	Amount
	1992-93	216	736.00
	1993-94	64	74.18
	1994-95	135	1146.00
	1995-96	10	21.00
	1996-97	440	15732.00
	1997-98	601	9742.00
	1998-99	302	314.00
	1999-00	513	4399.00
	2000-01	532	4991.36
	2001-02	606	11254.67
	2002-03 (upto 30.9.02)	143	3680.51
		5359	**64283.46**
Food Processing Industry	1991-92	2	19.08
	1992-93	10	88.36
	1993-94	14	98.79
	1994-95	16	134.42
	1995-96	20	202.19
	1996-97	18	223.99
	1997-98	12	196.34
	1998-99	21	175.86
	1999-00	62	602.95
	2000-01	107	1521.93
	2001-02	160	3558.94
	2002-03	105	1769.75
		547	**8592.60**
Ocean Development	1983-84	8	101.52
	1984-85	22	22.66
	1985-86	45	40.26
	1986-87	23	27.20
	1987-88	83	157.85
	1988-89	48	58.00
	1989-90	92	98.28
	1990-91	17	227.46
	1991-92	20	114.60
	1992-93	8	3.00
	1993-94	16	40.20
	1994-95	9	151.97
	1995-96	53	58.77
	1996-97	52	152.02
	1997-98	71	858.74
	1998-99	79	1147.88
	1999-00	37	2196.34
	2000-01	55	969.43

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	Amount
	2001-02	66	4521.28
	2002-03	68	12144.13
		872	**23091.59**
External Affairs	1997-98	1	6.62
	1998-99	1	10.08
	1999-00	7	28.74
	2000-01	3	19.41
	2002-03	1	3.00
		13	**67.85**
Finance Economic Affairs Banking Division	1999-00	2	118.80
	2000-01	8	1361.79
	2001-02	8	159805.58
	2002-03	1	93.65
		19	**161379.82**
Health and Family Welfare			
(i) Health	1983-84	2	24.80
	1984-85	5	29.26
	1985-86	8	2.47
	1986-87	4	3.39
	1987-88	3	23.00
	1988-89	10	2.45
	1989-90	21	47.28
	1990-91	5	5.71
	1991-92	5	0.97
	1992-93	1	0.15
	1993-94	34	1452.68
	1994-95	23	906.89
	1995-96	78	2790.24
	1996-97	111	173.12
	1997-98	179	7119.82
	1998-99	126	13019.42
	1999-00	425	27507.55
	2000-01	259	42430.33
	2001-02	450	10544.09
	2002-03	605	106043.41
		2354	**212127.03**
(ii) Family Welfare	1982-83	4	2.95
	1986-87	2	9.45
	1987-88	3	4.13
	1989-90	7	17.35
	1990-91	8	13.00
	1993-94	14	48.86
	1994-95	38	54.44
	1995-96	98	528.77

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	Amount
	1996-97	100	1071.37
	1997-98	62	1784.24
	1998-99	73	1725.03
	1999-00	71	7617.82
	2000-01	116	32414.04
	2001-02	242	2784.58
	2002-03	441	47330.99
		1279	**95407.02**
Home Affairs PAO (Sectt.)	1990-91	1	0.10
	1998-99	1	0.05
	2002-03	1	0.20
		3	**0.35**
Income Tax Department, CBDT	2001-02	3	0.18
	2002-03	13	0.84
		16	**1.02**
Information and Broadcasting	2001-02	13	88863.00
	2002.03	22	126724.00
		35	**215587.00**
Information Technology	2001-02	4	161.00
	2002-03	86	8683.00
		90	**8844.00**
Industry			
(i) Heavy Industry	2000-01	3	384.00
	2001-02	1	1.00
	2002-03	19	8631.78
		23	**9016.78**
(ii) Small Scale Industries and Agro and Rural Industries	1997-98	1	19.00
	1998-99	3	220.00
	1999-00	2	20.00
	2000-01	2	30.00
	2001-02	8	97.10
	2002-03	60	21085.00
		76	**21471.10**
(iii) Development of Industrial Policy & promotion	2001-02	1	50.00
	2002-03	17	1915.84
		18	**1965.84**
(iv) Department of Public Enterprises	2002-03	7	51.50
		7	**51.50**
Labour	1979-80	1	0.01
	1982-83	2	0.13
	1985-86	3	1.62
	1987-88	3	2.94
	1988-89	1	6.21
	1989-90	9	10.10

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	Amount
	1990-91	14	19.29
	1991-92	8	26.59
	1992-93	2	0.64
	1993-94	7	6.72
	1994-95	3	3.71
	1995-96	32	184.36
	1996-97	244	439.88
	1997-98	5	4.58
	1998-99	26	29.06
	1999-00	43	64.89
	2000-01	65	232.61
	2001-02	66	304.11
	2002-03	135	2074.00
		669	**3411.45**
Mines	2001-02	12	979.13
	2002-03	26	1971.94
		38	**2951.07**
Non-Conventional Energy Sources	1994-95	2	9.02
	1995-96	2	2.90
	1997-98	5	26.67
	2000-01	5	33.97
	2002-03	7	167.21
		21	**239.77**
Personnel, Public Grievances and Pensions	1999-00	2	16.00
	2000-01	1	8.60
Personnel and Training	2002-03	15	335.45
		18	**360.05**
Planning and Statistics	2000-01	5	2.89
Planning Commission	2001-02	5	6.26
	2002-03	8	11.08
		18	**20.23**
Space	1976-77	1	0.05
	1979-80	1	0.05
	1980-81	1	0.38
	1981-82	1	0.03
	1982-83	6	0.74
	1983-84	3	0.66
	1984-85	6	1.69
	1985-86	3	0.65
	1986-87	10	3.90
	1987-88	4	4.88
	1989-90	3	3.08
	1990-91	3	5.59
	1991-92	1	1.24

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	Amount
	1992-93	1	1.01
	1993-94	2	1.28
	1994-95	3	4.99
	1995-96	3	0.95
	1996-97	5	8.99
	1998-99	4	0.95
	1999-00	4	4.60
	2000-01	24	1624.51
	2001-02	64	728.49
	2002-03	50	1041.35
		203	**3440.06**
Road Transport, Highway & shipping	2000-01	1	68.50
	2001-02	5	568.04
	2002-03	3	1973.76
		9	**2610.30**
Commerce & Textile			
(i) Commerce	2000-01	7	337.00
	2001-02	9	873.00
	2002-03	47	8209.00
		63	**9419.00**
(ii) Development Commissioner of Handicrafts, Delhi	1978-79	8	46.94
	1979-80	5	16.89
	1980-81	3	4.30
	1982-83	2	1.13
	1983-84	1	0.53
	1984-85	2	0.88
	1985-86	3	2.15
	1987-88	2	2.53
	1988-89	1	0.25
	1989-90	4	3.15
	1990-91	1	3.32
	1991-92	3	7.47
	1992-93	10	28.14
	1993-94	11	90.19
	1994-95	42	35.65
	1995-96	65	321.80
	1996-97	32	125.22
	1997-98	38	158.41
	1998-99	16	126.67
	1999-00	44	199.25
	2000-01	50	202.42
	2001-02	121	700.47
	2002-03	8	459.52

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	Amount
		472	**2537.28**
Urban Development	1984-85	1	0.40
	1985-86	8	2.70
	1986-87	1	0.50
	1987-88	3	4.15
	1988-89	4	1.15
	1989-90	2	1.70
	1990-91	5	6.32
	1991-92	4	7.91
	1992-93	8	6.89
	1993-94	17	19.38
	1994-95	20	33.79
	1995-96	12	32.35
	1996-97	7	9.32
	1997-98	4	7.14
	1998-99	6	12.12
	1999-00	17	191.19
	2000-01	17	117.42
	2001-02	77	7012.27
	2002-03	58	662.05
		271	**8128.75**
Urban Employment & Poverty Alleviation	1983-84	1	0.54
	1985-86	1	0.50
	1986-87	2	0.70
	1988-89	2	1.90
	1989-90	4	5.72
	1990-91	3	2.18
	1991-92	3	6.10
	1992-93	7	67.98
	1993-94	5	1867.77
	1994-95	1	1.08
	1995-96	2	4.40
	1996-97	1	87.40
	1997-98	2	100.00
	1998-99	4	452.60
	1999-00	1	0.92
	2000-01	8	1143.79
	2001-02	69	14137.29
	2002-03	150	35317.37
		266	**53198.24**
Water Resources	1986-87	3	27.01
	1987-88	4	11.89
	1988-89	3	8.80
	1989-90	7	11.46

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	**Amount**
	1990-91	3	7.17
	1991-92	1	10.29
	1992-93	1	0.03
	1993-94	1	0.25
	1994-95	1	5.13
	1995-96	4	22.66
	1996-97	1	4.71
	1997-98	3	8.90
	1998-99	11	29.69
	1999-00	10	37.03
	2000-01	18	70.03
	2001-02	21	8.53
	2002-03	52	461.96
		144	**725.54**
Science and Technology			
(i) Science and Technology	1994-95	1	1.47
	1998-99	3	13.26
	1999-00	1	1.80
	2000-01	7	8.48
	2002-03	11	14.48
		23	**39.49**
(ii) Bio Technology	1993-94	10	3.15
	1994-95	15	6.54
	1995-96	9	3.25
	1996-97	18	8.98
	1997-98	17	7.80
	1998-99	18	12.95
	1999-00	17	18.55
	2000-01	14	6.58
	2001-02	4	4.25
	2002-03	32	26.74
		154	**98.79**
Law Justice and Deptt of Company Affairs			
(i) National Legal Services Authority	1982-83	2	1.00
	1983-84	5	1.52
	1984-85	5	1.30
	1989-90	3	1.30
	1990-91	1	0.25
	1991-92	7	1.48
	1992-93	8	0.80
	1993-94	9	4.15
	1994-95	5	4.05

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	**Amount**
	1995-96	12	5.75
	1996-97	22	41.91
	1997-98	28	36.10
	1998-99	60	245.89
	1999-00	47	254.50
	2000-01	27	331.85
	2001-02	18	162.00
	2002-03	26	259.25
		285	**1353.10**
(ii) Legislative Department	1993-94	1	0.05
	1996-97	1	0.05
	2000-01	1	0.02
	2001-02	1	0.03
	2002-03	1	0.02
		5	**0.17**
(iii) Department of legal affairs	1999-00	1	100.00
		1	**100.00**
Tourism	1997-98	1	10.00
	1998-99	1	398.69
	1999-00	1	150.00
	2000-01	1	10.00
	2001-02	4	46.84
	2002-03	3	100.70
		11	**716.23**
Deptt. of Chemicals and Petrochemicals			
	2001-02	1	500.00
		1	**500.00**
Deptt. of Rural Development	1999-00	3	62.37
	2000-01	3	103.36
	2001-02	4	67.43
	2002-03	14	586.65
		24	**819.81**
Social Justice and Empowerment	1987-88	336	339.00
	1988-89	647	1245.00
	1989-90	568	875.00
	1990-91	836	1036.00
	1991-92	900	2074.00
	1992-93	798	1489.00
	1993-94	731	1551.00
	1994-95	984	2170.00
	1995-96	916	1541.00

Ministry/Department	Period to which grants relate (upto March 2003)	Utilisation Certificates outstanding in respect of grants released upto March 2003 which were due by 31st March 2004	
		Number	**Amount**
	1996-97	491	1147.00
	1997-98	550	14017.00
	1998-99	645	3039.00
	1999-00	549	4559.00
	2000-01	2668	17960.00
	2001-02	5927	37136.00
	2002-03	9748	35057.00
		27294	**125235.00**
Grand Total		**41038**	**1057255.82**

APPENDIX - VII

(Referred to in paragraph 1.3)

List of Autonomous bodies in respect of which Audit Reports have not been presented before the Parliament (Status as on 31.10.2004)

Sl. No	Ministry/Name of AB	Year of Audit Report	Date of Issue of AR to GOI/AB
	AGRICULTURE		
1.	National Co – operative Development Corporation, New Delhi	2002-03	19.11.2003
2.	Veterinary Council of India, New Delhi	2002-03	16.09.2003
3.	National Horticulture Board, Gurgaon	2002-03	20.04.2004
	CHEMICAL AND FERTILIZER		
4.	National Institute of Pharmaceutical Education and Research, Mohali	2002-03	18.06.2004
	COMMERCE		
5.	Tobacco Board, Guntur	2002-03	1.12.2003
6.	Agricultural & Processed Food Products Export Development Authority, New Delhi	2002-03	21.05.2004
7.	Tea Board, Kolkata	2002-03	09.02.2004
	CONSUMER AFFAIRS & PUBLIC DISTRIBUTION		
8.	Bureau of Indian Standards, New Delhi.	2002-03	05.03.2004
	CULTURE		
9.	Nehru Memorial & Museum Library	2001-02	07.03.2003
10.	Sahitya Academy	2002-03	28.05.2004
11.	Delhi Library Board	2002-03	06.07.2004
	DEFENCE		
12.	Himalayan Mountaineering Institute	2002-03	09.12.2003
	HEALTH & FAMILY WELFARE		
13.	Post Graduate Institute of Medical Education & Reaserch, Chandigarh	2002-03	01.01.2004
14.	National Institute of Naturopathy, Pune.	2002-03	27.10.2003
15.	Ali Yavar Jung National Institute of Hearing Handicapped, Mumbai.	2002-03	11.11.2003
16.	Pharmacy Council of India	2002-03	16.03.2004
17.	National Institute of Health & Family Welfare	2002-03	21.06.2004
18.	Dental Council of India	2002-03	25.05.2004
19.	Medical Council of India	2002-03	21.05.2004
20.	Indian Nursing Council	2002-03	28.05.2004
	HOME AFFAIRS		
21.	National Human Rights Commission	2001-02	10.03.2004
	HUMAN RESOURCE DEVELOPMENT		
22.	National Institute of Technology, Warangal	2002-03	30.12.2003
23.	Maulana Azad National Urdu University, Hyderabad	2001-02 2002-03	25.04.2003 02.08.2004
24.	National Council of Rural Institutes, Hyderabad	2002-03	01.12.2003
25.	Rashtriya Sanskrit Vidyapeeth, Tirupati	2002-03	02.12.2003
26.	Board of Practical Training (Eastern Region), Kolkata	2002-03	21.01.2004
27.	Indian Institute of Management, Kolkata	2002-03	16.04.2004
28.	Indian Institute of Technology, Khargpur	2002-03	15.04.2004

Sl. No	Ministry/Name of AB	Year of Audit Report	Date of Issue of AR to GOI/AB
29.	Technical Teachers Training Institute (Eastern Region), Kolkata	2002-03	19.11.2003
30.	Visva – Bharati, Shantiniketan	2001-02	19.09.2003
31.	Tezpur University, Tezpur	2001-02	20.05.2003
32.	Assam University, Silchar	2001-02	22.01.2004
33.	National Institute of Technology, Hamirpur	2002-03	29.04.2004
34.	Dr.B.R.Ambedkar National Institute of Technology, Jalandhar	2001-02 2002-03	08.01.2004 16.02.2004
35.	Sant Longowal Institute of Engineering and Technology Longowal Distt Sangrur	2002-03	05.04.2004
36.	Malaviya Regional Engineering College, Jaipur	2001-02	03.10.2003
37.	Malaviya National Institute of Technology, Jaipur	2002-03	20.07.2004
38.	National Institute of Technology, Kurukshetra	2002-03	20.10.2003
39.	Indian Institute of Technology, Madras.	2002-03	24.12.2003
40.	Board of Apprenticeship Training, Chennai.	2002-03	26.12.2003
41.	National Institute of Technical Teachers Training & Research Institute, Chennai.	2002-03	02.12.2003
42.	Auroville Foundation	2002-03	24.12.2003
43.	Pondicherry University	2002-03	09.01.2004
44.	National Institute of Technology, Kozhikode.	2002-03	23.02.2004
45.	Board of Apprenticeship Training, Mumbai.	2002-03	27.01.2004.
46.	Indian Institute of Technology, Mumbai.	2002-03	22.12.2003
47.	National Institute of Industrial Engineering, Mumbai.	2002-03	13.11.2003
48.	Visvesvaraya National Institute of Technology, Nagpur	2002-03	24.11.2003
49.	Sports Authority of India	1999-00 2000-01	21.02.2002 22.07.2002
50.	National Institute of Open Schooling	2000-01 2001-02 2002-03	10.02.2004 21.06.2004 19.08.2004
51.	National Bal Bhawan	2002-03	23.03.2004
52.	Mahatma Gandhi Antarrashtriya Hindi Vishwavidyalaya	2000-01	01.04.2003
53.	Navodaya Vidyalaya Samiti	2000-01 2001-02	14.05.2002 03.10.2003
54.	National Book Trust	2000-01	11.01.2002
55.	Indira Gandhi National Open University	2001-02	10.09.2003
56.	Kendriya Vidyalaya Sangathan	2001-02	31.03.2003
57.	University Grants Commission	2001-02	16.03.2004
58.	School of Planning and Architecture	2001-02 2002-03	19.09.2003 12.07.2004
59.	Indian Council of Social Science Research	2001-02	12.03.2004
60.	Indian Institute of Technology, Delhi	2002-03	29.04.2004
61.	Jamia Milia Islamia	2002-03	05.05.2004
62.	Jawaharlal Nehru University	2002-03	09.06.2004
63.	National Commission for Women	2002-03	09.12.2003
64.	Rashtriya Sanskrit Sansthan	2002-03	08.06.2004
65.	Lal Bahadur Shastri Sanskrit Vidyapeeth	2002-03	17.02.2004
66.	Indian Council for Historical Research	2002-03	07.04.2004
67.	Kendriya Vidyalaya Sangathan	2002-03	30.04.2004
68.	All India Council for Technical Education	2002-03	07.04.2004
69.	National Council for Promotion of Urdu Language	2002-03	12.05.2004
70.	Project of History of Indian Science, Philosophy & Culture	2002-03	09.03.2004
71.	Central Tibetan School Administration	2002-03	04.03.2004
72.	National Institute of Education Planning and Administration	2002-03	10.06.2004

Sl. No	Ministry/Name of AB	Year of Audit Report	Date of Issue of AR to GOI/AB
73.	National Council of Educational Research and Training	2002-03	19.08.2004
	LAW, JUSTICE & COMPANY AFFAIRS		
74.	State Legal Service Authority, UT Chandigarh	1997-98 1998-99 1999-00 2000-01 2001-02 2002-03	14.01.1999 09.09.1999 28.11.2000 09.08.2001 15.07.2002 13.08.2003
	RURAL DEVELOPMENT		
75.	Council for Advancement of People's Action and Rural Technology, New Delhi	2001-02 2002-03	22.05.2003 09.07.2004
76.	Khadi & Village Industries Commission, Mumbai.	2002-03	02.12.2003
	SHIPPING		
77.	Calcutta Dock Labour Board, Kolkata	2002-03	20.01.2004
78.	Chennai Port Trust, Chennai	2002-03	07.10.2003
79.	Seamen's Provident Fund Organisation, Mumbai.	2002-03	07.01.2004
	TEXTILES		
80.	National Institute of Fashion Technology, New Delhi	2001-02	16.09.2003
81.	Textile Committee, Mumbai.	2002-03	16.02.2004
	URBAN DEVELOPMENT		
82.	Delhi Urban Arts Commission, New Delhi	2002-03	16.12.2003
83.	Rajghat Samadhi Committee, New Delhi	2002-03	20.02.2004
84.	Delhi Development Authority, New Delhi	1997-98 1998-99 1999-2000 2000-2001	11.02.2004 26.02.2004 11.03.2004 07.06.2004
85.	Lakshadweep Building Development Board, Kavaratti.	2001-02 2002-03	11.07.2003 22.12.2003
	WATER RESOURCES DEPARTMENT.		
86.	Betwa River Board, Jhansi	2002-03	25.11.2003
	YOUTH AFFAIRS & SPORTS		
87.	Nehru Yuva Kendra Sangthan	2000-01 2001-02	05.03.2003 18.08.2004

APPENDIX - VIII

(Referred to in Paragraph 17)

Outstanding Action Taken Notes as of November 2004

Sl. No.	Name of the Ministry/Department	Report for the year ended March	Other Autonomous Bodies		
			Due	Not received at all	Under corresp-ondence
1.	Commerce	2003	1	1	--
2.	Culture	1997	1	--	1
		1998	1	--	1
		2000	1	--	1
		2001	2	--	2
3.	Finance (Department of Economic Affairs)	2003	1	--	1
4.	Health and Family Welfare	1999	1	--	1
		2000	1	1	--
		2001	1	--	1
		2002	2	1	1
5.	Human Resource Development (Department of Secondary and Higher Education)	2001	5	--	5
		2002	3	3	--
		2003	7	7	--
	Department of Women and Child Development	2002	1	--	1
6.	Information and Broadcasting	2002	9	5	4
		2003	4	4	--
7.	Labour	2000	3	--	3
		2001	1	--	1
		2002	2	1	1
8.	Shipping	2001	1	1	--
		2002	3	3	--
		2003	15	14	1
9.	Small Scale Industries	2000	1	1	--
		2003	1	1	--
10.	Social Justice and Empowerment	2001	1	--	1

Sl. No.	Name of the Ministry/Department	Report for the year ended March	Other Autonomous Bodies		
			Due	Not received at all	Under corresp-ondence
11.	Textile	2000	1	1	--
12.	Tourism	2001	1	1	--
13.	Urban Development	1989	1	1	--
		1990	5	5	--
		1991	8	8	--
		1992	9	9	--
		1993	12	12	--
		2002	2	2	--
		2003	3	3	--
14.	Youth Affairs and Sports	1994	1	--	1
Total			**112**	**85**	**27**