

## CHAPTER – VII

## Financial Management

Funding is crucial for the conservation activities of different organisations. The Ministry allocated funds under Plan and Non-plan component to the ASI. The funds were also released to the two subordinate offices i.e. the National Museum and NRLC<sup>55</sup> by the Ministry. The other Museums received grant-in-aid from the Ministry. The National Culture Fund, a trust of the Ministry, had been provided a corpus fund by the Ministry with the objective of encouraging participation of the corporate sector, NGOs, State Government, Private/public sector etc. The funding made by the Ministry to different institutions is discussed below.

## 7.1 Attached office-Archeological Survey of India

### 7.1.1 Budget Estimates and Expenditure

The financial position of the ASI depicting the budgetary estimates and expenditure incurred during the period of audit are given below in the table:

**Table 7.1: Budget estimates and expenditure figures of the ASI**

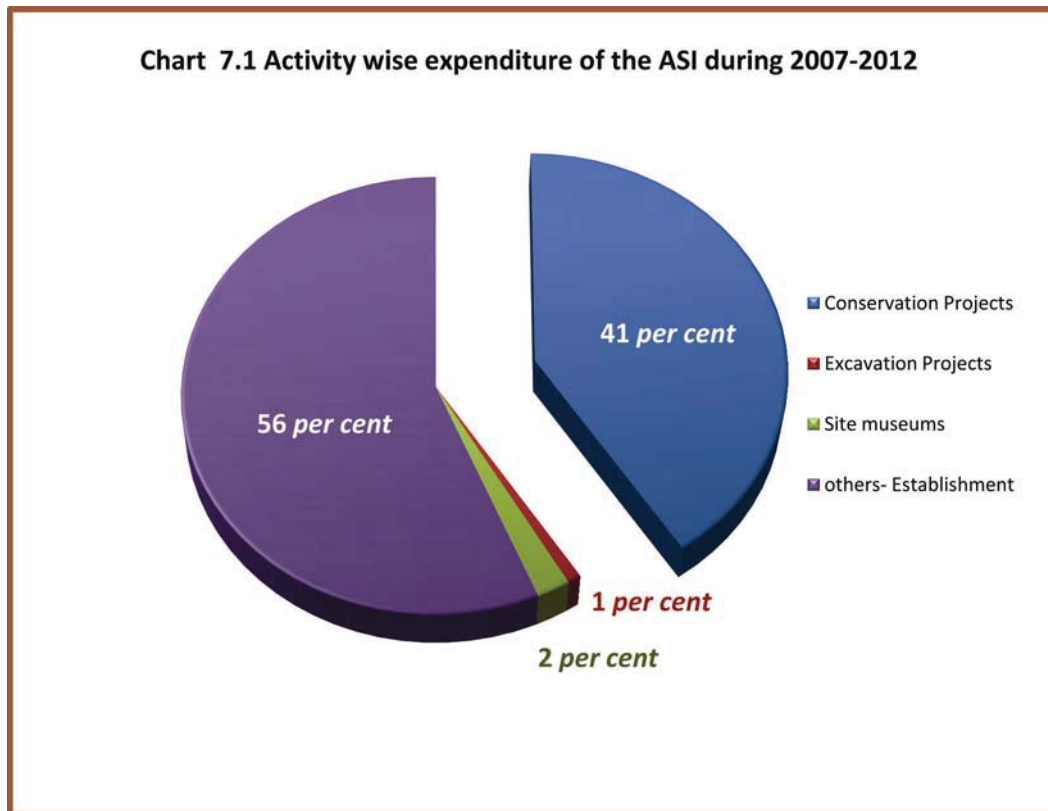
(₹ in crore)

Year	Budget estimates		Actual Expenditure	
	Plan	Non-plan	Plan	Non-plan
2007-08	98.00	185.50	90.88	185.87
2008-09	111.00	201.00	106.93	232.89
2009-10	111.00	268.70	126.31	286.39
2010-11	121.00	260.00	154.24	267.71
2011-12	152.00	287.00	171.58	275.26

Source: Outcome budget documents of the Ministry of Culture

<sup>55</sup> National Research Laboratory for Conservation of Cultural Property

The chart below depicts the activity-wise components of expenditure incurred by the ASI during the period 2007-12.



### 7.1.2 Inadequate Funding

The Ministry made budgetary allotments to the ASI without assessing their funds requirement and absorptive capacity. The requirement of funds should commensurate with the number of centrally protected monuments and the need for preservation and conservation of these monuments. The consequences of inadequate funding have been discussed in **Case Study No 2, Para 4.9.2 and also in Para 5.4.3.**

We noted that the Ministry had made significant reductions in the funds requirement projected by the ASI, as detailed in the table below.

Table 7.2: Plan budget proposed by the ASI and allotted by the Ministry

(₹ in crore)

Year	Projected requirement	Original Budget Allotted	Expenditure incurred
2007-08	174.05	98.00	90.88
2008-09	177.90	111.00	106.93
2009-10	176.41	111.00	126.31
2010-11	163.16	121.00	154.24
2011-12	268.94	152.00	171.58

Thus, the reduction in funds projected by the ASI ranged from 26 to 44 *per cent*. The Ministry did not provide the reasons for reducing the budget as proposed by the ASI. The excess of expenditure with reference to the original allotment ranged from 13 to 27 *per cent* especially during the last three years (2009-10 to 2011-12).

### 7.1.3 Budgeting and Funds Arrangement for Conservation

#### 7.1.3.1 Preparation of Revised Conservation Programme (RCP)

Based on the inspection and assessment made by the officer in-charge of a monument, the annual funds requirement is submitted to the concerned Circle office. The consolidated funds requirement proposed to be used by a Circle office on conservation work is termed as Revised Conservation Programme (RCP). Thus, RCP is a tool to project Circle/Branch wise annual funds requirement for undertaking conservation works. Thereafter, the RCPs are required to be submitted to the ASI HQ for assessing the overall funds requirement for conservation works.

We, however, noticed that budgeting process in the ASI was inappropriate. The ASI, rather than receiving proposals in the form of RCPs from the Circles/ Branches, sought proposals based on the budgetary allocation figures circulated to the Circles/ Branches.

We also noticed that the Circles/ Branches did not exercise due diligence while assessing the funds requirements, as only in a few cases estimates were prepared to work out the funds requirement.

As a result, the ASI ignored the conservation needs of several valuable monuments due to paucity of funds. For example, in case of 110 Kos Minars the expenditure incurred during the last five years was only ₹ 38.33 lakh. On many other sites/monuments no money was spent despite dire need of conservation. Joint physical inspection revealed that many Kos Minars were in a dilapidated condition. (Refer Case Study No 5).

Besides, this also led to funds meant for conservation works being utilised on petty non-conservation works like raising of boundary walls, public amenities etc. in majority of cases. For example, Delhi Circle incurred ₹ 47.51 crore during the year 2010-11 and 2011-12 on special repair works. Out of this, works amounting to ₹ 7.66 crore were not directly related to conservation works.

#### Blocking of Funds- Badami, Bangalore Circle

In order to preserve the historical monuments and improve tourism, Revenue Department of Government of Karnataka approached (February 2003) the DG ASI with a proposal to acquire the unauthorised buildings around Badami, Bengaluru Circle. Accordingly, the ASI released (February 2006) ₹ 2.72 crore against the State Government's request for ₹ 3.32 crore. Further in November 2009, the State Government again requested the ASI to deposit an additional amount of ₹ 6.36 crore which was further enhanced (July 2012) to ₹ 12.53 crore. The State Government also stated that in case of non receipt of funds, the land acquisition proceedings would be dropped. Thereafter no follow-up was evident in the records of the ASI leading to blocking of fund of ₹ 2.72 crore for over six years.

#### 7.1.4 Receipts of the ASI

Revenue generation is important for an organisation engaged in Conservation work. The world over organisations managing heritage conservation are engaged in enhancing revenue by way of sale of souvenirs at site, charges for guide services, special charges for special tours and sale of publications.

The main sources of revenue of the ASI were ticketing, sale of publication, organisation of cultural events and permission for film shooting etc. However, we noted deficiencies in efforts made by the ASI for augmenting revenue generation.

The ASI generated a total revenue of ₹ 422.46 crore during the period from 2007-08 to 2011-12. However, the PAOs intimated the receipt as ₹ 431.78 crore. The ASI neither explored the reasons for the discrepancy nor reconciled the figures with the PAOs. Further, we also noticed variation in revenue figures maintained at the Circles/ Sub-Circles with respect to that maintained at the ASI, HQ and PAO, ASI.

##### 7.1.4.1 Ticketed Monuments of the ASI

As per the AMASR Rules 1959 (Rule 6), the ASI charged a prescribed entrance fee from visitors above the age of 15 years on visit to certain set of monuments. The details of entrance fee chargeable on various category of visitor are given below in the table.

Table 7.3 Rates of entry fees for citizens of different countries

(Amount in ₹)

	For Indian citizens and citizens of SAARC and BIMSTEC	For other foreign visitors
World Heritage Sites	10	250
Other protected monuments	5	100

We noted that out of the 3677 protected monuments under the control of the ASI, only 124 monuments were designated as ticketed as on February 2006. The number of ticketed monuments was further reduced to 116. The rates were last revised in the year 2001 and the last monument declared as ticketed was in the year 1998. The ASI is presently in the process of increasing the ticketing rates.

#### Sale of tickets

Revenue realised through sale of tickets in 116 protected monuments ranged from ₹ 66.25 crore to ₹ 95.64 crore during the period 2007-12. Analysis of the revenue figures revealed that more than 75 percent of the total revenue pertained to only 10 monuments\*.

The ASI could not furnish justification or grounds on which the authority of ticketing on visitors was withdrawn from the eight protected monuments. However, the ASI without referring to specific cases pointed out by us informed (September 2012) that entry fees was withdrawn due to unavoidable circumstances such as customary religious practice in vogue etc.

We noticed that there were no specific criteria or guidelines for categorisation of a particular protected monument as ticketed, thus rendering the process of designating or withdrawing the status as arbitrary and ad-hoc.

There were some ticketed monuments like the *Sultan Garhi in Delhi Circle* and the *Baba Pyara caves in Vadodara Circle* from where the annual revenue received during the period of audit ranged between ₹ 1550 to ₹ 3161 and ₹ 855 to ₹ 7531 respectively. This indicated low visitor turnout. On the other hand, two centrally protected monuments in Srinagar Circle i.e., group of Arched Terraces/structural complex Parimahal Srinagar and Mughal Arcade were not declared ticketed by the ASI despite high visitor turnout, which was evident from the fact that the State Government had levied the entry ticket and parking charges and earned an amount of more than ₹ 42 lakhs during the year 2011-12. Similarly there were monuments like *Bara Imambara in Lucknow Circle* and *Thiksey, Shey and Alchi monasteries in Leh mini Circle* where the managing trusts levied entry tickets and collected money, though the ASI did not designate them as ticketed monuments.

\* Taj Mahal, Agra Fort, Fatehpur Sikri, Agra, Red Fort, Qutb Minar, Humayun Tomb, Delhi, Group of Monuments, Mallapuram, Western Group of Temple, Khajuraho, Sun Temple, Konark and Excavated remains, Sarnath.

The ASI requested (2010) the Circle offices to submit their suggestions for inclusion of more monuments as ticketed. We noted that due to incomplete information submitted by the Circles, the ASI was not able to include more monuments in the 'ticketed' category.

"Buddhist rock-cut stupas, Dagabas and caves and the ruins of a structural Chaitya with its outbuilding and other Ancient remains on two adjoining hills known as Bojjanna Konda, Sankaram, Visakhapatnam District", a centrally protected monument in Hyderabad Circle, was not declared ticketed by the ASI, HQ. However, the Circle office printed the tickets in the year 2005 in anticipation of the approval from the HQ office. The monument was not declared as ticketed and the printed tickets could not be used by the Circle. DG, ASI took no action on the lapse on the part of Hyderabad authorities.

**Recommendation 7.1:** *The ASI should frame clear norms and guidelines for designating a particular monument as ticketed, with a view to enhance the revenue realisation from sale of entry tickets.*

The Ministry (May 2013) intimated that the existing norm for introduction of entrance fee at the monument was the number of visitors the monument received every day. The ticket is not introduced at a monument, which does not have a considerable number of daily visitors/tourists, because the ASI is required to put in place complete infrastructure for ticketing irrespective of the number of visitors. The total expenditure on the creation of infrastructure and the entrance fee collected are given due consideration while introducing ticket at the monument.

The reply is not valid as the ASI did not have a reliable mechanism to assess the number of visitors to the monuments which are not ticketed.

#### 7.1.4.2 Non Revision of Rates for Film Shooting

Rule 42 of the AMASR Rules, 1959 provided that each person intending to undertake any filming operation at a protected monument shall apply to DG, ASI for licence at least three months before the proposed date of the commencement of such operation. The DG may grant a license for film shooting on payment of a fee of ₹ 5000 in case of professional and other agencies. We noticed that agencies like Indian Railway charged ₹ 0.30 lakh to ₹ 1.0 lakh per day, Delhi Metro Rail Corporation charged ₹ 1.0 lakh per hour and Delhi International Airport Limited charged ₹ 5.0 lakh per four hours for film shooting in their premises. Even the agencies like CPWD and NDMC charged upto ₹ 0.50 lakh per day for film shootings in their areas. Thus the rates of the ASI were abysmally low in comparison to comparative rates.

We noted that these rates had not been revised since 1991. In Delhi Circle alone during the period of audit, 87 film shooting permissions were given and a revenue of ₹ 2.64 crore was realised.

The Ministry stated (May 2013) that the ASI had mooted the proposal for revision of the licence fee for filming at the monuments twice in the past, but the same was not approved. No reasons were accorded for non approval of proposed revisions.

**Recommendation 7.2:** *The ASI needs to revise the rates for film shooting and ticketing to make these a substantial source of revenue.*

#### 7.1.4.3 Delay in Remittances of Government Money

As per Archaeological Works Code, all money received at monuments and sites as Departmental receipts was to be credited into the nearest local treasury or Bank on the next working day regularly through Treasury challans. The counter foils duly receipted by the Treasury Officer had to be submitted to the Head of the Office concerned at the close of each month. The amount was to be posted in the revenue register and passed through the Cash Book of the head of the Office concerned.

The money received by sale of tickets etc. were deposited by the counter clerk to the Sub Circle incharge who deposited the same to the Circle office through which it went to the government account in the accredited bank.

We noted that there were delays by every Circle in depositing the money into the Government account. Such delays ranged between two to four years.

Out of 44 Site Museums, entry fee by way of tickets was charged in 31 Museums. We noticed that in 14 Site Museums there were delays in depositing the money collected by 15 to 180 days.

In Hyderabad Circle, Demand Drafts amounting to ₹ seven lakh collected as security deposit for film shooting in monuments during 2005-12 were not credited into Government account till the end of audit.

## 7.2 Subordinate Offices

The Ministry had two subordinate offices i.e. National Museum and National Research Laboratory for Conservation of Cultural Property which are involved in preservation and conservation of monuments and antiquities.

### 7.2.1 Budget Estimates and Expenditure

The table below shows the budget estimates and expenditure incurred there against by the two subordinate offices during the period covered under Audit.

Table 7.4: Budget estimates and expenditure figures of Subordinate Offices

(₹ in crore)

Year	National Museum		NRLC	
	Budget estimates	Actual expenditure	Budget estimates	Actual expenditure
2007-08	18.04	11.02	3.05	2.91
2008-09	18.04	12.80	5.11	4.71
2009-10	18.92	13.75	5.90	5.25
2010-11	17.75	17.48	5.34	5.07
2011-12	18.45	15.23	5.65	5.72

Source: Outcome budget documents of the Ministry of Culture

From the above table it is revealed that NM and NRLC failed to utilise their allotted budget.

### 7.3 Other Museums and Societies

Grants-in-aid are released to the Museums/ Societies functioning as Autonomous bodies and Grant in aid institutions under the Ministry of Culture. The trend of grants-in-aid released to the five Museums and two Asiatic societies funded by the Ministry is shown in the table below.

Table 7.5: Grants in aid released

(₹ in crore)

Sl. No.	Organisation	2007-08	2008-09	2009-10	2010-11	2011-12
1.	Allahabad Museum, Allahabad (AM)	2.25	2.92	2.29	3.15	2.15
2.	Asiatic Society Kolkata (ASK)	8.01	10.40	17.23	14.35	13.70
3.	Asiatic Society Mumbai (ASM)	0.35	0.50	1.00	1.00	0.78
4.	Indian Museum, Kolkata (IM)	6.46	9.69	14.48	16.14	10.96
5.	Salarjung Museum (SMH)	11.70	16.25	22.14	20.89	17.12
6.	Victoria Memorial Hall Kolkata (VMH)	7.20	7.64	7.69	9.15	10.63
	<b>TOTAL</b>	<b>35.97</b>	<b>47.40</b>	<b>64.83</b>	<b>64.68</b>	<b>55.34</b>



### 7.3.1 Diversion of Funds from Plan Head to Non Plan Head

We noticed that the Indian Museum diverted the plan grant of ₹ 161.09 lakh and ₹ 0.32 lakh during the years 2007-08 and 2008-09 respectively to non plan heads to meet the excess expenditure. Similarly, Asiatic Society, Kolkata also diverted ₹ 221.03 lakh in 2011-12 from plan heads to non plan heads.

### 7.3.2 Irregular Excess Expenditure

We also noticed that irregular excess expenditure was incurred in the Indian Museum, Asiatic Society Kolkata (ASK) and Victoria Memorial Hall (VHM) as given below:

Indian Museum	<ul style="list-style-type: none"> <li>• Against the plan grant of ₹ 477.31 lakh received in 2011-12, the expenditure incurred was ₹ 1055.86 lakh. However no prior approval was obtained.</li> <li>• ₹ 109.41 lakh was incurred on heads like campus development, shifting of library, purchase of car during the period 2007-08 to 2011-12 for which no budget provision was planned.</li> <li>• ₹ 764.59 lakh was incurred in excess of the allotted budget on security, galleries, education etc. However reasons for excess expenditure were not recorded.</li> </ul>
Victoria Memorial Hall (VHM)	<ul style="list-style-type: none"> <li>• Against the revised expenditure of ₹ 873 lakh, the expenditure incurred was ₹ 1155 lakh without assigning any reasons.</li> </ul>
Asiatic Society Kolkata (ASK)	<ul style="list-style-type: none"> <li>• Excess expenditure of ₹ 628.95 lakh was incurred but reasons for the excess were not recorded.</li> <li>• ₹ 59.12 lakh was incurred on heads for which no provisions existed.</li> </ul>

### 7.3.3 Unrealistic Budget Preparation

We also noticed that the budget estimates prepared by the Victoria Memorial Hall (VHM) and Asiatic Society Kolkata (ASK) during 2007-08 to 2011-12 were unrealistic and the Museums failed to utilise even the budget allotted as shown below:

Table 7.6: Unrealistic budget of Museums

(₹ in crore)

Sl. No.	Name of the Museum	Budget provision	Budget allotted	Budget utilised
1.	VMH	45.35	24.79	24.28
2.	ASK	44.13	25.78	23.44

## 7.4 Other Areas of Concern

### 7.4.1 Automation in Ticketing

The ASI introduced (2009) a system of bar coded Common Entry tickets. The tickets were to be printed by Government of India Security Press, Nasik. However, we noticed that no monument site of the ASI was provided with bar code reader machines. Infact, the ASI had not even initiated the procurement process of bar code reader machines. Hence, this automated ticketing system could not be introduced.

We further noted, that in 2005-06 the Delhi Circle had procured automated ticketing system for three monuments i.e., Qutb Minar, Purana Qila and Jantar Mantar by incurring an expenditure of ₹ 8.10 lakh, ₹ 8.45 lakh and ₹ 11.93 lakh respectively. However, the automated system was operational only at Jantar Mantar and that too for nine months only (from October 2006 to June 2007). The matter was under investigation by the vigilance/CBI for alleged irregularities in purchase of these machines. Thus, due to non-functioning of the automated system the expenditure incurred was rendered unfruitful.

**In Agra Circle, the ASI had incorrectly made payment to ISP Nasik, for printing 25.50 lakh tickets of ₹ 20 denomination at the rate of ₹ 4 per ticket instead of ₹ 2 per ticket. This resulted in excess payment of ₹ 51 lakh. No action was taken by the department to refund/adjust the excess amount.**

### 7.4.2 Other Irregularities in Tickets Stock

We noticed that at many ticketed monuments, due to high vacancies in permanent cadres, temporary staff was being used at ticket counters. e.g. in Delhi Circle, out of the 10 ticketed monuments, in two cases i.e. Safdarjung Tomb and Jantar Mantar, temporary staff was deployed at the ticket counter and in Sultan Garhi a monument attendant was deployed. Similarly in Srinagar Circle also, out of the four ticketed monuments, temporary staff was deployed at the ticket counters in two monuments. Handling of public fund by temporary staff lends itself to a high risk of misappropriation.

We noted that out of eight lakh tickets received by the Taj store from the CA Taj Mahal office, only 6.5 lakh tickets were issued to the counters for sale. However, the stock register showed NIL balance. Further, revenue realised on sale of 31784 tickets amounting ₹ 6.36 lakh was not deposited into the Government account. On it being pointed out, the Circle stated that the discrepancy had been reconciled. The reply was not verifiable as the relevant records had been tampered through overwriting and cuttings.

Till 2009, the ASI was using bell punched tickets at its ticketed monuments. DG, ASI imposed (December 2009) a ban on the use of these tickets and directed to commence sale of bar coded tickets (**Refer Para 7.4.1**). We noted that in many monuments, the bell punched tickets were being used in violation to DG's specific directions. Further, the ASI did not carry out the stock verification of old tickets lying at the Circle / monuments before introducing the system of issuing bar coded tickets. The absence of information regarding the stock of the tickets is fraught with the risk of unauthorised use of banned tickets.

### 7.4.3 Non Maintenance of Counter Foils of the Used Tickets

The Archaeological Works Code provided that the counter foil of the used tickets should be maintained at least for three years and then it should be weeded out by following the proper procedure. However, it was noticed that Sub Circle/Circle office were not maintaining the counter foils of the used tickets. In Delhi Circle, the Sub Circle offices were destroying the counterfoil on the same day in violation of the procedure prescribed in the AWC.

**Recommendation 7.3:** *The ASI needs to streamline the procedures for ticketing and collection of entrance fee at ticketed monuments.*

The Ministry stated (May 2013) that consultants had been appointed by the ASI to firm up the mechanism keeping in view the complexities at the monuments and the type of visitors.

### 7.4.4 No Efforts to Diversify Revenue Generation

The Ministry did not take any initiative to introduce new modes of revenue generation from the monuments and the museums. In most of the Sites, no souvenir shops, customised tours or specialised facilities on charge basis were available, unlike the global best practices.

**Recommendation 7.4:** *The Ministry needs to diversify and explore on the new modes of revenue generation from the Heritage Sites and Museums. Options should be explored in view of best practices adopted globally.*

#### 7.4.5 Irregular Retention of Government Money in Personal Account by National Museum

As per Rule 6 of the Receipt and Payment Rules, all moneys received by or tendered to Government officers on account of revenue or receipt or dues of the Government shall, without undue delay, be paid in full into the accredited bank for inclusion in Government account.

National Museum entered into an agreement with a private firm<sup>56</sup> in August 2003 for providing audio guide services. The fees charged from the visitors for providing the audio guide service was to be shared between the firm and the museum as per the agreement. We noticed that the money received on account of audio guide services was deposited in a separate saving bank account opened in the name of two officials of the National Museum in October 2005. The amount was deposited in this account till August 2007 when National Museum closed this account in the name of individual officers and opened another account in the name of National Museum. Keeping the government money in the personal account of the officials from October 2005 to August 2007 was highly irregular.

The National Museum accepted the audit observation and stated (December 2011) that the separate bank account was opened with the permission of the Director General, National Museum.

#### 7.4.6 Non Recovery of Licence Fees

National Museum provided the office space to three organisations viz. National Museum Institute, The Handicraft and Handlooms Export Corporation of India Limited and M/s Khatirdari Catering Services. We noticed that the National Museum did not charge the prescribed market rate of licence fees from these organisations as per the terms and conditions of the Ministry of Urban Development.

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<sup>56</sup> M/s Narrowcasters India Private Limited