

CHAPTER XVII : MINISTRY OF TEXTILES

National Institute of Fashion Technology

17.1 Irregular payment towards Housing Benefit Incentive

National Institute of Fashion Technology made payment of Housing Benefit Incentive in violation of Government of India orders which resulted in irregular payment of ₹ 5.10 crore.

Ministry of Finance extended (September 2008) orders issued by Government of India (GoI) to implement the revised pay structure for the Central Government employees on the basis of the recommendations of the Sixth Central Pay Commission as accepted by the Government to Autonomous Organisations, Statutory Bodies etc. whose pattern of emolument structure* are identical to those of the Central Government employees. In case the pay and allowances were not identical, a separate Group of Officers might be constituted to finalise the revision of pay scales etc. but the final benefit proposed to be extended to employees of autonomous bodies should not be more beneficial than that admissible to the corresponding categories of Central Government employees. As per GoI accepted recommendations of Sixth Central Pay Commission, House Rent Allowance (HRA) at the rate of 30, 20 and 10 *per cent* of Basic pay plus grade pay is admissible for cities/towns in X, Y and Z classification, respectively.

Audit observed that NIFT despite having emoluments structure identical to those of the Central Government employees decided (October 2008) to pay fixed amount of Housing Benefit Incentive (HBI) w.e.f. 16 June 2008 in lieu of HRA to its Administrative Officers/Faculty. HBI so fixed ranged between ₹ 8,000 and ₹ 20,000 per month in respect of employees in metropolitan cities and 75 per cent of the slabs in respect of employees in non-metropolitan cities, which was more beneficial than that admissible to the corresponding categories of Central Government employees. Accordingly, NIFT paid HBI of ₹ 19.59 crore during the period June 2008 to December 2012 (up to February

* i.e. pay scale and allowances (in particular the Dearness Allowance, House Rent Allowance and City Compensatory Allowance)

2013 in respect of Delhi, Kangra, Shillong centres and Head Office) against the admissible house rent allowance of ₹ 14.49 crore. Thus, NIFT, in violation of orders of Gol made irregular payment of ₹ 5.10 crore. Audit did not find approval of Ministry of Finance to the above decision of NIFT on record.

NIFT stated (December 2013) that it was not able to provide Government accommodation to Officers/Faculty and HRA payable as per Gol orders was very less for suitable accommodation. Therefore, NIFT replaced HRA with this incentive with approval of Board of Governors (BOG). However, looking at financial implications, the same would be placed before the current BOG for their directions. The Ministry stated (April 2014) that approval of Ministry of Finance was not taken as NIFT Act 2006 had empowered the Board to take such decision. Further, NIFT was not aware of orders restricting the NIFT from paying the incentive at higher rate.

The reply is not acceptable as payment of HBI with higher financial benefits was in violation of Gol orders. Decisions taken by NIFT Board as per NIFT Act 2006 cannot override Gol orders. Therefore, payment of Housing Benefit Incentive over and above the House Rent Allowance admissible to Central Government employees was in violation of Gol orders and was thus irregular.

Development Commissioner (Handloom)

17.2 Inordinate delay in Construction of Handloom Marketing Complex at Janpath, New Delhi

As a result of inadequate planning and monitoring by the Ministry of Textiles/Deputy Commissioner (Handloom), the Handloom Marketing Complex could not be constructed even after passage of more than 13 years from the date of acquisition of land for the purpose. This also led to cost escalation of ₹ 4.25 crore.

A plot measuring 1.779 acres at Janpath, New Delhi was allotted to Ministry of Textiles (MoT) by the Land and Development Office under Ministry of Urban Development and Poverty Alleviation in June 2001 at a cost of ₹ 39.14 lakh for the construction of Handloom Marketing Complex at Janpath under the Marketing & Export Promotion Scheme. The Complex was to be constructed for the benefit of handloom

weaver's organisations including Handloom House. The possession of the land was taken over by Development Commissioner (Handloom) [DC (HL)] in October 2001. The building was to be constructed within two years from the date of handing over of the land i.e by September 2003.

In pursuance of decision taken in a meeting in August 2004¹, Central Public Works Department (CPWD) was entrusted the work of planning, designing and executing the project considering it as a fast track project. CPWD intimated (August 2005) an estimated cost of ₹ 26.54 crore to the DC (HL). However, in September 2006, CPWD modified its earlier estimate to ₹ 41.46 crore due to increase in scope of work viz. additional area of basement having 3759 sq.mt. for parking as desired by NDMC, proposed increase in area where air-conditioning was to be provided etc. The modified estimate also included cost escalation of ₹ 2.16 crore.

DC (HL), in January 2007, decided to withdraw the project from CPWD as it was not able to get the plans approved from local bodies even after more than two and a half years from the entrustment of the work. The project was then handed over to Hindustan Steel Works Construction Limited (HSCL) who offered to complete the construction within 19 months from the date of physical possession of the site (February 2009). Administrative approval of ₹ 42.00 crore was accorded in August 2008 against which an amount of ₹ 42.40 crore had been released till April 2014 and a further bill for ₹ 1.15 crore was raised by HSCL.

Audit examination revealed that the purpose to withdraw the work from CPWD was to complete the construction as early as possible, as CPWD was not able to start the work even after a lapse of 29 months (August 2004 to January 2007) due to its failure in obtaining requisite approval from the local bodies. HSCL, the construction agency also could not handover the complex to the MoT even after 63 months (February 2009 to April 2014) as against the stipulated period of completion i.e. 19 months.

¹ During the period from 2001 to 2004, clearance to permissible height of building was not given by Archaeological Survey of India.

DC (HL) in its reply (October 2013) stated that HSCL had informed that work could not be undertaken due to delay in clearance from forest department, huge presence of RCC/PCC blocks at considerable depth on site, hindrance by shop keepers who had occupied large portion of space apart from blocking the entrance from Janpath side. Unauthorised parking of vehicles by local shopkeepers was a major hindrance. HT transformer was shifted by NDMC in April 2010 which also affected the schedule of deep excavation as per plans.

DC (HL) further stated (May 2014) that the construction of the Handloom Marketing complex at Janpath was almost complete. However, the possession of complex had not been handed over to the office of DC (HL) by HSCL for want of completion certification from NDMC.

Reply of DC (HL) needs to be viewed against the fact that as per Clause 2 of the Contract entered into between DC (HL) and HSCL for the construction of the Complex, it was responsibility of DC (HL) to ensure handing over of the work site without any encumbrance to the HSCL. Though physical possession of the site, free from encroachment, was stated to have been handed over to HSCL in February 2009, the site was not free from encumbrances as is clear from the reply of DC (HL) itself.

Thus, due to inadequate planning and monitoring by the MoT/ DC (HL) the Handloom Marketing Complex which was to be constructed by September 2003 could not be put to the desired use till April 2014 and there was cost escalation of ₹ 4.25 crore.