

CHAPTER II : MINISTRY OF CHEMICALS AND FERTILIZERS

Department of Pharmaceuticals

2.1 Recovery of unutilized funds and interest thereon at the instance of audit – ₹ 5.78 crore

National Institute of Pharmaceutical Education & Research (NIPER) parked funds of ₹ 4.22 crore released (2009-10) by the Department of Pharmaceuticals (DoP) for construction of auditorium in bank in violation of specific directions of the latter. Upon being pointed out by Audit, the amount was refunded (March 2014) by NIPER alongwith interest.

Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers had approved (December 2007) a total Plan outlay of ₹ 69 crore in order to strengthen the infrastructure of National Institute of Pharmaceutical Education & Research (NIPER), Mohali under various schemes during 11th Plan (2007-2012).

Budget provision of ₹ 5.50 crore was made during 2009-10 for construction of 1500 Seater Auditorium at NIPER, Mohali against which an amount of ₹ 4.22 crore was released. DoP in its letter (September 2010) had clearly stated that funds released were not meant for being parked in banks. However, Finance Committee and Board of Governors of NIPER deferred the construction of the Auditorium and the amount was kept in Fixed Deposit with a bank pending approval from DoP for its utilization in some other scheme. The interest so earned was transferred by NIPER to its endowment fund/corpus fund.

On being pointed out by Audit in June 2013, DoP recovered the unutilized funds from NIPER and confirmed (March 2014) that NIPER, Mohali had surrendered the unutilized amount of ₹ 5.78 crore (₹ 4.22 crore along with interest of ₹ 1.56 crore).

National Institute of Pharmaceutical Education and Research - Mohali

2.2 Idle investment of ₹ 2.49 crore on residential houses lying vacant since construction

Construction of type-IV and type V residential houses by NIPER in 2009 without assessing actual requirement led to idle investment of ₹ 2.49 crore.

National Institute of Pharmaceutical Education and Research (NIPER) is a national level institute in pharmaceutical sciences with a proclaimed objective of becoming a centre of excellence for advanced studies and research in pharmaceutical sciences. In order to attract good academic staff for NIPER, Government of India accorded approval (October 1997) for construction of houses (type-V or above) for faculty at 100 *per cent* satisfaction level and for other staff (type-IV or below) at 60 *per cent* satisfaction level.

NIPER constructed 15 type-V residential houses in 2006 which remained un-occupied since construction. There was no application pending with NIPER for allotment and despite surplus houses available for allotment, NIPER awarded (January 2009) contract for construction of five more type-V houses at a cost of ₹ 99 lakh and 12 type-IV houses at a cost of ₹ 1.50 crore. The construction of these residential units was completed in March 2010 and possession taken in May 2010.

At the time of award of work for construction of additional type-IV / type-V residential units, actual strength of officers eligible for type-V houses was 23 against the availability of 37 houses. Similarly, existing strength of officers eligible for type-IV houses was 14 as against the availability of 18 houses. Actual occupancy was 21 for type-V and 12 for type-IV. Further, there was no proposal in 2009 to recruit fresh manpower that would require type-IV or type-V houses in 2009. Considering actual men-in-position and vacant houses, additional residential houses should not have been constructed.

The Ministry stated (January 2014) that requirement for construction of houses was assessed as per Government of India order dated 10 January 1995 based on which approval to construct houses for faculty on 100 *per cent* satisfaction level, and for other staff on 60 *per cent*

satisfaction level, was accorded. Against the total requirement of 51 type-V houses, 42 houses had been built so far against which 17 houses had been occupied. In respect of type-IV, 30 houses had been constructed against the total sanctioned strength of 48 employees entitled for this type. Out of these 30 houses, 14 had been occupied by staff and five by students as a temporary arrangement in view of shortage of girls' hostel. Further, filling of faculty and other posts was in process and the vacant houses were likely to be occupied.

Ministry's reply needs to be viewed against following facts:

- Government approval was for providing houses for faculty on 100 *per cent* satisfaction level, and for other staff on 60 *per cent* satisfaction level. In the reply of the Ministry, requirement of 51 type-V houses and 48 type-IV houses was worked out on the basis of sanctioned strength of staff eligible for type-IV and type-V houses, whereas actual staff eligible for these houses during the period 2002-03 to 2012-13 varied from 19 to 27 (37 to 53 *per cent* of sanctioned strength) in case of type-V houses and 13 to 22 (27 to 46 *per cent* of sanctioned strength) in case of type-IV houses.
- Six type-IV houses and 16 type-V houses were already lying unoccupied at the time of awarding the contract (January 2009) for construction of additional type-IV and type-V residential quarters. After the construction of above houses in 2009, number of unoccupied flats increased to 16¹ for type-IV and 25 for type-V houses.
- Considering the past trend of actual staff entitled for type-IV and type-V houses and availability of vacant houses, additional houses should not have been constructed.
- In so far as fresh recruitment was concerned, construction, if any, could have been carried out in a phased manner, especially as 22 houses were anyway lying vacant.

¹ Excluding five houses occupied by the students as a temporary arrangement

Thus, Management's imprudent decision to construct five more Type V houses at a cost of ₹ 99 lakh and 12 Type IV houses at a cost of ₹ 1.50 crore without proper assessment of actual requirement resulted in idle investment of ₹ 2.49 crore on construction of additional residential quarters which remained unoccupied.