CHAPTER IX : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Department of Higher Education

9.1 Avoidable delays in setting up of permanent infrastructure for IITs

The Government of India decided to set up eight new IITs in the Eleventh Five Year Plan. The Cabinet approval for the purpose was accorded in July 2008. However, cascading delays in completion of projects led to non fulfilment of the project objectives.

In pursuance of the recommendations (June 2006) of the Chairman of the Scientific Advisory Council to the Prime Minister, a Detailed Project Report (DPR) was sent by the Ministry of Human Resource Development (MHRD) to the Planning Commission seeking their in-principle approval for setting up three new IITs in Bihar, Andhra Pradesh and Rajasthan. Based on the approval, the respective State Governments were requested (December 2006) to provide approximately 500-600 acres of land for establishing the new IITs. Subsequently, the Eleventh Five Year Plan (2007-12) envisaged setting up of eight new IITs during the Plan Period. The Government in December 2007 decided to set up five new IITs in Orissa, Gujarat, Punjab, Himachal Pradesh and Madhya Pradesh in addition to the three already approved. The respective State Governments were requested (April 2008) to provide land free of cost for the purpose. Based on the DPR, the overall cost of setting up of these eight new IITs over a period of six years was estimated at ₹ 6080 crore (@ ₹ 760 crore per IIT). The Cabinet accorded approval in July 2008 for setting up of these new Institutes.

Audit noted that prior to the Cabinet approval, the Expenditure Finance Committee while considering the proposal for establishment of three new IITs at Bihar, Andhra Pradesh and Rajasthan had emphasized the need for setting up a project monitoring unit in the Ministry to ensure timely completion of the project. The new IITs started functioning from temporary premises with effect from 2008-09 (six IITs) and from 2009-

10 (two IITs). The status of various activities in setting up of these IITs is given in **Annex-VII**.

Audit scrutiny disclosed that as of March 2014, all the projects lagged behind the schedule. In five cases[1], the land for the proposed IITs could be acquired between 2011 and 2012 indicating substantial slippage in adhering to the stipulated time schedule. In three out of the eight projects, the construction of campus buildings was yet to commence, while in five cases the percentage of work completed ranged only between 9 and 55 *per cent*. Audit noted that no commitment had been obtained from the State Governments for timely allotment of land before sanctioning the project. Audit also noted that the Ministry failed to set up the project monitoring unit as directed by the Expenditure Finance Committee.

Further, as a result of delay, the Ministry proposed in May 2014 to revise the original cost estimates from ₹ 6080 crore to ₹ 15664 crore i.e. an increase of more than 150 *per cent* over the initial project cost. The Revised Cost Estimate was, however, yet to be approved by the Department of Expenditure. Considering this revised cost, the release of funds so far by the Ministry (₹ 2807.23 crore as of March 2014) appear to be insignificant, being only 18 *per cent* of the revised cost.

The Ministry while furnishing the status of the projects stated (November 2013 and May 2014) that all the new IITs were functioning in temporary premises with adequate provision for classrooms, labs, equipment etc. The delays in undertaking the projects were attributed to delays in handing over of land by the State Governments, delays in preparation of master plan and delays in appointment of architects. It also stated that factors like environmental clearance, agitation by local farmers etc. also contributed to delays. It further stated that even though no monitoring committee was constituted at the Ministry's level, it had been monitoring the progress of the new IITs through monthly reports, regular meetings, video conferences and visits to the Institutes.

The fact, however, remains that both physical and financial progress in the establishment of these IITs has been extremely slow. The present

[1] Patna, Rajasthan, Gandhinagar, Mandi and Indore

status of these projects should also be viewed in the light of the fact that Planning Commission had advised to curtail the proposed schedule for completion of projects to two years. This suggestion was based on the reasoning that operation of IIT from rented premises was likely to lead to dilution of standards. The concerns of the Planning Commission have not been addressed; rather the projects faced cascading delays in the projected time schedule. Further, against the projected intake of 6880 students in various streams in the new IITs during the sixth year i.e. 2013-14, the actual intake was just 2881 (42 *per cent*). Similarly, against the proposed intake of 1888 number of teaching faculty the actual strength was only 659 as of March 2014, a shortfall of 65 *per cent*. The inordinate delay also resulted in substantial cost overrun.

The Ministry may take necessary steps to ensure that projects are completed without further delays and the intended objectives are fulfilled.

Central Hindi Directorate

9.2 Unproductive expenditure on publication of excess books

The Central Hindi Directorate without taking cognizance of the trend of unsold publications continued to print 1000 copies of Dictionaries and conversation booklets which had very few takers. This led to accumulation of large number of these publications valuing ₹ 2.22 crore.

Central Hindi Directorate (Directorate) was established as a subordinate office of the Ministry of Human Resource Development. The Directorate is responsible for the promotion and publicity of Hindi language and to develop it as a strong medium of education. In line with this objective, the Directorate brings out various publications which broadly include Dictionaries and vartalap pustika (conversation booklets). As per the established practice, the price of the publication is generally fixed after allowing a discount of 25 *per cent*. The Directorate prints a minimum of 1000 copies of these publications of which about 100 copies are generally distributed free of cost.

Audit examination of the related records disclosed accumulation of large number of dictionaries and conversation booklets brought out by the Directorate during 2001-02 to 2012-13. Of the 54000 such publications published by the Directorate during this period, 41000 (76 *per cent*) were lying in stock unsold/undistributed. The value of the unsold stock amounted to ₹ 2.22 crore. The details are given in the **Annex-VIII**. Significantly, the average off take of every such publication produced by the Directorate over the last decade had been hovering around 25 *per cent* mark.

Audit also observed that the Directorate did not have a policy in place regarding quantity of books to be printed. The Directorate continued to print 1000 copies of each publication despite their low off take. Further the pattern of unsold stock was clearly evident over the years, yet the Directorate did not take any measures to make a realistic assessment of the requirement or to effect reduction in the print quantity thus leading to excess production of the publications and consequent extra expenditure.

The Directorate stated (January 2014) that keeping in view the promotion and publicity of Hindi language, efforts were made to keep the price of publications low so that readers could easily buy and read them. For this purpose 1000 copies of each publication were printed to keep the cost of production low. The Directorate further stated (February and March 2014) that it had to work primarily for the promotion and propagation of Hindi. Hence, for the maximum reach of the publications to the people, it distributed its publications free of cost at few instances and on rebated price in others. It also stated that cost of printing of 500 copies had barely any difference as compared to that of 1000 copies. Hence, for the maximum benefit of the section of people who need these publications, it preferred to order the number of copies for the printing under the slab of minimum cost and maximum benefit.

However, Audit could not find any evidence in the records of the Directorate to suggest that it had taken measures to determine as to what would be the economic order quantity with regard to the printing of books. In the absence of comparative cost analysis between different printable quantities, the response of the Directorate would appear to be an after thought. Further, even if it is assumed that per book cost may fall with increase in the volume of the quantity printed, it still does not offer sufficient justification for such a high production rate which was three times over. The accumulation of books is also likely to result in higher carrying cost for their storage. Offering higher discount to increase the sale of books may not be a plausible solution unless the requirement is determined on a scientific basis and is backed up by aggressive publicity measures to increase the sale of such publications.

The reply of the Ministry to the audit observation was however awaited (May 2014).

All India Council for Technical Education

9.3 Loss of interest

All India Council for Technical Education invested ₹ 217 crore in fixed deposits with the State Bank of Patiala without ascertaining the prevailing rates of interest offered by other banks leading to loss of interest of ₹ 3.25 crore.

Section 16 of All India Council for Technical Education Act, 1987 provides that the Council shall have its own fund and all moneys belonging to the fund shall be deposited in such banks or invested in such manner as may, subject to the approval of the Central Government, be decided by the Council. Grants from Government and receipt of fee are main sources of income of the Council. It has large amount of investible funds e.g. it had bank balances of ₹ 169.94 crore and ₹ 376.54 crore as on March 2010 and March 2011 respectively.

Audit examination of the investment records of the Council disclosed that the investment committee came into being only in September 2011. Audit further observed that the Council invested ₹ 217 crore[2] with the State Bank of Patiala (SBP), Shastri Bhawan, New Delhi on 4 May 2011 at an interest rate of 6.50 *per cent* per annum for a period of 331 days without obtaining competitive rates from other banks. Audit compared the said interest rate with rates offered by different banks as on 14-16 May 2011 to another autonomous body, namely the Indian Institute of Technology, New Delhi and found that for the same period

[2] In three deposits of ₹ 200 crore, ₹ 10 crore and ₹ 7 crore.

and for the same term, the offered rates ranged between 8.25 *per cent* and 9.5 *per cent*. Thus, poor investment decision by the Council led to loss of interest of ₹ 3.25 crore[3] computed with reference to the rate of 8.25 *per cent* per annum (offered by SBP, Nehru Place, New Delhi).

The Ministry stated (April 2014) that the Head Office of the SBP had clarified that it had not approved more than 6.50 *per cent* interest rate for 332 days period to any of its branch on 4 May 2011 or 5 May 2011. The Ministry further stated that the SBP revised the rates of interest on short term deposits with effect from 19 August 2011. Had the Council prematurely withdrawn money at the time of revision of rates by the bank and invested again at the revised rate of interest, the interest earned would have been ₹ 12.70 crore whereas it earned ₹ 12.98 crore as interest by sticking to old interest rate.

The reply of the Ministry sticks to particular dates (4 and 5 May 2011) while overlooking the fact that the SBP, Nehru Place, New Delhi had offered higher rate of 8.25 *per cent* interest shortly afterwards[4] during the month of May 2011 itself. Therefore, the question of premature withdrawal does not arise. The fact remains that the Council did not invite competitive rates from different banks and lost an opportunity to make investments at higher rate of interest.

Punjab University, Chandigarh

9.4 Overpayment of interest to the GPF/CPF subscribers

Punjab University paid higher rates of interest to GPF/CPF subscribers in contravention of the orders of the Ministry of Human Resource Development and University Grant Commission resulting into overpayment of ₹ 4.49 crore.

Ministry of Human Resource Development, Government of India after consulting the Ministry of Finance, instructed (February 2004) all autonomous organisations under its jurisdiction, that interest on General Provident Fund (GPF) / Contributory Provident Fund (CPF) at

[3] The Council would have earned interest of ₹ 16.23 crore had it invested ₹ 217 crore at the interest rate of 8.25 *per cent* simple interest. After deducting the interest component of ₹12.98 crore actually earned, the loss works out to ₹ 3.25 crore.

[4] 16 May 2011

a rate higher than the rate notified by the Government should not be paid, lesser rate of interest than the rate notified can be paid depending on the financial position of the organisation. University Grants Commission (UGC) also reiterated (April 2004) these instructions.

Audit noticed that the Punjab University had paid interest on GPF/CPF accumulations at the rate of nine *per cent* as against the notified rate of interest of eight *per cent* (April 2011- November 2011) and 8.60 *per cent* (December 2011 – March 2012) respectively, fixed by the Central Government. This resulted in overpayment of ₹ 4.49 crore to GPF and CPF subscribers as below:

(₹ in crore)

	GPF	CPF	Total
Interest credited to subscribers	2536.43	1730.83	42.67
Interest to be credited to subscribers as per Government rates	2269.93	1548.80	38.19
Excess interest credited to subscribers	266.50	182.03	4.49

The University in its reply (March 2013) stated that CPF/GPF was maintained by the University and the rate of interest on CPF/GPF was determined by the Syndicate[5] on the basis of interest earned on the deposits of GPF/CPF balances as per its regulations approved by the Central Government. The income generated from fund balances were used only for payment of interest to GPF/CPF subscribers.

The reply of the University was not in consonance with the Ministry's/ UGC's instructions of 2004, which places restriction on all autonomous organisations on payment of rates of interest. Further, since the University is substantially financed by government grants, its Regulations cannot override the instructions of Government of India.

[5] The Syndicate is the executive body of University which, subject to the control of the Senate, has the power of management of the revenue, property and all administrative affairs of the University.

The matter was referred to the Ministry in June 2013; their reply was awaited (May 2014).

National Institute of Technology, Warangal

9.5 Irregular payment of arrears on re-rationalisation of pay of non-teaching staff in violation of the orders of Ministry

Re-rationalisation of pay of non-teaching staff of National Institute of Technology, Warangal considering the Andhra Pradesh State Eighth Pay Revision Commission benefits, in violation of the orders of the Ministry resulted in irregular payment of arrears of ₹ 2.89 crore.

Ministry of Human Resource Development (Ministry) declared (September 2002) National Institute of Technology, Warangal (Institute) (formerly Regional Engineering College, Warangal) as a 'Deemed to be University' for the purpose of University Grants Commission Act, 1956. Central Government took over (May 2003) full administrative and financial control of the Institute and Plan and Non-plan expenditure of the Institute was to be borne entirely by the Central Government from financial year 2003-04 onwards. Consequently a Memorandum of Understanding was signed between the Ministry and the Institute on 28 July 2003 which *inter-alia* included that the Institute agreed to abide by economy instructions issued from time to time by Government of India (GoI) and Institute would not take any step without prior consultation with the Ministry that may lead to additional financial burden on the GoI.

Subsequently, the Ministry issued (June 2004) instructions to all National Institutes of Technologies (NITs) to rationalise the pay scales of non teaching employees of the Institutes with the identical scales of pay of GoI, as notified under Central Civil Services (CCS) (Revised Pay) Rules 1997 with effect from 1 April 2004.

Meanwhile in 2005, the Government of Andhra Pradesh revised the pay scales of non-teaching staff of State Universities, with notional benefit of fixation from 1 July 2003 and monetary benefit with effect from 1 April 2005 vide order[6] dated 10 October 2005. The Institute made a request (October 2005) to the Ministry for extension of Revised Scale of Pay as notified by the Government of Andhra Pradesh to its non-teaching staff. In response, Ministry categorically stated (January 2006) that it was not feasible to accede to the request of the Institute as any order issued by the Government of Andhra Pradesh on or after 1 April 2003 for its employees was not applicable to the employees of the Institute directly or indirectly. Ministry further reiterated (April 2006) that revised scale of pay notified by Government of Andhra Pradesh cannot be extended to the employees of the Institute as it was a fully centrally funded institute from 1 April 2003.

On Ministry's refusal the Institute rationalised pay of its non-teaching staff with effect from 1 April 2004 during June/July 2006 as per the orders of the Ministry issued in June 2004 regarding rationalisation.

The Ministry also clarified to all NITs (April 2007) that matter relating to upgradation and revision of pay scales of employees of NITs would require the specific approval of GoI in addition to the approval of the Board Of Governors (BOG).

Audit noted (January/February 2013) that Board of Governors of the Institute in its 19th meeting held on 11 February 2011 resolved to extend revised Government of Andhra Pradesh pay scale to non-teaching employees of the Institute with effect from 1 July 2003 to 31 March 2004 (notional fixation) and to re-rationalise the pay scales of the employees of the Institute, thereafter with Central Government CCS (Revised Pay) Rules 1997 scales. The decision of the BOG was implemented by the Institute and 320 non-teaching[7] employees were paid arrears (March 2011) amounting to ₹ 2.89 crore for the period from 1 April 2005 to 28 February 2011 on account of enhancement in pay due to re-rationalisation of pay scales. This was in violation of the Ministry's repeated instructions issued in January 2006, April 2006 and April 2007.

6 GO (P) No. 255 dated 10 October 2005 (read with GO (P) No. 213 dated 27 August 2005)

7 In addition one teaching staff was also paid arrears

The Institute (April 2014) replied that pay scales were re-rationalised and arrears paid after receipt of representations from Employees Associations and was done with the approval of BOG which was also attended by representatives of the Ministry.

The fact remains that the Institute failed to comply with the specific instructions of the Ministry leading to irregular payment.

The matter was referred to the Ministry in June 2013; their reply was awaited (May 2014).

Central University of Jharkhand

9.6 Loss of Interest

Central University of Jharkhand did not utilize the grants during the financial years for which these were sanctioned, and continued keeping surplus money in savings account.

Investment of surplus funds in interest-generating safe avenues is an elementary aspect of cash management. University Grants Commission (UGC), while releasing grants-in-aid stipulates that unutilized portion of grants attract simple interest of 10 *per cent* due to UGC.

Audit examination revealed (January 2013) that the Central University of Jharkhand received ₹ 101.50 crore towards 'General Development Scheme' during 2008-09 to 2011-12 from the UGC. The University could not utilize the grants fully during these financial years and had accumulated unutilized grants of ₹ 24.97 crore by 31 March 2012. However, the unutilized funds remained in savings bank accounts, which earned only four *per cent* interest per year and the University, did not invest this surplus fund in Term Deposit Receipts, which could have earned higher interest at the rate of 9 *per cent* per annum approximately. The University also did not have its investment policy till audit pointed out the gap.

On being pointed out by audit, the University replied (April 2014) that they had requested (May 2013) the State Bank of India, Ranchi to convert the savings bank account to Flexi Deposit Scheme with higher interest rates, keeping minimum balance of ₹ 1 crore for day to day transactions.

However, it was observed (May 2014) that the amount was still lying in savings bank account. Non conversion of this amount in Flexi Deposit for two years has resulted in loss of interest of ₹ 2.497 crore (interest for two years from April 2012 to March 2014 at the rate of 5 *per cent* (9 *per cent* on Flexi Deposit less 4 *per cent* on Savings Bank).

The matter was referred to the Ministry in June 2014; their reply was awaited.

Motilal Nehru National Institute of Technology, Allahabad

9.7 Loss of interest of ₹ 1.00 crore

Motilal Nehru National institute of Technology suffered loss of interest of ₹ 1.00 crore due to retention of surplus funds in current account.

Section 21(2) of National Institute of Technology Act, 2007 (NIT Act) provides that all money credited to the fund of Institute shall be deposited in such banks or invested in such manner as the Institute may, with the approval of the Central Government, decide.

Motilal Nehru National Institute of Technology, Allahabad (Institute) had invested an amount of ₹ 10.00 crore in 20 Fixed Deposits (FDs) on 07 September 2011 out of its surplus receipts, leaving a balance of ₹ 4.08 crore in current account. These FDs were encashed on 29 October 2012 with maturity value of ₹ 11.07 crore and deposited in current account.

Audit scrutiny of records revealed that the Institute parked ₹ 11.07 crore in current account despite having an amount of ₹ 4.08 crore for immediate utilization in future. Further, there were no reported pending liabilities. Consequently, parking of ₹ 11.07 crore in the current account during the period 29 October 2012 to 31 October 2013 was not justified, as the Institute was deprived of the interest income of approximately ₹ 1.00 crore.

In reply, the Institute stated (January 2014) that the money available was not meant for earning interest but for utilization and it was in process to utilize the money during the current year.

The reply is not convincing in view of the fact that propriety demands that idle money should be invested in a gainful manner.

The Institute also did not have any policy/guidelines on investment of surplus funds.

The matter was referred to the Ministry in March 2014; their reply was awaited (May 2014).

Indian Institute of Management, Calcutta

9.8 Fraudulent reimbursement of Leave Travel Concessions

Employees of Indian Institute of Management, Calcutta (IIMC) had submitted incorrect air tickets to claim inflated air fares against their Leave Travel Concessions claims that were reimbursed by IIMC without verification of their authenticity, resulting in irregular excess payment of ₹ 7.54 lakh.

Rule 21 of General Financial Rules (GFR), 2005 stipulates that the every officer incurring or authorising expenditure from public moneys should be guided by high standards of financial propriety and should enforce financial order and strict economy. It also states that the amount of allowances granted to meet expenditure should be so regulated that allowances are not on the whole a source of profit to the recipients.

As per Office Memorandum (OM) dated 18 June 2010 issued by Ministry of Personnel, Public Grievances and Pensions, Government of India (GOI), all government employees may visit Jammu and Kashmir (J&K) against conversion of Home Town Leave Travel Concession (LTC). Further, GOI allowed (OMs Dated 05 August 2010, 25 August 2011 and 15 June 2012) employees to avail the services of private airlines for travel to J&K but stipulated that the tickets are purchased either directly from the airlines or through authorised agents only viz., M/s Balmer Lawrie & Co, M/s Ashok Travels & Tours Limited and Indian Railway Catering and Tourism Corporation.

Test check (September 2013) of LTC bills relating to 35 employees revealed that the incumbents along with their dependents undertook air journey between New Delhi and J&K against conversion of Home Town LTC during October 2011 to November 2012 through Air India, Indigo and Jet Airways. Detailed scrutiny of records revealed the following discrepancies: -

A. **Air India**: 28 persons involving nine employees and their dependents travelled by Air India between October 2011 and November 2012 for which an amount of ₹ 3.90 lakh was claimed and subsequently paid by Indian Institute of Management, Calcutta (IIMC). Cross verification by Audit with records of Air India revealed that the air tickets submitted were not in conformity with those issued by Air India and the fares claimed by the employees were higher than the amount actually paid to Air India. The entire amount claimed by the employees was reimbursed by IIMC resulting in irregular excess payment of ₹ 1.80 lakh **(Annex-IX).**

B. **Indigo:** 62 persons involving 19 employees and their dependents travelled by Indigo airlines between October 2011 and June 2012 for which an amount of ₹ 8.82 lakh was claimed and subsequently paid by IIMC. Cross verification disclosed that the employees had purchased the tickets in bulk. However, inflated claims were submitted through individual tickets, as if, issued by 'Indigo' airlines. This again resulted in irregular excess payment of ₹ 5.00 lakh **(Annex-X).**

C. **Jet Airways**: Fares amounting to ₹ 2.87 lakh in respect of 22 persons involving seven employees and their dependents who travelled in April-June 2012 by Jet Airways were reimbursed by IIMC. However, verification with the authorities of Jet Airways revealed that irregular excess payment of ₹ 0.74 lakh was reimbursed by IIMC **(Annex-XI).**

Thus 35 employees of IIMC had fraudulently submitted incorrect air tickets to claim inflated air fares and the same were reimbursed by IIMC without verification of their authenticity as encompassed in GFR *ibid*, thereby resulting irregular excess payment of ₹ 7.54 lakh.

IIMC replied (June 2014) that a Fact Finding Committee was constituted to inquire into the subject and based on its report an Enquiry Committee was to be constituted to inquire against the individual employees and the travel agent.

The matter was referred to the Ministry in December 2013; their reply was awaited (May 2014).