CHAPTER X : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Indian Institute of Technology, Guwahati

10.1 Loss of ₹ 5.97 crore due to damage to hostel blocks

Defective piling work done by contractor led to tilting of hostel blocks causing damage to 144 rooms and two toilet blocks. Though the failure of the contractor was established by experts, IITG had not recovered the expenditure of ₹ 5.97 crore incurred on the construction of these damaged rooms and toilet blocks which remained unutilised.

The Indian Institute of Technology, Guwahati (IITG) awarded (December 2007) the work for construction of a Boys' Hostel to a Contractor[1] at a total cost of ₹ 26.09 crore. The agreement stipulated that the contractor would complete the construction of the 504 room boys' hostel by June 2010.

During the execution of the work, IITG noticed (May 2010) a tilt of one degree (1^0) in '*two toilet blocks and the adjoining blocks*' of the hostel building. Apart from the tilt, the adjoining hostel blocks also settled down causing damage to 78 rooms. Hence, IITG in July 2010 engaged a firm to carry out *'Pile Integrity Test & High Strain Dynamic Test[2]'*. Further, they engaged (January 2011) another firm to study the result of those tests and to redesign the pile. After examining the test report, the second firm opined[3] that the pile foundation was not capable of carrying the designed load of 36 metric tonne (MT) and attributed this to the poor quality of piling work. A professor of the Civil Engineering Department of IITG, who was entrusted with the responsibility of further examining the findings, also confirmed the poor workmanship as the cause for the damage. In the report he further stated that the affected blocks were constructed in an area developed by filling up of a nullah[4] and the piles of affected blocks had not been tested. Accordingly, the IITG directed (August 2012) the contractor to carry out the retrofitting, at his own expense, to prevent further tilting of the blocks. In the meantime, IITG reduced the capacity of the hostel rooms from 504 to 450[5]. The contractor completed the construction of the hostel building including the retrofitting by September 2013. The building along with the tilted

[1] M/s Pragjyotish Construction Pvt. Ltd, Guwahati which later Known as M/s Rajshekhar Construction Pvt. Ltd, Guwahati
[2] A test conducted to assess the capacity and integrity of piles
[3] On 02 February 2011 and on 12 February 2012
[4] A steam or an artificial channel for water
[5] 14 rooms due to bad soil and another 40 rooms due to the contractors' inability to complete the work in time

blocks was taken over by IITG and an amount of ₹ 25.68 crore was also paid to the contractor as of December 2015.

Since the 78 damaged rooms were not being used and the IITG had not recovered the cost of construction of ₹ 2.43 crore from the contractor, Audit in October 2015 sought the Ministry's as well as IITG's view in this matter. In reply, the IITG (December 2015) stated that they had decided to recover ₹ 2.43 crore from the contractor towards the unused 78 rooms without specifying how such recovery would be effected. Subsequent audit examination (December 2015) showed that other connected hostel blocks had also tilted causing damage to additional 66 rooms. The IITG had to keep these rooms also vacant. Owing to this, the total loss to IITG on account of cost of construction of 144 rooms and 2 toilet blocks located in the tilted blocks had gone up to ₹ 5.97 crore[6].

Thus, the defective piling work done by contractor led to tilting of hostel blocks causing damage to 144 rooms and two toilet blocks. Though the failure of the contractor was established by experts, IITG had not recovered the expenditure of ₹ 5.97 crore incurred on the construction of these damaged rooms and toilet blocks which remained unutilised.

The matter was reported to the Ministry in October 2015; the reply was awaited as of December 2015.

10.2 Loss of interest

Non-formulation of investment policy and parking of surplus fund in saving bank/current account resulted in loss of interest ₹ 4.36 crore.

Investment of surplus fund in interest generating safe avenues is an elementary aspect of cash management. Further, section 21 (2) of NIT (amendment) Act, 2012 and section 3J (vi) of memorandum of association of IIM, Ranchi prescribes that all money credited to the fund of every institute shall be deposited in such banks or invested in such manner as the Institute may decide with the approval of the Central Government.

Audit examination revealed that the National Institute of Technology (NIT), Jamshedpur and Indian Institute of Management (IIM), Ranchi had not formulated its investment policy and had parked unspent balance of ₹ 19.75 crore during the period from 01 April 2011 to 31 March 2015 in saving bank accounts, which fetched interest at rate of four *per cent*. Further, it was noticed that during the period 2014-15 National Institute of Technology, Patna had parked its surplus funds of ₹ 54.25 crore in current accounts which fetched Nil rate of interest.

[6] As intimated by IITG vide UO dated 30 December 2015

Had the Institutes invested the unspent balances in Term Deposit Receipts (TDRs), they could have earned interest amount of ₹ 4.36 crore at the interest rate ranging from 8 to 9.25 *per cent per annum* (approximately).

NIT, Jamshedpur stated (November 2015 and February 2016) that they were taking steps to invest the surplus fund in fixed deposits, whereas IIM, Ranchi stated (January 2016) that at present ₹ 2.69 crore is left in HDFC saving bank accounts and the point of auditor is noted for implementation in future.

NIT, Patna replied (December 2015) that the current accounts were already converted into saving account during May 2015.

Thus, non-formulation of investment policy and parking of surplus fund in saving bank accounts and current accounts by the Institutes resulted in loss of interest of ₹ 4.36 crore.

The matter was referred to the Ministry (8 February 2016); their reply was awaited (February 2016).

Indian Institute of Information Technology, Allahabad

10.3 Unfruitful expenditure

Failure of the Indian Institute of Information Technology to fulfill the preconditions of the project stipulated by DST and non-submission of the detailed project report for augmented version of the project to MHRD resulted in closure of the project and unfruitful expenditure of ₹ 1.41 crore.

The Department of Science and Technology (DST), Government of India approved (November 2008) a project called "S&T Discovery Park for Rural Empowerment" at Rajiv Gandhi Institute of Information Technology, Amethi campus of the India Institute of Information Technology (Institute), Allahabad for a period of two years with a total funding of ₹ 2.42 crore. The first installment of ₹ 1.50 crore was also sanctioned simultaneously subject to signing an agreement/linkages with Purdue University (PU), USA; participation of major stake holders i.e. farmers in the demonstration of technologies; and Purchase of equipment items in accordance with provisions contained in General Financial Rules.

Audit observed that no agreement was signed by the Institute with PU, USA. Further, the Board of Governors (August 2009) approved to approach Ministry of Human Resource Development (MHRD) for sanction of augmented version of the Discovery Park. Audit observed that Institute never approached MHRD for the same. In September 2012, Institute intimated DST that an agreement with PU, USA could not materialise and an MOU was signed with University of Buffalo valid for five years and requested DST to release the grant already sanctioned in November 2008. It was also intimated that the staff of the project is working on the project since July 2009, even though no grant was released by DST.

Although the project period of two years expired in 2010, Institute continued the project without fulfilling the conditions of the project to DST. In May 2014 the Board of Management decided to close the Project forthwith. An amount of ₹ 1.41 crore was spent upto 2015-16 by the Institute from its own source without receiving grants from DST.

Thus, failure of the Institute to fulfill the conditions of the project as approved by DST and non-submission of detailed project report for augmented version to MHRD for sanction, resulted in unfruitful expenditure of ₹ 1.41 crore.

MHRD accepted the audit observations and stated (December 2015) that the project was continued without receiving first installment of grant whereas the initial sanction expired in 2010 and the proposal of augmented version of the Discovery park project was also not submitted to MHRD. The Board of Management of the Institute finding the project unviable decided to close the project. The DST also closed the project without sanctioning any fund (October 2014).

However, the fact remained that Institute continued the project without fulfilling the preconditions and without receiving any funds from the DST resulted in unfruitful expenditure of ₹ 1.41 crore.

Indian Institute of Technology, Kharagpur

10.4 Irregular reimbursement

Indian Institute of Technology, Kharagpur (IITK), in violation of LTC Rules, reimbursed an amount of ₹ 62.03 lakh for journeys performed by its faculty and staff by private vehicles while availing LTC

Rule 12(2) of CCS (LTC)[7] Rules, 1988 provides that reimbursement shall not be admissible for journey performed by a private car (owned, borrowed or hired), or a bus, van or other vehicle owned by private operators. Further, consequent upon acceptance of the recommendations of the sixth pay commission, the Department of Personnel & Training (DoPT) added (September 2008) in the CCS (LTC) Rules, 1988 that LTC shall be admissible only in respect of journeys performed in vehicles operated by the Government or any Corporation in the public sector run by the Central or State Government or a local body.

[7] Central Civil Services (Leave Travel Concession)

Test check (December 2014 and November 2015) of LTC bills for the period from April 2012 to March 2015 revealed that Indian Institute of Technology, Kharagpur (IITK) reimbursed an amount of ₹ 62.03 lakh in 569 cases during the period from April 2012 to March 2015 towards expenditure incurred on road journey performed by faculty and staff by private vehicles during LTC.

Hence, IITK, in violation of LTC Rules, reimbursed an amount of ₹ 62.03 lakh for journeys performed by its faculties/staffs by private vehicles while availing LTC.

The Ministry stated (January 2016) that the nearest airport was located about 150 Kilo Meters from the location of IITK and there was no direct Government road transport available. Travel by train to reach the airport was very time consuming and expensive. Ministry also stated that IITK had adopted a policy of restricting the reimbursement to the actual expenditure on road journey, entitled class train fare and road mileage as per LTC Rules, whichever is less. Reply was not acceptable as the reimbursement for journey by a private car was not admissible under the CCS (LTC) Rules, 1988.

Department of Education and Literacy

Navodaya Vidyalaya Samiti

10.5 Blocking of funds

Award of the work by the Navodaya Vidyalaya Samiti without obtaining clearance from the Forest department resulted in foreclosure of the work and blockade of funds of ₹ 171.80 lakh

Para 4.4 of Forest Conservation Act, 1980 as amended vide Ministry of Environment & Forests order (January 2011) states that if a project involves forest as well as non-forest land, no work should be started on non-forest land till approval of the Central Government for release of forest land under the Act has been given. Further, Para 15.1(2) (i) of CPWD manual states that availability of clear site is desirable before inviting and approval of Notice inviting Tender (NIT).

The State Government of Bihar allotted (July 2001), free of cost 27.50 acres of land to Navodaya Vidyalaya Samiti (NVS) for the construction of Jawahar Navodaya Vidyalaya (JNV) in Village Makpa, district, Jahanabad (Bihar). JNV take over the possession of the land for construction of Vidyalaya from State Government in July 2001. The State Government has to provide dispute free land for construction of JNV. The NVS did not verify the status of land before start of construction work and in November 2001 NVS accorded administrative approval of ₹ 505.02 lakh for Phase A and awarded the work to CPWD, Patna with the condition that the work was to be completed within 15 months from the

15th date of the date of issue of sanction work. Though CPWD manual provide that availability of clear site is desirable before inviting and approval of Notice inviting tender, CPWD commenced the construction work through an agency in October 2002 and an amount of ₹ 171.80 lakh was spent between January 2001 to February 2006.

The construction work was stopped by the Forest Department in August 2004 as the construction of JNV was done on Forest land without prior approval. Since, the State Government has to provide free of cost dispute free land to NVS, the State Government cleared the dues of Forest Department in April 2011.

The matter for remaining construction work was taken up with CPWD and was asked to submit the estimate for leftover work. Although NVS requested CPWD in March, July, October and December 2014 to complete the left over work, CPWD did not submit the estimates. As CPWD failed to submit the estimate of left over work, NVS withdraw the work from CPWD in June 2015 and the work remains incomplete till date.

Thus NVS awarded the work of construction for Jawahar Navodaya Vidyalaya to CPWD without obtaining clearance of land from Forest Department and further CPWD tendered the construction work before verifying the availability of clear site resulted in blockade of funds of ₹ 171.80 lakh due to foreclosure of construction of Jawahar Navodaya Vidyalaya in Bihar.

The matter was reported to the Ministry (November 2015); their reply was awaited (February 2016).

10.6 Infructuous expenditure

Navodaya Vidyalaya Samiti started the construction despite raising of objections by State Marketing Board regarding the transfer of RMC's land without their consent resulted in infructuous expenditure of ₹ 90.25 lakh.

The Government of West Bengal (GoWB) decided (in 2005) to set up a Jawahar Navodaya Vidyalaya (JNV) in Tufanganj, Cooch Behar (West Bengal) and unused land of the Tufanganj Regulated Marketing Committee (RMC) under Agri-Marketing Department, was selected after the inspection (January 2006) by Navodaya Vidyalaya Samiti (NVS) and GoWB handed over (July 2007) 10.00 acres land to Principal, JNV, Cooch Behar by Block Land and Land Reforms Officer, Tufanganj of GoWB.

Scrutiny of records (August 2015) showed that administrative approval and expenditure sanction of ₹ 672.77 lakh for the work was accorded (August 2007) by the NVS to CPWD without the clear site, in contravention of section 4.2 of CPWD Works Manual 2014, which state that the preparation of detailed estimate and drawings and design should be taken up only after obtaining an assurance from the Department/Ministry sponsoring the proposal; that the site without any encumbrances is available. Further, the State Marketing Board raised (August 2007) objection regarding the transfer of RMC's land without their consent and a local movement led by a Haat Sangram Committee against the construction of JNV was also started (August 2007). Despite absence of clear site, CPWD started (January 2008) the construction of boundary wall and completed (July 2008) under police protection and incurred an expenditure of ₹ 90.25 lakh against the released amount ₹ 303.77 lakh up to November, 2008. Further, construction work could not be taken up due to stiff resistance from Haat Sangram Committee and the land dispute has not been solved so far (June 2015).

As a result, the NVS decided (June 2015) to withdraw the work from CPWD with immediate effect and balance[8] amount was adjusted against another work of JNV Barovisa being constructed by CPWD.

Thus, starting the construction work despite State Marketing Board raising (August 2007) objection regarding the transfer of RMC's land resulted in infructuous expenditure of ₹ 90.25 lakh.

The matter was reported to the Ministry in November, 2015; their reply was awaited (January 2016).

Malviya National Institute of Technology, Jaipur

10.7 Avoidable Expenditure in construction of 1st and 2nd floor on design centre

Malviya National Institute of Technology, Jaipur (MNIT) awarded work of construction of 1st and 2nd floor on design centre of MNIT to Avas Vikas Limited (AVL) Jaipur on nomination basis in contravention of General Financial Rules and Central Vigilance Commission (CVC) guidelines resulting in avoidable expenditure of ₹ 138.13 lakh.

As per Rule 126 (2) of General Financial Rules (GFR) 2005, a Ministry or Department may, at its discretion, assign repair works estimated to cost above ₹ 30 lakhs and original work of any value to any public works organization, such as CPWD, State Works Divisions, other Central Government Organization authorized to carry out civil or electrical works such as Military Engineering Service, Border Roads Organisation etc., Public Sector Undertaking set up by the Central or State Government to carry out civil or electrical works or any other Central/State Govt. Organisation/PSU which may be notified by the Ministry of Urban Development after evaluating their financial strength and technical competence.

[8] Except ₹ 10 lakh was being with electrical division, CPWD

Malviya National Institute of Technology, Jaipur (MNIT) awarded (18 October 2011) work of construction of 1st and 2nd floor of design centre of MNIT to Avas Vikas Limited (AVL) Jaipur on nomination basis. The initial cost of construction was ₹ 1200.00 lakh which was subsequently revised to ₹ 1672.87 lakh due to additional features to the design centre in July 2012.

Audit observed that at the time of award of work (18 October 2011) AVL was not a government company as per section 617 of the Companies Act, 1956. As such AVL was not an eligible agency for award of work on nomination basis without following the process of open tender. The award of work was also in contravention of CVC office order dated 5 July 2007 which reiterated Supreme Court judgment which stipulated that contracts by State, its corporations, instrumentalities and agencies must be normally granted through public auction/public tender and only in exceptional cases, for instance, during natural calamities and emergency declared by the Government this normal rule may be departed.

Further, as per section 12 of CPWD manual, CPWD does not levy any departmental charges for Central Government works and those of autonomous bodies fully funded by Central Government. However, clause 2 of MOU (entered between MNIT and AVL) stipulates that AVL will charge 9 *per cent* of actual cost of work as agency charges. Had the deposit work been awarded to CPWD, MNIT could have saved ₹ 138.13 Lakh[9] out of which ₹ 117.39 lakh has already been paid.

On being pointing out by audit, the MNIT stated (June 2015) that the award of work to the AVL was quite regular in terms of Rule 126 (2) of GFR 2005 and there was no avoidable expenditure on this account. The management, inter-alia, forwarded following reasons in support of its reply:

- AVL was a Government Company on 20 September 2011 because a decision to make government investment in share capital of the AVL was taken by the Urban Development Department of the Government of Rajasthan on 20 September 2011.
- CPWD was requested to take up work but no response was given by them.
- The said work was not awarded to state Public Works Department (PWD) because agency charge levied by the PWD was 16 *per cent* of cost of work which was obviously more than the rate charged by the AVL i.e. 9 *per cent*.
- There was urgency of modern Computer Centre–cum-Digital Library to avoid any further loss to the student.

[9] Being 9 *per cent* agency charges of ₹ 1534.74 lakh payable to AVL

Reply of the management is not tenable as:

- The proposal of Department of Urban Development, Government of Rajasthan was approved by Cabinet of Government of Rajasthan on 28 November 2011. The fresh certificate of incorporation by the Registrar of Companies was issued on 21 May 2012 and this date can only be considered as date of becoming AVL as a Government Company.
- MNIT wrote letter to CPWD in the month of August 2011 to take up eight works. Out of eight works, seven works were got done from CPWD and this work was got done through AVL. No documentary evidence was available to show that CPWD had refused to execute the work of Design Center.
- The entire work was to be completed by 18 March 2013 i.e. 15 months from the date of MOU dated 18 October 2011, but the work could not be completed till February 2015, hence the ground of urgency of work does not appear to be justified. Further MNIT has also not levy any penalty for delay in completion of work as per the terms of MOU entered with AVL.

Thus, apart from irregular award of civil work to AVL, MNIT also incurred an avoidable expenditure of ₹ 138.13 lakh being agency charges @ 9 *per cent* of actual cost of work in construction of 1st and 2nd floor on Design Centre.

The matter was reported to the Ministry (March 2015); their reply was awaited (February 2016).

Department of Higher Education

University of Hyderabad

10.8 Non-recovery of Labour Welfare Cess

Non-recovery of Labour Welfare Cess of ₹ 77.28 lakh, by the University from the bills of the contractor for the Work "Construction of School of Life Sciences Building and five other buildings", resulted in non-compliance with the provisions of the Act and made it liable to pay interest and penalities, besides undue benefit to the contractor.

The Building and other Construction Workers' Welfare Cess Act, 1996 (the Act), promulgated by Central Government, provide for levy and collection of cess, at a rate not exceeding two *per cent* but not less than one *per cent*, of the cost of construction incurred by an employer. Under the Act, Government of Andhra Pradesh (GoAP) issued instructions (April 2007) to deduct one *per cent* cess on all bills paid to the Contractors/Agencies from 26 June 2007 onwards, in respect of building and other construction works executed by them (excluding land cost). Consequently, the Andhra Pradesh Building and Other Construction Workers Welfare Board (the Board) was constituted in April 2007.

As per Rule 4(3) of The Building and other Construction Workers' Welfare Cess Rules, 1998, made under the Act, where the levy of cess pertains to building and other construction work of a Government or of a Public Sector Undertaking, such Government or the Public Sector Undertaking shall deduct or cause to deduct the cess payable at the notified rates from the bills paid for such works. Further, as per Rule 5(3), the amount so collected shall be transferred to the Building and Other Construction Workers Welfare Board, within 30 days of its collection. The Act also provides for liability to pay interest at the rate of two *per cent* for every month's delay, from the date on which the payment was due along with penalty equivalent to the cess amount.

The University awarded (March 2008) the work "Construction of building for School of Life Sciences"[10] to M/s Ramky Infrastructure Ltd, Hyderabad (the contractor), for an initial agreed contract value of ₹ 47.72 crore.

Subsequently (July 2009), additional works of ₹ 33.80 crore was entrusted\ to the Contractor. The work including the additional works for an enhanced contract value works out to ₹ 81.52 crore. The work was certified by the University as completed on 30.11.2011 and the value of the work executed by the contractor up to CCXIII & part bill was ₹ 77.49 crore. A total amount of ₹ 77.28 crore was paid by the University to the contractor (up to March 2012). The final bills were yet to be settled.

It was observed that the statutory cess amount of ₹ 77.28 lakh [11] was not deducted by the University, from the bills of the contractor and deposited with the Board. Thus, failure to deduct labour welfare cess and deposit it with the Board resulted in non-compliance with provisions of the Act, made it liable to pay uncollected amount of ₹ 77.28 lakh alongwith interest and penalty.

The University accepted the audit observation and stated (November 2015) that it had decided to recover the Labour Welfare Cess amount of ₹ 77.28 lakh with applicable interest and penalty thereon from the outstanding bills/Security

[10] including Air Conditioning works, Extension of Second Floor on Boys Hostel, Study India Programme (SIP) Building, Type A & B quarters and Teachers flats, P3 facility building, Hostel buildings (two wings) and a Central Kitchen in the University campus (the work

[11] at the stipulated rate of one *per cent* on the value of work done (₹ 77.28 crore)

Deposit of the Contractor held by it. It was further stated that the amount so recovered would be remitted to the Board.

Ministry endorsed the reply of the University (December 2015) and stated that the matter was taken up with the University and intimated to recover the labour welfare cess of ₹ 77.28 lakh and applicable interest and penalty thereon as per Rules.

10.9 Publication Activities of Granthana Vibhaga, Visva-Bharati, Kolkata for the period from 2012-13 to 2014-15

The financial viability of GV is declining after the contract with the Higher Secondary Council was over from April 2013 and GV did not formulate any effective plan to improve it. Further, GV could not sell their publications within stipulated time frame due to absence of assessment of marketability before publication. Higher Secondary Council books were published without the approval of Council resulting in infructuous expenditure. The sales agents were not adequately deployed and inactive agents were not terminated. The Store management of GV was inefficient leading to damage of books and non-disposal of slow moving books.

10.9.1 The Granthana Vibhaga (GV) of Visva-Bharati (VB) founded by Rabindranath Tagore has been functioning as an autonomous self-financing organization since its inception in 1923. Presently the GV is run by Granthana Vibhaga Management Committee (GVMC), set up in March 1984 by the Karma Samity (KS) of VB. The GV publishes and sells books of Tagore/on Tagore, text-books of West Bengal Higher Secondary Council (Council). A audit on the publication activities of GV covering the period from 2012-13 to 2014-15 was conducted u/s 19(2) of CAG's DPC Act 1971 during June to August 2015. Audit noted that GV neither framed any publication policy, nor performed the publication activity in an efficient, effective and economic manner which affected the commercial viability of GV as would be evident from the subsequent paragraphs.

10.9.2 Audit findings

10.9.2.1 Publication of books of Tagore/on Tagore

During the period 2012-15, the GV published total 141 titles out of which 25 were new (including 8 VB Patrika) and remaining 116 are reprint titles. The deficiencies noted in publication are detailed below:

(i) No policy for selection and fixation of volume of publication

- There was neither any norm for deciding on the print volume of new titles nor did GV make any assessment of marketability of the new titles before publication. The Director GV without any justification fixed the volume of new titles to be printed. The books printed were supposed to be sold out during next three years. A test check of 17 new titles published during 2012-15 revealed that out of 17200 copies printed only 1929 copies (11 *per cent*) were sold. Of these 17 titles two titles were published in 2012-13. Though the books printed were supposed to be sold out during next three years, only 12 and 29 *per cent* of these two books were sold during next three years of publication. Thus, an amount of ₹ 4.80 lakh was blocked on publication of 2634 unsold copies of two titles published during 2012-13.
- GV stated (December 2015) that as per the accepted practice, usually 1100 copies of English books and 600 copies of Bengali books were printed. The reply was not tenable as GV printed 2100 copies of one Bengali book and 1100 copies of four other Bengali books. Further, the volume of 1100 and 600 books fixed for printing is on higher side as till March 2015 only 11 *per cent* books could be sold.
- There was norm for re-print order that when 100 copies of a particular book remained in stock, the order for re-print is to be placed. A test check of 19 titles out of 116 re-prints during 2012-15 revealed that in seven cases books were re-printed despite having more than 100 copies (ranging between 155 and 1200 copies) in stock. GV without specifying any re-order level stated (December 2015) that some titles, particularly the Svarabitan series were reprinted even when the stock was more than 100 as the sale of those books were higher. The reply was not tenable as there are other six titles where stock is more than 100 copies and even in two cases the stock is 1000 and 1200 at the time of order of reprinting.

(ii) Non-approval of new titles

Publication of new-titles was to be initiated only after the manuscripts were reviewed and approved by the expert/expert committee. There was no norm regarding selection of reviewer and the justification for sending the manuscript to a particular reviewer was not on record. Audit noted that out of 17 new-titles:

- 5600 copies of six titles were published without review/approval of the expert/expert committee and only 705 copies were sold upto March 2015. The range of per cent sale of individual titles varied between four and 29 *per cent*. GV stated (December 2015) that the authors and reviewers of the Visva-Bharati Publication are so renowned that separate justification for each title is not needed. Reply was not tenable as GVMC did not specify any author/title that is beyond purview of review/approval.
- 2300 copies of three titles valuing ₹ 5.50 lakh were printed during 2013-15 without the recommendation of GVMC. Out of which, only 500 copies were sold upto March 2015 at a sale price of ₹ 1.40 lakh. The GV stated (August 2015) that as no GVMC meeting was scheduled, the manuscripts were not placed for recommendation. Reply was not tenable as post facto approval of the GVMC was also not obtained.
- No norms were fixed by GVMC stipulating period of printing of publication of new titles. Audit noted that during March 2012 to October 2014 GVMC recommended publication of 28 new titles of which only 8 were published and remaining 20 titles were not published (November 2015) even after a lapse of 12 to 43 months from the time of recommendation by GVMC. The GV stated (December 2015) that necessary action would be taken in future.

(iii) Absence of competitiveness in rates for printing

A team of four printing technologists' prescribed (December 2012) the rate of printing books taking into account various component like composing, printing, binding etc. Seven presses were enlisted by the said technologists and GV adopted the rate and made payment to the presses accordingly. Audit noted that four titles were printed through non-enlisted presses during 2013-15. In two cases books were printed at a higher rate than enlisted rates and an extra expenditure of ₹ 2.66 lakh was incurred due to higher rates. GV stated (December 2015) that non-enlisted press was later included in the approved list. However, the fact remained that the books were printed through non-enlisted presses and even at higher prices.

(iv) Delay in delivery by the press

The work orders issued to the presses stipulates delivery of books within 30 to 60 days from the date of issue of work order, failing which penalty was to be imposed as deemed fit by GV. Out of 35 cases[12] checked by audit, in 30[13] cases there were delays in delivery ranging between 2 and 150 days. GV, however, did not initiate any action for such violation of provision of work order.

GV stated (December 2015) that inclusion of more specific liquidated damages clause in the printing orders was under process.

10.9.3 Publication of West Bengal Higher Secondary Books

GV had an agreement with the West Bengal Higher Secondary Council for printing, publishing and selling Higher Secondary (HS) books consisting of 12 different titles since 1988-89. The last agreement was executed in March, 2010 for the period 2010-13 and the agreement was terminated in April 2013. As per the agreement if books remained unsold on termination of agreement; the Council was to buy back the same at 60 or 65 *per cent* of the face value of the books and damaged books was not to be borne by the Council. Audit noted that during the period 2010-13, GV without receiving any communication for printing from Council, printed 39.60 lakh books at a cost of ₹ 4.53 crore. At the end of the agreement, GV had a stock of 15.52 lakh books (9.94 lakh + 5.58 lakh damaged books[14]) costing ₹ 1.48 crore. Further, the proposal for printing was taken from the balance of unsold books of last print run and not on actual closing stock. Thus, failure to assess the actual requirement of books to be printed resulted in excess printing of books which remained in stock. A claim was preferred to the Council (May 2013) for payment of ₹ 2.53 crore towards 9.52 lakh unsold copies and a revised claim based on interim physical verification report (December 2014) was sent to the Council for ₹ 2.36 crore of 9.04 lakh unsold copies. Since the books were published without any print order issued by the Council, no amount had been received from the Council (November 2015). Further, as per the agreement the value of damaged books was not to be borne by the Council which resulted in a total loss of 5.58 lakh damaged books to GV.

GV stated (December 2015) that no amount was received in lieu of buyback despite consecutive effort even though the books were reprinted on the basis of discussion with the authority of the Council. Reply was not tenable as letters were sent to the Council seeking permission to print the books but permission of the Council was not obtained.

[12] 18 new-titles and 17 reprints
[13] In 9 cases details of delivery were not available
[14] Details in Para 2.5 under Stores management

10.9.4 Sale of books

The contributions to total sales during 2012-15 by the agents, sales outlets and book fairs were 70, 17 and 13 *per cent* respectively. Audit noted various deficiencies in execution of sales as would be evident from the following:

GVMC decided (December 2007) to identify agents in Tripura, Orissa and Delhi for sale of books but GV failed to deploy agents outside West Bengal. In West Bengal also, out of 19 districts, only in 11 districts arrangements for sales through agents have been made. As of March 2015, there were 21 agents (empanelled during June 1983 to September 2010) and only 7 are functioning agents. Audit noted that during 2012-15, gross sales by agents decreased from ₹ 406.66 to ₹ 134.98 lakh. Further, though a yearly minimum target of sales for the agents was fixed for ₹ 5 lakh (May 2011) with the condition of termination of contract if not achieved, only five out of seven active agents could achieve the minimum sales target during 2014-15. The agreement of two agents was not terminated for non-achieving the sales target. It is also noticed that GV neither took any actions to empanel fresh agents after September 2010 nor terminated the non-performing agents. GV stated (December 2015) that initiatives were being taken to connect with the agents and possible buyers in other states.

The GVMC in December 2007 decided for e-selling of books, however the same has not been started. (November 2015). GV further stated that e-selling of books was scheduled to be started from February 2016.

10.9.5 No financial viability of GV

The KS stressed on ensuring maintenance of commercial viability of GV as a publishing unit. Moreover, a committee of Ministry of Human Resource Development, Government of India observed (2006) that Tagore's intention for establishing GV was not only to publish his works properly but also to provide constant financial support to VB from the income generated by them. The Profit and Loss Account of GV shows a Net Profit of ₹ 2.52 crore, ₹ (-) 98.91 lakh and ₹ 1.72 crore for the year 2012-13, 2013-14 and 2014-15 respectively due to inclusion of Other Income, however there was a operational loss during 2012-15 as indicated in subsequent **Table.**

Table

(₹ in lakh)

Year	Direct Exp.	Indirect Exp.[15]	Total Exp.	Gross Sales	Surplus/Deficit[16]
2012-13	165.16	311.95	477.11	522.92	45.81
2013-14	43.91	284.84	328.75	205.57	(-) 123.18
2014-15	64.63	344.79	409.42	209.04	(-) 200.38

The indirect expenditure had increased by 10 *per cent* whereas the sale had decreased by 60 *per cent*. The reasons for increase in deficit from 2013-14 onwards were increase in indirect expenses and decrease in sales due to termination of agreement with the HS Council. It may be seen from above that during 2013-15 the publication activities of GV incurred a loss of ₹ 3.24 crore. However, as the expenditure on salary of GV staff was borne by the University Grant Commission (UGC), even after excluding expenditure on salary, GV incurred a net loss of ₹ 1.07 crore during this period. Audit noted that after termination of agreement with the Council, GV had not taken remedial measures to generate surplus for ensuring its commercial viability. This resulted in non-fulfillment of its commercial objective.

GV Stated (December 2015) that in a Government set up with in-built incidence of considerable overhead it was really difficult to run GV with commercial viability. Reply was not tenable as Karma Samity had decided that GV should maintain their commercial viability as a publishing unit.

10.9.6 Stores Management

The deficiencies noticed in store management system are detailed below:

- The value (cost price) of stock-in-trade of GV on 31 March 2015 ₹ 2.88 crore comprising 7.78 lakh copies. However, the value of 54803 copies was depicted as zero. The GV has accepted audit observation and assured to include the cost price of these books in its stock statement.
- The GVMC decided (April 2013) to shortlist slow/non-moving books[17] and sell those books at a 50 per cent discount to recover the production cost and to create godown space. During 2013-15 GV sold 0.66 lakh copies of slow/non-moving books through book fairs at a sale price of

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[15] Indirect expenses include establishment cost, office expenses and salary of GV staffs ₹ 85.99 lakh (2012-13), ₹ 94.82 lakh (2013-14) and ₹ 122.15 lakh (2014-15) and other expenses.

[16] Internal receipt, viz, interest on investment, miscellaneous receipts etc. were not considered.

[17] Books published more than three years back but the sale remained less than 100 copies per year

₹ 6.09 lakh, however, 2.44 lakh copies of slow-moving books[18] valuing ₹ 78.71 lakh remained unsold as of March 2015. Audit noted that GV did not take initiative to sell slow/non-moving books through agents or sales outlets but sold through book fair only. GV stated (December 2015) that agents would be involved to sell the slow moving/non-moving books from financial year 2015-16. Moreover,

- The record management of store division is very poor as no consolidated record of books lying in different godowns/outlets is maintained which resulted in various old published books remained in stock whereas new books were sold. GV stated (December 2015) that stock registers for two godowns were being properly maintained. Reply was not tenable as consolidated stock position of a particular book was not available since details of the books stored in remaining two godowns were still not maintained.

Physical verification of books was not conducted for years in contravention of rule 192 of GFR. Hence physical existence of books could not be ascertained. GV stated (December 2015) that physical verification of books had already been taken up.

Thus, GV neither framed any publication policy, nor performed the publication activity in an efficient, effective and economic manner which affected the commercial viability of GV.

The matter was reported to the Ministry (November 2015); their reply was awaited (February 2016).

Indian Council of Social Science Research

10.10 Overpayment of ₹ 32.87 lakh to outsourcing agency and partial recovery at the instance of audit

Between 2010-11 and 2014-15, the Indian Council of Social Science Research (ICSSR) outsourced the security of its offices in New Delhi to a private agency. ICSSR overpaid ₹ 32.87 lakh to the private agency, out of which ₹ 11.64 lakh was recovered at the instance of audit.

Indian Council of Social Science Research (ICSSR) has outsourced the security of its offices in New Delhi[19] to a private agency. The security agency periodically provided invoices to ICSSR containing details of security personnel

[18] The analysis of non- moving and slow-moving items was done on the basis of item names available in the Item stock list for 2012-13 to 2014-15.

[19] Headquarters at Aruna Asaf Ali Road and NASSDOC Library Building Ferozshah Road.

deployed, rate, number of personnel and month-days deployed, on the basis of which ICSSR paid the agency.

While reviewing the attendance records of the personnel deployed by the agency, Audit observed that the number of personnel actually deployed was less than the claim made by the agency and paid by ICSSR. This led to the overpayment of ₹ 32.87 lakh to the agency between May 2010 and June 2014.

On the basis of the Audit observation, ICSSR limited the recovery (February 2015) from the agency to ₹ 11.64 lakh on the ground that balance was not recoverable since the payment was made on the basis of the then prevailing monthly rates and number of extra duty hours. However, the fact remained that the agency itself did not claim the higher monthly rates or the extra duty hours, but instead wrongly claimed re-imbursement for deployment of additional security personnel. Therefore the excess payment by ICSSR is not acceptable. Thus, inadequate verification by ICCSR resulted in over payment of ₹ 32.87 lakh to the security agency, of which, only ₹ 11.64 lakh has been recovered.

The matter was reported to the Ministry in November 2015; their reply was awaited (January 2016).