

CHAPTER VI : MINISTRY OF CULTURE

Sangeet Natak Akademi

6.1 Schemes for Promotion and Preservation of Cultural Heritage

Under the Scheme for Safeguarding the Intangible Heritage and Diverse Cultural Traditions of India (ICH scheme), only 35 out of 324 projects sanctioned during 2013-14 to 2015-16 had been completed while 96 grantees did not furnish even the first reports as of March 2017. Akademi had reported to the Ministry of Culture (MoC) expenditure of ₹ 5.77 crore against the actual expenditure of ₹ 4.25 crore under the ICH Scheme. Grants under the Scheme of Financial Assistance to Cultural Institutions were sanctioned in violation of scheme guidelines and a majority of the project proposals were not being routed through state akademies/governments and approvals were accorded without due documentation.

6.1.1 Introduction

The Sangeet Natak Akademi (Akademi) was set up by the Government of India by a Resolution dated 31 May 1952 and subsequently re-constituted as a registered society in September 1961. The Akademi has been functioning as the apex body in the field of performing arts preserving and promoting the vast heritage of India's diverse culture expressed in forms of music, dance and drama. The Akademi functions as an autonomous organisation under the administrative control of the Ministry of Culture (MoC).

Two schemes for promotion and preservation of cultural heritage being executed by the Akademi were taken up for audit covering the period 2012-13 to 2016-17. One of the schemes viz. 'Intangible Heritage and Diverse Cultural Traditions of India (ICH scheme)' was being executed by the Akademi on behalf of the Ministry of Culture (MoC) while the other scheme viz. 'Financial Assistance to Cultural Institutions and Individuals' was the Akademi's own scheme.

6.1.2 Scheme for Safeguarding the Intangible Heritage and Diverse Cultural Traditions of India (ICH scheme)

Ministry of Culture sanctioned the ICH scheme in November 2013 to support and strengthen the efforts of various stakeholders in ensuring wider recognition and acceptance, dissemination, preservation and promotion of the rich cultural heritage of India. The scheme provides for assistance in the form of non-

recurring grants in three instalments in the ratio of 50:25:25. The scheme was to be implemented by the Akademi during the XIIth Five-Year Plan and has been extended by MoC upto September 2017.

The scheme provided that applications/proposals received in the Akademi for grants should be placed before an Expert Committee (EC) constituted by MoC every two years. Recommendations of the EC were to be approved by MoC after which first instalments would be released to the approved grantees. The scheme guidelines required the EC to fix a time frame for completion of the activity proposed for submission of claims for second/third instalments. An appraisal of the project was to be undertaken by the EC or any other authority designated by MoC prior to the release of second instalment. Final instalment was to be released after completion of the project and submission of documents as proof thereof.

6.1.2.1 Incorrect accounting of funds received under ICH scheme

MoC released ₹ 5.57 crore to the Akademi under the ICH scheme during the period from 2013-14 to 2015-16. The funds received vis-à-vis utilisation under the scheme as on March 2017 was as in **Table No. 1** below:

Table No. 1: Release of Grants and their Utilisation

Year	Grant received from MoC (₹)	Expenditure shown in UC ¹ furnished to MoC (₹)	Expenditure actually incurred under the scheme (₹)
2013-14	67,67,250	87,72,809	57,23,284
2014-15	2,49,00,000	2,48,59,689	1,92,84,926
2015-16	2,40,00,000	2,40,40,311	1,74,43,057
Total	5,56,67,250	5,76,72,809	4,24,51,267

Scrutiny of records revealed the following:

- (i) The Akademi was required to maintain separate accounts for the funds received under the scheme. The Akademi, however, did not maintain separate accounts and merged the expenditure incurred on the ICH scheme with its regular expenditure. During the period 2013-14 to 2015-16, Akademi had incurred an expenditure of ₹ 4.25 crore under the scheme but furnished incorrect Utilisation Certificate for ₹ 5.77 crore.
- (ii) In March 2015, MoC released ₹ 50.95 lakh to the Akademi for carrying out activities related to 'Buddhist Chanting and Thatheras of Punjab' under the ICH scheme. The sanction of MoC stipulated that the funds

¹ Utilisation Certificate.

should be utilised within the same financial year and the unspent balance, if any, should be intimated to the Government.

- (iii) The Akademi furnished a consolidated UC of ICH scheme of ₹ 2.49 crore for the year 2014-15 including expenditure incurred on the activity of Buddhist Chanting and Thatheras of Punjab with unspent balance of ₹ 0.40 lakh. However, in December 2016, the Akademi intimated MoC that it had utilised only ₹ 16.27 lakh out of ₹ 50.95 lakh on the above activity. Thus, not only did the Akademi furnish an incorrect UC to MoC, it also failed to refund the unspent balance or seek MoC's specific permission to spend the unutilised amount of the grant in subsequent years.

MoC stated (December 2017) that the Akademi would be directed to submit revised UCs for all the years since inception of the scheme.

6.1.2.2 Deficient implementation of the scheme

MoC approved 324 projects during 2013-14 to 2015-16 against which the Akademi had released ₹ 3.69 crore till March 2016 (**Annexe-III**). No fresh projects were sanctioned after 2015-16. Audit noticed the following:

(i) Dismal rate of completion of projects

- (a) Only 35 out of the 324 projects approved during 2013-14 to 2015-16 have been completed. Further, not even first reports have been received from 96² grantees as of March 2017.
- (b) The scheme guidelines required the EC to fix time frame for completion of the activity proposed for submission of claims for the second/third instalments. In case of non-adherence to the time-line, disqualification/recovery may be effected. However, no such time limit was found recorded in the minutes of meetings of the EC. In the absence of any time limit, no action could be taken for revoking of approvals for incomplete projects and recovery of funds as envisaged in the scheme guidelines. Audit observed that MoC had instructed (March 2017) the Akademi to initiate necessary action immediately to recover the grants released to such grantees who had not submitted their first or reworked reports and convey an update to the Ministry as well as to blacklist such grantees. However, no such action had been taken by the Akademi as of October 2017.

² 2013-14 – 18; 2014-15 – 27; and 2015-16 – 51 grantees.

MoC stated (December 2017) that the scheme guidelines would be revised to include provisions for recovering funds from grantees who had failed to complete their projects. Further, Akademi would be directed to strictly adhere to the time frame given to the grantees for submission of reports.

- (c) The scheme guidelines were silent about sanctioning fresh projects to grantees who had not completed their earlier projects. Audit noted that 54 projects of 25 grantees involving grant of ₹ 1.06 crore were approved in successive years without ensuring completion of their earlier projects. Of these, 38 projects (70 per cent) were yet to be completed as of March 2017. These included four grantees who were sanctioned projects in each of the three years from 2013-14 to 2015-16. Sanctioning projects to grantees even before the completion of their earlier projects could contribute to poor rate of completion of projects.

MoC assured (December 2017) that suitable amendments in the scheme guidelines would be done to comply with the audit observation.

- (d) The broader objectives set out in the scheme included systematically safeguarding, promoting and propagating the intangible cultural heritage. The Akademi did not initiate any steps to document, archive or publish the reports/material received in respect of the completed projects so as to disseminate the research output as intended in the scheme.

Akademi accepted (November 2017) that material received from the grantee institutions has not been utilised in any way. However, it added that it was in the process of developing a website for uploading the material received from the grantees. MoC reiterated (December 2017) the Akademi's assurance in this regard.

(ii) Violation of scheme guidelines

Audit noticed irregular release of funds totalling ₹ 5.25 lakh to grantees without complying with scheme guidelines as below:

- (a) As per the scheme guidelines, only 50 per cent of the sanctioned amount was to be released in the 1st instalment to the approved grantees. Audit noted two cases³ where 100 per cent of the sanctioned grant amounting to ₹ three lakhs (₹ 1.5 lakhs each) was released (March 2015) in the first

³ Ramakrishna Mission Lokshiksha Parishad and Ms. Eli Doye, whose projects were sanctioned in 2014-15.

installment itself. Further, one of these grantees⁴ was also released 2nd instalment of ₹ 37,500 in February 2016 resulting in overpayment.

- (b) Audit noticed that final instalment of ₹ 37,500 was released by the Akademi (February 2016) to a grantee⁵ which was not recommended by the EC as the grantee had not submitted the final report.
- (c) The EC recommended (December 2015) release of 2nd instalments to three grantees⁶ who had not furnished the first reports. The instalments amounting to ₹ 1.5 lakhs (₹ 50,000 each) was released in February 2016 to all the three grantees in violation of the scheme guidelines.

MoC stated (December 2017) that an enquiry would be initiated for investigating the cases pointed out by audit.

(iii) Documentation for evaluation of projects

Out of 324 projects sanctioned during 2013-14 to 2015-16, test-check of 47 cases on random basis revealed that the respective files were not maintained properly and did not contain information such as file notings, copies of sanctions, details of approvals; status of reports received, etc. In 14 cases, the project proposals did not contain complete documents required to be submitted with the application despite which the projects were sanctioned in violation of the scheme guidelines. No justifications were found recorded in the minutes of meetings of the EC for recommending these projects.

MoC stated (December 2017) that the Akademi would be directed to trace/obtain the requisite documents and enquiry will be initiated to investigate the violation of scheme guidelines.

(iv) Incorrect depiction of EC recommendations

- (a) While considering the minutes of EC's recommendations (September 2015), MoC decided (November 2015) to review 37 proposals (valuing ₹ three lakh and above) out of 116 recommended proposals for the year 2015-16. After the review, MoC reduced the grants in respect of 14 proposals; increased the grants in three proposals and rejected two proposals citing lack of justification by the EC. The revised list showing EC recommendations as well as decisions taken after the aforesaid

⁴ Ms. Eli Doye.

⁵ Mathru Bhoomi Foundation, whose project was sanctioned in 2013-14.

⁶ Ajit Kumar Jha; Ajit Kumar; and Kalicharan Yadav Rawat Nach Mahotsav Samiti, whose projects were sanctioned in 2014-15.

review by MoC was submitted to the Minister for approval who accorded his approval in December 2015. Audit observed that one case⁷ which had not been recommended by the EC was shown in the revised list as having been recommended by EC for ₹ three lakh which was a misrepresentation of facts. Based on the revised list, the proposal was eventually approved by MoC for ₹ two lakh.

- (b) Audit scrutiny of the proposals other than the ones reviewed by MoC (having value less than ₹ three lakh) further revealed four cases where recommendations of EC were changed by the Akademi in the minutes of EC meeting sent to MoC. Out of the said four cases, in three cases the Akademi reduced the recommended amounts while a proposal not recommended by EC was incorporated as recommended for ₹ two lakh. These four proposals were approved by MoC based on incorrect recommendations of EC submitted by the Akademi.

MoC also assured (December 2017) of taking suitable action after such investigation.

6.1.3 Scheme for Financial Assistance to Cultural Institutions

The scheme provides for financial support to institutions engaged in training in the fields of music, dance and drama and to encourage production of new plays and ballets etc. A committee of experts viz. Grants Committee considers the applications and makes recommendations including the quantum of grants. As per the scheme, financial assistance is to be released in two instalments of 75 *per cent* and 25 *per cent*.

The recommendations of the Grants Committee are placed before the Executive Board (EB) of the Akademi for approval as per procedure adopted by the Akademi. However, this procedure has neither been defined in the scheme nor in the Rules and Regulations of the Akademi. The quantum of financial assistance for the projects has also not been defined under this scheme. As a result, there was no consistency in the amounts approved for financial assistance which ranged between ₹ 20,000 and ₹ one lakh in the test checked cases. No justifications were found recorded by the Grants Committee while deciding the quantum of financial assistance to institutions.

⁷ Mr. Tuisem Shimrah.

During 2012-13 to 2016-17, a total of 2,101 grantees were sanctioned ₹ 8.54 crore. Test-check of 210 cases⁸ involving ₹ 88.55 lakh revealed the following:

- (i) In six cases, though the grantees had sought financial assistance ranging between ₹ 10 lakh and ₹ 43.80 lakh, the financial assistance sanctioned ranged from only ₹ 30,000 to ₹ 80,000. On the other hand, in a test-checked case,⁹ the financial assistance sanctioned by the Akademi was more than what was sought by the grantee without recorded justifications.

Akademi stated (November 2017) that quantum of financial assistance is case sensitive and varies as per the actual need. Reply is not acceptable as no justifications were found on record to assess the actual need of the grantees.

- (ii) The project proposals were required to be submitted through state Akademies or State Governments, where there were no state Akademies. Audit noticed that 166 out of 210 proposals (79 per cent) were not submitted to the Akademi through state Akademies or State Governments in violation of the scheme provision.

Akademi stated (November 2017) that though involving state Akademies confirms an institution's existence but in many cases the route gets tougher and some needy aspirants do not get the assistance. The scheme provides for submission of an advance copy of form directly to the Akademi and the same is examined by the Expert Committee and surprise checks are also conducted on regular basis.

The reply is not acceptable as majority of the cases (79 per cent) were not found routed through State Akademi/Government. Consequently, the Akademi was not in a position to verify the bona-fides of the applicants. Further, no inspection reports for surprise checks were found available on record.

- (iii) The applications were required to be accompanied with details related to the institutions, audited statements of accounts for previous year, particulars of financial assistance received from Akademi and their utilisation, activity reports and details of project proposals, etc. Audit noticed 21 test checked cases where approvals were accorded though

⁸ Selection of 10 per cent cases was made on the basis of stratified random sampling without replacement method.

⁹ Shri Shri Govinda Jiu Bhakti Grantha Kendra Vidyalaya, Imphal, Manipur for the year 2013-14 – Amount sought ₹ 25,000 and sanctioned ₹ 30,000.

the documents/details required to be submitted along with the applications were not furnished by the grantees.

- (iv) As per the guidelines, where any grant have been given in the previous years, the first instalment of the current year's grant is to be released on receipt of UCs for past grant(s) along with detailed statement of expenditure. Audit noticed 18 proposals that were sanctioned and grant released even though the UCs for the past grants were pending from the grantees.
- (v) The scheme does not provide for submission of any report by the grantees on completion of the project. No completion/activity report was available in respect of 94 grantees out of 210 test checked cases. Thus, it could not be ensured whether any fruitful results were derived under the scheme.

MoC stated (December 2017) that the Akademi is being advised to resort to corrective measures to wipe out such irregularities while considering the proposals of grantee organisations for release of financial assistance to them. The Akademi is also being advised that a "Monitoring Committee" to ascertain the veracity of activities of the institutions against which the funds are released has to be set up by the Akademi so that the purpose of the releases may not be defeated.

National Museum

6.2 Poor cash management and irregular parking of funds outside Government Account

National Museum, New Delhi, failed to comply with Central Government Account (Receipts and Payments) Rules, 1983, relating to handling of government receipts. It did not route receipts through the cash book nor did it undertake any reconciliation with bank accounts. As a result funds of ₹ 2.26 crore were irregularly kept outside government accounts for prolonged period of time.

The Central Government Account (Receipts and Payments) Rules, 1983, stipulates that all receipts of Government shall, without undue delay, be paid in full into the accredited bank for inclusion in the Government Account. These receipts will not be utilised to meet departmental expenditure or otherwise kept apart from the account of the Government. It also provides that a bank account can be opened by civil ministries or department under order issued by the Financial Advisor of the Ministry or Department concerned in consultation with the Controller General of Accounts. Further, all monetary transactions should

be entered in the cash book and withdrawals can be made only on presentation of prescribed bills.

The National Museum, New Delhi, (Museum) is under the administrative control of the Ministry of Culture (MoC), and is required to abide by the above cited Rules.

It had been brought out in the Comptroller & Auditor General's Report No. 18 of 2013 that money received on account of audio guide services was deposited in the personal account of some officials from October 2005 to August 2007. In its Action Taken Note, MoC had accepted (December 2013) that the account was erroneously opened in the name of two officials instead of the National Museum and intimated that the error had since been rectified and the amount transferred to the account of the Museum.

The Museum was operating a sales counter from where sale of tickets, publications and replicas is made. Payments at the sales counter were received in cash or through Electronic Data Capture (EDC) Machine/swipe machine installed at the sales counter. Payments against sales received through the swipe machine got automatically credited into an account opened with Bank of Baroda (EDC Account) in August 2007. Audit scrutiny of records of the Museum revealed the following:

- (i) Contrary to the assurance given to the Public Accounts Committee through the ATN in December 2013 that the receipts from audio guide service were now being credited into the account of the Museum, the Museum began depositing the receipts into Government account on monthly basis only from February 2016. Further, out of receipts of ₹ 1.38 crore pertaining to period prior to February 2016, ₹ 1.23 crore was deposited belatedly in the Government account in June 2017 and an amount of ₹ 15 lakh was still lying in this account as of October 2017.
- (ii) The Museum received payments through swipe machine/EDC machine at the sales counter aggregating ₹ 1.03 crore during November 2007 to May 2017. In violation of the Central Government Account (Receipts and Payments) Rules, 1983, these receipts were neither routed through the cash book nor credited into the Government Account. Instead receipts were credited into an account in Bank of Baroda which had provided the EDC machine. It was only after the matter was pointed out by audit that the balance in this account was transferred to the Government Account in May 2017.

- (iii) The EDC account showed the address of the account holder as that of the then Director's residential address instead of the official address of the Museum. The Museum was also unable to produce records with regard to opening the account stating that the same were untraceable. As such, it could not be verified if the account had been opened in accordance with the Central Government Account (Receipts and Payments) Rules, 1983 with the approval of the Financial Advisor of the Ministry.
- (iv) Though receipts were being credited regularly in the EDC account, it was shown as being in dormant condition since December 2010 and the bank was continuously debiting 'account dormant charges' from this account since September 2013. The Museum authorities neither appeared to be aware of the transactions involving this account nor did they undertake any verification of receipts between the EDC account and their own records.

The Museum thus persistently failed to comply with the Central Government Account (Receipts and Payments) Rules, 1983 in handling Government receipts. It also failed to exercise basic internal controls in the matter of cash management by failing to route receipts through the cash book and not undertaking any reconciliation with bank accounts. As a result, an amount of ₹ 2.26 crore was irregularly kept outside Government account for a prolonged period of time.

The Museum stated (June 2017) that ₹ 1.03 crore lying in the EDC Account and ₹ 1.23 crore in the Audio Tour Guide account had been credited to the Government account. No explanation was given for not recording all receipts in the Cash Book and for not depositing receipts into Government account for prolonged periods.

This matter was reported to the Ministry (October 2017); its reply was awaited (December 2017).

The Asiatic Society, Kolkata

6.3 Excess contribution to employees' provident fund

In contravention of the Employees Provident Fund and Miscellaneous Provisions Scheme, 1952, the Asiatic Society, Kolkata, deposited excess provident fund contribution of ₹ 1.19 crore in respect of 160 employees.

Para 29(1) of the Employees Provident Fund and Miscellaneous Provisions Scheme, 1952 (Scheme), provides that the contribution payable by an employer under the Scheme shall be 12 *per cent*¹⁰ of the basic wages, dearness allowance and retaining allowance, if any, payable to each employee to whom this Scheme applies. Para 26A (2) of the Scheme further stipulates that the contribution payable by the employee and employer shall be limited to the amount payable on a monthly pay of ₹ 6,500 (enhanced to ₹ 15,000 from 01 September 2014). Para 29 (2) of the Scheme stipulates that the contribution payable by an employee to whom the Scheme applies could, if he so desires, be an amount exceeding the above limit subject to the condition that employer shall not be under an obligation to pay any contribution over and above his contribution payable under the Scheme.

The Asiatic Society, Kolkata, (Society), is fully financed by the Ministry of Culture, Government of India (GoI), through grants-in-aid. The by-laws of the Society provide that the provident fund of its employees will be guided by the Scheme. As per the scheme, out of 12 *per cent* of wages, 8.33 *per cent* is deposited in Employees' Pension Scheme (EPS) and balance 3.67 *per cent* is transferred to the Employees' Provident Fund (EPF). Accordingly, the Society was required to restrict its employer's contribution to ₹ 1,800 per month i.e. 12 *per cent* of the maximum wage ceiling of ₹ 15,000 per month in respect of those employees who were drawing pay more than ₹ 15,000 per month.

Audit noticed (December 2016) that the Society contributed its share of provident fund to the employees at the rate of 12 *per cent* of total pay instead of restricting it to the maximum wage ceiling of ₹ 15,000. Although the share of EPS of the total employers' contribution was 8.33 *per cent* of maximum wages of ₹ 15,000, the whole balance amount i.e. 12 *per cent* of actual wages which meant wages more than ₹ 15,000 p.m. (-) 8.33 *per cent* of wage ceiling of ₹ 15,000 was transferred to EPF which resulted in excess contribution of

¹⁰ In case of establishment or class of establishments which are specified by the Central Government of India in the official gazette.

₹ 1.19 crore¹¹ towards employer's share of provident fund in respect of 160 employees who were members of the Scheme and were drawing monthly salary of more than ₹ 15,000 during the period from April 2015 to March 2017.

The Society stated (July 2017) that (i) the employer's contribution till April 2001 was restricted to 12 *per cent* of maximum wage ceiling of ₹ 6,500¹² which was enhanced to 12 *per cent* of total pay as per Society's order of May 2001; (ii) the higher contribution was made on the request received from the employees of the Society with reference to Para 26(6) and 26(A) of the Scheme with prior intimation to Regional Provident Fund Commissioner, Kolkata; (iii) since larger coverage under EPF is of private sector employees, employer's contribution is specified in such a way that on one hand it guarantees the minimum contribution by employer and on other hand it limits the wage ceiling for limiting the employer's liability.

The reply is not tenable because (i) Para 26A(2) does not empower the employer to contribute over and above the limit fixed under Para 29(2) and relaxation allowed in Para 26(6) is for employee's contribution and not for employer's contribution; (ii) the procedure for enhancement of contribution stipulates that an officer not below the rank of an Assistant Provident Fund Commissioner may, on the joint request in writing, of any employee and his employer, allow him to contribute more than the prescribed amount. The prior intimation in this instant case was not a joint request but only a communication from the President of its apex body *viz.* Council forwarded to Regional Provident Fund Commissioner for seeking clarification on employer's contribution as per the demand of Employees' Union on which no response was received from EPFO; and (iii) neither any approval had been obtained by the Society from its Council nor from its administrative Ministry nor from the Ministry of Finance for contributing employer's share of provident fund over and above the statutory limit provided in the Para 26A(2) of the Scheme.

The Ministry stated (July 2017) that the Society had been asked to look into the matter.

¹¹ The amount of excess contribution of ₹ 1.19 crore is in respect of employers' share to provident fund only, excluding the contribution towards pension fund.

¹² This wage ceiling was applicable at that time.

Indira Gandhi Rashtriya Manav Sangrahalaya, Bhopal

6.4 Avoidable payment on electricity charges

Inaccurate assessment of contract demand by Indira Gandhi Rashtriya Manav Sangrahalaya, Bhopal, and delayed action for reducing the contract demand resulted in avoidable expenditure of ₹ 82.95 lakh towards electricity charges.

An Institute intending to get electricity connection is required to apply in a prescribed format along with required documents to the distribution licensee. The application includes *inter alia* the requirement of load along with the basis of projection of the load. Based on site visit by engineers of the distribution licensee, the contract demand is sanctioned and institutions are required to deposit the prescribed Earnest Money Deposit and an agreement is signed between the institute and distribution licensee. The institute can change the contract demand once in a year based on the actual consumption/projections. For reduction in contract demand, the consumer shall have to submit the application in the prescribed form along with deposit of processing fee and electrical contractors test report for reduction in sanctioned demand. It is the responsibility of an institute to review the contract demand with reference to actual power consumption to avoid recurring expenditure on electricity.

IGRMS had a contract load of 600 KVA with the Madhya Pradesh Madhya Kshetra Vidyut Vitran Co. Ltd. (MKVVCL) for its power supply. As per the agreement, demand charges are levied on actual maximum demand recorded in a month or 90 *per cent* of the contract demand whichever is higher along with the charges for actual consumption at rates applicable from time to time.

Audit analysis of electric load revealed that the actual consumption was persistently lesser by 37 *per cent* to 79 *per cent* than the contract load between May 2007 and November 2016. On being pointed out in February 2016, the IGRMS conducted fresh energy audit and reduced the contract demand to 300 KVA from December 2016. Thus, failure of IGRMS to re-assess the demand from May 2007 and get its contract demand reduced to 300 KVA resulted in avoidable expenditure of ₹ 82.95 lakh for over nine years. Thus, failure of IGMRS to align its contract demand with actual power consumption resulted in avoidable expenditure of ₹ 82.95 lakh.

The matter was reported to the Ministry in August 2017; its reply was awaited as of December 2017.