

9.3 Overpayment of interest to GPF/CPF subscribers

Satyawati College, University of Delhi, paid (2008-09 to 2010-11) higher rate of interest than rate specified by Central Government to its GPF/CPF subscribers which resulted in overpayment of interest of ₹ 83.30 lakh.

The University of Delhi issued (August 2002) instructions to all colleges of the university that interest allowed on General Provident Fund (GPF)/Contributory Provident Fund (CPF) contributions of employees should not be in excess of that notified by the Central Government. Further, the Ministry of Human Resource Development, after consulting the Ministry of Finance, instructed (February 2004) all autonomous organisations under its jurisdiction, that interest of GPF/CPF should not be paid at a rate higher than that notified by the Government; however, a lesser rate can be paid depending on the financial position of the organisation. Thus, UGC was required to ensure that the Trust colleges funded by it complied with these instructions.

Audit observed that the Satyawati College, New Delhi under University of Delhi was paying interest at higher rate than the rate fixed by the Government, to GPF/CPF subscribers. The details of prescribed rate of interest and interest paid by college to the GPF/CPF subscribers during the period 2008-09 to 2010-11 are given below.

(₹ In lakh)

Sl. No.	Year	Rate of Interest (ROI) per cent	ROI allowed by the college per cent	Amount of interest as payable	Amount of interest actually paid by the College	Amount of excess interest credited to GPF/CPF subscriber
1.	2008-09	8.00	10.25	70.27	90.03	19.76
2.	2009-10	8.00	10.90	93.31	127.13	33.82
3.	2010-11	8.00	10.04	116.58	146.30	29.72
Total						83.30

Thus, the college made excess payment of interest aggregating to ₹ 83.30 lakh to its GPF/CPF subscribers during 2008-11.

On this being pointed out to the college it was stated (January 2015) that prior to 2011-12 the college had never received any advice or objection on the distribution of actual interest earned to the subscribers. The college further stated that the interest earned on CPF/GPF was income of the employees and was, therefore, legitimately credited to the subscribers account and there was no question of any loss to University of Delhi.

The reply of the college is not tenable as it resulted in non-compliance with the extant instructions of the Ministry of Human Resource Development/University of Delhi.

The matter was reported to the Ministry (January 2015); their reply was awaited as of March 2015.