

CHAPTER VII : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Department of Education

Aligarh Muslim University

7.1 Extra payment of tariff charges

Aligarh Muslim University made an extra payment of Rs 15.38 lakh for illegal extension of electric connection.

Illegal extension of electric connection was provided to a self financed and quasi commercial unit

Extra amount of Rs. 15.38 Lakh paid for illegal electric connection

Dawakhana Tibbiya College, a self financed and quasi-commercial unit was housed in the campus of Aligarh Muslim University (AMU), Aligarh. It was not a part of University as no budget was provided by it to Dawakhana.

However, test-check of records of AMU revealed that an illegal extension of electric connection was provided to Dawakhana from A.K.Tibbiya College of the University. Uttar Pradesh State Electricity Board (UPSEB), which was charging the tariff under non-commercial low medium volt (LMV-I) changed it to commercial tariff (LMV-2) from July 1994 on the ground that Dawakhana was a commercial unit and raised an arrear bill of Rs 7.64 lakh being the difference of rate between LMV-2 and LMV-1 from July 1994 to August 1997 which was paid by the University in November 1997. The University continued to pay electric charges at commercial rate and paid an additional amount of Rs 7.74 lakh during September 1997 to September 1999. Thus, an extra amount of Rs 15.38 lakh was paid on account of difference of tariff to UPSEB for illegal extension of electric connection to Dawakhana, which could have been avoided, had a separate connection been taken by Dawakhana itself.

AMU stated in March 1999 that Dawakhana had been treated a part of A.K.Tibbiya College and that the application for separate connection for Dawakhana had been moved. The reply was not tenable as Dawakhana was not funded from the University budget and as such it was not a part of the University. Further, University could not furnish any justification for meeting the extra electricity charges of the Dawakhana.

Ministry in their reply in August 1999 stated that the University had already taken up the matter with the highest authority of the State Electricity Board for refunding the excess amount paid.

Banaras Hindu University

7.2 Idle equipment

Banaras Hindu University failed to make arrangements for installation of equipment worth Rs 28.30 lakh before their procurement resulting its non utilisation for the last four years.

University Grants Commission (UGC) sanctioned Rs 53 lakh and released in February 1994 Rs 46 lakh under COSIST programme for promoting laboratory work particularly by adopting new procedure for experimental work, to Banaras Hindu University, Varanasi (BHU). Out of above fund the University purchased the following three equipments for the Electrical Engineering department:

Table 7.2: Purchase of equipment

Sl.No	Name of the equipment	Cost (Rs. in lakh)	Date of receipt
1.	Discharge detector	10.40	24.4.1995
2.	AC Dielectric test set	17.90 Included in Rs 17.90 lakh	10.5.1995 -do-
3.	DC Dielectric test set		

Test-check conducted in August 1998 and further information collected in May 1999 revealed that the above equipments were neither installed nor commissioned as of May 1999, though warranty period of the equipments had already expired in August 1996. The University replied in May 1999 that equipments could not be installed due to non-completion of grounding and shielding of the High Voltage Laboratory for which funds were not released in time.

The reply is not convincing as the equipments were procured with the full knowledge of the fact that the grounding and shielding of the high voltage laboratory being a pre-requisite for installation and testing of the high voltage equipment had not been done and no arrangements for a clear site for installing them were made. Further, Rs 1 lakh for this work was released in December 1997 by the UGC as first instalment out of total allotment of Rs 3.36 lakh, but the University failed to get work completed and receive the remaining grant of Rs 2.36 lakh as of May 1999.

Thus, procurement of equipment without proper planning and arranging for infrastructure before hand not merely resulted in blocking of Rs 28.30 lakh but also defeated the purpose for which grant was released.

Equipment not installed due to non availability of clear site.

The matter was referred to the Ministry in July 1999; their reply was awaited as of February 2000.

Government College of Engineering, Salem

7.3 Direct central assistance kept unutilised

Direct central assistance of Rs 8.29 lakh was lying unutilised for more than six years with an accrued interest of Rs 3.87 lakh due to non receipt of approval for the revised proposal from Government of India

With the objective of modernisation and removal of obsolescence as per the National Policy of Education 1986, Ministry of Human Resource Development sanctioned grants-in-aid of Rs 20 lakh in January 1993 as direct central assistance for two projects viz “Establishment of Water Resource Development and Management Centre” (Rs 15 lakh) and “Creation of Facility for Study and Development of Pre-stressed Concrete and Related Structures” (Rs 5 lakh) to the Government College of Engineering, Salem. The grant of Rs 5 lakh was specifically for the purchase of equipment only.

Equipment worth Rs 11.71 lakh were purchased between October 1994 and October 1997 for these two schemes. Two major items of equipment viz. Terrameter (digital model) involving a cost of Rs 6 lakh and pre-stressing jack system costing Rs 1 lakh were yet to be purchased for these schemes to commence their implementation. Open tenders were called for by repeated advertisements in various leading dailies during October 1993 and June 1998 for the purchase of the Terrameter. However, there was no response to these tenders. Since the purchase of the Terrameter proved difficult, the Principal, Government College of Engineering, Salem forwarded in October 1996 a revised proposal to the Department of Education in the Ministry of Human Resource Development seeking permission for purchase of certain earmarked equipment* in place of the Terrameter. Though the matter was followed up by the Principal through reminders in October 1997 and July 1998, the matter was still pending with the Ministry for a decision.

Though the grant sanctioned was required to be utilised within 15 months from the date of sanction, Rs 8.29 lakh being the unutilised grant was lying with the Principal even after six years. In addition an amount of Rs 3.87 lakh, being the interest accrued on the unutilised central assistance also accumulated.

Ministry remained unresponsive

Unutilised grant of Rs. 8.29 Lakh lying with the Principal for six year

* Soil/Water model tank, rainfall stimulator, Soil moisture suction sand table, demonstration infiltration apparatus, Demonstration Lysimeter, Irrigation display, Drain permeater, Sprinkler irrigation, Trickle irrigation laboratory, Flumes and gauging weires and Gauging and control structures.

Availability of major items of equipment was not ascertained by the principal before formulating the proposal

Similarly, for the pre stressing jack system, there was no response for the open tenders floated in August 1997. The Principal informed Audit in May 1999 that there was no local dealer for the supply of Terrameter and pre stressing jack system. As the Ministry sanctioned these projects only based on the proposal of the Principal, it is evident that the availability of these major items of equipment was not ascertained by the Principal before formulating the proposal.

The position of utilisation of funds is required to be reported every six months to Government of India through the Regional Office. The Principal informed Audit in May 1999 that the position would be explained only in the evaluation meeting, when called for. As only one such meeting was held, it is clear that the position of utilisation was also not reported to Government of India periodically. Department in their letter in September 1999 simply endorsed a copy of Principal's reply confirming that the unutilised grant amount of Rs 8.29 lakh was lying with the Principal together with Rs 3.87 lakh being the interest accrued on the unutilised central assistance.

The centres are yet to commence their functioning and Rs 12.16 lakh (Rs 8.29 lakh + Rs 3.87 lakh) remained locked up with the Government College of Engineering, Salem.

Indian Institute of Technology, Delhi

7.4 Irregular expenditure

Indian Institute of Technology, Delhi incurred irregular expenditure of Rs 52.54 lakh on account of grant of special increment out side the scope of Government Rules and also provisions of the Act and statutes of the Institute.

Pay scale of employees of IIT's are similar to employees of central government

The pay scales and the terms and conditions of services of the employees of the Indian Institute of Technology (IIT), Delhi are the same from the very inception as those applicable to the corresponding categories of employees of the central government. However, deviating from the terms and conditions of service, the Board of Governors of Institute during celebration of Silver Jubilee year from August 1985 to July 1986 granted in September 1985 one special increment to all the staff members from the date they completed 25 years of clean service. Accordingly the Institute sanctioned one advance increment to 759 employees during November 1985 to May 1998.

The Board of Governors of IIT approved special increment to staff members completing 25 years of clean service

The Ministry in May 1991 came to know that different institutes had announced certain benefits/incentives to their employees for having served the Institutes for 25 years and also asked these Institutes to withdraw the incentive scheme, if any, announced by them. The Ministry in September 1996 asked the Institute to withdraw the scheme as the extension of incentives of this kind

constituted violation of financial powers and was inconsistent with the rationale adopted while extending the pay scales of central government to the employees of the Institute. However, the Board decided in June 1991 to continue the scheme for effective functioning of the Institute and communicated its decision to the Ministry. The practice of granting special increment to the employees continued till May 1995 when it was kept in abeyance in view of the objection raised by the Ministry. However, the Board revived the scheme in January 1997 with retrospective effect.

Against the direction of the Ministry the IIT made irregular payment of Rs. 52.54 lakh to 759 employees

The decision of the Board to implement the scheme in violation of the terms and conditions of the services of the employees resulted in irregular payment of Rs 52.54 lakh to 759 employees of the Institute during the period November 1985 to May 1998.

In reply, the Ministry forwarded the comments of the Institute upholding these as valid. The contention of the Ministry is not tenable on the grounds that:

it had in 1991 and subsequently time and again and most recently in September 1996 had asked the Institute to withdraw the scheme as the same was not admissible under the rules;

the Acts and Statutes of the Institute did not provide for such special increment to the employees;

the Board of Governors vide Resolution No.141/92 adopted Government of India Rules in so far as these were inconsistent with the provisions of the Technology Act, statutes of the Institute and

the grant of special increment on such consideration was outside the scope of Government of India Rules and also the provisions of the Act and the statutes, of the Institute.

Indian Institute of Technology, Kanpur

7.5 Loss of interest

Loss of Rs 37.93 lakh due to non-provision of interest on mobilisation advance in the condition of agreement.

In terms of Central Public Works Department (CPWD) Manual mobilisation advance was payable in respect of certain specialised and capital intensive works, costing not less than Rs 1 crore, limited to a maximum of 10 *per cent* of the estimated cost put to tender or Rs 1 crore whichever was less. Further, the manual prescribed that the rate of interest, as may be approved by the Ministry from time to time, would be stipulated in the clause of the agreement and interest would be calculated in the form of simple interest.

Consequently, a clause regarding interest was added in the general conditions of contract for CPWD works. According to the general conditions of the contract for CPWD works, simple interest at the rate of 18 *per cent per annum* was to be calculated from the date of payment to the date of recovery of the mobilisation advance.

However, test check of the records of the Indian Institute of Technology, Kanpur revealed that the Institute paid Rs 69.92 lakh to five contractors as mobilisation advance during 1989-95 for execution of civil and mechanical works. As per aforesaid provisions of CPWD manual and general conditions of the contract, simple interest of Rs 37.93 lakh was to be recovered from these contractors. But no action was taken by the Institute to recover interest from these contractors as the Institute had failed to include, the condition regarding payment of interest on mobilisation advance in the contract agreement.

No responsibility for lapse was fixed

In reply the Institute accepted in July 1999 its failure to include the provision. Non-adherence to the CPWD codal provision by the Institute thus inflicted irrecoverable loss of interest of Rs 37.93 lakh on mobilisation advance. No responsibility for the lapse was fixed by the Institute.

The matter was referred to the Ministry in May 1999; their reply was awaited as of February 2000.

Visva Bharati

7.6 Avoidable expenditure

Failure of the publishing department of Visva Bharati, Santiniketan to include risk purchase clause in the supply order resulted in avoidable expenditure of Rs 17.42 lakh.

Absence of risk purchase clause in the contract

The publishing department of Visva Bharati, Santiniketan (University) placed a supply order on firm A in October 1994 on the basis of quotations invited from ten enlisted suppliers for supply of 200 tons of 47 GSM cream wove paper in reels at a total cost of Rs 50.60 lakh. The paper was for publishing 20000 sets of Rabindra Rachanabali Popular Edition consisting of 15 volumes for each set. The paper was to be supplied by the middle of March 1995. The supply order, however, did not contain a risk purchase clause to safeguard any loss in case of non-supply within stipulated date.

The firm supplied 5.2190 tons of paper in December 1994 and 1.148 tons of paper in January 1995 and intimated the University in February 1995 that the supply schedule could not be adhered to due to some mechanical trouble in their mill. The University in March 1995 cancelled the order.

The University placed a fresh supply order on firm 'B' in March 1995 for supply of 200 tons 47 GSM cream wove paper in reels at a total cost of Rs 68.02 lakh and paid the amount as advance in the same month. The second firm supplied 199.729 tons of paper. Additional claim of Rs 0.27 lakh towards enhancement of Sales tax is yet to be paid as of September 1999. In absence of any stipulation in the supply order the purchase could not be made at the risk and cost of firm 'A'.

**Avoidable
expenditure of Rs
17.42 lakh**

Thus, failure of the University to include risk purchase clause in the supply order resulted in avoidable expenditure of Rs 17.42 lakh.

The matter was referred to the Ministry in July 1999; their reply was awaited as of February 2000.