

CHAPTER I : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Department of Secondary and Higher Education

1.1 Malaviya Regional Engineering College, Jaipur

Malaviya Regional Engineering College, Jaipur is one of seventeen regional engineering Colleges, set up in 1963 as a joint enterprise of Union Government and State Government of Rajasthan. Audit appraisal of the functioning of the College revealed that the College suffered from poor administration and financial management as evident from disregard of Government directions in allowing pay and allowances to faculty members and directions of its own Board of Governors regarding private and personal consultancies. Expensive equipment under Overseas Development Administration of UK assistance has not been put to use so far, even though these were received two to four years back.

Highlights

- The College could not utilize non recurring grants received for building, equipments, furniture and books during 1996-2001. The unspent balance which was Rs 75.87 lakh in 1995-96 rose to Rs 8.97 crore by the end of 2000-01.
- The monthly contribution in the pension fund was increased from 8.33 per cent of subscriber's pay to 12 per cent of the maximum of their pay scales without approval of the State Government, resulting in unauthorized utilisation of grant of Rs 33.19 lakh.
- The Special pay amounting to Rs 16.29 lakh was paid to College employees inspite of objection from Government of India.
- The Board of Governors had banned private and personal consultancy in its meeting held in February 1978. Still the testing and consultancy fee amounting to Rs 37.25 lakh was distributed to employees without framing any rules. The staff members of the Institute received fee for work of private parties/ Government institutions without prior permission of competent authority and did not deposit 1/3rd amount of the remuneration amounting to Rs 38.03 lakh with the College.
- Equipments amounting to Rs 3.11 crore received during the period from August 1997 to September 1999 free of cost from Overseas

Development Administration (ODA), Government of UK have not been put to use.

- **Near relatives of College authorities were given undue benefits in fixation of pay at the time of their appointments.**
- **The College did not maintain details of land allotted and actually acquired. Although 85 bigha was lying beyond the control of the College, the College never reconciled its records with Revenue Department. As per revenue records a large portion of land was transferred to private parties and other Government Institutions.**

1.1.1 Introduction

Malaviya Regional Engineering College (College) Jaipur is one of the seventeen Regional Engineering Colleges in India. It was set up in the year 1963 as a joint enterprise of the Government of India (GOI) and the State Government of Rajasthan (GOR). It was established to serve not only the state of Rajasthan but also the whole country for the training of technical personnel and fostering national integration.

The College was registered as a society under the Rajasthan Societies Registration Act, 1958 on 4 May 1962 as an autonomous body and affiliated to the University of Rajasthan (UOR).

1.1.2 Organisational and administrative set up

The College is administered by Malaviya Regional Engineering College Society which consists of (i) Chairman, appointed by the GOR (ii) three nominees of GOR (iii) three nominees of GOI (iv) one representative of All India Council for Technical Education (AICTE) (v) Vice-Chancellor or a University Professor nominated by the Vice-Chancellor of UOR (vi) two Industrialists/Technologists (Non-officials representatives) of the region to be nominated by GOI (vii) one nominee of the Indian Institute of Technology in the region (viii) one nominee of University Grants Commission (ix) two representatives of the faculty at the College to be nominated by the Chairman and (x) Principal of the College as ex-officio Member Secretary. The Society is assisted by Finance, Administrative and Building and Works Committee.

1.1.3 Scope of Audit

The audit of the accounts of the College has been entrusted to the Comptroller and Auditor General of India under Section 20(1) of Comptroller and Auditor General's (Duties Powers and Conditions of Service) Act 1971, up to financial year 2002-03.

A review on the working of the College covering the period 1996-97 to 2000-01 was conducted during (July 2001 to October 2001). The important audit findings are mentioned in the succeeding paragraphs.

1.1.4 Finance and Accounts

The recurring cost of undergraduate courses is met in regard proportion by GOI and GOR, and the cost of postgraduate courses and non-recurring expenditure of undergraduate courses is met fully by GOI. The cost of self financing, full and part time courses is met out of the fee received from the students of respective courses. Apart from this, the other sources of income of the College are college fee, hostel fee and interest on deposits etc.

1.1.4.1 Accounts

Grants received and expenditure incurred during the years 1996-97 to 2000-01 has been given in **Appendix-I**. It may be seen there that (i) amount of grant increased from Rs 808.02 lakh to Rs 1348.99 lakh, (ii) expenditure increased from Rs 1101.43 lakh to Rs 2606.11 lakh and (iii) the closing balance increased from Rs 110.23 lakh to Rs 562.01 lakh during the year 1996-97 and 2000-01 respectively. There was substantial increase in income under deposit/other heads and expenditure under miscellaneous items.

College is maintaining separate accounts for its 10 different activities.

The College also maintained separate accounts viz. cash book, ledger and final accounts in respect of 10 different activities. The total assets under these amounted to Rs 630.66 lakh, of these Rs 490.59 lakh was in cash and bank balance and FDR's as on 31 March 2001 as detailed in **Appendix-II**.

Examination of the records showed the following:

- (i) The project/research expenditure has not been shown in separate schedules.
- (ii) The College maintained separate accounts of Self Financing /Sustainable Courses, UK Regional Engineering College (REC) project, Rajasthan Pre-Engineering Test (RPET), etc. against the provision of Article 4 of the Memorandum of Association of the College Society. Now at the instance of audit these accounts have been incorporated in the main accounts of the Society.
- (iii) Income and Expenditure account for ME/PG Course (plan) have not been prepared.
- (iv) The due drawn statement for computation of pay fixation arrear of Rs 88.58 lakh was not available with the College. In the absence of the same the payment could not be verified.

Due and drawn statement of pay fixation arrears was not available with the College.

1.1.4.2 Utilisation of grant

An analysis of grants received from GOI and State Government for recurring and non-recurring expenditure during 1996-2001 and expenditure incurred showed the following :

- (i) Matching share of grants for its recurring expenditure for under graduate courses from GOI as well as GOR was not received in time during all the five years resulting in minus balances at the end of each year except in the year 1997-98 due to funds being released by GOR.
- (ii) The College could not fully utilise non-recurring grants received for buildings, equipments, furniture and books during all the five years. The un-spent balance of Rs 75.87 lakh during 1995-96 increased to Rs 896.77 lakh at the end of the year 2000-01. The College stated (October 2001) that due to closure of Avas Vikas Sansthan (AVS) and non-submission of detailed accounts by Rajasthan State Bridge and Construction Corporation (RSBCC), the College could not entrust the work to other agencies. Besides this, recurring grant for PG Courses received during 1999-2000 and 2000-01 could not be utilised fully and a sum of Rs 45.66 lakh was lying 'unspent'.
- (iii) The College had incurred an expenditure of Rs 1851.71 lakh during 1996-97 to 2000-01 against the recurring grant of Rs 1808.86 received from GOR which showed diversion of grants to the tune of Rs 42.85 lakh. The College had also diverted of Rs 17.71 lakh being 20 *per cent* share of State Government on pay fixation arrears paid in part from Central Government grant.

College failed to utilise non-recurring grants, unspent balance which was Rs 75.87 lakh at the beginning of the 1995-96 rose to Rs 8.97 crore by end of March 2001.

1.1.4.3 Unauthorised utilisation of recurring grant

The College introduced a Pension Scheme with the concurrence of the Finance Department in June 1993. The scheme was made applicable from January 1990. According to the scheme, Pension Fund was created by transferring the total accumulated amount of the College Society's contribution in Contributory Provident Fund (CPF) (including the amount of loan taken out of it) and interest there on as on the date of commencement of the scheme and monthly contribution made thereafter in respect of such employees who opted or were deemed to have opted the 'pension scheme'.

As per rule 14 (ka) of Non-Government Education Institutes (recognitions grants and service condition) Rule 1993, the maximum rate of grant towards Provident Fund contribution was 8.33 *per cent* and was also indicated in endorsement dated 19 March 2000 which said it would not be in excess of 8.33 *per cent*.

Monthly contribution in the pension fund enhanced from 8.33 to 12 per cent of maximum of pay scale .

Administrative and Finance Committee of the College decided in March 2000 that the College would make monthly contribution in the pension fund @ 12 per cent of salary from 1 April 2000. This rate was revised (January 2001) to 12 per cent of maximum of pay scale. These decisions of the College were against Rule No. 20 of the College Society which required prior approval of the State Government in this regard. Thus the revision of rates by the College was irregular which resulted in unauthorised utilisation of grant to the extent of Rs 33.19 lakh.

The College stated in its reply that the revision was decided by the Administrative and Finance Committee and accepted that the orders issued by the College were not in accordance with Government rules and 12 per cent pension contribution on maximum of scale was allowed as was done in the case of employees on deputation. The reply of the College was not tenable as the College employees were not on deputation.

1.1.4.4 Cash management

It was noticed that no monthly cash flow statement was prepared. As a result heavy cash balances were lying in bank's current account for a period ranging from 17 days to 168 days during the year 1997-98 to 2000-01 in society and non-society accounts. This resulted in loss of interest amounting to Rs 9.02 lakh.

1.1.4.5 Irregular payment of special pay amounting to Rs 16.29 lakh

Special pay is allowed despite objection from Central Government.

The special pay cannot be sanctioned to an employee without prior approval of the Government. However, special pay amounting to Rs 16.29 lakh was paid to employees by the College during 1985-86 to 2000-01. The special pay is still continuing.

The payment of special pay was objected by GOI in June 1987. This was discussed in Finance Committee's meeting of the Society held in February 1989 wherein it was decided that case may be referred to the Finance Department through Secretary Technical Education, GOR. In reply to query of Technical Education Department regarding sanctioning of special pay without administrative approval, the College stated (October 1990) that the special pay was granted as per decision (August 1965) of governing body of the College under which its employees were to be given pay and allowances and special pay equivalent to such posts in the Secretariat. The reply was not tenable as specific approval for grant of special pay by State and Central Government was not obtained despite specific GOI's directions in this regard.

1.1.4.6 Unauthorised distribution of testing/industrial analysis charges to staff

**Despite ban
Consultancy work
are being carried out.**

The Board of Governors had banned private and personal consultancy in its meeting held in February 1978 and only routine type of testing was allowed and fee received on this account were to be deposited in the College's account till detailed rules for consultancy/testing and distributions of fee are framed and approved. However, it was observed that the College continued the activities of testing and consultancy and distributed the charges amounting to Rs 37.25 lakh during 1998-99 to 2000-01 to staff without framing the rules.

1.1.4.7 Non deposit of extra remuneration in Government account

Rule 43 of Rajasthan Service Rules (RSR) states that for acceptance of fee, remuneration for the work of private parties, Government institutions or public undertakings prior permission of competent authority should be obtained. Rule 47 further states that in excess of Rs 400, 1/3rd amount of remuneration should be deposited into Government account.

**Staff members
received Rs 1.14
crore as fee
/honorarium but
1/3rd of fee amounts
to Rs 38.03 lakh was
not recovered and
deposited into
College account.**

However, it was observed that staff members of the College received fee and remuneration for testing, consultancy, ME part time non-society payments RPET, CMSIC etc in excess of prescribed limits without the approval of competent authority, Rs 114.09 lakh was received during the years 1996-97 to 2000-01 and one third amount of it i.e. Rs 38.03 lakh was not recovered and deposited into College account.

The College stated (December 2001) that work of test institutional consultancy has been assigned to the staff members through the College and the income is distributed as per Society rules. Thus the staff member are not required to deposit 1/3rd amount back to the College. The reply is not tenable because though the Society has framed rules for distribution of consultancy fee among the members there was no mention in rules/ Society manual about exempting the staff members from depositing 1/3rd part of such fee in the Society accounts. As provision of RSR for depositing 1/3rd part of fee received in excess of Rs 400 was automatically applicable.

1.1.5 Academic activities

1.1.5.1 Software Excellence Training Programme

A memorandum of understanding (MOU) for a period of three years was signed (December 1999) between the Asian CERC Information Services (India) Limited (a software company based at Bangalore) and the College for conducting one year certificate course in Software Excellence Training Programme (SETP) for Engineering Graduates/MCA/PGs in Physics/Mathematics by using the College facilities. A student was to pay a fee of Rs 90000 in one instalment or Rs 1 lakh in two instalments and the

Asian CERC was to give 38 *per cent* share of fee, before commencement of course to the College for its supporting activities. The first batch of 57 students commenced from July 2000 and the College share of Rs 20.47 lakh was remitted by the Asian CERC during the months of September, October 2000 and January 2001.

It was observed that:

Without the approval of Central /State Government College is running software training programme with a private company.

- (i) The above deal was made without inviting tenders. The reply of College (September 2001) that the matter of promoting Information Technology (IT) was discussed in a conference at Bangalore where Asian CERC was the only renowned organisation who had come forward with solid proposal and calling quotations was not a practical solution, was not tenable as the deal was for three years and the College should have availed of the opportunity by obtaining competitive rates for the College share.
- (ii) Neither any approval of Central/State Government was obtained nor Ministry was informed about running of a programme under joint venture with a private software company.
- (iii) The decision of 38 *per cent* share by Asian CERC was not found supported by documents justifying the ratio of share.

1.1.5.2 Training and development

As per the norms and standards of AICTE, teachers were to be provided with opportunity to improve their qualification through quality improvement programme.

It was observed that out of 190 faculty members/teachers of the College only 10 teachers (1996-97(3), 1997-98(1), 1998-99(2) and 2000-01(4)) in the duration of five year were sent for quality improvement programme.

1.1.5.3 INDO-UK Regional Engineering College Project

Indo-UK REC Project was agreed and signed by the Government of UK and India in January 1994 for a period of four years i.e. 1994 to 1998. ODA provided technical assistance in the form of training, study visits, consultancies and equipment worth \$6.27 million. The contribution of Ministry of Human Resource Development (MHRD) was Rs 200 million to be used for buildings, equipment, local travel and information services. The project aimed at strengthening eight RECs with assistance from ODA. The project was implemented through development of four themes in the areas of design, energy, information technology and materials engineering in the REC.

The College was identified for assistance for design theme. Equipment worth Rs 311.71 lakh were received from UK during August 1997 to

September 1999. GOI (MHRD) released its share amounting to Rs 300 lakh during the years from 1993-94 to 1996-97, against which an expenditure of Rs 279.20 lakh was incurred.

It was observed that:

Engineering Equipments amounting to Rs 3.11 crore received under Indo-UK project neither accounted for nor used.

- (i) Equipments amounting to Rs 3.11 crore received free of cost during the period from August 1997 to September 1999 were not accounted for in the Society account.
- (ii) These machines received from August 1997 to September 1999 have not been put to use as no record of demonstration to students was maintained. The details of personnel sent abroad for training/study visits under the scheme, and their subsequent utilisation staff position in design centre, utilization of equipments, working position of machines etc. though called for, were not furnished (November 2001). Since the machines were not put to use, such training etc. would have been of no avail.
- (iii) A sum of Rs 6.16 lakh incurred on purchase of equipment was charged to the head 'Seminar'. Similarly an amount of Rs 1.36 lakh incurred on purchase of aluminum partition in the design centre was charged under the head "Equipment" instead of "Buildings".
- (iv) GOI released Rs 3 crore for the project upto 1998-99. Of this only a sum of Rs 2.40 crore was spent upto 1998-99. A sum of Rs 39.03 lakh was incurred during the years 1999-2000 to 2000-01 without getting extension of the scheme from GOI. The balance Rs 20.80 lakh remained unspent with the College.
- (v) As per the project report, the contribution of Ministry was to be used for buildings, equipments, local travel and information services. The funds of UK REC were to be used for meeting expenditure on the improvement of quality and standards of technical education. However, the College authorities diverted Rs 23.70 lakh and utilised the grant in addition/alteration of VIP guest house. The management's reply that addition/alteration was done as existing accommodation available in guest house was felt inadequate for meeting the need for sub-committee conferences, seminars, was not tenable as this was not covered under terms and conditions.

Misutilisation of Rs 23.70 lakh received from GOI under UK REC project.

Thus, the main objective of the project to achieve improvement in quality and standard of technical education and improvement in infrastructure could not be fulfilled.

1.1.5.4 Centre of Excellence

GOI, released one time grant of Rs 4 crore (Rs 1 crore per year for the last four years of VIII Plan) to the College under the Centre of Excellence Programme. The grant was provided to create reasonably good computing facilities in campus through networking Rs 364.29 lakh was spent against the allotment of Rs 400 lakh.

It was noticed that:

College failed to achieve its target of generating an income of Rs 1.5 crore per year.

- (i) RECs were required to encourage the faculty members to take up consultancy, industry sponsored Research and Development Projects and to provide distinguished services in REC workshop, as per guidelines. They were required to set for itself a target of generating about Rs 1.5 crore per year from 1996-97. The target for generating revenue was not achieved.
- (ii) As per guidelines, no funds were to be utilised for construction of new buildings. A sum of Rs 57.29 lakh was utilised in extension of library building which did not come under the activities of Centre of Excellence.
- (iii) The teaching non-teaching staff ratio was to be maintained at 1:1.5 within three years by phasing out regular and adhoc appointments. However, the ratio which was 1:2.66 during 1996-97 came down to 1:2.22 only.

1.1.6 Research projects

37 Research projects were sanctioned (eight by AICTE and 29 by MHRD) during the years 1996-97 to 2000-01. A sum of Rs 269.50 lakh was received as grant for these projects of which only Rs 109.55 lakh was utilised upto March 2001.

A test check of records revealed that only six projects (five of 1996-97 and one of 1997-98) involving an outlay of Rs 40.86 lakh were completed. 10 projects were not taken up, 21 projects costing Rs 136 lakh were, though, started but not completed till March 2001 due to which an expenditure of Rs 68.69 lakh incurred remained fruitless.

There was no system in vogue for review of the projects progress.

It was also observed that no system was in vogue for review of the projects progress and further project files containing complete details of the project such as financial details, periodical progress report of the projects, monitoring report of technical authority etc. were not found maintained since inception of the projects. In the absence of these basic records, reasons for slow progress and non-completion of projects could not be examined in audit.

1.1.7 Recruitment

A review of recruitment procedure revealed the following irregularities :

1.1.7.1 Non observance of the reservation policy

The College Society, in its meeting held in December 1994, decided that for the candidates belonging to the scheduled castes/scheduled tribes (SC/ST), the College would reserve 16 and 12 *per cent* vacancies respectively and in case of other backward class (OBC) it would wait for specific policy of the State Government. The ratio of the SC and ST in teaching cadre was further revised as 15 and 7.5 *per cent* respectively in the society's meeting held in September 1997 following the reservation policy of GOI.

It was noticed that 18 Professors, 28 Readers and 43 Lecturers were appointed during the period 1996-97 to 2000-01 of which only two reserve category (SC) candidates were selected in the year 1999 against 'Reserve category'. The College stated that reservation policy for SC/ST in the ratio of 15 and 7 ½ *per cent* in respect of teaching staff up to the level of Lecturers was observed as per instructions of GOI and no reservation policy was approved so far for OBC.

The reply evades the basic question as to why appointments as per prescribed ratio were not made under 'Reserve categories'.

1.1.7.2 Appointments made against higher posts

In the Architecture Department, 11 Lecturers were found working as against nine sanctioned posts. The two Lecturers were appointed in March 1999 against higher posts. There was no provision of making appointments against higher posts and thus payment of Rs 5.96 lakh towards their pay and allowances was irregular. Reasons for these appointments though called for were not furnished (November 2001).

1.1.7.3 Relatives given undue benefits

There was no provision in the Manual of the College Society for granting increments, counting the service while sanctioning annual grade increment and leave to an employee who was appointed on contract. Three persons were given these benefits along with the initial higher pay without any justification in their appointments as per details given below:

Higher pay was granted on initial appointment.

Name of candidate and qualification	Post	Date of engaging service on contract	Date of regular appointment	Initial pay of the post (Rs)	Pay allowed on regular appointment (Rs)
Mr. A (BSc./MBA)	Assistant Director CMSIC	1.12.95	24.10.96	2200	2350
Mr. B (BE Electronics)	Lecturer, Electronics	14.8.95	13.11.96	2200	2425
Ms. C (M. Tech)	Lecturer, Computer	11.8.95	18.12.96	2200	2425

Normally, the process of verification of character antecedents and medical examination is initiated after regular selection of candidates and is completed before their actual joining of duties. However, it was also noticed that medical examination of these three candidates and police verification in case of two candidates was got done during the period of their contract, which suggests predisposition of the authorities towards them. These aberrations assume greater relevance in the face of the fact that the concerned persons employed were close relatives of the senior administrative authorities of College.

1.1.7.4 Irregular appointment

In the appointment of a Lecturer in Computer Engineering Department against higher post in March 1999, following irregularities were noticed in the case:

- (i) The appointment was irregular as there was no provision for appointment of a Lecturer against the vacancy of a higher post.
- (ii) The eligibility for the post of Lecturer was first class Bachelor's Degree in appropriate branch of Engineering. In BE examination the appointed person had obtained 899 marks out of 1500 and got first class with the help of one grace mark. Further this person had minimum marks amongst 42 candidates found eligible.
- (iii) Two posts of Lecturers i.e. one each in Physics and Chemistry were transferred to Computer Engineering Department. The action to transfer the post from one department to another was irregular as this power was neither delegated to the Chairman nor Principal.

1.1.7.5 Deputation without requirement

A Lecturer in the Education Department, GOR, was on deputation to the post of Deputy Director, Adult Education Department, Jaipur. She applied for deputation in the College as Lecturer in the faculty of Mathematics on 22 August 1994 but her request was not acceded to. However, she was placed on deputation for one year as per direction of the State Government from

2 November 1994. She was relieved on 3 November 1995 but again taken on deputation for one year or till availability of selected candidate which ever was earlier. She was selected and appointed as temporary Lecturer in October 1996. It was observed that she was placed on deputation without any requisition of the College. The College admitted (October 2001) the facts.

1.1.8 Estate management

1.1.8.1 Land

College failed to maintain the records of land under its control.

- (i) GOR had initially allotted 1165 bigha and five biswa of land free of cost to the College, of which 667 bigha and five biswa land was actually handed over to College (from 1964 to 1968). The College did not maintain the details of land viz. area of land, Khasra number, award and date of acquisition. Further land measuring 85 bigha and five biswa was lying beyond control of the College and the possibilities of encroachment on it could not be ruled out. The value of land on the basis of compensation received from Jaipur Development Authority worked out to Rs 6.46 crore.
- (ii) As per the report of Tehsildar, Sanganer (30 October 2001), 759 bigha and nine biswa land was initially in the name of College. At present the College had only 520 bigha and five biswa land in its name and balance land was transferred to private parties and other Government institutions, local bodies and departments as given in **Appendix-III**. The College had never reconciled its record with Revenue Department and did not investigate the reasons of transfer of land.

1.1.8.2 Construction

- (i) The work of construction of D and H type Quarters was awarded to RSBCC at a cost of Rs 28.50 lakh and Rs 11.50 lakh respectively in May 1996. RSBCC did not execute the work due to non finalisation of drawing design and site of work by the College. These works were allotted to Public Works Department at a cost of Rs 40 lakh and Rs 13.57 lakh respectively in December 1999 resulting in extra cost of Rs 13.57 lakh.
- (ii) The work of construction of building for Design Centre and Computer Centre Complex was awarded to AVS, Jaipur in June 1995 at a ceiling cost of Rs 114.78 lakh plus tender premium of 15 *per cent*. The AVS executed work worth Rs 149.86 lakh (includes extra works worth Rs 48.56 lakh) and submitted III running bill of incomplete work in May 1998. Recoveries on account of security deposits (Rs 14.99 lakh), royalty (Rs 3 lakh), sales tax (Rs 2.25 lakh) and water charges (Rs 2.25 lakh) were not effected, though a period of more than three years had elapsed. This resulted in unauthorised financial aid amounting to

Unauthorised financial aid of Rs 22.49 lakh to contractor.

Rs 22.49 lakh to AVS. The College accepted the facts and stated that recoveries would be effected while making final payment.

Injudicious decision to construct 'F' type quarters.

- (iii) Similarly, RSBCC had executed works worth Rs 453.87 lakh but the deduction on account of royalty (Rs 9.08 lakh), sales tax (Rs 6.81 lakh) and water charges (Rs 6.81 lakh) were not effected. College accepted it and stated that recoveries would be effected while finalising the bills.
- (iv) The work of construction of 18 'F' type quarters was awarded to CPWD and an advance payment of Rs 12 lakh was made in the year 2000-01. The work was still in progress. However, prior to taking the decision of construction of 18 quarters, 4 'F' type quarters were lying vacant. Thus further construction of quarters would lead to idle investment.

1.1.9 Purchases

Purchases were made beyond financial powers.

- (i) As per purchase rules, the Principal was authorised to make purchases by inviting applications/quotations, comparing rates, specifications and other terms and conditions and examining the recommendation of store purchase committee. As per the delegation of financial power, the Principal was empowered to make purchases only up to Rs 1 lakh in case of a single item. It was noticed that the Principal accorded approval on the recommendation of stores purchase committee even in those cases where the amount exceeded Rs 1 lakh. Some of the illustrative cases amounting to Rs 58.34 lakh are given in the **Appendix IV**.
- (ii) On Structural Engineering Department's requirement (May 1996) tender for trolley mounted drilling machine for sub-soil exploration, were invited. Rates of M/s 'A', Udaipur of Rs 10.84 lakh were found lowest and order was placed with the firm on 10 July 1997 on the basis of report of a committee of two persons who saw live demonstration of machine at Baroda. The machine was supplied in March 1998 at a cost of Rs 11.27 lakh including taxes. The machine actually supplied was of 54 HP with torque output of 1230 KG-M against the specifications in supply order of a 60 HP machine with a torque output of 750 KG-M. The College had informed in September 2001 that due to better torque output the machine had a drilling capacity of 30 metres. It was observed that :
 - (a) The machine was acquired in March 1998 for testing of sub-soil exploration through drilling but no such tests were done by the department (November 2001). Moreover, no record about utilisation of machine i.e. demonstration carried out on it and revenue earned by it was found maintained.

- (b) It was found that this machine was purchased with a vision of future when deep foundations and tall buildings would be built in the State. This argument was not tenable because the department had never tested practically the drilling capacity of 30 metres of the machine as evident from the report of the team which watched the physical performance of machine at site upto 15 metres only.
- (c) Thus in the absence of any record about its demonstration or test and absence of any requirement as evidenced by the fact that no revenue earned from it during last two years and eight months, the purchase of this machine was not justified.
- (iii) General Financial Rules 6(1) describes the procedure of store accounting wherein the department was to maintain suitable accounts and inventories of stock articles with a view to prevent losses through theft, accident, etc. and to make it possible any time to check the actual balances with the book balances and payment to the supplier. Separate accounts were to be kept in respect of permanent stock such as plant, machinery, furniture, equipment, fixtures and consumable stores.

Scrutiny of stock records maintained by the College revealed that :

- (a) Stock Register or Permanent Article Register were not maintained in such a manner which could serve the purpose of checking the actual balance with the book balance for both type of articles viz. Permanent and Consumable.
- (b) Stock entry at the time of payment was being done on date-wise basis instead of item-wise. Maintenance of date wise record in 'General Stock Register' does not serve the purpose of verifying the balances and its requirement.
- (iv) The College was established in 1963. Since then many permanent articles viz. equipment, machinery, furniture, fixtures etc. were purchased and commissioned in various units of the College but no physical verification was done in all the faculties so as to verify the book balances of assets with actual balances.

1.1.10 Irregularities in the accounts of Rajasthan Pre-Engineering Test

The work of conducting RPET under the centralised admission system for the academic session 1997-98 to 1999-2000 was entrusted (December 1996) to the College by GOR and was further extended (January 2000) upto the session 2001-02. A Centralised Admission Co-ordination Committee consisting of 10 members was formed under the chairmanship of Principal of the College. Besides framing its own rules and regulations for admission of students,

College failed to frame rules and regulations to regulate income and expenditure arising from Pre-Engineering Test.

collecting fee from them and incurring expenditure, the committee was required to maintain separate accounts of its income and expenditure and get them audited. The savings on this account were to be retained by the College.

During the course of review it was noticed that the College had never framed any kind of rules and regulations to regulate the expenses incurred out of the income received from RPET. The balance sheet of RPET revealed the following income and expenditure during 1997-98 to 2000-01.

(Rs in lakh)

Sl.No.	Year	Income	Expenditure	Surplus
1.	1997-1998	38.67	27.98	10.69
2.	1998-1999	96.51	37.86	58.65
3.	1999-2000	84.92	56.37	28.55
4.	2000-2001	113.90	72.80	41.10
Total		334.00	195.01	138.99

Following irregularities were noticed:

- (i) The committee did not maintain fixed assets register, FDR register, stock register and bank reconciliation statement. In absence of it, verification of assets was not possible.
- (ii) Vouchers amounting to Rs 46.95 lakh pertaining to the years from 1997-98 to 2000-01 were stated as confidential and were not shown to audit. Therefore it could not be known that for which purpose this expenditure was incurred and was that justified.
- (iii) The College at the instance of audit though included the surplus amount of Rs 138.99 lakh in the balance sheet but the same has not yet been included into Society fund which is contrary to the direction of GOR and the provision of Article 4 of the Memorandum of Association of the College Society.
- (iv) An expenditure of Rs 4.25 lakh was not related to RPET but it was charged to RPET during the years 1999 to 2001.
- (iv) Purchases worth Rs 1.86 lakh (1997-98) were made without tenders.

Contrary to Government of Rajasthan's directives, surplus funds of Rs 1.39 crore were kept

1.1.11 Other points

1.1.11.1 Rule 11(1) of Society Manual provides that the Society shall ordinarily meet once in every three months and also provides, that the chairman may whenever he thinks fit, or on the written requisition of not less than four members shall call a special meeting. However, during 1997-98 to 2000-01, only four meetings were held as against 20. The last meeting of the Society was held on 17 March 1999.

1.1.11.2 Two industrialists/technologists (non-officials representatives) in the region have not been nominated so far by the Central Government.

1.1.11.3 The College has internal audit wing but due to shortage of staff it was engaged in miscellaneous work of regular nature and not on checking of basic accounts viz. cash book, vouchers, stock registers etc. Thus in the absence of sound internal audit, the object of ensuring correct maintenance of accounts was not fulfilled.

The matter was referred to the Ministry in December 2001; their reply was awaited as of January 2002.

1.2 Navodaya Vidyalaya Samiti

The Navodaya Vidyalaya Scheme introduced with the objective of promoting excellence through model institutions capable of catalysing and regenerating school education in 1986, has until now not even succeeded in establishing its own operational parameters, far from influencing the quality of school education in India. The failures have been largely in the appointment of teaching staff, creation of adequate infrastructure and laying down monitoring standards. Jawahar Navodaya Vidyalayas, set up under the Scheme have, for reasons of incomplete infrastructure and lack of credible academic innovation, fallen short of the high expectations, and have not succeeded in establishing any differentiated standard of excellence. Instead of attracting more meritorious students, the Scheme has witnessed an increasing trend of dropouts. Its attempt at a nationally integrated milieu of education through an open migration policy has failed to yield the desired results. The Scheme, despite a range of incentives, has failed to build up a sustainable resource back up in terms of teaching staff and academic stewardship.

Highlights

- Against 543 districts (except Tamil Nadu and West Bengal), the Samiti had 440 sanctioned Jawahar Navodaya Vidyalayas (JNVs) with a shortfall of 103 JNVs.
- There was under utilisation of intake capacity ranging between 9.18 per cent to 18.45 per cent.
- There were instances of lack of basic requirements for students such as, shortage of dormitories/class-rooms, non-providing of quality food, non-availability of drinking water, etc.
- There was increasing trend of dropouts and migration policy failed.
- There were 1253 vacant posts, in respect of teaching staff as on 31.3.2001. Besides 23 Principals rendered resignations thereby affecting the academic activities.
- The introduction of Information Technology Education was not at desired level as against 440 sanctioned JNVs as on March 2001, it was introduced in 103 JNVs upto 1999-2000 which was increased to 321 JNVs during 2000-01.
- Grants-in-aid amounting to Rs 6.17 crore were misutilised towards payment of CPF advances.

- **The meetings of the core committees were not held as per periodicity. Shortfall ranged between 29 per cent and 86 per cent, further shortfall in the functioning of the committees at Vidyalaya level ranged between 61 per cent and 100 per cent.**
- **There exists no effective monitoring system in the Samiti.**
- **In pursuance of the recommendations of the Estimate Committee of Parliament 1994-95 (47th Report), the Government of India constituted a review committee only in October 1999, report of which was still awaited.**

1.2.1 Introduction

Navodaya Vidyalaya Samiti (Samiti) was set up as a registered Society in February 1986 to implement the Navodaya Vidyalaya Scheme (Scheme) which is aimed at establishing, endowing, maintaining, controlling and managing model schools called Jawahar Navodaya Vidyalayas (JNVs) having co-educational and residential facilities for providing good quality modern education to the talented children predominantly from rural areas. Admission in JNVs are made at the level of class VI on the basis of a selection test designed and conducted by Central Board of Secondary Education (CBSE). Till 1998, the JNVs selection test was conducted by National Council of Educational Research and Training (NCERT). The test is conducted in 20 Indian languages and is largely non-verbal and objective in nature and is so designed that talented children from rural areas are able to compete without suffering a disadvantage. JNVs are set up on an average of one in each district.

1.2.2 Objectives

The broad aims of JNVs are to serve the objectives of excellence coupled with equity, to promote national integration, provide opportunities to the talented children to develop their full potential and to facilitate the process of school improvement.

The main objectives of the JNVs are:

- (i) to provide good quality modern education including a strong component of culture, inculcation of values, awareness of the environment, adventure activities and physical education to the talented children predominantly from the rural areas, without regard to their family's socio-economic condition.
- (ii) to ensure that all students of JNVs attain a reasonable level of competence in three languages as envisaged in the Three Language Formula, and

- (iii) to serve, in each district, as focal points for improvement in the quality of school education in general through sharing of experiences and facilities.

1.2.3 Organisational set-up

The Samiti is managed by an Executive Committee with the Union Minister of Human Resource Development as Chairman. The Executive Committee which includes Vice Chairman, Director of the Society, representatives of the Ministry of Finance, Directors of NCERT, National Institute of Educational Planning and Administration, Chairman, CBSE and Commissioner, Kendriya Vidyalaya Sangathan (KVS) is responsible to carry out the objectives of the Samiti and management of all affairs and funds of the Samiti. The executive head of the administrative pyramid is the Director who executes the policies laid down by the Samiti's Executive Committee. He is assisted at the Headquarters by Joint Directors, Deputy Directors and Assistant Directors. At the regional level, he is assisted by a Deputy Director and Assistant Directors.

For the administration of 440 JNVs as on 31 March 2001 the Samiti has established eight regional offices at Bhopal, Chandigarh, Hyderabad, Jaipur, Pune, Patna, Lucknow and Shillong.

1.2.4 Scope of Audit

A review of the working of the Samiti was conducted during 1994-95 covering the period from 1985-86 to 1993-94 and appeared in CAG's report No.11 of 1995 (OAB). The present review is based on sample check of records of eight Regional Offices (ROs), 98 Vidyalayas and the Samiti Headquarters at Delhi for the period from 1994-95 to 2000-01 (**Appendix-V**) and in particular focuses on the performance of the Samiti, *vis-a-vis* assurance given by the Ministry in their Action Taken Note (ATN) on the results of previous review.

1.2.5 Funding pattern

The Samiti is fully financed by grants-in-aid from the Ministry of Human Resource Development, Department of Secondary and Higher Education. Besides, grants-in-aid from Ministry, Samiti is also getting grant from other Ministries/Departments for specific projects. During the preceding seven years ending March 2001 the financial pattern of Samiti was as under:

(Rs in crore)

Year	Funds available	expenditure incurred
1994-1995	244.88	212.53
1995-1996	263.83	247.39
1996-1997	273.36	254.36
1997-1998	253.70	232.04
1998-1999	401.11	376.05
1999-2000	418.08	393.43
2000-2001	463.07	424.76

1.2.6 Results of review

The results of the review are contained in the succeeding paragraphs.

1.2.6.1 Academic activities

1.2.6.1.1 Shortfall in opening of schools

In 103 districts, JNVs were yet to be opened.

The scheme envisaged establishment of JNVs on an average one in each district. It was seen that against 543 districts except the districts of Tamil Nadu and West Bengal who had opted out of the Scheme, the Samiti had sanctioned 440 schools with a shortfall of 103 JNVs as on March 2001. Thus Samiti failed in its primary function to provide one such model school in each district.

1.2.6.1.2 Under utilisation of infrastructure

The Scheme envisages admission in JNVs at class VI level only and there is no other entry level for students in the Vidyalaya. There should, ordinarily, be two sections in each class with maximum of 40 students in each section. The intake capacity of JNVs *vis-a-vis* admission of students in class VI during 1994-95 to 2000-01 was as under :

Intake capacity versus Admission in JNVs

Year	No. of JNVs sanction	No. of JNVs for which test held	Intake capacity		No. of students enrolled in class VI	No. of students less admitted	Percentage of shortfall
			@ 80 student s per school	As reported by the Samiti			
1994-1995	350	341	27280	24800	20784	4016	16.19
1995-1996	373	370	29600	27720	22605	5115	18.45
1996-1997	378	370	29600	25240	21878	3362	13.32
1997-1998	388	382	30560	26280	22453	3827	14.56
1998-1999	397	390	31200	26680	23907	2773	10.39
1999-2000	408	398	31840	27520	24993	2527	9.18
2000-2001	440	411	32880	28680	24462	4218	14.71

An analysis of above data indicated that:

- There was difference in intake capacity as reported by the Samiti and as worked out @ 80 students per school for which selection tests were held.
- Also, there were shortfall ranging between 9.18 *per cent* to 18.45 *per cent* in the admission of students in JNVs with respect to intake capacity of students reported by the Samiti.

The Samiti attributed shortfall in admission to non-availability of sufficient accommodation in JNVs and faulty admission papers.

Besides there was an overall dropout rate of students ranging between 5.17 *per cent* to 8.38 *per cent per annum* in JNVs (**Appendix-VI**). Hence, the lower admission at class VI level than the intake capacity compounded by yearly dropout rate of students from JNVs resulted in underutilization of infrastructure and man-power available in JNVs. The Executive Committee (EC) of the Samiti in its seventeenth meeting held in February 1997 had decided to admit students at class XI on experimental basis against the vacancies caused due to dropped out students. However, no such measures were taken. This necessitates a review of the Scheme to introduce entry of students at some higher class besides present system of entry at class VI level, so that the infrastructure and man-power of the JNVs was fully utilised and the benefit of the Scheme accrued to larger segment of the society.

Low intake in class VI and yearly dropouts resulted in underutilization of infrastructure.

1.2.6.1.3 Lack of infrastructure facilities

As per approved norms each JNV which is fully functional should have appropriate infrastructure facilities for approximate 560 students and 42 staff members. Generally each JNV should have following facilities :

- (i) School campus, constructed in 30 acres of land
- (ii) 14 class rooms
- (iii) Separate rooms for three laboratories i.e. Physics, Chemistry and Biology.
- (iv) Separate rooms for computer classes, library, first aid, staff room, store room etc.
- (v) Separate toilet for staff, girls and boys.
- (vi) Six number of dormitories (four for boys and two for girls). Dormitories should have facilities such as toilet, bathrooms, fans, light etc.
- (vii) Boundary wall, overhead and underground watertanks, roads, sewerage, water supply, play fields etc.

It was, however, observed during test check of selected JNVs that in a large number of JNVs, the infrastructure facilities were not available at the desirable level. State-wise details are given below :

Despite availability of funds, basic facilities were lacking.

Name of the state	No. of school test checked	Points of interest
Bihar and Jharkhand	9	<ul style="list-style-type: none"> ➤ No facility of study table and chair ➤ No arrangement for filtration of drinking water
Gujarat	4	<ul style="list-style-type: none"> ➤ Inadequate accommodation to students for classes and residence
Haryana	4	<ul style="list-style-type: none"> ➤ Inadequate dormitories accommodation for girls
Karnataka	4	<ul style="list-style-type: none"> ➤ Overcrowding in girls hostel ➤ Dormitory not fitted with fans ➤ Overcrowding in boys dormitories ➤ Shortage of water
Kerala	5	<ul style="list-style-type: none"> ➤ No full-fledged biology lab ➤ Non-completion of girls dormitories ➤ Girls were accommodated in workshop ➤ Acute shortage of water ➤ Non-completion of playground
Madhya Pradesh and Chattisgarh	9	<ul style="list-style-type: none"> ➤ Inadequate accommodation both in respect of boys and girls
Maharashtra and Goa	11	<ul style="list-style-type: none"> ➤ No proper safety and security arrangements in JNVs
Manipur	2	<ul style="list-style-type: none"> ➤ No proper water supply ➤ Supply of contaminated water resulting in suffering the students from Scabies, dysentery and diarrhoea ➤ Food not provided as per norms
Orissa	3	<ul style="list-style-type: none"> ➤ Shortage of class rooms, dormitories, bathrooms and latrine
Punjab	5	<ul style="list-style-type: none"> ➤ Shortage of dormitories ➤ Shortage of classrooms ➤ Non-providing of quality food

The above inadequacies, despite availability of funds, adversely reflect on the functioning of the Samiti and have a definite negative effect on the performance of the JNV students.

1.2.6.1.4 Expenditure on students

Education in JNVs including boarding and lodging as well as expenses on uniform, text books, stationary, rail/bus fare to and from home etc. are free for all students. The mess is run by Vidyalaya itself under the overall directions of the Chairman of the Vidyalaya Management Committee. The Samiti prescribes per child per year expenditure to be incurred on these items, which ranged between Rs 4255 to Rs 6000 during the period covered under review.

Test check of records revealed that the norms prescribed by the Samiti in this regard were not adhered to in the following sampled JNVs during the period covered under review :

Expenditure on students was not in accordance with the norms.

In six sampled JNVs of **Assam**, against admissible expenditure of Rs 338.04 lakh, expenditure of Rs 294.79 lakh was incurred resulting in less expenditure of Rs 43.25 lakh.

In **Bihar** and **Jharkhand**, the expenditure on students in nine sampled JNVs were more than prescribed norms during 1994-95 to 1996-97 and it was below the norms during 1997-98 to 2000-01.

In two sampled JNVs of **Manipur**, against admissible expenditure of Rs 275.67 lakh, expenditure of Rs 262.37 lakh was incurred resulting in less expenditure of Rs 13.30 lakh.

In **Punjab**, the five sampled JNVs could spend Rs 560.81 lakh against admissible expenditure of Rs 583.31 lakh resulting in less expenditure of Rs 22.50 lakh.

In **Karnataka**, the actual expenditure on students in four sampled JNVs was Rs 539.85 lakh against the admissible expenditure as per norms of Rs 606.29 lakh which resulted in less expenditure of Rs 66.44 lakh during the period 1994-95 to 2000-01.

Thus, the expenditure on students by JNVs was not as per norms prescribed by the Samiti. While the students are ultimate sufferers of less expenditure with respect to admissible facilities, the excess expenditure by JNVs without any valid justification resulted in extra burden on the Samiti, besides violation of the financial parameters laid down by the Samiti.

1.2.6.1.5 Dropouts/withdrawals

The Scheme provides for admission to JNVs at the level of class VI. Every student enrolled in class VI is continued to be promoted to next higher classes upto class X as there was no provision in the Scheme to fail/expel students between class VI to class X. All students of class X are to appear in CBSE examination and students who pass in class X get enrolled in class XI.

The number of students enrolled in class VI during 1994-95 to 2000-01 and who continued their education upto class X are tabulated below:

Year of enrolment	No. of students enrolled in class VI	No. of students who continued their education in higher classes				Dropouts		Remarks
		VII	VIII	IX	X	(2-3)		
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	5
1994-1995	20784	19966	18724	17474	16224	4560	21.93 per cent	Dropout upto class X
1995-1996	22605	21710	20295	18758	17615	4990	22.07 per cent	Dropout upto class X
1996-1997	21878	20997	19946	18364	16631	5247	23.98 per cent	Dropout upto class X
1997-1998	22453	21802	20639	18865	-	3588	15.98 per cent	Dropout upto class IX
1998-1999	23907	22973	21033	-	-	2874	12.02 per cent	Dropout upto class VIII
1999-2000	24993	23026	-	-	-	1967	7.87 per cent	Dropout upto class VII
2000-2001	24462	-	-	-	-	Nil	--	Figure not available

The above table indicates:

There was increasing trend of dropouts.

- That there was increasing trend of dropout cases upto class X (i.e. from 21.93 *per cent* to 23.98 *per cent*) among students enrolled between 1994-95 to 1996-97.
- That students, enrolled in class VI in 1997-98 had completed their study upto class IX in 2000-01 with a dropout of 15.98 *per cent* upto class IX.
- Students, enrolled in class VI during 1998-99 had completed their study upto class VIII during 2000-01 with 12.02 *per cent* dropout among them upto class VIII.
- Students enrolled in class VI during 1999-2000 were in class VII during 2000-01. In one year, the dropout was 7.87 *per cent*.

Further, an analysis of enrolment of students in class XI in comparison to students passed in class X CBSE examination during 1994-95 to 2000-01 revealed that there was dropout/withdrawal of students ranging between 21.51 *per cent* to 29.85 *per cent* as given in the table below :

Year of passing examination of class X	No. of students passed in class X	No. of students enrolled in class XI	No. of dropout/withdrawals	<i>per cent</i> of dropout/withdrawal
1995	10096 (83 <i>per cent</i>)	7082	3014	29.85
1996	11315 (84 <i>per cent</i>)	8568	2747	24.27
1997	12626 (85 <i>per cent</i>)	9097	3529	27.95
1998	14216 (86 <i>per cent</i>)	11147	3069	21.58
1999	13469 (85 <i>per cent</i>)	10571	2898	21.51
2000	15237 (87 <i>per cent</i>)	11294	3943	25.87
2001	15057 (87 <i>per cent</i>)	NA	NA	NA

(NA-Not available)

The Samiti stated (September 2001) that the dropouts/withdrawals in JNVs were due to system for migration of students and due to not getting desired subject combination.

1.2.6.1.6 Migration policy

One of the objectives of the Scheme is the policy of migration of students. This policy helps to inculcate the spirit of national integration among the students by making them live with their peer group in a different atmosphere at a young and early age. The idea behind this migration policy is to provide opportunities to talented children from different parts of the country, to live and learn together, to develop their full potential and most importantly, to become a catalyst of a nation wide programme of school improvement.

The Scheme envisages migration of 20 *per cent* of students from class IX onwards from one JNV to another JNV in a different linguistic region. The initial period of migration of four years for 20 *per cent* students was reduced to two years for 30 *per cent* students with effect from 1992. In spite of these changes, the migration of students was posing problems, such as, clashes between local and migrated students, lack of infrastructure available in Vidyalayas having migration links and representations from parents of girl students.

Migration policy proved to be a failure.

Thereafter, in 1995 a Review Committee was set up to undertake an assessment of migration system in JNVs and to make recommendations as may be deemed necessary. Based on the recommendations of the Review Committee, the Samiti reduced the period of migration to one year at class IX level with effect from the academic year 1996-97. However, a survey conducted by Development and Research Service (DRS), an independent agency, during May-June 2000 on behalf of the Samiti reported that reasons behind non-implementation of migration policy successfully were :

- formation of groups among students which resulted in fights among the local JNV students and migrated students; and
- selection of unwanted, problematic students for migration.

It is, thus, evident that the implementation of migration policy as envisaged in the Scheme did not yield desired results. The continuance of cultural clashes among migrated and local students defeated the very purpose of migration policy to achieve National Integration. There was, thus, an urgent need to review the migration policy of the Scheme for its proper implementation.

1.2.6.1.7 Information Technology education

The Information Technology (IT) education was introduced in JNVs during 1991 in the form of “Computer Literacy Programme” to provide compulsory computer education for each and every student in JNVs from class VI to class XII and to make computer education as part of academic curriculum.

The IT education remained stagnant upto 1999-2000.

It was noticed in audit that while the number of JNVs covered under IT education during 1994-95 to 1999-2000 remained stagnant at 103 (out of total number of JNVs ranging between 350 and 408), it was only during 2000-01 that the coverage increased to 321 JNVs; still leaving 119 JNVs yet to be covered.

1.2.6.1.8 Quality of results

All the JNVs are affiliated to the CBSE. During the period 1994-95 to 2000-01, the overall pass percentage of JNV students in class X examination ranged between 82.6 to 87 *per cent*, whereas the pass percentage in class XII examination ranged between 81.2 to 87.5 *per cent*. Results of JNV and Non-

JNV students in class X and XII examinations from 1997 to 2001 are tabulated below in a graded format:

A. Results of class X

Year	No. of students appeared				No. of students securing marks (I) 60-75 per cent and (II) above 75 per cent							
	Pass percentage				percentage of students securing marks (I) 60-75 per cent and (II) above 75 per cent							
	JNV	KVS	Independent	CBSE	JNV		KVS		Independent		CBSE	
				I	II	I	II	I	II	I	II	
1997	14850	49717	150886	385858	4883	1924	11547	4142	48394	27958	70018	35110
	85.02	79.08	87.78	64.27	32.88	12.96	23.23	8.33	32.07	18.53	18.15	9.10
1998	16576	51900	109721	409695	5679	2228	12064	4731	35244	18766	77296	40478
	85.76	76.82	87.05	63.22	34.26	13.44	23.24	9.12	32.12	17.10	18.87	9.88
1999	15907	52727	186093	438137	5510	2565	13402	6442	59451	43289	85543	53979
	84.67	77.95	86.52	64.38	34.64	16.12	25.42	12.22	31.95	23.26	19.52	12.32
2000	17510	52882	207920	466990	6311	2786	12793	6283	65749	48482	91673	59047
	87.01	77.81	86.43	65.37	36.04	15.91	24.19	11.88	31.62	23.32	19.63	12.64
2001	17296	52812	235075	481454	6154	3204	14523	6736	76374	53606	103786	64743
	86.96	81.04	85.40	66.61	35.58	18.52	27.50	12.75	32.49	22.80	21.56	13.45

B. Results of class XII

Year	No. of students appeared				No. of students securing marks (I) 60-75 per cent and (II) above 75 per cent							
	Pass percentage				Percentage of students securing marks (I) 60-75 per cent and (II) above 75 per cent							
	JNV	KVS	Independent	CBSE	JNV		KVS		Independent		CBSE	
				I	II	I	II	I	II	I	II	
1997	6540	30115	91058	205067	2961	657	11503	3031	37440	17330	64384	22679
	85.05	83.29	83.06	73.30	45.28	10.05	38.20	10.06	41.12	19.03	31.40	11.06
1998	8022	32154	102973	222000	3270	772	10648	2885	41424	18967	66330	23993
	81.24	79.88	83.42	72.64	40.76	9.62	33.12	8.97	40.23	18.42	29.88	10.81
1999	8767	33097	114449	253253	4052	861	11622	3252	48069	21463	77475	27167
	87.50	83.08	84.83	74.69	46.22	9.82	35.11	9.83	42.00	18.75	30.59	10.73
2000	10522	33651	128676	265346	4632	1384	13117	4281	53822	29810	87933	37752
	83.25	83.10	84.76	76.35	44.02	13.15	38.98	12.72	41.83	23.17	33.14	14.23
2001	10337	34332	145390	286268	4699	1341	12630	3966	59655	30056	92630	37509
	84.21	83.66	82.88	75.20	45.46	12.97	36.79	11.55	41.03	20.67	32.36	13.10

It will be seen from table above that the pass percentage of JNV student in class X examination for five years from 1997 to 2001 was higher in comparison to KVS and was slightly lower than the pass percentage of students of independent schools in the years from 1997 to 1999. However, in terms of number of students who could achieve the excellent bracket i.e. securing 75 per cent and more marks, performance of JNV students was substantially lower in comparison to the performance of students of independent schools. In the 60-75 per cent bracket the performance of JNV was marginally higher than the independent schools.

Pass percentage of JNV students in class XII examination for five years from 1997 to 2001 was higher in comparison to KVS and was slightly lower than that of independent schools in the years 1998 and 2000. However, here again,

the performance of JNV students in the highest bracket (above 75 per cent) was substantially lower than the performance of the independent schools. Taking the indicator of students securing more than 75 per cent of marks, the total number of students who have achieved high grade of performance would give an idea of the contribution of JNVs to the academic enrichment process. The tables would show that while JNVs have done very well in terms of achieving a very satisfactory overall pass percentage, they have lagged behind substantially *vis-a-vis* other independent private schools, in the “excellent result” (75 per cent and above) category. A comparison on these lines is more appropriate, since JNVs have a rigorous selection process for admission of students and a substantial infrastructure and other financial support. Perhaps, a review of their records in the light of their role as model excellence centres is called for to locate the weaknesses in the JNVs which have resulted in their students not reaching the higher bracket (of 75 per cent and above) in as large numbers as the students of independent schools reached.

1.2.6.1.9 Manpower management

1.2.6.1.9.1 Recruitment of teachers

(A) The Samiti is conscious of providing quality education through committed teachers to JNVs as they are the back bone of the education system. Appointments to the posts of teachers and to the senior cadres of the non-teaching staff are being processed at the level of ROs. The Selection Committee constituted to select the incumbents for these posts comprise of officers of the Samiti, eminent educationists, persons having experience of the residential school system, persons belonging to SC/ST, minorities a lady representative, subject experts etc., which ensure proper assessment of the overall personality of the candidates. Further permanent absorptions are also made from deputationists in these cadres to retain the services of experienced and meritorious teachers from various Governmental and non-Governmental institutions.

With a view to encouraging better-qualified teachers to join JNVs, the following incentives are at present being provided to teachers and principals :

- Rent free, partially furnished housing facility as available on site.
- Facility of admission to their wards in the Navodaya Vidyalayas where they are posted.
- House Master’s Allowance @ Rs 150 per month and Rs 75 per month for Associate House Master’s Allowance.
- Free boarding with students.

Samiti failed to fill up vacant posts of teaching staff.

It was noticed in audit that inspite of above incentives the Samiti was not in a position to fill all the sanctioned posts, of Principals, PGTs/TGTs and other teaching categories during the period from 1994-95 to 2000-01. The details of sanctioned posts and vacancies in respect of teaching staff is tabulated below :

Year as on 31 st March	Principals			PGTs			TGTs			* Misc. categories		
	Sanctioned posts	Vacant posts	Percentage shortfall w.r.t. sanctioned post	(A)	(B)	(C)	(A)	(B)	(C)	(A)	(B)	(C)
1995	373	98	26.2	1975	762	38.5	3028	760	25.09	1847	360	19.49
1996	373	57	15.2	2216	584	26.3	3260	753	23.09	1938	279	14.39
1997	378	56	14.8	2278	538	23.6	3298	825	25.01	2004	325	16.21
1998	389	70	17.9	2227	278	12.4	3293	493	14.97	2051	223	10.87
1999	397	71	17.8	2339	208	8.8	3286	370	11.25	2063	228	11.05
2000	423	113	26.7	2418	234	9.6	3407	412	12.09	2137	240	11.23
2001	426	141	33.1	2513	329	13.09	3478	483	13.88	2177	300	13.78

* Misc. categories include physical education, art, music, social useful and productive work teachers and librarians.

From the above table it is evident that :

- (i) Samiti was unable to get the required number of teachers despite lucrative incentives.
- (ii) The number of unfilled posts of Principals who are responsible for overall supervision of JNVs had increased from 98 in 1995 to 141 in 2001. The total number of vacant posts at the close of 2001 was 1253, which was alarming.

23 Principals rendered resignations despite availability of incentives.

It was further noticed that during the period covered under review as many as 23 Principals had rendered their resignations. The Samiti did not initiate any action to find out the reasons responsible for large number of resignations by the Principals.

(B) Appointments to the posts of teachers were being processed at the level of RO upto the year 1999 in accordance with the recruitment rules of the Samiti. From the year 2000, the recruitment of the teachers was entrusted to (Educational Consultant India Ltd. (EdCIL), a Government of India Enterprises, with the approval of EC of the Samiti. While approving the proposal, the Chairman of the Samiti had observed that the time schedule proposed for conducting written examination for recruitment of teachers through EdCIL appears to be too long and a fixed shortened time schedule should be framed for the purpose.

In view of the above decision of EC, the Samiti entered into an agreement with EdCIL in March 2000 for the recruitment at a cost of Rs 94.97 lakh

excluding the cost of advertisement and its publication in Employment News. The process of recruitment started in March 2000 when the publication was inserted in the Employment News on 18 March 2000. As per the relevant clause of the agreement, the recruitment process was to be completed by the end of December 2000. However, the whole process of the recruitment of the teachers was completed in September 2001 with delay of nine months as per schedule of recruitment. The total time taken by the Samiti for the recruitment was 17 months which was almost two times the average time generally taken by Samiti in recruiting the teachers during the previous years.

Thus the Samiti not only failed to adhere to the original time schedule but also was not able to come to the expectations of EC in reducing the time gap.

1.2.6.1.9.2 Teacher-Student ratio

As per pattern adopted by the Samiti generally accepted ratio of teacher-student is 1:25 for JNVs. However, it was noticed that the ratio of sanctioned strength of teaching staff and students during 1994-95 to 2000-01 ranged between 1:15 to 1:16 as detailed below:

Year	Teaching staff strength	No. of students	Teacher – Students ratio
1994-1995	6850	104291	1:15.22
1995-1996	7414	108316	1:14.61
1996-1997	7580	110343	1:14.55
1997-1998	7571	116108	1:15.33
1998-1999	7688	120700	1:15.69
1999-2000	7962	125689	1:15.78
2000-2001	8168	125119	1:15.32

The Samiti attributed reasons for higher ratio of teaching staff and students to less enrolment of students in JNVs at class XI level and dropout/withdrawal of students from JNVs. There is, thus, an urgent need for adopting a strategy having an impact on enrolment of students besides rationalizing the requirement of teaching staff and its deployment policy.

1.2.6.2 Accounts and financial management

1.2.6.2.1 Finance and Accounts

The Budget Estimates (BE), Revised Estimates (RE), Grants-in-aid received, Internal Receipts (IR) and Expenditure incurred by the Samiti during 1994-95 to 2000-01 are tabulated below :

(Rs in crore)

Year	BE		RE		Grants Recd.		IR		Opening Bal.		Total Recpt.		Expenditure		Closing Bal.		Total
	N.P	P	N.P	P	N.P	P	N.P	P	N.P	P	N.P	P	N.P	P	N.P	P	
1994-95	62.47	168.95	66.56	197.32	48.77	158.63	7.20	0.76	13.20	16.32	69.17	175.71	56.03	156.50	13.14	19.21	32.35
1995-96	56.92	206.00	59.00	210.80	49.27	177.00	2.92	2.29	13.14	19.21	65.33	198.50	57.30	190.09	8.03	8.41	16.44
1996-97	60.46	262.40	68.03	209.41	58.01	195.50	1.90	1.51	8.03	8.41	67.94	205.42	58.37	195.99	9.57	9.43	19.00
1997-98	127.00	205.00	146.00	205.00	69.00	162.50	2.77	0.43	9.57	9.43	81.34	172.36	71.44	160.60	9.90	11.76	21.66
1998-99	86.05	297.79	97.50	353.26	85.00	291.50	2.50	0.45	9.90	11.76	97.40	303.71	88.11	287.94	9.29	15.77	25.06
1999-00	100.29	356.47	103.11	358.14	84.33	304.00	4.23	0.46	9.29	15.77	97.85	320.23	88.37	305.06	9.48	15.17	24.65
2000-01	99.10	378.10	95.67	400.78	88.00	344.99	4.53	0.90	9.48	15.17	102.01	361.06	90.77	333.99	11.24	27.07	38.31

An analysis of above table indicated the following :

- (i) There were savings ranging from Rs 16.44 crore (6.23 per cent) to Rs 38.31 crore (8.27 per cent) during the period 1994-95 to 2000-01.
- (ii) With reference to Ministry's circular regarding classification of expenditure during the IX five year plan, the Samiti while projecting BE for 1997-98 proposed to transfer the committed expenditure, under plan head of VIII five year plan, at the end of 1996-97 to non-plan. Thus, the projection of non-plan provision amounting to Rs 127 crore for 1997-98 consisted of Rs 64.30 crore for existing non-plan requirements and Rs 62.70 crore relating to the committed expenditure (plan) of VIII five year plan period. However, while fixing the budgetary support to the Samiti, the Ministry did not consider the requirements of Rs 62.70 crore relating to committed expenditure (plan) of VIII five year plan period either under non-plan provisions or under plan provisions. Thus, the Samiti had a budgetary support of the Ministry of Rs 69 crore under non-plan as against its projection of Rs 127 crore, a reduction by 46 per cent. Owing to this reduction, the Samiti had to meet the committed expenditure of the VIII five year plan out of funds available for plan activities for the year. This in turn, had an adverse effect on the activities under plan for the year 1997-98.

There was variation between the RE and Actual Expenditure of Rs 44.40 crore (21.6 per cent) and Rs 74.56 crore (51.1 per cent) in respect of plan and non-plan respectively during the year 1997-98.

- (iii) General Financial Rules lay down that a clear distinction should be made between Revenue expenditure and Capital expenditure. Re-appropriation of funds from Revenue to Capital and vice-versa is not permissible. It was, however, noticed that the release of funds by the Ministry was not made distinctly under the heads "Revenue" and 'Capital'.

1.2.6.2.2 Misutilisation of grants in-aid

The grants-in-aid of Rs 617.48 lakh was misutilised towards payment of CPF advances.

As per practice prevalent in the Samiti, Contributory Provident Fund (CPF) advance to subscribers are sanctioned and paid by the respective Principals at JNV level and by Deputy Directors at RO level. After sanction of the amount, the disbursement of advance is made by operating funds from grants-in-aid placed at the disposal of the Principals/ROs. Subsequently, the amount so paid is reimbursed from CPF account. Hence, for every case of advance to individual subscriber funds from grants-in-aid were misutilised by not operating CPF. During the period 1994-95 to 2000-01, Rs 617.48 lakh were diverted from grants-in-aid for payment of CPF advances, as detailed below:

(Rs in lakh)

Year	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	Total
Reimbursement during the year	7.09	9.73	33.58	30.92	96.91	210.94	228.31	617.48

Thus the Samiti violated the terms and conditions of grants-in-aid.

Further, it was noticed in audit that certain reimbursement to grants-in-aid were outstanding as on 31.3.2001 from CPF accounts. The Samiti could not work out the exact amount of outstanding reimbursement to grants-in-aid at the close of the financial year.

1.2.6.2.3 Pattern of investment of Contributory Provident Fund

According to the instructions issued by the Ministry of Finance in March 1999 the investment for CPF is to be made in (a) Central Government securities and/or units of Mutual Funds which has been setup as dedicated fund for investment in Government securities : 25 per cent (b) Government securities created and issued by any State Government; Any other negotiable securities fully and unconditionally guaranteed by Central Government or any State Government : 15 per cent (c) Bonds/securities of public financial institutions as specified under Section 4 (1) of Companies Act; Certificates of deposits issued by Public Sector Bank : 40 per cent (d) To be invested in any of the above three categories as decided by the Trustees : 20 per cent.

The CPF investments were not in accordance with GOI instructions.

However, it was noticed that the Samiti had CPF investments of Rs 77.18 crore as on March 2001 out of which Rs 23.11 crore (29.94 per cent) were deposited with Reserve Bank of India as fixed deposits, Rs 52.02 crore (67.40 per cent) were deposited with State Bank of India in a recurring deposit account, Rs 0.03 crore (0.04 per cent) with Industrial Development Bank of India and Rs 2.02 crore (2.62 per cent) with State Bank of Patiala. Thus CPF investments were not in accordance with the GOI instructions issued by Ministry of Finance.

1.2.6.2.4 Irregular release of funds by the Regional Offices

Test check of the records of six ROs revealed that grants released to the JNVs were not strictly in accordance with the requirements under plan and non-plan as detailed below:

- (a) In Andhra Pradesh, RO released a sum of Rs 225.11 crore against the RE of Rs 224.34 crore during 1994-95 to 2000-01 to JNVs under its jurisdiction.
- (b) In Bihar, during 1997-98 to 2000-01, RO released Rs 25.54 crore to nine JNVs test checked while the BE in these years were Rs 24.54 crore.
- (c) In Karnataka, RO was releasing the grants to JNVs without specific distinction under plan and non-plan.
- (d) In Punjab, mainly the grants were released under non-plan which resulted into diversion of funds to the tune of Rs 4.03 crore from non-plan to plan at JNV level during 1994-95 to 1998-99.
- (e) In Uttar Pradesh, there was unauthorised diversion of funds amounting to Rs 0.39 crore from plan to non-plan during 1995-96.
- (f) In Pondicherry, the JNVs diverted Rs 1.01 lakh from non-plan to plan.

It is, thus, evident that system of sound budgeting necessary to ensure proper control and monitoring was not restored to by the ROs.

1.2.6.3 Proceedings of the Samiti

1.2.6.3.1 Meetings of core committees of the Samiti

Functioning of the Samiti is managed by various committees which are required to meet periodically. The position of these committees as on March 2001 was as under:

Sl. No.	Name of the Committee	When formed	Frequency of the meetings to be held	No. of meeting required to be held	No. of meetings actually held	Percentage shortfall
1.	Academic Advisory Committee (AAC)	Since inception of the Society	Once in every quarter	28	4	86
2.	Executive Committee (EC)	Since inception of the Society	Once in every quarter	28	8	71
3.	Annual General Meeting (AGM)	Since inception of the Society	Once in a year	7	5	29
4.	Finance Committee (FC)	Since inception of the Society	Once in every quarter*	28	12	57

* Though the exact number of meetings to be held in a year has not been specified in Memorandum of Association but as per Articles 43 and 44 the meetings of FC should precede the meetings of EC.

Shortfall in meetings of core committees ranged between 29 per cent and 86 per cent.

The above data revealed that while shortfalls in holding of the meetings in respect of AAC and EC were 86 per cent and 71 per cent respectively, the shortfall in respect of AGM and FC was 29 per cent and 57 per cent respectively. Keeping in view the functions and powers of these committees, evidently such a shortfall in meetings results in belated decisions on policy matters which affects its drive to excellence.

1.2.6.3.2 JNVs Vidyalaya Committees

Samiti had issued guidelines for formation and functioning of following committees at JNVs level :

Sl. No.	Name of the Committee	Periodicity of Committee	Function of the Committee
1.	Vidyalaya Management Committee (VMC)	As frequently as possible	To exercise control and to assist JNVs in respect of funds, expenditure, budget, ad-hoc appointments and general supervision.
2.	Vidyalaya Advisory Committee (VAC)	-do-	To assist the JNVs in its academic activities, local assistance, cultural programmes, pace setting goals and improvement in education.
3.	Regional and District level Committee(DLC)	Once in a quarter	To supervise mess, food, discipline and sanitation related matters. This committee was constituted as per the decision of the EC of the Samiti in its 20 th meeting held in September 1999.

Note: Though the Samiti has not fixed the exact periodicity of the committees mentioned at Sl. No.1 and 2 above, three meetings in a year are considered to be minimum in view of their duties and powers.

Position of the meetings held in respect of above committees as envisaged during test check of records of selected JNVs in different States is given in **Appendix –VII**.

A perusal of the data given in **Appendix-VII** revealed that the Samiti, ROs and JNVs were not very keen in the functioning of these Committees. Thus, there was complete absence of day-to-day monitoring with reference to academic, administrative, infrastructure, financial status etc. of the JNVs through the mechanism of committees.

The Regional and District Level Committee to be formed in all the JNVs in pursuance of the decisions taken in the meetings held during September 1999, have not been formed in any of the JNVs test checked.

Yet another very important forum namely ‘Parents-Teacher Association’ (PTA) was absent in the most of the JNVs test checked.

There were deficient meetings of Vidyalaya level committees despite Ministry's assurance in its ATN to the earlier review.

In the ATN relevant to the earlier review, the Ministry stated that Principals are responsible to convene the meetings which are presided over by the District Collector and Chairman of VMC/VAC. The Ministry further stated that the ROs who are in immediate touch with the JNVs keep a watch over the conduct of these meetings and efforts were also made to ensure that meetings of all the committees were held as per their periodicity, as far as possible.

However, the present audit findings establish that there was no improvement in holding the required number of meetings. Thus, despite lapses pointed out by the Audit in its previous review and the reply given by the Ministry, the Samiti's approach was lackadaisical.

1.2.6.3.3 Executive Committee meetings

EC in its 14th and 15th meetings held in July 1994 and March 1995 approved a package of sports events and stressed need for moral discipline. No records on the above subjects were produced in the absence of which action taken in this regard could not be seen in Audit.

EC in its 20th meeting held in September 1999 desired that the Samiti may take suitable steps to encourage setting up of Science Museums and portable planetariums in JNVs. Eight portable Taramandals in eight JNVs to be used by cluster of JNVs on rotation basis, were established. The decision taken by EC, therefore, remained partially implemented.

1.2.6.3.4 Finance Committee meetings

Samiti failed to monitor short term investments of surplus funds by ROs as directed by FC.

In order to derive optimum return from the funds which were not required for immediate expenditure, FC, in its 18th meeting, held in November 1994 approved re-delegation of powers to the Deputy Directors of ROs to make short term deposits for a period not exceeding 46 days, in a nationalised bank with which they were maintaining their accounts and instructed ROs to send the details of short term deposits to the Samiti. Scrutiny of the relevant records revealed that against a total of 96 reports from 8 regions likely to be received, 34 reports were actually received, between April 1995 and March 2001. The short fall (62 reports) constituted 64 *per cent* of the total returns. Thus, the Samiti failed to monitor the investment of surplus funds in short term deposit as directed by FC.

1.2.6.3.5 Internal audit

- (a) An internal audit wing which comprised of Audit Assistants and Accounts-cum-Audit Officers was set up in 1989. While the audit of ROs was conducted by the internal audit wing of the Samiti Headquarters, the audit of the JNVs was conducted by the internal audit teams located at various ROs as per yearly calendar.

It was seen in audit that during 1994-95 to 2000-2001, the internal audit of ROs was not given priority as against 56 internal audit to be conducted only eight audits were conducted with a shortfall of 85.71 per cent. It was further noticed that during 1995-96, 1998-99 to 2000-01, no internal audit of ROs was conducted.

Keeping in view the flow of funds to ROs, the absence of internal audit of ROs demonstrates a lackadaisical approach of the Samiti.

There were huge arrears in respect of internal audits.

- (b) The position of internal audit of Vidyalaya's during 2000-01 was no better as against 440 internal audits to be conducted only 85 internal audits were conducted. The shortfall in internal audits ranged between 67 per cent to 100 per cent.
- (c) Besides the shortfall in conducting internal audit, the quantum of outstanding paras in respect of ROs upto March 2001 was 7933. The number of outstanding paras in eight ROs ranged between 380 to 2007.

The position of outstanding paras in respect of ROs at Lucknow and Bhopal which stood at 1650 and 2007 respectively, was alarming.

The Ministry in its ATN to previous review stated that EC has concurred the appointment of Chartered Accountant (CA) for each JNV so as to augment the internal audit. However, test check of selected JNVs revealed that no CA had been appointed to reduce the arrears on account of internal audit.

1.2.6.3.6 Status report on socio-economic survey

In January 2000, the Samiti engaged Development and Research Services (DRS), a private agency, to conduct a status review at the cost of Rs 14.14 lakh. As per agreement entered between DRS and the Samiti, DRS was to submit its report by 31 August 2000, whereas the same was submitted on 13 October 2000. In its report DRS *inter-alia* had recommended on various aspects viz. admission criteria for admission of children from poorer households, greater involvement of panchayats and community organisations, admission of students in Class VIII, deployment pattern of teachers in different schools, English medium in earlier classes, extension of duration of migration, arrangement for weekly visits by local Government/Private Doctor, greater involvement of students in mess management, definite periodicity of meetings of PTAs, encouragement of students to seek admission in professional courses, strengthening of computer courses, providing of information and guidance for possible career opportunities to the students, provision for some degree of vocational training to enhance the profile of JNV students.

No follow up action was taken on the status report by DRS.

Though the report was submitted in October 2000, Samiti did not initiate any follow up action through any task force or otherwise to devise a mechanism to improve the overall environment and performance of its students in respect of above covered areas. The expenditure of Rs 14.14 lakh, therefore, by and large, remained infructuous.

1.2.6.3.7 Other topics of interest

Andhra Pradesh

Two dormitories constructed at a cost of Rs 44 lakh remained unoccupied since their construction.

- (i) One Elevated Service Reservoir (ELSR) was constructed in 1991 in the premises of Peddapuram Vidyalaya (East Godawari district) at a cost of Rs 10 lakh for providing water for drinking and other purposes. The ELSR was, however, not put to use as the PVC pipelines laid had failed. The Samiti sanctioned another sum of Rs 6.04 lakh in June 2000 for laying GI Pipes replacing the failed PVC pipes and the work was in progress as of September 2001. Defective designing and execution of PVC pipelines work had thus resulted in unfruitful outlay of Rs 10 lakh on ELSR for over 10 years.
- (ii) In Kiltempalem Vidyalaya in Vizianagaram district seven dormitories for accommodation of sanctioned strength of 560 students were constructed in 1997. However, two dormitories costing Rs 44 lakh remained unoccupied since their construction for want of students as the number of students on roll in the Vidyalayas ranged from 384 (1997-98) to 409 (2000-01) and never reached to its full capacity of 560 students. This is a case of ill-conceived planning resulting into underutilization of infrastructure.
- (iii) In JNV Lapakshi, in Anantpur district, expenditure incurred on purchase of vegetable amounting to Rs 6.91 lakh during 1996-97 to 1998-99 was more than double compared to preceding year 1995-96 and subsequent years 1999-2000 and 2000-01 without any increase in number of students. On detailed examination it was observed from the daily menu register that the students were served only rice, pulses and rasam. Curries were served occasionally during 1996-97 to 1998-99. The purchases of vegetables, when no vegetables were served was an aspect to be investigated. RO stated that the matter would be enquired into and findings intimated to audit.
- (iv) In nine Vidyalayas, high tension power supply was obtained with contracted maximum demand of 200/70 KVA. As the monthly minimum contracted demand was not utilised by these Vidyalayas between January 1992 and July 2001, the Vidyalayas paid Rs 59.37 lakh towards unutilized demand charges inclusive of surcharge due to low power factor.

Bihar

22 students of JNV Nalanda who took admission in 1996 on the basis of selection test held in February 1996 were expelled from the Vidyalaya on December 1996 on the ground that they had appeared in selection test in 1995. This indicated that there was lack of proper scrutiny of eligibility of students seeking admission to JNVs before taking up the selection test.

Haryana

The Samiti had approved the construction of one dormitory each for boys and girls for JNV Niwarsi in Kurukshetra district. According to the layout plan the girls dormitory was to be constructed adjoining the girls dormitory already constructed. CPWD, however, changed the site of the girls dormitory without approval of the Chief Architect/Samiti and the same was constructed at the cost of Rs 26.20 lakh at other site which was in between the two dormitories of boys. This dormitory was lying unoccupied as the Principal of the JNV stated that the new dormitory cannot be used, as girls can never be housed between boys dormitories. This resulted into a total loss of Rs 26.20 lakh.

The dormitory constructed at a cost of Rs 26.20 lakh remained

Karnataka

In four test checked JNVs, it was noticed that large quantities of unserviceable articles such as, library books, sports items, lab. equipments, bedding items, utensils, teaching aids, music instruments with a book value of Rs 44.93 lakh were lying idle, since 1985-86. Though the Principals have approached the RO, final orders for disposal/condemnation were yet to be issued.

Obsolete stock worth Rs 44.93 lakh was not disposed of.

Maharashtra

In Maharashtra and Goa, six Vidyalayas had installed high tension connections for supply of electricity and paid electricity charges @ Rs 6.05 per unit as against Rs 3.80 per unit for low tension supply. It was further noticed that these Vidyalayas were paying electricity at higher commercial rates instead of domestic rates. Thus Vidyalayas had paid excess charges amounting to Rs 39.53 lakh for the period from 1996-97 to 2000-2001. The details for the years 1994-95 and 1995-96 were not made available to Audit.

Rs 39.53 lakh were paid to State Electricity Department at higher commercial rates.

Rajasthan

In JNV Gajner (Bikaner), while exploring construction of a tubewell for supply of drinking water to students it was found that water was not available. A sum of Rs 31.53 lakh was spent on a tubewell at an alternative site 10 kms. away from JNV. However it was found that water available at new site was not potable due to presence of fluoride. Thus the expenditure of Rs 31.53 lakh

Rs 31.53 lakh spent on supply of drinking water proved infructuous as water was not potable.

incurred on supply of drinking water unfit for human consumption by and large had been rendered infructuous.

1.2.6.3.8 Monitoring

Effective monitoring system in the Samiti was lacking.

At the close of the year 2000-01, the Samiti was managing 440 Vidyalayas spread over length and breadth of the country. For the excellence growth in the field of education, culture, character building discipline etc. Samiti has an exclusive wing known as “School Administration Wing” which is headed by a Joint Director (Academic). The said wing is responsible for framing policy in assigned areas and its implementation. ROs also play an important role, as the Vidyalayas are functioning under their direct charge. Since the “School Administration Wing” was responsible for policy framing and its implementation in the field of education; its functioning largely depended on feed-back received from the Vidyalayas either directly or through ROs. It was noticed in audit that there hardly existed a monitoring mechanism in the Samiti. No returns/formats had been prescribed by the Samiti to monitor the day to day functioning of JNVs and achievement of objectives envisaged in the Scheme. In response to an audit query, the Samiti stated that monitoring was being done through D.O. letters etc. written directly by the Principals of JNVs to the Director. It was also observed that the Samiti was not aware of the Management Information System prevalent at present, which was a handy tool for over-seeing the functioning of JNVs and monitoring complex areas. One of the reasons for shortfall in its goals with specific areas of excellence in education and development as a pace-setting institution was the absence of computerized Management Information System which had not been given due attention.

1.2.6.3.9 Evaluation

The GOI constituted review committee in October 1999 on the recommendations of Estimate Committee of Parliament 1994-95.

As per Article 4 of the Memorandum of Association, GOI in the Ministry of Human Resource Development is required to appoint one or more persons to review the work and progress of the Samiti and to hold enquiries into its affairs. It was noticed that no such review committee was appointed by GOI at any time during April 1994 to September 1999. Thus, the activities of the Samiti remained without review by GOI at any time despite release of huge funds. Further the flow of funds by GOI increased from Rs 207.40 crore during 1994-95 to Rs 432.99 crore during 2000-01 without making an assessment of its functioning. The GOI on the recommendations of the Estimate Committee of Parliament 1994-95 (47th Report) constituted a Review Committee in October 1999 for a comprehensive evaluation of the Scheme of JNVs.

The report of the committee was still awaited.

In the above context, the Ministry stated in ATN to the earlier review, that a review of the Samiti would be advisable in 1997. However, against this

assurance, the Ministry constituted a review committee only in October 1999, the report of which was still awaited as of November 2001.

The matter was referred to the Ministry in November 2001, their reply was awaited as of January 2002.

Report No.4 of 2002 (Civil)

1.3 University Grants Commission

University Grants Commission is both a regulatory body and a funding agency for development and maintenance of University education in India. Its functions are to promote University education, determine standards of teaching, examinations and research as well as disburse grants to Universities in India. But the University Grants Commission failed to deliver these objectives. On the one hand it failed in its catalytic role in bringing about qualitative changes in academic systems, and on the other it allowed some of its well-intentioned initiatives to go waste due to half-hearted measures. Its management of scarce development resources has been unimaginative and often reckless. In dispensing maintenance grants, it has remained persistently oblivious of the accountability parameters. Despite long years it has failed to develop parameters for monitoring the qualitative and quantitative dimensions of change in University education. It has hardly ever used its supervisory power of inspection. Its powers as the funding agency have remained in the statute book as it has failed to prescribe even some of the basic returns enjoined upon it by the Act and the Rules it administers. Its promotional role in the area of research has lost credibility due to pronounced inequities and persistent adhocism. Special academic schemes and facilities have not yielded results as the University Grants Commission has failed to muster the support of the academic community of the Universities. There are obvious instances of Universities abandoning programmes, getting off midway and going on their own in blatant disregard of the norms set by University Grants Commission. Some Central Universities even run courses and award degrees without University Grants Commission's approval. Absence of ground rules, total lack of monitoring machinery and uncoordinated application of resources have cumulatively eroded its regulatory role, its funding authority and its position of centrality envisaged in the charter of duties assigned to it.

Highlights

- **Inspection of Universities required under Section 13(1) of the University Grants Commission (UGC) Act, was not conducted. While 146 Universities were visited during 1997-98 for assessing development grant, only six Universities were assessed for standard of teaching upto 1999-2000.**
- **Share of development grant to 15 Central Universities increased constantly to 53.43 per cent as against 46.57 per cent to 212 Deemed and State Universities. No effective measures were taken to eliminate disparity despite the recommendations of Public Accounts Committee 25 years ago which led to this inequitable development of Universities in the Country.**

- **Rs 937.52 lakh was released to 13 Universities in violation of the guidelines of development scheme.**
- **While Rs 630 lakh was released to 21 computer centres without approval of detailed action plan for utilisation, Rs 140 lakh was released to eight computer centres in violation of guidelines of the schemes.**
- **No mechanism existed in UGC to identify the list of unnotified degrees being run in various Universities; eight degree programmes were run and degrees awarded by DU, JNU and JMI without notification by UGC.**
- **UGC circulated the recommendations of the Curriculum Development Centres (CDC) since 1992-93 but failed to evolve any mechanism to monitor its implementation in Universities.**
- **UGC failed in introducing appropriate examination reform system in the Universities as it could not formulate acceptable package of examination reform.**
- **UGC notified (December 1998) various measures for maintenance of standard of education but failed to monitor observance of its instructions.**
- **Rs 132.91 lakh spent on UGC computerisation became infructuous due to non-development of software and non-filling of vacant posts created for computer unit.**

1.3.1 Introduction

The University Grants Commission (UGC) was set up in December 1953 under a resolution (November 1952) of the Government of India and was reconstituted as a corporate body in November 1956 under the provisions of the University Grants Commission Act, 1956 (Act). The main functions of UGC are to promote and co-ordinate University education and determine and maintain the standard of teaching, examination and research in Universities etc. UGC discharges these duties by allocating and disbursing grants to Central Universities/Colleges and Deemed Universities for their maintenance and development and by recommending necessary measures towards that end.

1.3.2 Organisational set up

UGC is headed by a Chairman, a Vice-Chairman and ten other members appointed by the Central Government under Section 5(1) of UGC Act. The Secretariat of UGC is headed by a Secretary appointed by UGC under Section 10 of the Act who is assisted by two Additional Secretaries with 19 divisions with each under the control of Deputy Secretary or an Officer of the

equivalent rank. UGC has seven Regional Offices at Hyderabad, Pune, Bhopal, Ghaziabad, Guwahati, Calcutta and Bangalore to deal with the programmes/schemes in the Colleges recognized by it.

1.3.3 Audit objectives

Audit-review of the working of UGC was aimed at assessing the extent to which it fulfilled the mandate assigned to it under UGC Act with a particular view to critically examining the efficiency in the disbursement of grants and in the implementation of various schemes relating to its functions.

1.3.4 Scope of Audit

The audit of accounts of UGC is conducted under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 19 of UGC Act, 1956. The working of UGC was reviewed earlier in 1975-76 and 1990-91. The review report for the year 1975-76 had been examined by the Public Accounts Committee (PAC) in its Seventy Third Report (Sixth Lok Sabha). The present review is based on the test check of records of UGC and selected schemes/programmes funded by UGC covering the period 1992-93 to 1999-2000 and a trail check of records in Delhi University (DU), Jawaharlal Nehru University (JNU) and Jamia Millia Islamia (JMI). It was generally found that none of the recommendations of the PAC have been implemented, even after a lapse of 25 years. As a matter of fact the vulnerable areas have turned critical due to severe organisational deficiencies and many failures in the administration of schemes.

1.3.5 Finance and accounts

The position of receipts and payments of UGC for the period 1992-93 to 2000-01 is shown as under:

(Rs in lakh)

Year	Receipts				Payments			
	Plan	Non-Plan	Specific Purpose	Total	Plan	Non-Plan	Specific Purpose	Total
1992-1993	16223.46	31157.06	450.25	47830.77	16113.97	30213.13	336.31	46663.41
1993-1994	16232.94	34072.15	274.57	50579.66	16093.14	33467.68	235.12	49795.94
1994-1995	26058.32	35268.72	144.14	61471.18	22391.48	34796.24	128.12	57315.84
1995-1996	27096.76	45305.93	160.47	72563.16	24194.65	44643.36	118.94	68956.95
1996-1997	26056.99	47551.61	145.31	73753.91	25091.02	47301.77	135.41	72528.20
1997-1998	40020.91	54854.10	165.30	95040.31	39113.31	54521.30	154.93	93789.54
1998-1999	41101.94	100384.26	171.96	141658.16	40387.36	99990.52	158.49	140536.37
1999-2000	46104.54	98088.66	214.67	144407.87	44396.27	97633.05	174.62	142203.94
2000-2001	49747.10	100921.89	111.45	150780.44	47588.25	100396.29	66.78	1480501.32

1.3.6 Results of review

1.3.6.1 Profile of higher education

The majority of students in the higher education system were enrolled for variety of courses at the undergraduate level. The students at this level constitute an estimated 88 *per cent* of the total students in Colleges and Universities put together. The percentage of students enrolled for Master's level courses was 9.8 while a very small proportion (0.9 *per cent*) of the students in the institutions of higher education were doing research. Likewise, only 1.3 *per cent* of the students were enrolled in diploma or certificate courses.

Most of the students in the higher education system were enrolled in affiliated Colleges. About 88 *per cent* of all the undergraduate students and 55 *per cent* of all the post graduate students were in the affiliated Colleges, while the remaining were in the universities and their constituent Colleges. In contrast, 91 *per cent* of the research students working for M.Phil or Ph. D. were in the universities. In the case of enrollment in diploma/certificate courses too, university departments/university Colleges, together, had an edge over the affiliated Colleges. However, a majority of the students were in the affiliated Colleges at both undergraduate and post-graduate levels, where the foundations of higher education are laid, which should have far-reaching policy implications, especially for greater finance of this sector particularly with reference to promoting relevance and quality.

It is also to be mentioned that the stage-wise distribution of students has remained virtually unchanged during the last two decades.

1.3.6.2 Growing number of unrecognised institutions of higher education

The higher education system in India has been under considerable stress due to the challenges offered by an increase in number on one hand, and the need to maintain standards on the other. In 1947, there were only 20 Universities and 500 Colleges in the country. The number of students and teachers in higher education system was also very small. But since then there has been an exponential increase in the system and by 1992-93 there were 187 Universities and 7958 Colleges (4455 recognised by UGC) with student enrolment and teaching faculty of 48.05 lakh and 2.78 lakh respectively. However, by the end of 1999-2000 the University and Colleges in the country increased to 236 and 11831 respectively with total student enrolment and teaching faculty of 77.34 lakh and 3.51 lakh. While student enrolment increased from 48.05 lakh in 1992-93 to 77.34 lakh in 1999-2000, percentage of recognition of Colleges declined from 56 *per cent* during 1992-93 to 44 *per cent* in 1999-2000. The Colleges are granted affiliation by universities; recognition by UGC makes them eligible to receive grants.

Institutions, students and teachers in higher education

Sl.No.		1992-1993	1999-2000
1.	Number of Universities	187	236
2.	Number of Colleges	7958	11831
3.	Number of Colleges recognised by UGC u/s 2(f) of UGC Act	4455	5169
4.	Percentage recognition	56 per cent	44 per cent
5.	Student enrolment	48.05 lakh	77.34 lakh
6.	Teaching faculty	2.78 lakh	3.51 lakh

1.3.6.3 Outstanding utilisation certificates

UGC provides 'Maintenance Grant' for salary of teaching and non-teaching staff and maintenance of building, equipment etc. to Central Universities, 13 Deemed Universities and Colleges of DU and Banaras Hindu University (BHU). The Development Grant is provided to improve the infrastructure and basic facilities in all the Universities. UGC disbursed Rs 5055.53 crore as maintenance grant and Rs 2719.82 crore as development assistance grant (under various schemes) during 1992-93 to 2000-01 (**Appendix VIII and IX**). According to the prescribed procedure each grantee institution was required to submit periodical progress reports and a statement of expenditure to UGC. On the basis of recommendations of PAC in its 73rd Report (Sixth Lok Sabha) it was decided to constitute peripatetic parties for on the spot liquidation of outstanding utilization. However, no peripatetic party was constituted as of July 2000. As many as 50877 utilisation certificates (UCs) involving Rs 511.37 crore pertaining to the period 1958-59 to 1988-89 were outstanding as on 31 March 1999. UGC failed to provide updated information as the details are yet to be compiled.

50877 UCs for Rs 511.37 crore prior to 1989-90 were outstanding as on 31.3.99.

In order to ensure timely receipt of UCs UGC, in September 1993, revised the procedure by stipulating a condition that further instalment of grants should be released only after obtaining UCs from that institution. It was also underlined that the sanctioning authority would not sanction any grant unless the entry regarding receipt of UCs relating to earlier sanctions/disbursements etc. had been made in the Grants-in-Aid register. It was, however, observed that 11 divisions of UGC did not maintain any Grants-in-aid register.

1.3.6.3.1 Poor administration of maintenance grants

UGC has been providing maintenance grant to the Central Universities, Deemed Universities and Delhi Colleges on deficit formula basis, by deducting its internal income from maintenance expenditure. UGC decided (23.2.1993) that in respect of Delhi Colleges deficit formula would not be applicable for the years 1991-92 to 1993-94 and maintenance grant shall be based on percentage increase over the expenditure for previous year by freezing the institution's income at 1990-91 level. Unspent balance of grant, if

any, relating to 1991-92 and 1992-93 including unspent balance of earlier years would be adjusted in subsequent years.

UGC constituted a Committee in March 1993 to work out the modalities for formulating non-plan grant paid to institutions receiving full grant from the Commission. The Committee while reiterating the decision of UGC relating to Delhi Colleges also recommended that the three years period of 1991-92 to 1993-94 would constitute a block and unspent balance at the end of three years block would be adjusted in the year 1994-95. However, UGC desired (27.9.1993) that the maintenance grant to the Central Universities for the period 1990-91 to 1992-93 should be formalized only after report of Punnayya Committee was received and decided that the maintenance grant for 1993-94 would be three *per cent* more than that of 1992-93. UGC decided (May 1995) to continue the pattern of three years block and unspent amount at the end of the block would be adjusted in subsequent year's grant. It was observed in audit that UGC continued to extend the grant to the Institutions upto 1998-99 without considering the actual expenditure and without adjusting unspent balances. As a result of this Rs 26.87 crore was released in excess during 1992-93 to 1997-98 in respect of 13 Central Universities. Since there is no way to recover the overpayment, UGC has decided to deduct the current year's internal receipts from maintenance grant payable to the Universities from 1999-2000. This in turn has now set in motion a fresh set of adhoc measures in funding leading to further inequities.

**Rs 26.87 crore
released in excess due
to freezing of internal
resources at 1990-91
level.**

Scrutiny of records of DU, JNU and JMI also revealed that UGC has failed to monitor the maintenance grant released by it to Central Universities resulting in irregular/avoidable extra burden. Two major instances noticed in audit are stated below:

- (i) With a view to remove disparities in the scales of pay of non-teaching, technical and library staff, UGC introduced One Upward Movement (OUM) scheme in December 85. However, UGC observed in October 1999 "deep rooted malaise" in JNU and held that JNU had through its various decisions, "distorted the hierarchy, structure and line of promotional channel and disturbed inter-se-parity and relativities amongst various posts and some of the decisions amounted to violation of statutory rules", JNU employees were given upto five to six upward movements with reference to approved core scales of pay. Further scrutiny of pay structure in JMI and JNU revealed that :
 - Approved core scales of pay itself differ from university to university viz. there were different approved scales of pay for assistants, library assistants, Sr. Lab. Assistants etc. in JNU and JMI.
 - Existing pay scales for various posts differs in both Universities.
 - The incumbents were put in upto three different scales of pay.

Additional annual burden of Rs 5.69 crore on maintenance grant of JNU and JMI due to upward movement scheme.

- Extension of various irregular upward movement schemes put an average additional burden of Rs 5.69 crore annually on the maintenance grant of UGC in JNU and JMI itself.
- UGC being the grantee institution failed to control overextension of various irregular upward movement schemes by the Universities and continued to release grants as per their requirements.

Outstanding balance of Rs 8.12 crore remained unadjusted with DU and BHU

- (ii) UGC with the concurrence of the Ministry of Human Resource Development permitted the Central Universities to utilise the funds available with them on conversion of Contributory Provident Fund (CPF) to General Provident Fund (GPF), to meet their urgent requirement on construction of staff quarters, special repair to building, House Building Advance etc. The extension of utilisation of the amount was granted from time to time upto 31 December 1999 and the unspent balance, if any, on 1.1.2000 was to be adjusted in the maintenance grant of the University concerned. However, scrutiny of records in UGC revealed that Rs 8.12 crore, pertaining to DU and BHU, outstanding as on 1.1.2000 remained unadjusted in the maintenance grants released subsequently. On being pointed out by Audit, UGC stated (August 2001) that information regarding amount outstanding with other Central Universities on account of conversion of CPF to GPF was not available.

1.3.6.4 Deficiencies in promotion and co-ordination of University education

1.3.6.4.1 Development of infrastructure

While releasing the grants the purpose should invariably be specified in each and every sanction. However, test check of 13 cases revealed that UGC released 50 *per cent* (Rs 1600.35 lakh) of the development assistance grants during the ninth plan period without specifying any purpose.

Effective measures not taken to eliminate disproportionate disbursement of development grant.

- (i) One of the main objectives of UGC is to promote and coordinate university education by means of maintaining standards of teaching, examination and research in the Universities. UGC provides development assistance to Universities and Colleges towards improving their infrastructure and basic facilities for quality education by means of disbursement throughout the country. During 1969-70 to 1975-76 the share of development grant of Central and Deemed Universities was 41 *per cent* against 59 *per cent* of State Universities. PAC in its seventy third report (Sixth Lok Sabha) while disapproving the inequitable distribution of grants had directed UGC to play a positive role in creating conditions to enable the State Universities and Colleges to take advantage of the facilities of development grant. Despite this inequity in the disbursement of development grant, it

increased constantly since then and during 1992-93 to 1999-2000 the share of 15 Central Universities alone stood at 53.43 *per cent* as against 46.57 *per cent* of 212 Deemed and State Universities. Thus, UGC failed to take effective measures to eliminate disproportionate disbursement of grants, despite the recommendations of PAC 25 years ago.

Irregular allocation of Rs 90 lakh to JMI for purchase of land.

(ii) UGC irregularly sanctioned funds of Rs 90 lakh in January 1993 to JMI for purchase of 11.25 acres of land (allotted by the Delhi Development Authority in March 1987) during eighth plan period under Campus Development Scheme. As the allotted land was encroached by 1993 JMI had to purchase additional five acres of land from DDA on payment of Rs 90 lakh in March 1999. Belated release of funds not only resulted in encroachment of land but also gain of a smaller area of land at a higher price due to cost escalation over a period of time.

In 13 cases Rs 937.52 lakh released in violation of guidelines.

(iii) As per guidelines of Development Assistance Scheme, allocation for salary, construction of building and campus development were to be released only after issue of sanctions for creation of posts and approval of the construction projects by UGC. The remaining allocations of the Universities were to be released equitably over the Plan period. It was noticed in audit that UGC in 13 cases released 60 *per cent* of the total ninth plan allocation to the Universities upto March 2000 without fulfilling above conditions entailing irregular release of grant to the tune of Rs 937.52 lakh. UGC stated in January 2001 that the instalments were released with approval of Commission/Chairman while some grant was sanctioned to the Universities as seed money in order to incur expenditure towards advertisement of posts, vetting of plan and estimates for building and other related works. The reply of UGC was not tenable as release of grant was in violation of the provisions of the guidelines of the scheme, and UGC itself had invariably been disallowing such expenditures at the time of acceptance of UCs. It was further seen in audit that as per requirement of the guidelines no mid term review committee was sent to Universities during 1999-2000 for appraisal of the scheme. UGC stated (July 2000) that the matter for sending review committee was under consideration.

Rs 7.88 lakh released to JNU for purchase of generator without proper infrastructure.

(iv) Sample check conducted in JNU revealed that the Engineering department in the university purchased generator for Rs 7.88 lakh in March 97 which could not be installed till January 2000 due to non-completion of infrastructure. This indicates that UGC released the funds without ensuring availability of proper infrastructure for its installation.

1.3.6.4.2 Special scheme for construction of women's hostel

As per guidelines of Development Assistance Scheme cent *per cent* assistance for construction of women's hostel was to be provided. UGC introduced another special scheme during 1995-96 with 60 *per cent* of UGC share for construction of girls hostel. The introduction of special scheme resulted in running of two parallel schemes for the same purpose. Scrutiny of the relevant policy records revealed that duplication of the scheme was detected (in 1997) which was resulting in double benefits to many Universities. However, UGC decided to continue the scheme during ninth plan period on the plea that budget allocation for the year 1997-98 had already been made. Some of interesting cases noted in audit are as under:

Rs 5 lakh irregularly released for construction work under development assistance.

- (i) In one case Shreemati Nathibai Damodar Thakersey Women's University (SNDT University) proposal for construction of fifth floor of the hostel building was submitted under both the schemes i.e. development assistance scheme as well as special scheme. UGC approved funds of Rs 15 lakh under special scheme in January 1999. Approval under development assistance was also accorded by UGC for Rs 9.87 lakh and Rs 5 lakh was released in June 1999. Design submitted under both the schemes was same and area demarcated for construction under development scheme was already included in the proposal under special scheme. Release of Rs 5 lakh by UGC as development assistance for the scheme which was already financed under special scheme was irregular.

Rs 25.75 lakh released to two Colleges not eligible for the grants under special scheme.

- (ii) UGC on reference by its Regional Office stated that the Colleges were eligible to receive UGC grant under the scheme only once. However, in 4 cases UGC sanctioned Rs 55 lakh and released Rs 23.75 lakh during ninth plan period though these institutions had already availed the assistance under the same scheme and for the same purpose during eighth plan period also. While in one case (BBKDAV College for women, Amritsar) UGC irregularly approved as a special case Rs 15 lakh to the College, in another case sanction of Rs 10.75 lakh was accorded irregularly to an unrecognized institution.

Release of Rs 66.84 lakh in 21 cases in excess of the prescribed ceiling.

- (iii) The scheme further provides assistance of 60 *per cent* of the estimated cost of project limited to a maximum Rs 7 lakh for College having the student strength upto 250, Rs 10 lakh and Rs 15 lakh for College having student strength upto 500 and above 500 respectively. However, in 21 cases UGC released Rs 66.84 lakh in excess of the prescribed ceiling. In one case (Avinashilingam University) UGC approved the proposal of the institute, submitted after completion of construction, and reimbursed expenditure of Rs 28.10 lakh which was not covered under the scheme. In another case (Osmania University) UGC accorded approval of a project of Rs 137 lakh with its share limited to Rs 15 lakh only and released Rs 3.75 lakh (January 1998)

without enquiring about the source of revenue being generated by the University to meet the bulk expenditure (about 90 *per cent* of the estimate) which is symptomatic of poor administrative control on its scheme by UGC.

UCs for Rs 158.92 lakh were awaited from 30 Universities.

- (iv) In 41 State Universities, UGC released grant to the tune of Rs 363.35 lakh during 1995-96 to 1999-2000 for construction of women's hostel under the special scheme. However, in 17 cases it was not aware of the status of construction/progress made by the Universities. UCs amounting to Rs 158.92 lakh were still awaited from 30 Universities.

1.3.6.4.3 Computer centres

Rs 1.40 crore released to computer centres in violation of guidelines.

- (i) As per guidelines of the scheme for providing assistance for computer centers (CC) in Universities, 90 *per cent* (80 *per cent* during eighth plan period) of the grant was to be released on receipt of information regarding creation of posts and placement of supply orders for equipment. Scrutiny of records by Audit revealed that in case of eight CC Rs 1.30 crore was released without obtaining proof of creation of posts and placement of supply orders. In one case (Mohanlal Sukhadia University) even the revalidation of the Centre (as required in the guidelines) was not sought and Rs 15 lakh released in March 1996 remained unutilized for about 1½ year with the University as neither post was filled nor hardware/software was procured till August 1997. Likewise, in four cases final instalment of Rs 10 lakh was released without obtaining certificate regarding proper installation and functioning of the system as required under the guidelines. In another case i.e. Rashtriya Sanskrit Vidyapeeth, UGC sanctioned and released Rs 5 lakh for purchase of computer hardware in spite of non-availability of infrastructure.
- (ii) The scheme of CC in Universities has no inbuilt monitoring system to watch its functioning. The upgraded CC were required to furnish information regarding work done during last three years as stipulated in the guidelines. However, scrutiny of 32 cases of upgraded CC during 1997-98 and 1999-2000 revealed that in 29 cases no such information was furnished.
- (iii) As per guidelines application for proposal of establishment of CC should not only enumerate the work available for the Centre but also the work envisaged to be developed during the next five years. In case of North Gujarat University and Tezpur University it was observed that no such scrutiny was exercised by UGC, as the work envisaged to be developed during next five years was not enumerated in the proposals. In respect of North Gujarat University even the work available was not enumerated. The progress report was never submitted by the University in the prescribed format nor did UGC ever remind the

Universities to comply with the provisions of the guidelines which was reflective of poor monitoring of the centre by UGC.

- (iv) UGC provides assistance for upgradation/replacement of existing CC in the Universities after five-six years. On receipt of such proposals from 30 Universities during 1999-2000 UGC allocated Rs 50 lakh each to 21 Universities (including three Central University) and released Rs 30 lakh each during Feb./March, 2000. In the sanction letter the Universities were asked to prepare detailed action plan for utilisation of grant to be approved by the Expert Committee of UGC. The Committee partly approved the action plan for Rs 355.65 lakh relating to 15 Universities in October 2000 and asked all the 21 Universities to resubmit the action plan.

Rs 630 lakh released without detailed action plan for utilization.

It was further seen that in 11 cases proposal submitted for upgradation was much less than the allocation of Rs 50 lakh. In one case (Madras University) the proposal was for Computer Science Department whereas in three other cases (Roorkee University, Dayal Bagh Educational Institute., Agra and North Bengal University) proposal was not found on record. Allocation of grants in excess of requirement was irregular. Release of grant of Rs 630 lakh (Rs 30 lakh to 21 Universities) without approval of detailed action plan for utilisation resulted in blockade of funds for more than one year entailing loss of interest to the tune of Rs 74.15 lakh worked out @ 11.77 per cent per annum. (Government borrowing rate) upto March 2001.

1.3.6.4.4 Inspection of Universities

Under Section 13 (1) of UGC Act, the Commission may for the purpose of ascertaining the financial needs of a University or its standard of teaching, examination and research, cause an inspection of any department or departments thereof to be made. However, UGC in its Action Taken Note (ATN) on para 2 of the Report of the CAG of India for the year ended 31 March 1990-No 11 of 1991 Union Govt. (Civil) has stated that it has not as yet carried out any formal inspection of a Department/University under section 13 (1) of UGC Act. UGC has been deputing Visiting Committees (constituted by it and consisting of experts and UGC officers, nominee of the State Government) from time to time to each University for assessing its developmental requirements and based on the report of the Committee the quantum of development grant to any University is being determined. The Visiting Committees consisting of Experts and UGC officers, nominees of State Government had evaluated 146 Universities and 3525 Colleges in 1997-98. UGC further stated that though the Universities were not inspected as such, specific schemes like Special Assistance Programme (SAP), Strengthening of Infrastructure in Science and Technology (SIST), and Examination Reform were subjected to evaluation by system experts. As for the standard of teaching, examination and research, a National Assessment and Accreditation Council (NAAC) was set up at Bangalore in 1994 to assess and

No inspection conducted as required under section 13(1) of the UGC Act.

accredit institution of higher education. NAAC accredited only six Universities and 79 Colleges upto 1999-2000 i.e. in the first six years from its inception. While no reasons for failure to inspect the Universities have been cited, the contention of UGC that Visiting Committees could perform inspecting role, is not correct. Non-compliance of the provisions of the Act should be viewed seriously.

1.3.6.5 Failures in the determination and maintenance of standard of teaching and examination

UGC in large measure failed in determining and maintaining the standard of teaching and examination due to lack of well coordinated academic networks, lack of faculty support in the universities and Colleges and its own failures in providing imaginative and viable options in change management. Its leadership role has been plagued by debilities in translating ideas into action and recurrent lapses in forging strategies and monitoring compliance. A few illustrative instances are detailed below:

1.3.6.5.1 Poor functioning of Academic Staff College

UGC implemented the scheme of Academic Staff College (ASC) with the object of planning, organizing, implementing, monitoring and evaluating on regular basis, academic orientation programmes and Refresher Courses for newly appointed lecturers and serving teachers within the jurisdiction of one or more Universities in a State. UGC established 45 ASCs during 1987-90, this was increased to 50 ASCs in March 2000. As per guidelines each ASC is required to organize upto five orientation courses of 3-4 weeks duration for 40-50 newly appointed lecturers on full time basis during one year.

Review of the working of 43 ASCs conducted by UGC through National Institute of Educational Planning and Administration (NIEPA) in 1999 showed that 1574 orientation courses were organized by 43 ASCs which were attended by 44209 participants. Average number of participants per orientation programme worked out to 28 which was much below the target of 40-50 participants per programme set out in the Scheme. ASC at Pondicherry University organized 24 orientation courses which was attended by only 82 participants at an average of three participants per course. Similarly ASCs at Kerala and Gorakhpur Universities respectively succeeded in engaging only 737 and 562 participants with a dismal average of 17 in both cases. It was further revealed that during 1997-98 out of 43, two ASCs (Calicut and Hyderabad) did not conduct any orientation course, three ASCs (Nagpur, Kurukshetra and Delhi) ran one programme each while in 11 and 12 cases only two and three programmes respectively could be conducted. In the remaining 15 ASCs the orientation programmes conducted ranged between 4-8 programmes each. Thus ASCs remained largely unsuccessful in both attracting the requisite number of participants for orientation courses as well as running the courses on sustained basis. This was primarily due to the reason

Under utilization of infrastructure in ASCs.

that majority of ASCs were set up without conducting need analysis as required under the guidelines of the scheme. NIEPA's study in 1999 brought out that, of the 43 ASCs only 13 ASCs had conducted need analysis. Unimaginative implementation of the scheme resulted in not only underutilization of infrastructure created, but also in incurring of huge avoidable recurring expenditure on their maintenance.

Audit test check of records of 10 ASCs revealed that ASCs were not functioning to their optimum capacity as percentage of shortfall in terms of days ranged between 7.94 per cent to 72.9 per cent. ASCs at Delhi University and J N Vyas University showed declining trend as percentage of shortfall in terms of days during 1992-93 to 1999-2000 ranged from 14.95 per cent to 54.21 per cent and 20.09 per cent to 72.90 per cent respectively. In other cases, the number of days where classes for orientation courses could not be held showed huge fluctuation from year to year (**Appendix X**). Thus, the poor functioning of deprived teachers of the required skill orientation and UGC could not implement the scheme successfully.

1.3.6.5.2 Lack of control over award of degrees

No check on running of un-notified degrees in the Universities.

Under Section 22 of UGC Act, a University can award only such degrees that are notified by the Commission. In other words, a University cannot run a degree programme or award a degree unless it is notified by UGC. But it was noticed in audit that DU, JNU and JMI are running at least eight degree programmes and awarding such degrees, which are yet to be notified by UGC. The details are as under:

Name of the University	Name of the degree
Jamia Milia Islamia	BSED (Bachelor of Special Education)
	MSED (Master of Special Education)
	MSS (Master of Software Systems)
	BBS (Bachelor of Business Studies)
Jawaharlal Nehru University	MCH (Master of Community Health)
Delhi University	MIS (Master of Information Sciences)
	MHRD (Masters Programmer in Human Resource and Organisational Development)
	BIT (Bachelor of Information Technology)

Audit sought from UGC a list of such un-notified degrees awarded by the Universities in India but UGC was unable to furnish the details as it has no mechanism to compile and monitor such information. In the absence of such control, the system of award of degrees by Universities can be compromised by academic adventurism to the detriment unsuspecting students at large. Until now (December 2001) UGC has notified the list of degrees twice: once in July 1975 and then in November 1999. There is no standing mechanism or arrangement for review of needs in line with the changing frontiers of

academic and professional knowledge. Further, UGC has no means to assess the sustainability of courses leading to the award of degrees, so as to be able to evaluate the need for their continuance, and the relevance of the degrees. It is also important that for wider dissemination the list of degrees is given wide publicity.

1.3.6.5.3 Failures in Curriculum Development

In 1986 UGC set up 27 Curriculum Development Centers (CDCs) (10 in Science and 17 in Humanities and Social Sciences) in different levels to suggest measures for modernizing courses and restructuring them into Unit Courses and to develop alternate models with emphasis on learning. UGC has been receiving recommendations from all CDCs and these are being made available to all Universities as printed documents since 1992-93. Scrutiny of records in UGC, however, revealed that it did not have any information regarding adoption/implementation of recommendations of CDCs. However, R. P. Rastogi Committee set up by UGC to review the pay scales of the University/Colleges teachers in its report submitted in May 1997 observed that only about one third of the Universities reported implementation of CDC reports on different subjects. This evidently indicates that UGC did not evolve any mechanism to monitor the implementation of modern curricula developed by CDCs in various Universities of the country.

No mechanism to monitor implementation of modern curricula.

UGC constituted panels in 27 subjects in November 1991 for a period of two years but due to their dismal performance, these were reconstituted in March 1996 to formulate a syllabus which was stimulating, innovative and job oriented. However, the work of the preparation of the curricula in various disciplines is still in progress.

1.3.6.5.4 Failures in developing an acceptable examination reform package

One of the main functions of UGC is to determine and maintain the standard of examination in Universities. In pursuance of this, UGC, since the Fourth Five Year Plan period, has been laying special emphasis on the implementation of various measures of Examination Reforms with a view to bringing about a closer integration of teaching, learning and evaluation by improving the reliability, validity and objectivity of evaluation. The main emphasis of examination reforms has been on

- Continuous internal evaluation as a supplement to the present external/university examination.
- Development of question banks in order to eliminate shortcomings of examination paper.

- Introduction of grading system instead of present marking system in order to increase reliability.
- Introduction of semester system so as to have greater flexibility.

UGC provided assistance for the establishment of Examination Reform Units (ERU) in 23 Universities to function as service units under the academic guidance of the Examination Reform Implementation Committee of that University. But in course of time, 12 ERUs went back on the reforms introduced earlier due to inadequate planning and preparation for implementing the reform, teachers' apathy and students' agitation against these reforms. The programme did not have the expected success in the affiliating Universities. Accordingly a Committee (March 1992) followed by another Committee (September 1992) was constituted to review the programme and prepare future plan of action for successful implementation of programme. The report of the Committee was placed before the Commission at its meeting on 27.9.1993 and it was resolved that the Universities be again persuaded to implement the minimum programme of examination reform and necessary financial assistance would be provided in 1994-95 for setting up of question bank, training of teachers in the method of examination reforms etc. UGC desired that departments having SIST and SAP should immediately introduce examination reform measures and funding for SIST/SAP should be linked with Examination Reforms. Regional seminars were also sought to be held to sensitise and orient Senior Academicians and Controllers of Examination of Universities for implementation of reform.

It was also suggested by the Committee that Examination Reform Cell in UGC office should be strengthened so that it could give guidance to the Universities and Colleges in the matter besides monitoring the programme.

UGC failed to formulate appropriate package for examination reforms.

However, it was observed that UGC has not created the Examination Reform Cell. UGC in reply to Audit query stated (April 2000) that 8 Universities/Institutions were assisted during 1993-94 and 1994-95 and the scheme ceased with effect from 31.3.1995. It can be concluded therefore that UGC failed in introducing appropriate examination reform in the Universities as it could not develop an acceptable package. Its own initiative lacked the coordinated and purposeful approach necessary for such a task.

1.3.6.5.5 Failure in monitoring compliance

No returns were furnished to UGC.

Under Section 25 (2)(f) of the Act, the Commission is empowered to make rules regarding the returns and informations which are to be furnished by Universities in respect of their financial position or standard of teaching and examination. Every University is required to furnish, annually, returns of information relating to teaching norms, admission test policy, statistics, and reports on inspection of affiliated Colleges etc. However, it was noticed in audit that no such returns are being furnished to UGC. UGC has failed to take

any action against these institutions. Failure on the part of UGC in implementing the rules under UGC (Returns of Information by Universities) Rules 1979 has defeated the objectives of the Rules and has deprived it from having valuable information and data relating to finances, standard of teaching and examination for making further suggestions for improvement. Thus by allowing the rules to remain in the statute book UGC has by disuse undermined its role envisaged in the Act.

1.3.6.5.6 Lack of control over workload of teachers

UGC notified (December 1998) measures for maintenance of standard of education which envisage among other things that the observance of at least 180 actual teaching days by the Universities and Colleges and workload of teachers not less than 40 hours a week for 30 working weeks in an academic year. It also prescribed that self-appraisal of performance should be adopted as mandatory part of the career advancement scheme and should be implemented with the new pay scale within the time frame of one year, if not, already implemented.

No measures prescribed to monitor observance of teaching standards.

UGC has however not prescribed any measures to monitor the observance of its instructions. Scrutiny of records revealed that JNU intimated (February 1999) that no record of attendance for faculty members was being maintained and that attendance in classes was not compulsory for students. In the absence of records observance of norms fixed by UGC could not be ascertained. UGC stated (July, 2001) that it was the duty of the university to ensure adherence to the norms of prescribed work load and minimum number of working days failing which, if proved, the grant of university could be forfeited. It is not known how UGC would implement standards prescribed, when the beneficiary institutions are not under any obligation to report or maintain records of the prescribed drills. Information regarding observance of instructions were sought from Delhi University, JMI and JNU but no reply received (as of January 2002).

1.3.6.6 Lack of control over research projects

In pursuance of its mandate for maintaining the standard of higher education, UGC has introduced various research schemes for University/College teachers as well as other departmental research schemes like SIST, SAP, Inter University Centres (IUC), etc. UGC has been incurring expenditure at an average of Rs 37.33 crore on individual researches and Rs 63.50 crore annually on departmental researches (**Appendix XI**). Test check of records relating to research projects revealed as follows:

- (i) UGC had no consolidated records regarding the number of Minor Research Projects completed/in progress. Regional Office (RO) of UGC, at Ghaziabad stated (September 2000) that records in respect of Minor Research Projects, upto 1998-99 were not maintained properly.

It was noticed that the information as per annual report of UGC, internal audit report and information as furnished by RO did not tally in respect of approved number of projects. Moreover, the Minor Research Projects finalized were not properly documented and circulated to various Universities in order to ensure that duplications are avoided. It was also observed that the research projects finalized under SAP were also not adequately published and circulated.

- 47 teachers were awarded two to seven research projects in violation of guidelines.**
- (ii) As per guidelines of the Scheme of financial support for Major/Minor Research Projects, a teacher was to be allotted one research project at a time as Principal Investigator (PI). However, the sample study conducted at JNU revealed that 30 teachers were having two to seven research projects in hand as PI as on March 1999 assigned to them from various funding agencies like Department of Science and Technology (DST), Centre of Scientific and Industrial Research (CSIR), All India Council of Technical Education (AICTE), UGC etc. Scrutiny of records in UGC also revealed that 17 teachers in other Universities were awarded two to three Major/Minor Research Projects simultaneously as Principal Investigators in violation of the guidelines.
- Infructuous expenditure of Rs 3.85 lakh.**
- (iii) UGC approved Major Research Project (November 1995) which was already under preparation at the time of submission of project proposal in October 1994. Sanction of the project on same topic resulted in infructuous expenditure of Rs 3.85 lakh allocated on it. The status of the project was not known to UGC which reflects poor monitoring on its part.
- Nine Major Research Projects in JNU, JMI and DU involving Rs 16.61 lakh lying incomplete.**
- (iv) Test check of 13 cases relating to Major Research Projects awarded during 1992-96 in DU, JMI and JNU revealed that in nine cases the projects were still lying incomplete involving Rs 16.61 lakh. In four out of nine incomplete projects mid-term evaluations were not attended to by the Principal Investigator (PI), whereas in one case no mid-term evaluation was conducted at all. In two other cases mid-term evaluation was done prematurely within two and 13 months of the start of the project thereby defeating the very purpose of mid-term evaluation.
- Non-utilisation of Rs 245.41 lakh on 305 Major/Minor Research Projects.**
- (v) As per guidelines of the Scheme of financial support for Major Research Projects, the duration of which would be three years and can be extendable by another two years on year-to-year basis whereas Minor Research Project should be completed in two years extendable by another six months. However, 91 Minor Research Projects out of 210 sanctioned during 1995-96 to 1997-98 in North Eastern RO, Guwahati remained incomplete involving idle funds of Rs 15.88 lakh. Only first instalment was released in 67 Minor Research Projects sanctioned upto 1997-98 in Delhi University Colleges. Similarly, 383 Major Research Projects out of 590 sanctioned under Research Project

in Humanity (HRP) stream during 1992 to 1995 remained incomplete (March 2001). Scrutiny of grants-in-aid register made available to audit revealed that Rs 229.53 lakh remained locked up in 214 incomplete projects. Funds involved in remaining 169 projects was not found recorded in the Register. It was noticed in audit that in case of incomplete projects, UGC had not taken any effective measure to recover the unutilised grants.

Temporary blockade of Rs 94.27 lakh in 109 Major Research Projects due to extension of implementation date of projects.

(vi)(a) The scheme of Major Research Projects provides that the date of implementation of the project should be any date between the date of approval of the project and the date of receipt of first instalment by the Institution. Scrutiny of 52 Major Research Projects revealed that in 109 projects under HRP the date of implementation extended beyond the date of release of first instalment by two to 17 months, resulting in temporary locking up of funds of Rs 94.27 lakhs.

(b) In 30 projects out of 52 project files test checked in audit mid-term evaluation was conducted either immediately on implementation of the projects or after completion of their initial allocated time period of two/three years. The Research Project Reports received in UGC were also not got evaluated, graded and assessed by the subject experts.

Emeritus Fellowship and Major Research Projects awarded to PIs simultaneously in violation of guidelines.

(vii) In two cases the PIs were simultaneously awarded Emeritus Fellowships, a more attractive scheme entailing higher rate of honorarium alongwith Major Research Project. While in one case the research project was delayed by two years due to award of Emeritus Fellowship, in other case it led to infructuous expenditure of Rs 0.76 lakh on Major Research Projects as the topic of Emeritus Fellowship was the same. Award of Emeritus Fellowship alongwith Major Research Projects amounts to extension of undue benefit to the individual at the cost of exchequer. UGC stated (August, 2001) that Emeritus Fellowship was awarded by another bureau (Scholarship and Award Bureau) and it came to the notice of the Research Project Bureau only after the award had been given.

(viii) In one case of the Major Research Project mid-term evaluation of the project conducted after 2 1/2 years of its implementation was graded as satisfactory even though the evaluation report recorded complete non-performance in all spheres except purchase of equipments.

Blocking up of Rs 2 lakh due to non-implementation of scheme.

(ix) In one case (Department of Communication and Journalism, Bangalore University) UGC released Rs 2 lakh on 28.2.90 under SAP [Department of Special Assistance (DSA level)] and sent a final review committee (August 1995) although non-implementation of programme was reported to it in July 1995 resulting in wasteful expenditure of public money on it. Non-implementation of the programme also resulted in blocking up of funds of Rs two lakh and loss of interest

thereon. UGC stated (July, 2001) that it has been pursuing the matter with university for the refund of unspent balance.

Poor monitoring of scheme led to- Purchase of unapproved equipment worth Rs 21.40 lakh.

- (x) In another case (Department of Nuclear Physics, Andhra University) UGC gave support under SAP at DSA level for five years during Nov.1990 to Oct.1995. UGC discontinued the programme on the recommendations of the Review Committee sent in September 1999 which reported purchase of unapproved equipment worth Rs 21.40 lakh and unsatisfactory performance of the department but it failed to take any action on Advisory Committee responsible for poor monitoring of the programme. UGC stated (June, 2001) that the experts of Advisory Committee were not supposed to monitor the purchase of equipment or any other financial matter. The reply was in contravention of the provision of the guidelines of the scheme which empowers the Advisory Committee to monitor and review procurement of equipment among other things.

Non-coordination within UGC led to double release of grant.

- (xi) Department of Chemistry, Allahabad University was given financial support under SAP at DSA level since 1977. UGC also provided financial assistance to the department under another programme titled SIST from 1.4.94 to 31.3.99. Assistance for purchase of NMR equipment was provided under both schemes (Rs 6 lakh in SAP and Rs 30 lakh in SIST) exhibiting lack of coordination in UGC. While equipment purchased under SAP was reported lost, its purchase under SIST remained out of order since installation in April 1998. No action was taken to fix the responsibility for the lost equipment. Also no Advisory Committee was ever constituted in the department since 1977 as per requirement of the guidelines. The final Review Committee which visited the department in February 2000 observed, among other things, that the leadership of the department was lacking even after lapse of 20 years, equipment purchased under SAP was not in working condition and no excellence was achieved in the identified thrust areas. However, UGC extended the SAP programme for another one year.

Irregular extension of programme inspite of poor utilization of grants reported.

In reply to audit memo UGC stated (June, 2001) that the SAP bureau was not aware of the allocation of grant of Rs 30 lakh for NMR equipment by the SIST bureau. Extension of programme for another year was highly irregular as two other committees by UGC also pointed out misutilisation and, irregular utilization / poor management of development grants.

- (xii) During 1993-94 UGC issued sanction for 77 new departments under SAP envisaged to encourage pursuit of excellence and team work in studies and research, against the approval of only 25 new departments which resulted into additional financial burden of nearly Rs 20 crore.

The expenditure for 1994-95 stood at Rs 21.68 crore (Annual Account) against the budget allocation of Rs 8 crore.

1.3.6.7 Failure of Computerisation

Infructuous expenditure of Rs 132.91 lakh on computer hardware due to non-development of software.

UGC incurred an expenditure of Rs 132.91 lakh during 1991-92 to 1999-2000 on computerization. UGC acquired 177 computer PCs and 85 printers out of which 45 computer PCs and eight printers became obsolete and another 105 computer PCs would become outdated with the passage of time as the software has not been developed so far. The entire expenditure of Rs 132.91 lakh incurred on computerization has become infructuous and the computers are being used as typewriters. UGC stated (January, 2001) that expenditure cannot be termed as infructuous because computers were used in UGC office for a number of purposes including word processing, analysis of data, making synopsis, preparation of arrear reports, etc. The reply of UGC was not in order as posts of Data Base Administrators and System Analysts created for computer unit were never filled and incumbents selected for other positions in computer unit on regular basis from within UGC were reverted back to their respective cadres in 1997 leaving behind entire computer unit virtually inoperative.

1.3.6.8 Injudicious diversion from Plan Funds

Injudicious diversion of Regional office establishment expenditure of Rs 903.80 lakh to plan fund.

In pursuance of the National Policy on Education (1986) UGC decentralized its working by opening seven ROs during 1994-99 to deal with programmes and schemes pertaining to Colleges only. In the process of setting up of Regional Offices UGC created 60 new non-plan temporary posts under plan scheme in spite of the ban imposed by GOI. UGC further charged the expenditure of Rs 813 lakh on account of its RO establishment during 1994-95 to 1999-2000 out of plan fund under two different nomenclatures 'Management of UGC' during Eighth Plan period and 'Strengthening of UGC Administration' during 9th Plan period. Besides Rs 90.80 lakh relating to expenditure of publication/computer/non-university institutions/Raj Bhasha was also charged to plan funds. The expenditure of Rs 903.80 lakh charged to plan fund was not only irregular, it also deprived the developmental sectors of University education of the much needed funds.

1.3.6.9 Injudicious allocation of funds

Irregular allocation of Rs 262 lakh to NET division despite availability of adequate funds.

UGC conducts the National Eligibility Test (NET) at national level to ensure minimum standards of the entrants in the teaching profession and Research for which there is a separate division called NET division in UGC. The test is conducted twice in the year in the months of June and December for which the candidates are required to pay examination fees. Besides NET Division is allocated separate funds out of UGC grant for meeting the expenditure. Scrutiny of annual accounts for the year 1998-99 to 2000-01 revealed that NET division of UGC was having a cash balance of Rs 83.86 lakh in the

beginning of 1998-99 which further accumulated to Rs 1096.41 lakh at the end of 2000-01 (**Appendix-XII**). Despite the fact that the annual expenditure of the division was far less than its annual receipts in terms of examination fees etc, allocation of funds of Rs 262 lakh during 1998-99 to 2000-01 to NET division by UGC led to accumulation of huge cash balance of Rs 1096.41 lakh at the close of 2000-01. As the plan fund of GOI are meant for development activities, allocation out of the plan funds leading to avoidable accumulation is injudicious and irregular.

The matter was referred to the Ministry in November 2001; their reply was awaited as of January 2002.