

**PUBLIC ACCOUNTS COMMITTEE**  
**(2000-2001)**

**N I N E T E E N T H R E P O R T**

**(THIRTEENTH LOK SABHA)**

**AUDIT REVIEW ON INDIAN AGRICULTURAL**  
**RESEARCH INSTITUTE**

**MINISTRY OF AGRICULTURE**  
**(DEPARTMENT OF AGRICULTURAL RESEARCH & EDUCATION)**

**Presented to Lok Sabha on 23 MARCH 2001**  
**Laid in Rajya Sabha on 23 MARCH 2001**

**L O K S A B H A S E C R E T A R I A T**  
**N E W D E L H I**  
**March,2001/Phalguna1922 (SAKA)**

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## COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

-  
(2000 - 2001)

-      Shri Narayan Datt Tiwari      -      Chairman

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21. Shri Anantray Devshanker Dave
22. Shri S.R. Bommai

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\* Elected w.e.f. 2 August, 2000 vice Shri Rajesh Pilot expired.

\* \* Elected w.e.f. 25 August,2000 vice Shri Vayalar Ravi - Ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 1 July, 2000

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## **INTRODUCTION**

I, the Chairman, Public Accounts Committee having been authorised by the Committee to present the Report on their behalf, do present this Nineteenth Report on Paragraph 4.1 of the Report of C&AG of India for the year ended 31 March 1995, (No.6 of 1996), Union Government (Scientific Department) relating to “Audit Review on Indian Agricultural Research Institute”.

2. The Report of the C&AG for the year ended 31 March, 1995 (No.6 of 1996), Union Government (Scientific Department) was laid on the Table of the House on 12 March, 1996.
3. The Committee took the evidence of the representatives of the Ministry of Agriculture (Department of Agricultural Research & Education) on the subject at their sitting held on 24 March, 2000. The Committee considered and finalised this Report at their sitting held on 12 March, 2001. Minutes of the sitting form Part II of the Report.
4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix\* to the Report.
5. The Committee would like to express their thanks to the Public Accounts Committee (1999-2000) for recording oral evidence of the representatives of the Ministry of Agriculture (Department of Agricultural Research & Education) on Paragraph 4.1 and obtaining information for this Report.
6. The Committee would like to express their thanks to the officers of the Ministry of Agriculture (Department of Agricultural Research & Education) for the cooperation extended by them in furnishing information and tendering evidence before the Committee.
7. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;  
12 March, 2001  
21 Phalguna, 1922(Saka)

***NARAYAN DATT TIWARI,***  
***Chairman,***  
***Public Accounts Committee***

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## **REPORT**

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### **I. Introductory**

The Indian Agricultural Research Institute (IARI), New Delhi is a premier institution for research and higher education in agriculture. IARI was established in 1905 at Pusa, Bihar and shifted to Delhi in 1936. The mandate of the Institute is as follows:

To conduct basic and strategic research with a view to understanding the processes, in all their complexity, that lead to directed crop improvement and sustained agricultural productivity in harmony with environment.

To serve as a centre for academic excellence in the area of post-graduate education in agricultural sciences.

To provide national leadership in agricultural research and extension through development of new concepts, hypotheses and technologies.

IARI is headed by a Director and has 18 divisions, four multi-disciplinary centres and nine regional centres.

IARI is financed through grants released by the Department of Agricultural Research and Education. It also receives funds from Agricultural Produce Cess Fund, foreign agencies and other departments/ministries for specific scheme.

Monitoring of research projects was to be done at divisional level and reviewed by the Research Council. Research Council is responsible for identification, approval and review of projects and is required to meet every quarter.

### **II. Organisational set of Indian Agricultural Research Institute (IARI)**

2. The Institute is headed by a Director and managed by a Board of Management. It has 18 divisions, four multidisciplinary centres, nine regional centres and two off-season nurseries. It also houses project directorate of All India coordinated Research Projects (AICRP). The Board of Management is assisted by an Academic Council, a Research Council, an executive Council and an Extension Council to guide and monitor the functions of the Institute.

3. Audit of IARI is conducted under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Present review covers research and financial management in IARI during 1990-95

### **III. Budget and Expenditure**

4. As per the Audit paragraph, the total annual expenditure of the IARI during 1994-95 was of the order of Rs. 49.77 Crores. The Committee desired to know the total number of employees in the IARI, separately for each category during 1995-96. The Ministry of Agriculture (Department of Agricultural Research and Education) intimated as follows:-

Category	Number	Expenditure in Pay & allowance(in lakhs)	
<b>Scientific</b>			
Scientist	181		
Senior Scientist	334	920.49	
Principal Scientist	182		
<b>Total</b>	<b>697</b>		
<b>Technical</b>			
Category-I	378		
Category-II	489	592.26	
Category-III	24		
<b>Total</b>	<b>891</b>		
<b>Administrative</b>			
Group A	49		
Group B	67		
Group C	538		
<b>Total</b>	<b>654</b>	<b>354.24</b>	
			<b>930.53</b>
<b>Auxiliary Staff</b>	<b>143</b>		
<b>Supporting Staff</b>	<b>2132</b>	<b>576.29</b>	
<b>Total</b>	<b>4517</b>	<b>2443.28</b>	

5. The Secretary (Department of Agricultural Research and Education) informed the Committee during evidence that there were about 90 Institutes in total, small and big.

6. Considering the fact that agricultural extension work through Agricultural Universities is an important issue, the Committee desired to know the number of Agricultural Universities in the country. The Secretary of the Department explained that "There were 30 Agricultural Universities in the country presently, including the Central Agricultural University in the North-eastern region."

7. Explaining the significance and the contribution made by the Indian Council of Agricultural Research, the Secretary of the Department explained to the Committee as follows:

“Indian Council of Agricultural Research is the apex organisation responsible for conducting research; for imparting education in agriculture; and for frontal extension projects relating to dissemination of technologies to farmers. In this process we have been working with our own institutes which are of national importance and also as with the State Agricultural Universities as partners.”

8. The Secretary further explained, responding to the queries of the Committee that the country has got about, small and big, 90 institutions; all-India coordinated programmes on various commodities and crops numbering around 76 supporting the State Agricultural Universities including four of the institutes in ICAR which have deemed university status. Of these IARI is one of our premier institutions for crop research. IVRI at Ijzatnagar is for veterinary research and NDRI at Karnal is for dairy research. The Government have also established a fishery institute for education in Bombay. This is a new institute in this field imparting agricultural research and education.

Regarding IARI, the Secretary stated that:-

“This is one of our most prestigious institutes founded in 1905. It was earlier located in Pusa, Bihar and later got shifted to Delhi. It is one of the largest institutes in the country. It has the mandate for post-graduate education and also research in crops of national importance. This institute has a history of great achievements that have been lauded in the past. Today also it is one of our premier institutes in the country. It is known for its performance not only in India but also in Asia and outside. It was responsible for the green revolution in the country. Varieties evolved of wheat at this institute are still holding importance and a maximum coverage to the extent of almost 45 to 50 per cent of the seed and varieties today. Gains in India in wheat are due to the varieties evolved by this institute. This institute also had been a pioneer in hybrid technology research for pearl millet, maize and sorghum. This institute was also first to come out with dwarf hybrids of mango which are quite popular today. Several other technologies relating to water management, pesticides, use of chemicals and fertilisers, and agro - economic practices were given by this institute.”

#### **IV. Research Activities Monitoring and Evaluation**

9. According to Audit, monitoring of research projects was to be undertaken at divisional level and reviewed by the Research Council. Research Project Files (RPF) are required to be maintained in three parts, namely, RPF-I for basic information, RPF-II for annual progress and RPF-III for final report to facilitate periodic monitoring of research projects and five yearly assessment of the scientists. IARI in their reply to Audit stated that while RPF-I was maintained; RPF-II and RPF-III were not maintained in major divisions like Genetics, Entomology, Plant Physiology, Nuclear Research Laboratory etc. In other divisions like Bio-chemistry, Fruit and Horticulture Technology and Agricultural Economics, no RPFs were maintained after 1990-91. This apart, Water Technology Centre stated that the Centre had dispensed with the maintenance of RPFs from 1987. Audit also pointed that the annual RPFs required to be sent to ICAR were not sent during 1990-95. In their Action Taken Notes on this aspect, the Ministry stated that with the discontinuance of the five yearly assessment system by the Agricultural Scientists Recruitment Board, no need was felt for maintaining an individual RPF. However, all the ongoing sub-projects assigned to the various scientists in the Institute were periodically assessed divisionally by and subsequently at the Institute level. The system of maintaining RPF has now been revived and is in practice.

10. The Committee desired to know the reasons for not monitoring the RPFs. The Ministry of Agriculture (Department of Agricultural Research and Education) intimated as follows:

“Starting from the 8<sup>th</sup> Plan period a significant change was introduced in the research programmes of the Institute by changing the research activities from individual commodity/discipline oriented project mode to broad based programme mode. This was felt essential for promoting interdisciplinary research and developing problem solving objectives. Each programme consisted of several inter linked sub projects. The progress of each sub-project and the overall programme is reviewed critically at periodic intervals. With the introduction of new career advancement policy of the ICAR w.e.f 1.1.1986, the earlier system of five yearly assessment was discontinued. In this system (five yearly assessment system) RPFs were required by the ASRB. But, these were not required under the new career advancement scheme. Due to these reasons, the RPFs were not maintained by the Institute during the period under review.”

11. The Committee further asked as to how ICAR/IARI obtain basic information and monitor annual progress report of research projects, the Ministry intimated as follows:

“The scientists are required to submit at the end of every year detailed reports on the sub-projects of programmes they are engaged in to the Head of the Division for critical scrutiny. The progress of the projects and programmes is then presented and discussed at the Divisional and Institute levels and further critically examined by the Research Advisory Committee of the Institute. Findings of the sub-projects/programmes are published in the reports of the Divisions, Institute and in national and international peer review journals. The system provides a transparent mechanism of obtaining information and monitoring the progress in various research programmes.”

12. When asked as to how yearly assessment of the scientists was done in the absence of proper records, the Ministry intimated as follows:

“The yearly assessment of the individual scientists was done on the basis of annual assessment reports, scientific publications made by individuals and projects and technologies developed and transferred by individual scientists and patents/variety notifications obtained.”

13. About the non-maintenance of the RPFs, the Secretary of the Department stated that “there has been a lapse at the Institute level and at the Director level.”

14. He further elaborated as follows:

“Annual Reports were brought out, Annual Reports are still being printed for every year. And for every project the division reports are also there. It lists the programme, project and the achievement of the scientists. There was perhaps lacunae regarding the maintenance of RPF II. The initial RPF-II file was there. Annual Reports for the remaining two or three years were not submitted.”

15. The Committee enquired as to how this lapse had occurred, the representatives of the Ministry stated as follows:

“Sir, my submission on this count would be that we moved from a project mode to a programme mode of operation. Many projects constitute one programme. Now, the programmes are to be interdisciplinary and they should be in the system’s perspective. Programmes should not be in isolation. The holistic approach is being acknowledged globally at this moment. We moved from 230 projects to nine programme of operation.”



## V. Research Council

16. Research Council is expected to consider the merits of fresh research proposals, conduct periodic appraisals of ongoing research projects and evaluate completion reports for accomplishing these tasks. Research Council was required to meet once in each quarter. According to Audit, the Research Council did not meet even once after June, 1989. In their reply to the advance questionnaire the Ministry stated that the Research Council of IARI could not be formally constituted since 1989 as the ICAR was considering the proposal of modifying the mode of monitoring research activities of its Institutes in consultation with the Indian Institute of Management. However, the research activities of the Institute were constantly monitored through the meetings of the Heads of divisions of the Institute and the Board of Management. The Ministry also stated that in place of Institute Research Council, a Research Advisory Committee has been constituted with a provision of Staff Research Council. In their remedial/corrective action taken notes, the Ministry further stated that the Research Advisory Committee has been meeting periodically as per provisions in the rules and bye-laws of the ICAR Society.

17. When asked whether Research Council had held any meeting after being pointed out by Audit, the Ministry stated as follows:

“Yes, the RAC was constituted in September 1995 and since then it has met two times.”

18. The Committee further enquired whether ICAR has conducted any review of decisions taken by the Director, IARI in the absence of Research Council, the Ministry stated as follows:

“In the absence of Research Council all the decisions of the Director, IARI were reviewed first by the Board of Management/Academic Council/Extension Council and the proceedings of the same were submitted regularly to the ICAR for its approval and advice. Thus, the ICAR was constantly reviewing the decisions taken by the Institute when the Research Council was not operative.”

## VI. In-house projects

19. Audit have pointed out that during 1990-95, IARI implemented 230 projects which were started between 1986-88. All these projects were terminated on 31 March 1994 without their critical appraisal, contrary to ICAR's instructions. Test check by Audit, however, revealed that out of 230 projects, 139 projects were continued beyond their scheduled dates of completion for a period ranging from 12 months to 60 months. In their reply to the advance questionnaire, the Ministry stated that “In fact, it was not the closure of the in-house projects but reorganisation of the existing projects on a more scientific lines giving emphasis to inter-disciplinary approach. The in-house projects were not only worthy but also progressed quite satisfactorily. Some of them were to yield results only on a long term basis and as such the targeted goals set for such projects could not be achieved during the stipulated period. However, voluminous material and knowledge were generated during this period and some of the research findings/material output are being extensively evaluated under the All India Coordinated Programmes.” In their remedial/corrective action taken notes, the Ministry maintained that some of the in-house projects were to be continued beyond their stipulated period to finally achieve the objective/targets.

20. The Committee enquired as to why mid-term appraisals were not conducted regularly to avoid the wasteful expenditure on projects, the Ministry intimated as follows:

“Mid-term reviews in one form or the other by different peers/councils/ committees individually by



Heads/JD®/Director were conducted. The findings were also presented to the Board of Management for review. Further, the externally aided projects were also reviewed by PIs and external agencies and as such the process avoided any wasteful expenditure on projects. Several mid-course corrections were undertaken based on the mid-term appraisals.”

21. Elaborating the point further, the Secretary of the Department explained to the Committee during evidence as follows:

“Relating to the audit observations, I would like to say that we do agree that the number of projects in the period 1990-95 were reduced. Almost about 230 small projects were closed down. That was in view of the fact that the institute took up a decision to move into institutional programmes rather than individual projects oriented around scientists. This was considered important in terms of our re-orientation. We felt that there is no point in working for wheat and rice separately unless we address the problem of rice wheat system and consider it as one programme. So, in that process, obviously the small projects had to be weeded out. I would rather submit that an exercise of this kind was in the right direction. It should rather be appreciated because the effort was to build a team for us to see that various disciplines get integrated.

We also provide orientation towards important national programmes. In this process also a reference has been made that we did not maintain the project files. This was on account of two reasons. One is that during that period we switched over from the previous Government system of self-complimenting of scientists in relation to their scales of pay to that of the UGC system.”

22. As desired by the Committee, the Ministry furnished the following information:

Year	Total No. of projects at the beginning of the year	Total No of Projects under taken during the year	Total No. of Projects due for completion during the year as per the approved Project document	Total No. of Projects actually completed	Closing balance of the project at the end of the year
1990-91	230	Nil	23	23	207
1991-92	207	Nil	29	29	178
1992-93	178	Nil	112	24	154
1993-94	154	Nil	15	15	139
1994-95	139	71	Nil	Nil	210
1995-96	210	22	Nil	Nil	232

23. The Committee desired to know the delay in completion of the projects with reference to the originally approved time –frame separately under all categories of projects both for projects completed during the year and those which were not completed. The Ministry intimated as follows:-

**(i) In house Projects**

**Delay/Time over-runs of**

	1 Year	1-3 Years	3-5 Years	5-10 Years	More than 10 years
1990-91	Nil	Nil	Nil	Nil	Nil
1991-92	Nil	Nil	Nil	Nil	Nil
1992-93	Nil	40	48	Nil	Nil
1993-94	Nil	Nil	Nil	Nil	Nil
1994-95	-	-	-	-	-
1995-96	-	-	-	-	-

**(ii) Externally aided Projects**

Year	Total No. of projects at the beginning of the year	Total No. of Projects under taken during the year	Total No. of Projects due for completion during the year as per the approved Project document	Total No. of Projects actually completed	Closing balance of the project at the end of the year
1990-91	21	7	1	1	27
1991-92	27	5	3	3	29
1992-93	29	20	6	6	43
1993-94	43	13	11	11	45
1994-95	45	14	15	15	44
1995-96	44	7	2	2	49

24. The Committee enquired about the cost-over-run of the projects undertaken by the IARI as under for both the completed projects and incomplete projects. The Ministry informed as follows:-

“There was no procedure of keeping record of cost-over run in case of in-house projects during 1991-92 to 1995-96. However, we are developing procedure to keep track of cost over run for in-house projects as well.”

25. The Committee enquired whether the IARI have any system of peer review through which the contribution/performance of individual scientists and contribution and functioning of the IARI as a whole is assessed. The Ministry intimated as follows:

“System of peer review exists for assessing performance of individual project/ scientist. The approach has been further strengthened recently by introducing changes in the organizational structure, research activities and sectoral linkages at national and international levels. Recommendations on the basis of peer review done in respect of Water Technology Centre (WTC), for instance, are as under:”

- 1) The Water Technology Centre must be encouraged to play a more formal role at the national and state levels in policy planning efforts in respect of irrigation water management. This may be attempted through formal tie-up with the Ministry of Water Resources of the Govt. of India and the State Governments through appropriate MOUs.
- 2) The Centre should undertake policy level studies for critical areas of water management.

- 3) The WTC is in a position to take up major research programmes in frontier areas of irrigation water management. The Centre should be encouraged to develop international collaborative research programmes with Universities/Institutions and Organisations that are actively involved in basic and applied research in irrigation water management. This should provide for exchange visits of scientists.
- 4) The Committee unanimously recommends that an M.Sc. programme in Water Science and Technology may be started at IARI.
- 5) In view of increasing demand for trained personnel in agricultural water management, both nationally and globally, and the vast experience of the WTC, a strong International Centre for Water Management Training may be established with assistance from International agencies. This scheme should also provide for visiting experts and exchange visits.
- 6) Considerable research data are being generated in the area of irrigation water management not only at WTC, IARI but at a large number of research units in India. There is a need to consolidate such results through the establishment of a National Agricultural Water Management Information System. Such an information system may be established at IARI. WTC, IARI should also be strengthened in the area of documentation in both text and audio-visual media to help effective dissemination of water management research knowledge.
- 7) The current effort in outreach programme needs to be substantially strengthened. This segment of the activities of the Centre needs more attention and strengthening through collaborative arrangements between WTC, IARI and state/Central/other agencies engaged in water management. This will provide a useful feedback for upgrading research information.”

## **VII. Research and Education Schemes:**

26. According to Audit Para IARI received Rs. 10.70 crores for the schemes funded by ICAR. Of this, Rs. 3.92 crores remained unutilised as on 31 March 1995 due to reasons like non filling up of posts, observance of prescribed procedure for purchase of equipments and construction activities. The Committee enquired as to why inspite of enhanced autonomy in financial and administrative matters, IARI failed to purchase equipment and undertake construction activities for timely utilisation of funds. The Ministry intimated as follows:

“The IARI has a detailed procedure for the purchase of equipment in which each purchase is scrutinized and approved by the Equipment Purchase Committee. This procedure has been adopted to quickly process the cases of purchase of equipment and for ensuring that the right type of equipment is purchased following the Govt. of India procedures. Delays were mostly in civil/electrical works as the construction is done through the CPWD who are not able to complete the work on time. The IARI has a Works Committee which monitors the progress of construction and tries its best to ensure that all the construction works are completed on time, but the only mechanism it has of getting wok done through CPWD is that by persuasion.”

27. Further enquired as to when IARI had realised that Rs. 3.92 crores would remain unutilised, the Ministry intimated as follows:

“The unutilized fund could be observed only at the end of the financial year and therefore could not be surrendered before the close of the year. Out of Rs. 392 lakhs, Rs. 62 lakhs relates to A.P. Cess Fund which was not required to be surrendered to Council since the schemes are running for three years from their commencement.”

28. Asked as to why IARI did not take adequate steps to divert funds towards the needy projects so that the maximum allocated money could be utilised, the Ministry intimated as follows:

“The allocation was project based and the concerned projects were externally funded and as such there was no scope of allocating money to other projects for its utilization. The necessary measures were initiated as per the rules to utilize under the specific project which were subsequently accomplished.”

## **VIII. Externally Aided Projects**

### **Delay in setting up of National Phytotron facility**

29. According to Audit para, the construction of main building for housing the national Phytotron facility was delayed for more than five years due to IARI's indecision in the matter of selection of construction agency. The Committee enquired as to why despite taking long time in choosing an agency how the work was awarded to a contractor lacking in experience in such type of construction, the Ministry stated as follows:

“The National phytotron Facility was to be developed for the first time in the country which is a super specialist job. The UNDP had appointed FAO as the Executive Agency for this facility. Two consultants, one from Australia and the other from Canada were to visit India and design this facility. Due to certain reasons beyond control, the visit of these consultants were delayed. After finalization of the design and due to our earlier bad experience with the CPWD, after obtaining special permission, tenders were called from other reputed Public Sector Undertakings including the CPWD to make the activity more competitive and economical. After thorough scrutiny of technical and other aspects, the job was finally awarded to RPNN and it cannot be stated that the said agency lacks experience in specialised jobs.”

30. According to the Ministry, the revised schedule for completion of the building is February 1997.

31. The Committee desired to know the reasons of shortfall in obtaining consultancy service and also in imparting training to scientists/engineers, the Ministry stated as follows:

“The consultancy services and also training to scientists/engineers was also phased and planned in such a way at different periods to match with the progress of the creation of Phytotron Facilities. The work planned has been revised and all the trainings and consultancies will be over by the extended period of the project which is July 1997.”

## **IX. World Bank Aided Schemes**

32. Schemes implemented with the aid of World Bank are initially financed by ICAR and later reimbursed by World Bank through the Government of India on the basis of claims made.

### **(i) Unproductive expenditure**

33. According to Audit paragraph, two equipments costing Rs 13.95 lakhs, procured during July-

September 1994 for identification and characterisation of plant virus for a project to be completed between October 1992 and September 1995, were not installed as of March 1995 for want of helium gas and computer facilities. Letters of credit for import of two more equipments, at a cost of Rs 6.53 lakhs, were opened only in March 1995, just six months before the scheduled date of completion of the project, resulting in unproductive expenditure. IARI stated, in June 1995, that the equipment would be commissioned after completion of the laboratory repair work. ICAR stated in January 1996 that the equipment were installed and the project has been extended upto March 1996.

**(ii) Slow progress**

34. Audit paragraph reveals that ICAR allocated Rs 40.00 lakhs for procurement of equipment during 1990-95 to strengthen the Central Seed Testing Laboratory (CSTL) under 'National Seed Project-III'. The Institute could procure equipment worth Rs 31.87 lakhs upto December 1995. Similarly, against the sanction of Rs 89.70 lakhs for development of off-season nurseries at regional station of IARI at Wellington, only Rs 44.86 lakhs were spent till January 1996. The World Bank authorities also expressed concern about non-utilisation of funds.

35. The Committee desired to know the existing practice in IARI to monitor the progress of World Bank projects. The Ministry intimated as follows:-

“The World Bank aided projects are monitored in the similar way as is done for other projects of the Institute and externally funded projects. In these particular projects, a separate monitoring committee of the World Bank had reviewed the projects at different stages to assess their progress, as provided in the World Bank project document.”

36. The Committee enquired as to when the equipment for the project, in question was received, the Ministry intimated:-

“Yes, the equipment has been purchased in December 1995.”

37. The Committee further enquired as to how this equipment was utilised. The Ministry stated as follows:

“These equipments are being used for research in seed technology and also in seed testing laboratory.”

38. Asked as to how IARI is benefited by these equipments, the Ministry stated as follows:-

“IARI benefited in developing technologies and extended facilities to other users. It also provided training in areas of seed testing and seed research. The input is of particular significance to IARI's new initiative in hybrid seed production.”

**X. Deposit Schemes**

39. IARI implement schemes sponsored by other departments in various fields of agricultural research. Such sponsored projects are expected to be financed out of the funds received from sponsoring agencies. According to the Audit Paragraph, as on 31 March, 1995, a total amount of Rs. 30.42 lakh spent on 15 schemes in excess of the deposits was outstanding from the sponsoring departments for periods ranging from one to four years. In one case, the sponsoring agency, Department of Biotechnology, refused to reimburse the excess expenditure of

Rs. 10.96 lakh as it was not covered under the terms and conditions of the scheme.

40. The Committee enquired that if such projects require more funds then why IARI does not obtain, prior commitment of the sponsoring agencies before sinking their own resources in such projects. The Ministry intimated as follows:

“The sponsor agencies are requesting in advance for obtaining additional funds, if any, for continuation of the scheme. Pending receipt of additional fund, the salary of the workers is paid from out of the institute fund if such contingency arises, and is adjusted soon the budget is received from externally funded projects.”

41. In the case of Department of Biotechnology (DBT) sponsored project, the Committee desired to know the reasons for DBT’s refusal to reimburse the excess expenditure incurred by IARI. The Ministry stated as follows:

“The schemes under reference pertain to Ministry of Environment and not DBT. Request for the reimbursement has not been admitted in case of two schemes for want of submission of final technical report. The report has now been submitted but remittances are awaited.”

42. The Committee enquired as to in how many cases, IARI incurred in excess of amounts deposited by the various departments for sponsored schemes. The Ministry intimated as follows:-

“As per the statement of R. Deposit Schemes appended to Annual Account Statement for the year 1994-95, in respect of 16 schemes excess amounts over the amount deposited have been incurred but on reconciling the figures of expenditure booked against the schemes, it is observed that excess expenditure has been incurred only in two cases. In respect of other schemes, the excess expenditure reflected in the accounts was on account of misclassification in accounts which will be rectified in the accounts for the current year 1996-97.”

43. The Committee desired to know the excess amounts incurred by IARI against sponsored projects (year-wise). The Ministry stated in written reply as follows:-

<b>Year</b>	<b>No. of projects</b>	<b>Amount (in lakhs)</b>	<b>Remarks</b>
1991-92	18	14.24	Excess amount recouped in respect of 14 projects in 1992-93
1992-93	10	16.98	Includes balance amount of outstanding of 4 projects continuing from 1991-92
1993-94	13	17.67	Inclusive of balance of Previous years
1994-95	16	19.08	-do-
1995-96	36	55.63	-do-
	<b>93</b>	<b>123.60</b>	

**Note:**

The above excess has been shown in the statement of R. Deposit schemes appended to the Annual Account statements for the respective years. The excess is mainly owing to misclassification in accounts and necessary rectification is being carried out in the accounts for



**1996-97.**

**XI. Accounts  
Outstanding Advances**

44. It has been stated by Audit that as on 31 March, 1995, accumulated balance of Rs. 388.44 lakhs against advances given to the employees towards TA/LTC/Contingency and to various Government departments for procurement of equipment etc. was pending for adjustment/recovery. Some of the outstanding advances remained unsettled since 1982-83.

45. The Committee enquired about the action taken by IARI to recover/adjust the amount of Rs.388.44 lakhs outstanding against its own employees and some Central Government Departments. The Ministry stated as follows:-

“All the drawing and disbursing officers have been asked to expedite submission of adjustment accounts. Concerned authorities of the government departments also were requested to furnish settlement accounts.”

46. The Committee asked whether any action has been initiated against the persons responsible for the financial mismanagement. The Ministry stated as follows:-

“There is no financial mismanagement as such but there is delay in rendering of adjustment accounts. Necessary corrective measures are taken for speedy rendering of adjustment accounts. All the concerned officers and staff have been asked to render the adjustment accounts within 15 days failing which the entire amount is proposed to be recovered from their salary.”

47. The Committee enquired about the remedial steps taken in pursuant to the Audit objection. The Ministry stated as follows:-

“Earnest attempt was taken to settle the advance. The progress of clearance is given below. A special team with Joint Director (Admn.) and Chief Finance & Accounts Officer as members to monitor the settlement of Advances has been formed and steps are being initiated to recover the amount from the individuals who have failed to submit the settlement account.”

	<b>Balance as Clearance shown in the Report in lakhs</b>	<b>Balance</b>
TA	6.62	2.20
LTC	14.57	6.60
DAVP	3.53	3.53
DGS&D	16.91	15.60
CPS	6.24	6.24
Other Deptts.	106.28	106.28
Contingencies	234.29	145.70



**Total****388.44****102.29****286.15”****XII. Bank Reconciliation**

48. Test-check by Audit revealed that cheques issued upto 1979 for Rs.7 lakh and from 1985-86 to March 1995 for Rs. 1027 lakh remained unencashed and were not debited in the bank account. Time barred cheques had not been cancelled and credited in the cash book. Similarly, account credited by the bank were not taken into the cash books. In their remedial/corrective action taken reply, the Ministry stated that all out efforts were being made to settle such outstanding debits or credits by personal contact and correspondence with the bank at the higher level.

49. The Committee desired to know the steps taken to reconcile these differences persisting for the last 16 years, together with the latest position of bank reconciliation and items of difference of debits and credits. The Ministry stated as follows:-

”Details of outstanding items are given below. A reconciliation cell has been formed to ensure speedy clearance of outstanding items:

**Item-wise details of the pending amounts upto 31.3.95****Statement `A`**

Unencashed cheques

Upto 1984-85

2365.20

March 1995

425795

31.3.95

33726.00

425324

31.3.95

41250.00

426373

31.3.95

28000.00

Total

105341.20

**Statement `B`**

Credits given by bank not taken in CB

January 1995 LC 103/94

20300.00

Total

20300.00

**Statement `C`**

Debits made by bank not taken in Cash Book

Outstanding debits upto 3/79

574897.37

June 90

11.6.90

1568.00

March

22.3.94 25/94	9423.00
May 94	5343.00
July 94	
6.7.94 LC 122/94	12550.00
13.7.94	919.00
28.7.94	5135.00
Aug 94	
18.8.94	670390.00
Sept 94	
10.9.94	6360.00
Nov 94	
01.11.94	3811.00
25.11.94	813.00
29.11.94	51560.00

Total	1342769.37
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Jan 95	
09.1.95 LC 103/95	6316.00
874946	829.00

March 95	
(LC) 39/95	2000.00

Total	1351914.37
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### Statement 'D'

Credits in CB not given by bank

Upto 3/79	124485.23
Oct 94	1000.00
11.10.94 888	2500.00

Total	127985.23
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Net difference

St (C+D)       -       St(A+B)

(1351914.37 + 127985.23)       -       (105341.20 + 20300.00)

1479899.60 - 125641.20

1354258.40”

### **XIII. Extra Expenditure and delay in the construction of Lal Bahadur Shastri Centre for Advance Research**

50. It is seen from the Audit Para that preliminary estimate of Rs.6.88 crores for the construction of Lal Bahadur Shastri Centre for Advance Research in Biotechnology and Crop Protection sent to ICAR in February 1985 was approved in February 1987, but the work commenced in December 1988. Thus, there was a delay of 24 months in approval of estimate and 22 months in commencement of work. Besides, there were some changes in specifications, from time to time, which necessitated revision of estimate at different stages resulting in delay in construction. The preliminary estimate of Rs 6.88 crores was finally revised to Rs 13.75 crores in September 1991. Consequently, the work to be completed by December 1991 was completed in June-July 1994 at a total cost of Rs 15.70 crores as against the revised estimate of Rs. 13.75 crores. Accepting the facts, ICAR stated, in January 1996, that the delay was due to difficulties in coordination between many agencies involved in demolishing of the existing structures for clearing the site for construction.

51. The Committee have been informed that Indian Council of Agricultural Research has got a Civil Construction Wing headed by Director (Works). The Committee desired to know the reasons for delay and excess expenditure. The Department stated as follows:

“Building of Centre for Advance Research was proposed on a plot where two bungalows and one Post Office Building, was situated. In addition, there were number of trees on the proposed site. Full efforts were made to demolish the two Bungalows and to obtain the permission of Lt. Governor for cutting of trees. It took nearly two years to shift the Post Office from the proposed site, for obtaining the approval of the local bodies such as M.C.D. and D.U.A.C. This was processed by the C.P.W.D. and Building could only be started after completing the formalities which was necessary to follow. Increase in the cost of the Building due to change in cost index and requirements. The Institute pursued the matter with all concerned authorities timely but the reason for start of construction was as various agencies like M.C.D. Delhi Admn., D.U.A.C. obtain the prior approval for construction.”

### **XIV. Incorrect estimate leading to delay in Construction of Glass House Complex**

52. It is seen from Audit Para that the estimate of Rs 49.29 lakhs approved by ICAR in February 1988 for construction of glass house complex comprising of five glass houses, did not include the requirement of electrical fittings and air-conditioning. However, additional demand of Rs 49.29 lakhs for this purpose was made in March 1993 after a delay of five years which necessitated revision of estimate to Rs 98.58 lakhs in August 1993. Despite deposit of full amount with CPWD, the construction scheduled to be completed by December 1988 was not completed as of July 1995. ICAR stated in January 1996 that two glass houses had since been handed over to IARI in November 1995.

53. The Committee asked about the reasons for non-inclusion of electrical fittings and air conditioning in the estimate of glass house, the Ministry stated as follows:-

“Normal electrical requirement was made while framing the preliminary estimate. Later on the

requirement was reassessed. Regarding Air Conditioning the requirement was given to CPWD estimate as Air Conditioning wing of CPWD is supposed to submit a separate estimate.”

54. The Committee enquired whether any feasibility/project report was prepared for construction of Glass Houses. The Ministry stated as follows:-

“The drawing for Construction of glass Houses Project were provided by IARI to CPWD. The details for electrical works and Air Conditioning were also indicated in drawing.”

## **XV. Stores and Purchases**

55. IARI placed an order with a firm at Hyderabad in February 1992 for supply of laboratory furniture costing Rs.114 lakhs to Lal Bahadur Shastri Centre for Advanced Research in Biotechnology and Plant Protection. While placing the order the lowest offer of Rs.83 lakhs was ignored resulting in loss of Rs.31 lakhs. The Committee desired to know the reasons for not accepting the lowest offer of Rs.83 lakhs for supply of furniture. The Ministry stated as follows:-

“The lowest tenderer had not the capacity to execute the order for the supply of laboratory furniture estimated to cost about 1 crore rupees and he had to arrange the supply if order is placed with him by giving sub contract. In the terms of tender, it was clearly mentioned that the firm should have the machinery to fabricate the required furniture and no subcontract is permissible. Therefore his tender was not accepted.”

## **XVI. Increasing the Productivity**

56. The Committee pointed out that the foreign countries like China, Vietnam and Thailand, the average productivity of rice per hectare is much more than our production per hectare. The Committee desired to know the steps taken and proposed to be taken to match our productivity with the productivity of those countries. The Secretary of the Department of Agricultural Research and Education stated during evidence as follows:-

“First I come to the productivity part and the difference in the yield level between China and India. When we compare the productivity in the two countries, the yield levels of our best areas like Punjab, Haryana and Tamil Nadu compare favourably with the best in China also. Wherever we have the best inputs and the best technology, our farmers have been producing nine to ten tonnes of paddy. The best Punjab farmers are also producing five to six tonnes of wheat. In China they have a long duration cool climate. We now have almost 44 million hectares under rice spread all over the country under different climates. We are having a large area under tropical climate with more diseases and pests. Only 30 per cent of the area is irrigated. In China every inch of land is irrigated. Moreover it is a cooler climate with less diseases and pests.

China has also gone in for hybrid rice technology. We are the second country to have come out with our own hybrid rice. In West Bengal, Tamil Nadu, Karnataka and Andhra Pradesh farmers have now produced one tonne extra yield, with hybrids of rice.

Coming to wheat, let me bring to your kind notice that with the same area, India's production of wheat has surpassed that of USA in the last three years. We have now become the second largest wheat

growing country after China which has five million hectares of land more than we have. This wheat revolution must be given due respect in the sense that these are all our varieties. In the beginning we have got the varieties from Mexico. But now, every year we are coming out with new varieties from Pantnagar and other Institutes. Sometimes the Pantnagar variety dominates and sometimes IARI variety dominates. This time it is the Pubjab variety which is covering about four million-hectares area just in three years after it has been released. The PPW 343 variety is a miracle variety which can go up to seven tonnes per hectare. This is the fastest coverage under one variety.”

In this context, I would like to say that many a time when we compare ourselves with China, we have to take into account the fact that they are using more than 200 to 250 kgs. of nutrients per hectare as against India's use of 86 kgs or less. Also, as I said earlier, they have the maximum area under controlled irrigation, whereas ours is either rainfed or partly irrigated. Therefore, our conditions are entirely different. They do not have any deep-water rice. But, still we can compare with them in terms of productivity. If we compare with the best in some of our States, we will definitely be better than them in terms of total productivity per unit area per year.”

57. The Committee enquired about other countries comparable to Indian conditions. The Secretary of the Department stated that :
- “Indian conditions are comparable to many others in the sense that our yields in cotton are comparable with the best in Egypt. Our productivity of rice is comparable to perhaps the best in Philippines, Thailand, Vietnam, Combodia and also Laos. China has cooler climate and therefore it is slightly in an advantageous position.

The other point is, they are recycling everything back to the soil. In India we are using all the straw for our animals. Practically there is nothing for recycling. The organic matter content in the soil of China is 3-4 per cent today. In our soil it is less than 0.5 per cent. The reason is that we are not able to recycle any organic matter back. Even the cow dung is burnt here because of non availability of fuel. “

## **CONCLUSIONS/RECOMMENDATIONS**

58. The Committee note that Indian Agricultural Research Institute (IARI), New Delhi, established in 1905, is a premier institution of Indian Council of Agricultural Research, with deemed University status for research and higher education in agriculture. The Institute is headed by a Director and managed by a Board of Management. It has 18 divisions, four multidisciplinary centres and two off-Season nurseries. The Board of Management is assisted by an Academic Council, a Research Council, an Executive Council and an Extension Council to guide and monitor the functions of the Institute. It is financed mainly through grants released by the Department of Agricultural Research (ICAR). It also receives funds from the Agricultural Producer Cess Fund, foreign agencies and other departments/Ministries for specific schemes. The Committee are distressed to find that despite existence of such a comprehensive monitoring mechanism, their examination has revealed numerous pitfalls and instances of imprudent planning in financial and administrative matters. The glaring deficiencies found have been dealt with in the succeeding paragraphs with suitable remedial suggestions to eliminate them.

59. Monitoring of research projects undertaken by the Institute was to be conducted at divisional

level and reviewed by the Research Council. Research Project files (RPF) are required to be maintained in three parts, namely: RPF-I for basic information, RPF-II for annual progress and RPF-III for final report to facilitate periodic monitoring of research projects five yearly assessment of the Scientists. These Research Project Files meant to contain extensive feedback of the Projects were not properly maintained in the major divisions of the Institute in respect of their projects. Further, even annual RPFs required to be sent to Indian Council of Agricultural Research were not sent during the years 1990-95. Consequently, the work of monitoring of these projects was totally jeopardized. Secretary, Department of Agricultural Research and Education conceded this lapse during evidence. However, the system of maintaining RPFs has now been revived and is stated to be in practice. The Committee deprecate this lapse and emphasize the need for proper maintenance of such important records about the research projects so that these projects are not only properly maintained but their utility is also correctly and timely assessed.

60. The Committee find that the Research Council was required to meet once in each quarter to consider the merits of fresh research projects, conduct periodic appraisals of ongoing Research projects and evaluate completion reports for accomplishing these tasks. Surprisingly, the Research Council which was assigned such a comprehensive and important task did not meet even once Since June, 1989. The Committee cannot but deplore this failure. The Committee are not convinced with the Department's reply that the Research Council of IARI could not be formally constituted since 1989 as the ICAR was considering the proposal of modifying the mode of monitoring research activities of its Institutes in consultation with the Indian Institute of Management. The Committee are further unhappy to find that the Research Advisory Committee constituted in September 1995 in place of the Research Council has only met twice since then. The Committee strongly recommend the need for suitably revamping the monitoring mechanism. They would like to be informed of the steps taken in this regard.

61. The Committee find that during 1990-95, IARI implemented 230 projects which were started between 1986-88. Surprisingly, all these projects were terminated on 31 March, 1994 without their critical appraisal, contrary to ICAR instructions. Further, there was inordinate delay even in the execution of a number of projects ranging from 1-3 years in respect of 40 projects and 3-5 years in respect of 48 projects. The Committee are unhappy to note that there was no procedure of keeping record of cost overrun in case of in-house projects. The Committee have, however, been assured that the Institute is now developing the procedure to keep track of cost-overrun for in-house projects. The Committee emphasise that this should be done expeditiously. The Committee are not convinced by the argument advanced by the Ministry that these projects were closed in view of the fact that the Institute took up a decision to move into institutional programmes rather than individual projects oriented around Scientists. The Committee would like to be apprised of the total expenditure incurred on the execution of these projects and the concrete benefits derived and achievements made therefrom.

62. The Committee note that IARI is financed mainly through grants released by the Department of Agricultural Research and Education to the Indian Council of Agricultural Research (ICAR). It also receives funds from the Agricultural Produce Cess Fund, foreign agencies and other Departments/Ministries for specific Schemes. The Institute received Rs. 10.70 crores during 1990-95 for the execution of the schemes funded by ICAR, Agricultural Produce Cess Fund and World



Bank. The Committee are unhappy to note that as much as 40% of this amount (Rs. 3.92 crores) remained unutilised as on 31 March, 1995. This amply proves the lack of seriousness on the part of the Institute to execute their projects meant to benefit the country through agricultural research. The Committee do not accept that the amount remained unutilised due to reasons like non-filling up of posts, and observance of prescribed procedure for purchase of equipment and construction activities. The Committee would like to know the steps taken to fill the vacancies and to streamline the procedure.

63. The Committee are extremely unhappy over the inordinate delay in the execution of the project for creation of National Phytotron facility, an externally aided project. A vital project like this meant to provide controlled environment for study of response of plants to climatic condition was delayed due to delay of more than five years in the construction of the main building for housing the said facility. From the scrutiny of the facts placed before it, the Committee concluded that this delay in the execution of such an important externally aided project could have been avoided. The Committee emphasize that steps should be taken to obviate such delays in future.

64. The Committee have noticed similar instances of delays in the execution of World Bank aided Schemes. In one such instance, the Committee find that two equipment costing Rs. 13.95 lakhs,, procured during July-September 1994 for identification and characterization of plant virus for a project to be completed between October 1992 and September 1995, were not installed as of March 1995, simply for want of helium gas and provision of computer facilities. Similarly, against the sanction of Rs. 89.70 lakhs for development of off-season nurseries at regional station of IARI at Wellington, only Rs. 44.86 lakhs were spent till January, 1996. In this case, even the World Bank authorities had also expressed concern about non-utilisation of funds. The Committee stress the need for obviating such lapses in future.

65. The Committee note that IARI implements schemes sponsored by other departments in various fields of agricultural research. The test check conducted by Audit revealed that as on 31 March 1995, a total amount of Rs. 30.42 lakhs spent on 15 Schemes in excess of the deposits was outstanding from the sponsoring departments for periods ranging from one to four years. Surprisingly, in one such case, the sponsoring agency, the Ministry of Environment, refused to reimburse the excess expenditure of Rs. 10.96 lakhs as it was not covered under the terms and conditions of the scheme. Further, the Committee find from the details furnished by the Department that in respect of the 92 sponsored projects executed during the years 1991-92 to 1995-96, the excess expenditure has been to the tune of Rs. 123.60 lakhs. According to the Department, the excess is mainly owing to misclassification in accounts. The Committee are unhappy about this situation. The Committee desire that the matter of realization of outstanding expenditure from the sponsoring departments should be pursued vigorously with them. The Committee would like to know the progress made in this regard.

66. The Audit para also reveals that as on 31 March, 1995 accumulated balance of Rs. 388.44 lakhs against advances given to the employees towards TA/LTC/Contingency and to various Government departments for procurement of equipment etc., was pending for adjustment/recovery. The Committee are distressed to find from the latest position furnished to them by the Department that a staggering amount of Rs. 286.15 lakhs is still pending for adjustment/recovery. The Committee



have been informed that a special Team with Joint Director (Admn.) and Chief Finance and Accounts Officer as members has been constituted to monitor the settlement of advances and steps are being initiated to recover the amount from the individuals who have failed to submit the settlement account. The Committee would like to know the latest position in this regard.

67. Similar lack of seriousness and purposive approach is noticed in the matter of Bank reconciliation work. Test check conducted by Audit reveals that the cheques issued upto 1979 for Rs. 7 lakh and for Rs. 1027 lakhs from 1985-86 to March 1995 remained uncashed and were not debited in the Bank account. Further, even the time barred cheques had not been cancelled and credited in the cash Book. Similarly, accounts credited by the bank were not taken into the cash books. The latest position furnished by the Department still reflects that the position in this regard is far from satisfactory and concerted efforts are required to be made to improve the situation. It is further revealed that un-cashed cheques upto March, 1995 and credits given by bank were not taken in Cash Book upto January, 1995. The Committee are surprised to note that debits made by bank were not taken in cash book upto march 1995 and credits in cash Book not given by Bank upto 11-10-1994, were of the order of Rs. 105341.20, Rs. 20300.00, Rs. 1351914.37 and Rs. 127985.23, respectively. The Committee would like the Department to enquire into these lapses seriously. They would also like to be apprised of the outcome of the enquiry in due course.

68. The Committee are unhappy to note the delay of more then three years in the construction of Lal Bahadur Centre for Advance Research in Bio technology and Crop Protection. Unfortunately, this delay and changes in specifications form time to time, necessitated revision in estimates and huge extra expenditure. The construction of the Centre which was expected to cost Rs. 6.88 crores according to the preliminary estimates was finally completed in July, 1994 at a total cost of Rs. 15.70 crores. The Committee note with concern the fact that delay was due to difficulties in co-ordination between many agencies involved in demolishing of the existing structure for clearing the site for construction.

69. Similar lack of planning is noticed in yet another case for construction of Glass House. In this case, the original estimate sanctioned for Rs 49.29 lakhs in February,1988 did not include requirement of electric fittings and air-conditioning. Failure to initially include these basic requirements in the original estimates, led to delay in construction of Glass House and revision of the estimate from Rs. 49.29 lakhs to Rs. 98.58 lakhs. The Glass House which was expected to be constructed by December,1988, was handed over in November, 1995.

70. The Committee note that IARI is doing quite a good work in the field of agricultural research thereby helping the country to benefit from the fruits of green revolution. However, the preceding paragraphs have proved that such a premier Institute has neglected the financial and administrative aspects of its working. Consequently, there have not only been inordinate delays but also tremendous cost overruns. There has even been failure in properly maintaining the records of research projects. The Committee express its strong dissatisfaction on this state of affairs. The Committee would like the department of Agricultural Research and Education to seriously look into these drawbacks in the light of the concern expressed and remedial steps recommended by the Committee in this Report and revamp the necessary procedure so as to obviate such financial and administrative irregularities and omissions and commissions in future. The Committee would like to

**know the detailed remedial steps taken in this regard.**

NEW DELHI;  
***DATT TIWARI,***  
***12 March, 2001***  
***Chairman,***  
***21 Phalguna, 1922(Saka)***  
***Committee***

***NARAYAN***

***Public Accounts***