

**KENDRIYA VIDYALAYA SANGATHAN AND GUJARAT  
VIDYAPITH**

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their One Hundred and Twenty Second Report (16<sup>th</sup> Lok Sabha)]

**Ministry of Education**

**PUBLIC ACCOUNTS COMMITTEE  
(2020-21)**

**THIRTY-THIRD REPORT**

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**SEVENTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

PAC NO. 2241

# THIRTY-THIRD REPORT

## PUBLIC ACCOUNTS COMMITTEE (2020-21)

(SEVENTEENTH LOK SABHA)

**KENDRIYA VIDYALAYA SANGATHAN AND  
GUJARAT VIDYAPITH**

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their One Hundred and Twenty Second Report (16<sup>th</sup> Lok Sabha)]

**MINISTRY OF EDUCATION**



*Presented to Lok Sabha on:*

15/03/21

*Laid in Rajya Sabha on:*

15/03/21

**LOK SABHA SECRETARIAT  
NEW DELHI**

March, 2021/Phalgun, 1942 (Saka)

## CONTENTS

		PAGE
<b>COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2020-21)</b>		(iii)
<b>INTRODUCTION</b> .....		(iv)
<b>CHAPTER I</b>	Report .....	
<b>CHAPTER II</b>	Observations/Recommendations which have been accepted by the Government .....	
<b>CHAPTER III</b>	Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government .....	
<b>CHAPTER IV</b>	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration .....	
<b>CHAPTER V</b>	Observations/Recommendations in respect of which the Government have furnished interim replies .....	
<b>APPENDICES</b>		
I	Minutes of the 11 <sup>th</sup> Sitting of the Public Accounts Committee (2020-21) held on 10 <sup>th</sup> March, 2021.	
II	Analysis of the Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their One Hundred and Twenty Second Report (Sixteenth Lok Sabha)	

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# COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

(2020-21)

**Shri Adhir Ranjan Chowdhury - Chairperson**

## MEMBERS

### LOK SABHA

2. Shri T. R. Baalu
3. Shri Subhash Chandra Baheria
4. Shree Sudheer Gupta
5. Smt. Darshana Vikram Jardosh
6. Shri Bhartruhari Mahtab
7. Shri Ajay (Teni) Misra
8. Shri Jagdambika Pal
9. Shri Vishnu Dayal Ram
10. Shri Rahul Ramesh Shewale
11. Shri Rajiv Ranjan Singh alias Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabhaneni
15. Shri Ram Kripal Yadav

### RAJYA SABHA

16. Shri Rajeev Chandrasekhar
17. Shri Naresh Gujral
18. Shri Bhubaneswar Kalita\*
19. Shri Mallikarjun Kharge\*
20. Shri C. M. Ramesh
21. Shri Sukhendu Sekhar Ray
22. Shri Bhupender Yadav

### SECRETARIAT

1. Shri T. G. Chandrasekhar - Joint Secretary
2. Shri. S. R. Mishra - Director
3. Smt. Bharti S. Tuteja - Additional Director
4. Ms. Malvika Mehta - Under Secretary

\*Elected w.e.f. 11 February, 2021.

## **INTRODUCTION**

I, the Chairperson, Public Accounts Committee (2020-21), having been authorised by the Committee, do present this Thirty-third Report (Seventeenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their One Hundred and Twenty-second Report (Sixteenth Lok Sabha) on 'Kendriya Vidyalaya Sangathan and Gujarat Vidyapith' relating to the Ministry of Education.

2. The One Hundred and Twenty-second Report was presented to Lok Sabha/laid in Rajya Sabha on 18<sup>th</sup> December, 2018. Action Taken Replies of the Government to the Observations/ Recommendations contained in the Report were received on 26.09.2019, 06.12.2019, 08.01.2020 and 27.10.2020. The Committee considered the draft Report on the subject and adopted the Report at their Sitting held on 10<sup>th</sup> March, 2021. Minutes of the Sitting are given at Appendix-I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the office of the Comptroller and Auditor General of India.

5. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the One Hundred and Twenty-second Report (Sixteenth Lok Sabha) is given at Appendix-II.

NEW DELHI;  
10 March, 2021  
19 Phalgun, 1942 (Saka)

Adhir Ranjan Chowdhury  
Chairperson,  
Public Accounts Committee

## CHAPTER – I

### REPORT

This Report of the Public Accounts Committee deals with action taken by the Government on the Observations/Recommendations of the Committee contained in their One Hundred and Twenty-second Report (Sixteenth Lok Sabha) on "Kendriya Vidyalaya Sangathan (KVS) and Gujarat Vidyapith (GVP)" relating to Ministry of Human Resource Development (MHRD).

2. The One Hundred and Twenty-second Report (Sixteenth Lok Sabha) was presented to the Parliament on 18.12.2018. It contained twelve Observations/Recommendations. Action Taken Notes have been received from the Ministry of Human Resource Development in respect of all the Observations/Recommendations and are broadly categorised as follows:

- |       |  |  |
|-------|--|--|
| (i)   | Observations/Recommendations which have been accepted by the Government<br>Para Nos.1 -8, 10-12.   | <b>Total:11</b><br><b>Chapter II</b>   |
| (ii)  | Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government<br>NIL                              | <b>Total:Nil</b><br><b>Chapter III</b> |
| (iii) | Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration<br>Para No. : 9 | <b>Total:01</b><br><b>Chapter IV</b>   |
| (iv)  | Observations/Recommendations in respect of which the Government have furnished interim replies<br>NIL  | <b>Total:Nil</b><br><b>Chapter V</b>   |

3. The detailed examination of the subject by the Committee had revealed that KVS incurred expenditure on the Project 'Kendriya Vidyalayas' (KVs) in violation of prescribed conditions and as on 31 March 2016, Rs.59.67 crore were due from 81 Project KVs of which 34 had been closed, rendering the possibility of recovery as remote.

The Committee found that four institutes under the Ministry of Human Resource Development (Indian Institute of Technology, Roorkee; Babasaheb Bhimrao Ambedkar University, Lucknow, Indian Institute of Management, Ranchi and Indian Institute of Technology, Patna) and one institute under the Ministry of Statistics and Programme Implementation (Indian Statistical Institute, Kolkata) had made payment of service tax amounting to Rs.12.42 crore on the outsourced services, although these services were exempted from payment of such tax. The Committee also observed that Post Based Rosters as per Gol norms were not being maintained for the teaching and the non-teaching staff and appointments in teaching and non-teaching posts were made in contravention of UGC/Gol instructions which resulted in overpayment of Rs.2.29 crore.

4. The Committee had recommended various measures to be undertaken by Ministry of Human Resource Development, KVS and Gujarat Vidyapith such as recovery of dues by KVS from various project authorities, amending/ adding provisions in Memoranda of Understanding (MoUs) of KVS with Project Authorities to strengthen KVS; setting up of a cell to coordinate with the Ministry of Finance and organizations under the Ministry for seeking tax related clarifications; regular preparation of Post Based Rosters in GVP, the need to develop a mechanism to monitor all institutes under its aegis by the MHRD on a regular basis and review of all the organizations accredited by NAAC/UGC to verify that their functioning, appointments and all other aspects are in order etc.

5. The Action Taken Notes submitted by the Ministry on the Observations/Recommendations of the Committee contained in their One Hundred and Twenty-second Report (Sixteenth Lok Sabha) have been reproduced in the relevant Chapters of this Report in the succeeding paragraphs. The Committee will now deal with the Action Taken by the Government on some of their Observations/Recommendations made in the original Report which merit comments.

**6. The Committee desire the Ministry of Human Resource Development to furnish Action Taken Notes in respect of Observations/ Recommendations contained in Chapter I within six months of the presentation of the Report to the House.**

**Recommendation at Para No. 2- KVS-Recovery of dues**

7. The Committee had noted that Kendriya Vidyalaya Sangathan (KVS), an autonomous body under Ministry of Human Resource Development (MHRD) establishes and manages Kendriya Vidyalayas (KV) and that this scheme of KV had also been extended to the children of the employees of Public Sector Undertakings (PSUs)/Institute of Higher Learning (IHL) owned by Government of India (GoI), at their request (i.e. PSU and IHL), on the condition that all recurring and non-recurring expenditure on running these Vidyalayas would be provided by the sponsoring agencies. The sponsoring authorities of some existing/functioning and closed Project Vidyalayas defaulted in payment of dues resulting in recoverable amount of Rs.24.57 crore in the year 2003. The Committee had further noted that where the sponsoring authority defaulted in making the required payments, KVS diverted the Government grants to meet the expenditure towards pay & allowance of the staff and other recurring and non-recurring expenditure. The Committee were disappointed to note that despite C&AG's Audit Report No. 4 of 2004 and subsequently the Committee's 46<sup>th</sup> Report in 2006-07 recommending that the matter may be resolved early by MHRD in coordination with other Departments of GOI with a view to recover the amount due to KVS, the recoverable amount increased to Rs.58.60 crore as on 30.09.2018. The Committee were of the opinion that along with the key concern of recovery of dues which have been long pending, the matter needed to be looked at in the larger perspective of the importance of Project Kendriya Vidyalayas in providing education to children of PSU employees apart from transferable employees of the Government of India as well as floating population and others including those living in remote and undeveloped locations of the country. The Committee had felt that there are certain inter-linked issues such as amending the provisions of MoU entered into by KVS with the Project Authorities, running of KVs in the event of request for closure/closure by Project Authorities etc. which also need to be addressed to prevent further instances of default by project authorities.

Accordingly, while acknowledging the various steps taken by MHRD to recover the amount due such as meeting the representatives of various ministries whose PSUs sponsored KVs, discussion with the Regional Offices, interaction at personal level by officials of KVS with the concerned Project Authority etc., the Committee had recommended that for those Project KVs, functioning and closed, with whom KVS



*does/did not have an Memorandum of Understanding (MOU), the Administrative Ministry of the Project Authority may be asked by the MHRD to either pay the amount due to KVS or the sponsoring authority may be asked to transfer the infrastructural assets where the KV is/was running i.e. the land, the building and all the property contained therein to allow KVS to run the school in the larger interest so that KVS does not have to spend large amount of money on the same. Further, those sponsoring authorities that the KVS had an MOU with, while the KVS/MHRD may in the first instance pursue the steps outlined above, if the same do not yield any result, Clause 14 of the MOU which provided for referring the matter to an arbitrator may be resorted to.*

8. The Ministry of Human Resource Development in the Action Taken Notes have submitted as under:

1. "Regarding transfer of infrastructural assets of functional KVs.
  - (i) D.O. letters have been issued by the MHRD conveying the recommendations of PAC and inter-alia requesting therein to pay the amount due to Kendriya Vidyalaya Sangathan (KVS).
2. Regarding invoking of Clause 14 of Memorandum of Understanding (MoU).

Kendriya Vidyalaya Sangathan has MoU with the sponsoring authorities of all 22 KVs opened in project sector/IHL after BoG meeting dated 20.6.2007. Out of these 22 KVs, Central University of Hyderabad is defaulting in release of KVS dues. As such, the provision of Clause 14 of MoU to settle the issue through arbitration shall be resorted to if, the dues are not cleared by the Central University of Hyderabad even after taking up the issue by Ministry of Human Resource and Development (MHRD).

3. Regarding transfer of Infrastructural Assets of closed Project KVs,
  - (i) It is stated that the Kendriya Vidyalaya under project sector is opened on the request of the concerned project sponsoring authority committing thereby the recurring and non recurring expenditure of the KV shall be borne by the sponsoring authority. Some of the project KVs were closed years back and no reference or request for opening or running those project KVs has been received by KVS till now from the side of Sponsoring Authorities of those project KVs. Raising the issue of transfer of land and infrastructure at this stage would have /entail many difficulties with respect to the present status of land & building.

- (ii) Further, re-opening of such schools involves recurring and non recurring expenditure and being a policy matter, KVS will take up the matter in BoG meeting for deliberation.
4. Regarding recovery of dues, MHRD/KVS has taken various steps as detailed below:-
- (a) The Secretary, School Education & Literacy (SE&L), MHRD conducted a meeting on 05.04.2017 with the representatives of various Administrative Ministries of respective PSUs.
- (b) Consequently, KVS (HQ) organised meetings with the representatives of Sponsoring Projects on four different dates namely 18.05.2017, 19.05.2017, 22.05.2017 & 24.05.2017.
- (c) KVS has deliberated the issue of outstanding dues in the annual Deputy Commissioners' Conference of KVS held in July, 2017 and July, 2018 with the directions that they should personally interact with the concerned Project Authority for the immediate recovery of overdue amount after reconciliation and confirmations of dues.
- (d) In addition to regular correspondence, DO letters dated 21.12.2017, 17.09.2018, 4.02.2019 have also been issued by KVS to the Chairman/ Managing Director of defaulting Project Authorities.
- (e) Further, D.O. letters dated 14.5.2019 have been issued by the MHRD to Administrative Ministry of the Project Authorities requesting therein to pay the amounts due to KVS.
- (f) KVS has informed that after September, 2017, no funds have been diverted from Govt. Grants for Kendriya Vidyalayas of defaulting Project Authorities. However, in order to mitigate the suffering of KV staff due to non-payment of salaries by the project authorities of three project KVs namely, HPCL Jagiroad, HPCL Panchgram and CCI Bokajan, KVS has released an amount of Rs. 4.80 Crore out of User Charges, on loan basis with the approval of BoG, KVS.
5. KVS has informed that as on 31.01.2019, an amount of Rs 35.72 Crore is recoverable from the sponsoring authorities of 21 operating project Kendriya Vidyalayas and Rs 15.04 Crore from project authorities of 34 closed Project Kendriya Vidyalayas. In addition, a Loan of Rs. 4.80 Crore given by KVS out of its user charges, with the approval of BoG, KVS, is outstanding against the sponsoring authorities of three Project KVs namely, HPCL Jagiroad, HPCL Panchgram and CCI Bokajan. Out of dues of Rs.35.72 Crore, an amount of Rs. 19.41 Crore is recoverable towards outstanding dues from the project authorities of above said 03 project Kendriya Vidyalayas. These sponsoring authorities have shown their

inability to clear outstanding dues and requested KVS for conversion in Civil Sector KVs.

9. Audit in this regard have given the following vetting comments:-

“Further progress in respect of following may be furnished to PAC:

a) Recovery of dues of Rs.35.72 crore from the sponsoring authorities of 21 operating project KVs which includes an amount of Rs.19.41 crore recoverable from the project authorities of 03 project KVs wherein sponsoring authorities have shown their inability to clear outstanding dues and requested KVS for conversion in Civil Sector KVs;”

10. The Ministry of Human Resource Development in their Action Taken Notes have further submitted as under:

**“Updated status**

KVS has informed that as on 31.7.19 an amount of Rs.41.33 crore is recoverable from Sponsoring authorities of 24 operating project KVs, this includes Rs. 25.66 Crore recoverable from the project authorities of 3 Project KVs namely HPC Jagi Road, HPC Panchgram & CCI Bokajan.

Further, National Company Law Tribunal has ordered the liquidation of M/s HPC Ltd. on 02.05.2019. M/S Hindustan Paper Corporation Limited is sponsoring authority of Kendriya Vidyalaya Jagi Raod & Panchgram. KVS has already submitted the claim to the appointed liquidator Shri Kuldeep Verma Insolvency Professional on 20.08.2019.

The KVS has submitted a proposal for conversion of three Project Kendriya Vidyalaya viz. HPC Jagi Road, HPC Panchgram & CCI Bokajan into Civil Sector KVS. However, Project KVS function as per the terms of the Memorandum of Understanding (MoU) entered into between KVS and the Public Sector Understanding (PSU) concerned. Civil Sector KVs are opened on the basis of proposals received from State Governments/Sponsoring Authorities offering land/temporary accommodation as per the norms of KVS and subject to the recommendation of the “Challenge method” Committee. There is no provision for conversion of a Project Sector KV into a Civil Sector KV as the latter category of KVS are opened with the approval of CCEA, based on the recommendations of Expenditure Finance Committee (EFC)/Standing Finance Committee (SFC) as the case may be.

KVS has informed that the matter of conversion of the three Kendriya Vidyalaya viz. HPC Jagi Road, HPC Panchgram & CCI Bokajan was taken up with the State Government concerned. However, proposal from the State

Government for opening of Civil Sector KVs in place of these three project KVs is still awaited.

**(b) Recovery of dues of Rs. 15.00 crore from project authorities of 34 closed Project Kendriya Vidyalayas.**

Updated status:

KVS has vide letter dated 30.05.2019 requested the Project Authorities of closed Project KVs for immediate settlement of outstanding dues. As per the latest information received from KVS on 15.10.2019, the total outstanding dues from the project authorities of 34 closed project KVs still stands at Rs. 15.04 crore.

**(c) Recovery of due from Central University of Hyderabad**

Updated status

As on 31-07-2019 as amount of Rs.1,85,47,528/- is recoverable from the Central University of Hyderabad. The project authority has requested to Ministry of HRD to waive the Administrative Overhead Charges. The outstanding amount of Rs.1,85,47,528 includes Rs.1,02,90,000/-towards Administrative Overhead Charges (2016-17 to 2018-19), for the services rendered by KVS such as Administrative control, Recruitment, Posting, Training of staff, various centralised activities etc.

As per codal provisions, the AOC amount cannot be waived off and hence the same has already been intimated to University of Hyderabad vide this office letter dated 16.08.2019. Separately, the Central University Division of MHRD has also informed that the University of Hyderabad may clear the outstanding dues of KVS from their own resources as the project KV was started without any prior approval of University Grants Commission and there is already a CAG para on this issue.

**(d) Decision taken by BoG on reopening of closed schools.**

Updated status

Re-opening of closed school is a policy matter involving recurring and non-recurring expenditure incurred by KVS. Accordingly, KVS proposes to take up the matter in the next BoG for deliberation and decision.

KVS has been advised to place the matter before the BoG at the earliest opportunity.”

**11. Taking into account the fact that the dues payable for running Project KVs were *pending since* 2003, the Committee had recommended that for such Project KVs, functioning or closed, with whom KVS did not have a Memorandum of Understanding (MOU), the Administrative Ministry of the Project Authority may be**

asked by the MHRD to either pay the amount due to KVS; or the sponsoring authority may be asked to transfer the infrastructural assets where the KV is/was running i.e. the land, building and all other property within the premises so as to allow KVS to run the schools. The Committee had also recommended that for such sponsoring authorities with whom the KVS had an MOU, while the KVS/MHRD, may in the first instance, pursue the steps as outlined above, and if the same do not yield result, Clause 14 of the MOU which provides for referring the matter to an Arbitrator may be resorted to.

The Committee note from the reply of the Ministry that as on 31.7.19 an amount of Rs.41.33 crore was recoverable from Sponsoring authorities of 24 operating project KVs, and as on 15.10.2019, the total outstanding dues from the project authorities of 34 closed project KVs stood at Rs.15.04 crore. The Committee note from the reply of the Ministry that the last communication by the MHRD conveying the recommendations of PAC, and *inter-alia* asking for paying the amount due to KVS was sent on 14.5.2019. Also, the Project Authorities of closed Project KVs were asked *vide* communication dated 30.05.2019 to immediately settle the outstanding dues. The Committee desire that the Ministry/KVS follow up the issue so as to enable early settlement of the dues. The Committee also desire that the Department of School Education & Literacy(SE&L), MHRD may convene a meeting of the representatives of various Administrative Ministries of respective PSUs, as was done in 2017, for settling the dues. The Committee reiterate that for such sponsoring authorities that the KVS has entered into an MOU with, while the KVS/MHRD may, in the first instance, pursue the steps as outlined above, if the same do not yield any result, Clause 14 of the MOU which provides for referring the matter to an Arbitrator may be resorted to.

Further, the Committee note that after September, 2017, no funds have been diverted from Government Grants for Kendriya Vidyalayas of defaulting Project Authorities. However, in order to mitigate the suffering of KV staff due to non-payment of salaries by the authorities concerned in respect of the three project KVs, namely HPC Jagi Road, HPC Panchgram & CCI Bokajan, KVS has released an amount of Rs.4.80 Crore out of User Charges, on loan basis with the approval of BoG, KVS. The Committee note that the sponsoring authorities of these three KVs have shown their inability to clear the outstanding dues and requested for their conversion as Civil Sector KVs. As per the reply of the Ministry, the matter of conversion of the above three KVs was taken up with the State Government(s) concerned. However, the proposal from the State Government(s) for opening of Civil Sector KVs in place of these three project KVs was still awaited. The Committee desire that other corporate entities in the area may also be approached for taking over the above said three KVs so that the children studying in these three KVs are not deprived of continuing with their education. The Committee also desire to be

apprised whether MoUs were signed with the project authorities in these three cases and the respective Ministries had conveyed their concurrence for opening of these three KVs.

The Committee also note from the reply of the Ministry that the re-opening of closed schools is a policy matter involving recurring and non-recurring expenditure incurred by KVS. Accordingly, KVS has proposed to take up the matter in the next BoG for deliberation and decision. The Committee reiterate that the importance of Project Kendriya Vidyalayas in providing education to children of PSU employees apart from transferable employees of the Government of India as well as floating population and others including those living in remote and undeveloped locations of the country cannot be *downplayed*. They, therefore, desire that the MHRD/KVS may firstly make an assessment of the number of children who have lost out on quality school education due to closure of the KVs in their area and if there are sufficient number of children, KVS may approach other corporate entities/ Ministries/ other sponsoring authorities/ MHRD/ KVS to sponsor KVs in these areas and place a comprehensive proposal for re-opening of these schools before the BoG for consideration. *The Committee desire to be apprised of the progress in the matter at the earliest.* The Committee, in this regard cannot also help expressing their disappointment on the fact that the matter of recovery of dues has been pending for almost 2 decades, and once again urge upon the Ministry to deliberate and decide on the way forward with a view to ensuring that the dues are settled urgently.

### Recommendation at Para No. 3- MoU Provisions

12. *The Committee note that KVS placed the matter of default by some project sponsoring authorities in payment of KVS dues before the Board of Governors (BOG), KVS in its 77<sup>th</sup> meeting held on 20.06.2007. BOG, KVS decided signing of MOU with the Sponsoring project Authorities for Kendriya Vidyalayas under project sector and the same is being signed in respect of all new project sector KVs opened after 2007. The Committee also note that the BOG, KVS in its 79<sup>th</sup> meeting on 26.06.2008, approved the inclusion of a clause "The concerned Ministry, through its Secretary shall also convey their concurrence to the MOU through a separate letter" and that KVS is taking the concurrence in all cases before opening of new Project Sector KVs since then. The Committee are of the view that it is imperative to amend/add provisions in MoUs of KVS with Project Authorities to strengthen KVS in case of default by the latter. The Committee recommend that the MHRD/KVS may consider adding a clause in the MOU to provide for transfer of infrastructural assets to the KVS in case of repeated non-*

payment of dues to KVS or closure of KV by Project Authority. Further, while noting that KVS has drawn certain amendments/parameters in the existing norms prescribed for opening of new Project KVS such as a tripartite MOU involving the concerned Administrative Ministry which would stand as a financial guarantor to make payment of dues to KVS in the event of default by the Project Authorities for approval by the BOG, the Committee desire that the same may be done at the earliest and would like to be apprised of the status in this regard.

The Committee note that KVS has emphasized on the issue of opening of escrow account by the Project Authorities who have opened Project KVs after the decision of BOG, KVS dated 20.06.2007 and that the Regional Offices have been directed to look into the issue of opening of the same to ensure compliance immediately. The Committee are surprised that the compliance of the said provision was not monitored by KVS earlier and enjoin upon the KVS to ensure opening of the escrow accounts by all Project KVs and also apprise the Committee of the status thereof. The Committee further urge the MHRD/KVS to direct the existing Project KVs to also open the said accounts.

13. The Ministry of Human Resource Development in their Action Taken Notes have submitted as under:

1. "Inclusion of Clause in MoU regarding transfer of infrastructural assets to KVS. As directed by PAC, for inclusion of a clause in MoU regarding transfer of infrastructural assets to KVS, in case of repeated non-payment of dues to KVS or closure of KV by Project Authorities, KVS has stated that taking over the infrastructural assets of a project KV is a policy matter. Hence, KVS will take up the matter in Finance Committee/ BoG meeting for further deliberation.

2. Regarding tripartite agreement in MoU.

As reiterated by PAC regarding entering into tripartite, KVS has informed that the tripartite agreement as one of the norms for opening of project KV shall be placed before BoG, KVS for decision.

3. Opening of Escrow Account in all existing project KVs.

(i) For opening of Escrow Account by the existing project Kendriya Vidyalayas, KVS has issued instructions to all the Deputy Commissioners of the Regional Offices vide letter dated 28.12.2018. KVS has informed that the following project Kendriya Vidyalayas have opened the Escrow Accounts:-

Sl.	KV	Project Authority
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No.		
1	Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL)Mysore	Reserve Bank of India
2	HGMCL (Hutti Gold Mines Company Ltd ) Hutti	Hutti Gold Mines Company Ltd
3	NHDC Narmada Nagar	NHPC Ltd
4	No1 Kalpakkam	Deptt of Atomic Energy
5	No2 Kalpakkam	Deptt of Atomic Energy
6	CUTIN Thiruvarur	Central University of TamilNaidu
7	AAI Rangpuri	Airport Authority of India
8	SPG Dwarka	Special Protection Group
9	NTPC Kayamkulam	National Thermal Power Corporation
10	No1 CPCRI Kasargod	CPCRI
11	Amarkantak	Indira Gandhi National Tribal University
12	Sagar No 4	Central University Dr HarsinghGourVishwa Vidyalaya
13	IIT Jodhpur	Indian Institute of Technology
14	Bandarsindri	Central University of Rajasthan
15	RahyaSchunani	Central University of Jammu
16	Wardha	Mahatama Gandhi Antarrashtriy a Hindi Vishwavidyalaya Gandhi Hills,
17	Nabinagar Power Generating Company Limited (NPGC)Nabinagar	NPGCL Nabinagar Power Generating Company



		Limited
18	NIT Silchar	National Institute of Technology
19	Assam University	Assam University
20	MU Aizwal	Mizoram University
21	ONGC Baroda	ONGC
22	SAC Ahmadabad	Spece Application Centre
23	ONGC Surat	ONGC
24	ONGC Mehsana	ONGC
25	ONGC Chandkheda	ONGC
26	ONGC Ankleshwar	ONGC
27	Kribhco Surat	Kribhco
28	IFFCO Gandhidham	IFFCO
29	FRI Dehradun	FRI
30	BHEL Haridwar	BHEL
31	KV No.2 Survey of India	Survey of Inda
32	NHPC Banbasa	NHPC
33	ONGC Dehradun	ONGC

(ii) Since, all the Project Kendriya Vidyalayas could not open the Escrow Accounts, KVS has again directed all the Deputy Commissioners vide office letter dated 31.01.2019 to issue necessary directions to remaining project Vidyalayas for opening of Escrow Accounts.

(iii) KVS has further informed that although Escrow Account has been opened by some of the project Kendriya Vidyalayas, required funds have not been transferred into these accounts by the project authorities. The matter has been pursued further by KVS and instructions have been issued to the Deputy Commissioners vide letter dated 01.02.2019 and 11.03.2019.

14. Audit in this regard have given the following vetting comments. The same along with further action taken by the Ministry is as under:-

Further progress may be intimated to PAC in respect of the following:

(a) Taking over the infrastructural assets of a project KV in case of repeated non-payment of dues to KVS or closure of KV by Project Authorities:

Updated status:

Since, the taking over of the infrastructural assets of a Project KV is a policy matter, KVS vide email dated 15.10.2019 has informed that it will place the matter in the next Finance Committee and BoG meetings for further deliberation and decision.

KVS has been advised to place the matter before the BoG at the earliest opportunity.

(b) Entering into the tripartite agreement as one of the norms for opening of project KV

Updated Status:

KVS vide email dated 15.10.2019 has informed that the tripartite agreement is one of the norms for opening of new project Kendriya Vidyalaya, hence it shall be placed before next BoG meeting for decision.

KVS has been advised to place the matter before the BoG at the earliest opportunity.

(c) Opening of Escrow Accounts by remaining project Vidyalayas and transfer of funds therein.

Updated Status:

In addition to 33 KVs, intimated earlier, following 6 KVs also have opened the Escrow Account:

1. NHPC Dehradun
2. CTPP Chhabra
3. NIT Agartala
4. STPS Suratgarh
5. Avikanagar
6. ONGC Cambay

Although Escrow account has been opened by the above said project KVs, required fund has not been transferred by the project authorities in Escrow Account except Project Authorities of 03 KVs viz. BRBNMPL, Mysuru, NPGC Nabinagar, KV, Hutti.

It has been intimated by some of the project authorities that they are not defaulting in release of funds hence they should be allowed not to open the Escrow account and deposit the funds in Escrow account. In this connection, it is pertinent to mention that a good number of project authorities have deposited the funds in advance to KVS.

However, once again instructions have been issued to all the Deputy Commissioners of Regional Offices vide letter dt. 13.09.2019 for opening of escrow account and transfer of funds in escrow account.

**15. The Committee had recommended that the MHRD/KVS may consider adding a clause in the MOU providing for transfer of infrastructural assets to the KVS in case of repeated non-payment of dues or closure of a KV by the Project Authority. The Committee had also desired that the amendments to the existing stipulations for opening new Project KVS, such as entering into a tripartite MOU involving the Administrative Ministry concerned as well, which would stand as a financial guarantor for making payments to KVS in the event of default by the Project Authorities be placed before the BOG at the earliest. The Committee, in this regard, note with disappointment that KVS is yet to place the issue of adding**

the appropriate clauses in the MOUs before the BOG and therefore, enjoin upon the KVS to do the same urgently.

Further, the Committee had desired that MHRD/KVS may direct the new and existing project KVs to open Escrow Accounts to strengthen the hands of KVS in the event of default. The Committee note that although Escrow accounts have been opened by project KVs, except for the Project Authorities of 03 KVs viz. BRBNMPL, Mysuru, NPGC Nabinagar, KV, Hutti, the required funds have not been transferred by the project authorities to the Escrow Accounts. The Committee express the opinion that maintenance of Escrow Accounts safeguards the interest of KVS by ensuring adherence to financial *obligations* on the part of the depositors. The Committee desire that the KVS may pursue the matter and ensure that the required amounts are deposited in the Escrow Accounts opened by the project authorities.

#### **Recommendation at Para No.5- Differential Fee structure in Project KVs**

16. *The Committee note that the KVS has authorized project authorities to prescribe/charge a differential fee structure vis-à-vis civil sector KVs to enable them to generate additional resources for meeting their liabilities towards KVS. The Committee are of the opinion that this goes against the principle of parity and would not be fair for children of local inhabitants studying in the school who would be paying higher fees solely for the purpose of meeting the liability towards KVS by the Project Authority and recommend that while KVS as a whole may revise its fee structure, differential fees may be permitted only after adequate justification.*

17. The Ministry of Human Resource Development in their Action Taken Notes have submitted as under:

“While reviewing the fee structure, the recommendations of the Committee will be placed before BoG, KVS.”

18. Audit in this regard have given the following vetting comments:-

“Further progress may be intimated to PAC.

19. The Ministry of Human Resource Development in the Action Taken Notes have further submitted as under:

“The proposal for revision of fees structure of Govt. Financed KVs is under submission. Once the proposal is approved, the recommendation of committee regarding adoption of same fee structure in project Kendriya Vidyalayas will also be deliberated in the next Finance Committee Meeting/BoG, KVS, for its decision.

However, KVS has been advised to place the matter before the BoG at the earliest opportunity.'

20. Noting that KVS had authorized the project authorities to prescribe/charge a differential fee structure vis-à-vis civil sector KVs to enable them to generate additional resources for meeting their liabilities towards KVS, the Committee had recommended that while revision of fees for the KVs as a whole could be made, differential fee structure may be permitted only if there was adequate justification. The Committee, in this regard, note from the reply of the Ministry that once the proposal for revision of the fee structure of govt. financed KVs is approved, the recommendation of the Committee expressing preference for maintaining a uniform fee structure for all Kendriya Vidyalayas will also be deliberated in the next Finance Committee Meeting/BoG, KVS, for taking a decision thereon. The Committee reiterate their recommendation that differential fee structure between civil sector KVs and Project KVs may be permitted only with adequate justification and prior consent and approval of KVS. As emphasised upon by the Committee, the parents of the children studying in Project KVs should not, in any way be over-burdened with the fee structure and the Project Authorities should be in a position to garner resources for meeting the liabilities. The Committee desire to be apprised of the decision taken in this regard.

**Irregularities of Appointments etc. in Gujarat Vidyapith**

**Recommendation at Para No.9- Monitoring by Ministry and UGC**

21. *The Committee had noted that in respect of both the issues of non- preparation and filling up of posts as per Post Based Reservation (PBR) roster and irregularities in appointments and pay scales given for various posts, on the directions of MHRD, UGC had constituted a Committee to look into these affairs. Based on its report, Gujarat Vidyapith was directed to take immediate corrective action including administrative action against the erring officials. The Committee had observed that the Ministry had asked the UGC to direct the Institute to terminate all illegal appointments. The Committee had observed that UGC would recover the money spent on payment of salary to these illegal appointments by reducing future grants to Gujarat Vidyapith from next year. In this regard, the Committee had been of the opinion that if a strong system of internal audit had been in place, irregularities of such kind would not have taken place. While acknowledging the steps taken by MHRD/GVP to strengthen the internal audit system, the Committee had felt that the MHRD needed to develop a mechanism to monitor all institutes under its aegis on a regular basis so that such instances do not*

*recur.*

22. The Ministry of Human Resource Development in their Action Taken Notes have submitted as under:

“As per the information received from UGC, GVP has informed that the services of five employees, who were found to have been recruited in violation of extant Government of India rules, have since been discontinued. All the five employees have filed the Special Civil Application (SCA) in the Hon'ble High Court of Gujarat against the decision of GVP and got the stay orders for further recoveries. However, the final verdict of the Court is still awaited. The concerned advocate has been asked by Gujarat Vidyapith to initiate the process for speedy disposal of the ongoing legal cases in the Hon'ble high Court of Gujarat. Further, GVP has already appointed a Committee of External Experts in Administration (CEEA) to look into the details of all the appointment existing as on 31<sup>st</sup> March, 2018, to bring out the irregularities and also to identify the officials responsible for the involvement in such irregularities and also to fix the responsibility. As per the comments received from GVP, the Board of Management in its meeting held on 02.03.2019 has extended the period for submission of the final report upto 30.06.2019. Moreover, UGC has already deducted Rs. 2.29 Crores from the maintenance grants of GVP on account of irregular payments made by GVP for illegal appointments.”

23. **The Committee had desired that the MHRD needs to develop a mechanism to monitor all Institutes functioning under the Ministry's aegis on regular basis so that instances such as non-preparation of Post Based Reservation Rosters (PBRs) and irregularities in appointments and grant of pay in the scales attached to various posts etc. do not recur. The Committee, while noting that various steps have been taken by GVP to correct the irregularities, which include, appointing a Committee of External Experts in Administration (CEEA), are nevertheless, dismayed at the silence of the Ministry on the need expressed for developing an effective mechanism for monitoring all Institutes functioning under the Ministry's administrative control on regular basis. The Committee, reiterate their recommendation that a robust monitoring mechanism is essential to prevent recurrence of irregularities in Institutes functioning under the Ministry's jurisdictional control.**

#### **Recommendation at Para No.12- Report of Committee of External Experts**

24. *The Committee had noted GVP's submission that all the cases were very old and required in-depth study of all the papers/records related to the appointments to identify the officials, if any, responsible for the irregularities made in these cases. GVP had appointed a Committee of External Experts in Administration (CEEA) to look into these aspects, to fix the responsibility. The Committee had desired to be apprised of the*

*findings of the CEEA and the action taken thereon. The Committee had further desired that in case collusion and mala-fide action is established, penal action may be taken against the officials involved in the matter.*

25. The Report of CEEA received from the Ministry of Human Resource Development in their Action Taken Notes mentions following important points:

- i. " Gujarat Vidyapith (a Deemed to be University) is a unique institution, founded by Mahatma Gandhi, who held the office of the Chancellor in it for a period spanning over 27 years up to 30.01.1948. Late Sardar Vallabhbhai Patel, late Dr. Rajendra Prasad, former President of India, and late Shri Morarji Desai, former Prime Minister of India, remained associated with it as Chancellors for long periods.
- ii. When the question of funding this Vidyapith by declaring it a Deemed to be University was discussed by late Shri Morarji Desai, then Vice Chancellor, with late Shri D.S. Kothari, then Chairperson, UGC, the funding of this Vidyapith was agreed to on the assurance that this Vidyapith, being run on Gandhian ideals, would continue to enjoy complete autonomy in its functioning. Such assurance from the UGC might be oral and it was not recorded in writing.
- iii. Late Shri Ramlalabhai Dahyabhai Parikh remained associated with Gujarat Vidyapith as its Registrar and later as its Vice Chancellor and Chancellor for a period spanning over 28 years up to 21.11.1999. It appears that during his tenure, Vidyapith functioned under the oral assurance of functional autonomy [(referred to at (ii) above], even after its declaration as a Deemed to be University in the year 1963, with 100% funding for its day-to-day functioning. Deviations in the advertisement/notification of vacancies, recruitment, appointments, pay-scales, promotions, counting of past service, etc., when seen in the light of the DoPT orders/instructions and the UGC Regulations and guidelines, pertain to his tenure in Gujarat Vidyapith, apparently under the oral assurance of functional autonomy. The above aspects may deserve to be kept in view while assessing the gravity or otherwise of the deviations.
- vi. In the earlier period, some of the appointments were made by internal circulation of vacancies in Vidyapith without following the advertisement/employment exchange procedure. In regard to the teaching staff comprising Group 'A' posts, it is observed that the practice was to publish the vacancies in the local Gujarati newspapers, and not in All India newspapers.
- vii. The Recruitment Rules for the non-teaching staff were framed by GVP for the first time in the year 2005, which were brought into force with effect from 01.04.2006. In the absence of the DoPT orders/instructions on service matters having been adopted by Vidyapith [which is run by a public Trust, namely Gujarat Vidyapith Mandal (Trust)] prior to 01.04.2006, the deviations, seen in the light of the DoPT orders/instructions, may call for a considerate view.
- ix. As regards the cases where appointments/promotions or financial benefits, granted to the persons, are found to be not in order, it appears that the Administration was mainly responsible, and that the concerned employees might not be responsible except in cases where the concerned employees were duty bound to inform the Administration regarding their ineligibility for the same.

- x. The lack of officers and staff, having good understanding of the Central Government service rules, including the UGC Regulations/Guidelines, too, appears to be a major contributing factor in non-adherence to such rules, regulations and guidelines in the past. Therefore, it appears that the officers and staff working in the Administration of GVP need to be exposed to short-term Trainings/Workshops on establishment matters, including Recruitment Rules, FRs/SRs, Conduct Rules, UGC Regulations, etc., at the ISTM, New Delhi, and any other Institutes, in order to ensure better implementation of the service rules.”
26. In para 8.5 of the Report, the CEEA has mentioned as follows:-
- “In the absence of relevant documents such as notings to show the selection process or the process for the approval of the competent authority having been available in such cases, this Committee had no option but to infer that the then Vice-Chancellor and/or the Registrar was/were involved because the overall responsibility normally rests with the Registrar and the Vice-Chancellor in a University”.
27. In page 12 of the Report CEEA has mentioned that UGC vide its letter No. 66-9/86 (NP-II/III dated 19.07. 1993 conveyed to GVP as follows :-
- “..... You are therefore, requested to intimate whether the recruitment qualifications of Non- teaching staff have also been reviewed as per Government of India Orders.”
28. The CEEA in this context mentioned that even after this letter no action seems to have been initiated in GVP to review the recruitment qualifications for the non-teaching posts and frame their own set of Recruitment Rules presumably on the premise that Administration of this Vidyapith enjoy a complete autonomy as per the oral understanding with the Chairperson UGC.
29. CEEA has also quoted many such communications from UGC to GVP which have been ignored by the Vidyapith.
30. The Committee had desired to be apprised of the findings of the Committee on External Experts in Administration (CEEA) set up to look into the details of all the appointments made in the past, so as to bring forth the irregularities and also identify the officials responsible and fix responsibility. The Committee had further desired that in case collusion and *malafide* action was established, penal action may be taken against the errant officials. The Report of the CEEA, which has been furnished with the Action Taken Notes, *inter-alia* points out that during the period ‘spanning over 28 years upto 21.11.1999’, the ‘Vidyapeeth functioned under the oral assurance of functional autonomy, even after its declaration as a Deemed to be University in the year 1963, with 100% funding for its day-to-day functioning’. As per the Report, this, as also other similar aspects ‘may deserve to be kept in view while assessing the gravity or otherwise of the deviations in the

advertisement/notification of vacancies, recruitment, appointments, pay-scales, promotions, counting of past service etc.' vis-à-vis the DoPT orders/instructions and the UGC Regulations and Guidelines. Further, the CEEA Report also adds that 'lack of officers and staff, having a good understanding of the Central Government service rules, including the UGC Regulations/Guidelines appears to have been a major contributing factor in non-adherence to such rules, regulations and guidelines in the past'. In order to ensure better implementation of the Service rules, emphasis has also been made on exposing the officers and staff working in the Administration of GVP to short-term Trainings/Workshops on establishment matters, including Recruitment Rules, FRs/SRs, Conduct Rules, UGC Regulations, etc. The Committee acknowledge the findings of the CEEA, and considering the facts of the matter in entirety, urge upon the UGC/GVP to review the status of GVP and its recruitment policy so that suitable persons who are well versed with the relevant rules as are applicable are recruited and no confusion remains on record regarding the status and functioning of this prime institution. The Committee desire to be apprised of the remedial action taken by the Ministry/GVP in this regard within one month of the presentation of this Report to Parliament.

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NEW DELHI;  
10 March, 2021  
19 Phalgun, 1942 (Saka)

Adhir Ranjan Chowdhury  
Chairperson,  
Public Accounts Committee



