

## CHAPTER III : MINISTRY OF CULTURE

### The Asiatic Society, Kolkata

#### 3.1 Undue benefits to employees

**The Asiatic Society, Kolkata, extended undue benefits of ₹ 3.09 crore to its employees, which were inconsistent with the provisions of the Sixth Pay Commission recommendations and Modified Assured Career Progression Scheme. Further, it routinely extended the services of staff beyond superannuation age.**

##### 3.1.1 Pay fixation, Implementation of Modified Assured Career Progression Scheme and grant of special increments

The Ministry of Finance while extending the revised pay structure for Central Government employees (on the basis of recommendations of the Sixth Central Pay Commission), to the employees of Autonomous Bodies, clarified (September 2008) that the revised pay structure may be extended to the employees of Autonomous Bodies whose conditions of the service were exactly similar to those in Central Government departments. Further for employees of Autonomous Bodies whose pay structure was not similar to those of the Central Government, it was to be ensured that the final package of benefits is not more beneficial to the corresponding categories of the Central Government employees. Thus, while implementing the revised pay structure, the autonomous bodies were restrained from giving more benefits to their employees than what was admissible to their counterparts in Central Government. As per General Financial Rule 209 (6) (iv) (a) also, all grantee institutions or organisations which receive more than fifty per cent of their recurring expenditure in the form of grants-in-aid, should ordinarily formulate terms and conditions of service of their employees which are, by and large, not higher than those applicable to similar categories of employees in Central Government. In exceptional cases relaxation may be made in consultation with the Ministry of Finance.

Modified Assured Career Progression Scheme (MACPS) for the employees of the Central Government departments, was implemented vide Department of Personnel and Training OM dated 19 May 2009. The Scheme provided for financial upgradation on completion of 10, 20 and 30 years of service. The pay of an employee after upgradation under the MACPS shall be raised by three *per cent* of the total pay in the pay band and grade pay drawn before such upgradation with raising to next higher grade.

Audit observed that the Society:

- (i) while implementing the recommendations of the Sixth Pay Commission, allowed pay of the Group D employees in the pay band of ₹ 5200- 20200 with grade pay of ₹ 1900 instead of grade pay of ₹ 1800.
- (ii) fixed grade pay of all the eligible officials at higher levels than what was entitled under MACPS.
- (iii) approved (September 2010), one additional increment to all its employees, reportedly for increased volume of work.

The cumulative effect of irregular pay fixation, inappropriate implementation of MACPS and irregular grant of additional increment resulted in undue benefits of ₹ 3.09 crore to employees, of which ₹ 1.38 crore has already been paid (October 2012). The remaining amount could not be paid for want of adequate funds.

The Internal Audit team of Chief Controller of Accounts, Ministry of Human Resource Development also raised (September 2011) these issues, in response to which, the Ministry of Culture i.e. Society's administrative Ministry;

- a) directed (April 2012) the Society to seek its approval for implementation of Sixth Pay Commission recommendations and MACP Scheme, and
- b) recover excess payment made on account of additional increment.

The Society, accordingly sought (May 2012) post-facto approval from the Ministry. The Ministry again directed (October 2012) the Society to adhere to the Office Memorandum of Ministry of Finance in respect of implementation of Sixth Pay Commission recommendations and MACPS and to recover excess payment made on account of additional increment. However, the Society was yet to recover the same (May 2013).

The Society replied (January 2013) that omission regarding grade pay was corrected vide Office Memorandum dated 4 January 2011 and since then grade pay of ₹ 1800 was granted to new recruits. It further stated that matters regarding grant of MACPS was clarified to the Ministry and matter of additional increment on account of higher qualification would be examined further in consultation with the Ministry. It was also informed that even though its Council in its meeting held on 25 May 2012 decided to recover the excess payment, the recovery could not be initiated as it was subsequently decided to have it re-examined. It also emphasised that rules applicable to any other government department would not automatically be applicable to the Society unless the due process as given in the Asiatic Society Act is followed.

### **3.1.2 Extension of service after superannuation**

By-laws of the Society provide the retirement age of the officials of the Society as 60 years, but services can be extended one year at a time and total period of such extension should not exceed five years.

The Ministry (October 2002) in response to an earlier reference regarding extension of service to the Society's employees had directed it to follow the GoI guidelines while considering extensions till the age of 62 years and that such extensions shall not be granted as a matter of routine. The Society was also directed not to grant extension beyond the age of 62 years without prior approval of the Ministry. The Ministry also advised the Society to amend its by-laws regarding grant of extension and to send amended by-laws at the earliest. The Ministry while communicating this, had also appreciated that it was an autonomous organisation and its autonomy needed to be respected but it emphasised that it was required to follow the basic norms and guidelines of Government of India since it was fully funded by it.

Audit Scrutiny revealed that services of all the 30 employees who had crossed the age of superannuation (60 years) during 2007-2012 were extended by the Society. Earlier also, the Society had granted extension of service to 33 employees who were to superannuate during 1998-2007. It was also observed that the Society granted extension of service of all retiring persons as a matter of routine without assigning any reasons. The Society had not amended its by-laws regarding extension of services as was advised by the Ministry.

The Society stated (January 2013) that it was guided by its own service conditions as amended from time to time and existing service conditions were approved by the Government. Unless the service conditions were amended or new conditions adopted by the Council and the same approved by the Government, no new condition could be imposed by it.

Thus, the Society, had irregularly given extra benefits to its employees in terms of extra salary or extension of service beyond superannuation in violation of Government of India Rules as well as specific directions of the Ministry.

The matter was reported to the Ministry in December 2012; their reply was awaited as of May 2013.