

Chapter 5: Financial Management

India's cultural heritage is not only an important marker of her past but also provides an opportunity for generating employment and income through heritage tourism and local development. Accordingly, Ministry allocates funds to ASI and Museums for heritage conservation. National Culture Fund and Adopt-a-Heritage Project have also been introduced for external budgetary funding through the corporate sector.

5.1 Expenditure and Receipts from Conservation Activities

ASI's overall expenditure, expenditure on conservation related activities, and receipts from the monuments and annual *percentage* growth during the period 2014-15 to 2020-21 are depicted in **Table 5.1**:

Table 5.1: Expenditure and Receipts of ASI

(₹ in crore)

Year	Budget Estimates	ASI's overall expenditure	Expenditure on conservation, maintenance, amenities, etc.	Revenue earned from tickets, etc. ²²
2014-15	680.05	629.27	247.23	102.23
2015-16	712.28	686.96 (9.2)	251.31 (1.7)	103.38 (1.1)
2016-17	680.63	768.70 (11.9)	311.25 (23.9)	227.55 (120.1)
2017-18	924.37	939.94 (22.3)	424.46 (36.4)	256.63 (12.8)
2018-19	974.56	962.17 (2.4)	419.81 (-1.1)	322.83 (25.8)
2019-20	1036.40	1003.4 (4.3)	444.84 (6.0)	343.61 (6.4)
2020-21	1246.75	849.94 (-15.3)	272.50 (-38.7)	47.62 (-86.1)

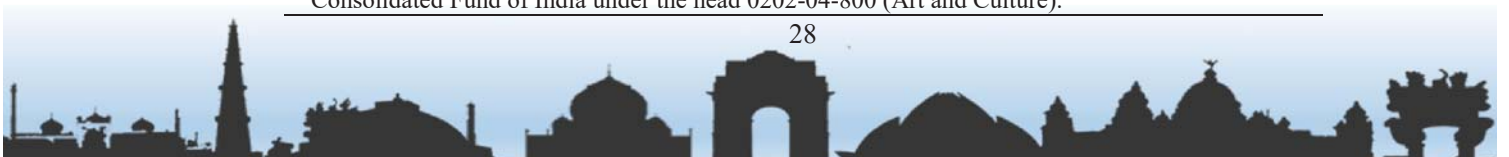
Note:

1. Figures in parenthesis indicate annual percentage growth with respect to previous year.
2. Conservation expenditure include expenditure on maintenance and amenities.
3. During 2020-21, due to Covid19 pandemic, ASI's monument related activities were less.

During the period 2014-15 to 2020-21, ASI's average expenditure on conservation, maintenance and public amenities related activities was around 40 *per cent* of its overall expenditure. As is evident from **Table 5.1**, after 2017-18, growth in ASI's overall expenditure and its expenditure on heritage protection activities was moderate. The budgetary allocation of ASI had been reduced from ₹1246.75 crore in 2020-21 to ₹1042.63 crore in 2021-22.

As pointed out in previous Report, ASI was not maintaining specific budget for activities related to awareness, interpretation and creation of public amenities at its monuments. Expenditure on these accounts was being incurred from the funds

²² Receipts from sale of tickets, publication, horticulture, etc. recorded as other receipts in Consolidated Fund of India under the head 0202-04-800 (Art and Culture).



allocated for conservation activities. Ministry/ASI in response stated (January 2022) that the fund requirement for awareness and interpretation centres was met by it through Budget Heads ‘Advertisement and Publicity’ and ‘Museums and Conservation activities’ respectively. Fact remains that due to absence of specific Budget Head for public amenities, amount of actual expenditure on heritage conservation was not ascertainable.

It was also noticed that the Circles had not prepared comprehensive plans for providing basic amenities at the monuments resulting in absence of these facilities as discussed in the succeeding part of the report.

In respect of revenue, during 2016-17, the growth of 120 *per cent*, could be attributed to revision of entry fee (April 2016) and introduction of e-ticketing process by ASI (December 2015) which provided better accounting and transparency in receipts. However, this growth in revenue was not evident after further revision of ticket rates (in August 2018) and after inclusion of 27 more monuments (in April 2019) in the ticketed category. In response to reason for dissimilar growth in receipt, ASI submitted (January 2022) that this may have been due to lacunae in reconciliation procedure. It further intimated that necessary steps had been initiated and were being further improved upon to carry out reconciliation of e-ticketing revenue receipts.

5.1.1 Expenditure on Excavation and Exploration

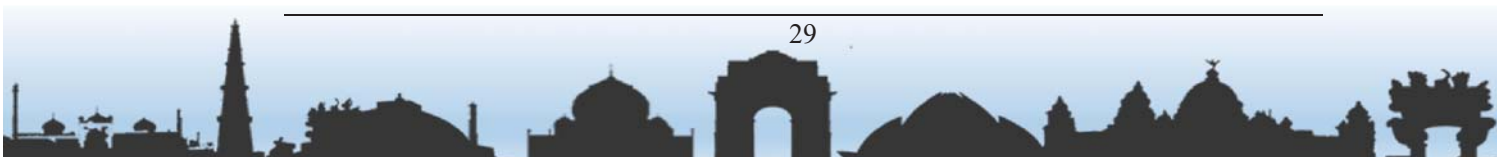
The two main functions of ASI are conservation and investigation. excavation and exploration form the major research component of field archaeology. *The PAC had noted that the ASI was spending less than one per cent of its expenditure on excavation and exploration activities. It recommended adequate allocation and effective utilisation of funds for these activities. Ministry had also communicated to the PAC regarding its decision to increase the budget on exploration/excavation activities to five per cent of the total budget in first phase.* Expenditure incurred by ASI on excavation and exploration activities during the period 2014-15 to 2020-21 is depicted in **Table 5.2** below:

Table 5.2: Expenditure on Excavation and Exploration Activities

(₹ in crore)

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
ASI’s overall expenditure	629.27	686.96	768.70	939.94	962.17	1003.40	849.94
Expenditure on excavation and exploration	4.34	5.48	3.61	5.29	6.18	3.56	2.48
Percentage expenditure	0.69	0.80	0.47	0.56	0.64	0.35	0.29

However, as evident from the **Table 5.2**, ASI’s expenditure on excavation and exploration activities was still less than one *per cent* of its total expenditure and in



fact had come down from 0.80 *per cent* in 2015-16 to 0.35 *per cent* in 2019-20. ASI stated (December 2021) that during 2020-21, due to cap on expenditure imposed by Ministry of Finance, expenditure on excavation and exploration activities was reduced. Further, in January 2022, Ministry/ASI stated that the recommendations made to enhance the allocation had been taken on board. However, due to Covid19 situation, pace of work could not be expedited. It submitted that ASI was now focussing on excavation by re-appropriating funds from regular budget and enhancing allocation from the year 2021-22. Fact remains that, commitment communicated to the PAC regarding increase in expenditure on excavation activities was not honoured by the Ministry/ASI during 2014-15 to 2020-21.

5.1.2 External Budgetary Funding for Heritage Conservation

The National Culture Fund (NCF) was established (November 1996) by the Ministry, with the primary mandate to establish and nurture partnership between private and public sectors for heritage conservation²³. The concept was a departure from the previous implementation strategies that viewed Government to be solely responsible for culture related endeavours in the country. One of the objectives of NCF was to administer and apply its funds for conservation, maintenance, promotion, protection, preservation and up-gradation of monuments. *The PAC had recommended that co-ordination between ASI and NCF should be strengthened to rope in more corporate groups and individuals into funding conservation and visitor amenities at monument sites.* The availability and utilisation of funds (including funds under the Corporate Social Responsibility (CSR)²⁴, under NCF during the period 2013-14 to 2020-21 is depicted in **Table 5.3**:

²³ For sponsoring the projects, 100 *per cent* tax rebate under Section 80G of the Income Tax Act was provided by NCF.

²⁴ Corporate Social Responsibility - As per Section 135 of the Companies Act 2013 - Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities as specified in Schedule VII of the Act. During the period 2014-15 to 2020-21, only ₹ 2489 crore was earmarked on Heritage, Art & Culture out of total expenditure of ₹ 121412 crore under CSR and ₹ 53.26 crore was received by NCF/ASI. (Source: CSR Portal-Ministry of Corporate Affairs).

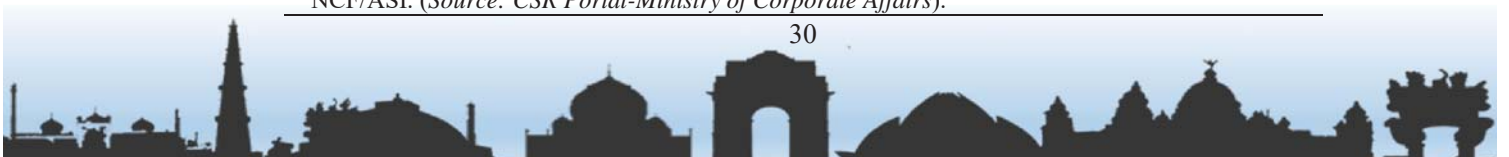


Table 5.3: Availability and utilisation of funds of NCF

(₹ in crore)

Description		13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Balance fund at the end of the year	Corpus*	39.19	41.33	43.69	46.15	47.77	50.52	54.33	56.71
	Endowment	15.06	14.95	23.91	25.08	26.49	64.53	58.83	19.15
	Total	54.25	56.28	67.60	71.23	74.26	115.05	113.16	75.86
Funds utilised during the year, towards	Admn.	1.00	0.85	0.92	0.71	0.36	0.77	0.56	0.33
	Objectives of NCF	2.32	2.48	3.77	1.32	4.45	8.12	40.61	10.25
Percentage utilisation of funds towards objectives of NCF/Total		4.28	4.41	5.58	1.85	5.99	7.06	35.89	13.51

*includes primary corpus of ₹19.50 crore, interest earned thereon and surplus

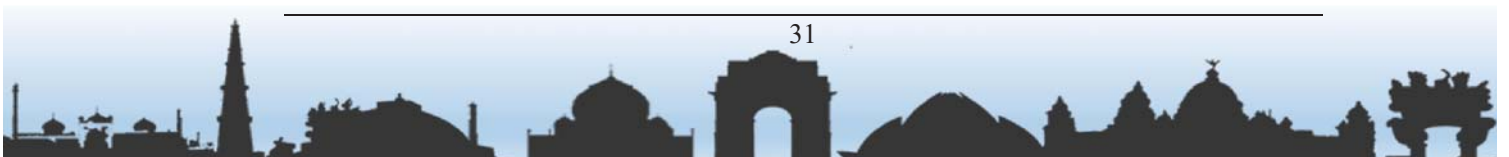
It would be seen from the **Table 5.3** that primary corpus of NCF (*i.e.* ₹ 19.50 crore) had increased significantly to ₹ 56.71 crore (period ending March 2021). However, barring the year 2019-20, funds available under the corpus were not being used primarily to meet its objectives and the *percentage* utilisation of available funds towards objectives of NCF was also low. In the previous Report, it was recommended that ASI needs to prioritise its projects requiring funding through NCF and a comprehensive assessment of funds was to be carried out for this purpose. However, continued accumulation of funds of NCF indicates an absence of such co-ordination and planning while ignoring the audit recommendation.

Ministry/ASI in response stated (January 2022) that to strengthen coordination between NCF and ASI, a shelf of around 50 works to be shared with prospective sponsors had been prepared. Meetings of Project Implementation Committee which were pending for long were also being held regularly.

5.1.3 Other funding arrangements for Heritage activities

The Three Years (2017-20) Action Agenda Report of NITI Aayog (issued in August 2017) mentions that despite a large number of foreigners travelling to India to learn more about our culture and ancient civilisation, low levels of funding and poor maintenance of museums and heritage sites prevents them from realising their full potential.

In this regard, Adopt-a-Heritage Project is a key initiative of the Ministry of Tourism (in close collaboration with the Ministry of Culture and ASI) to develop the heritage sites/monuments and making them tourist-friendly. Under the *Apni Dharohar-Apni Pehchan*, ASI enter into agreements with private bodies for developing/maintaining visitors' facilities at CPM. These bodies termed as *Monument Mitra* are responsible for operation, maintenance and up-gradation of tourist amenities, in the non-core areas of the monument.



Bye-laws being framed by the Ministry should also explore and provide adequate scope for the involvement of private bodies through PPP mode for non-core activities.

5.2 Financial Management in ASI

The ASI operates through its Circles and other field offices, spread all over the country, having delegated financial powers for conservation related works. Apart from incurring expenditure, these field units were also receiving cash on account of sale of tickets, permissions of photography/event, publication, etc. In this regard, following concerns indicate weak expenditure management in ASI:

- Information on reconciliation of expenditure figures from 2015-16 to 2018-19 was not available with the ASI Headquarters despite the issue being consistently pursued by it.
- There were instances at field offices of ASI, where the sanctioning authority had also performed the functions of Drawing and Disbursing Authority. Further, the internal audit of ASI had not been conducted by the Ministry after 2007.
- Audit noted instances of incorrect details of expenditure on the preservation and conservation activities²⁵ which suggested ASI's incorrect accounting with reference to expenditure on conservation activities.

Ministry/ASI stated (January 2022) that earlier reconciliation of expenditure was carried out by respective Circles with Pay and Accounts Office. However, from the financial year 2020-21 onwards this exercise was being monitored by ASI Headquarters also.

5.2.1 Financial irregularities in ASI

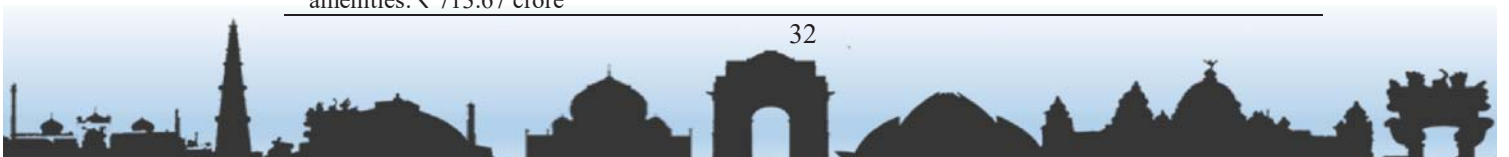
In order to focus its efforts more on core conservation activities, ASI had awarded certain non-core works *viz.* (i) construction of boundary walls, toilet blocks and (ii) development of other public amenities at *Adarsh* monuments to four Public Sector Undertakings²⁶ (PSUs) in September 2016 and March 2018, respectively. As per instructions issued by the Ministry of Finance²⁷, for projects/scheme costing more than ₹500 crore, appraisal by the Expenditure Finance Committee (EFC) and approval of the Finance Minister was needed. However, though the costs of both these projects were over ₹500 crore each²⁸, the approval of these two projects had not gone through the due financial appraisal *i.e.* by the EFC and approval of the

²⁵ Delhi Circle reported (January 2020 and January 2021) two different expenditure figures for conservation activity undertaken during 2016-19 in the same monument. Further, expenditure on account of electricity and water supply charges and office up-gradation were booked against the conservation activities. Similarly, in Mumbai Circle, administrative expenses incurred on Aga Khan Palace was treated as annual repair expenditure.

²⁶ WAPCOS, TCIL, NPCC and NBCC

²⁷ O.M.No.24(35)/PF-II/2012 dated 5.8.2016 and No.1(5)/2016-E.II(A) dated 27.5.2016

²⁸ For construction of boundary walls & toilet blocks: ₹ 629.57 crore and for development of public amenities: ₹ 713.67 crore



Finance Minister. After splitting the cost, work was awarded on nomination basis with the approval of the Ministry of Culture. In three Circles of Karnataka (Bengaluru, Dharwad and Hampi), delay in works awarded to WAPCOS (160 works at a total cost of ₹188.79 crore) was noticed. A test check of works done by WAPCOS also revealed:

- Wood work done at Bidar Fort in Dharwad Circle was already eaten by termites while the toilet seat installed for differently abled came off without even being used.
- Boundary wall constructed at Tipu Sultan Palace, Bengaluru requiring stone masonry (as per estimate) to match with the monument had been constructed in brick masonry with cement plastering.

In Bhubaneswar Circle, construction work of Boundary Wall, Toilet Block and access to the differently abled at Chunargarh monument, with an estimated cost of ₹ 16.48 crore, was sub-contracted by TCIL (April 2018). It was noticed that for want of site demarcation and forest clearance, a site free from encumbrance was not available. As a result, the work was stopped (October 2020) by the Forest Department. In this regard, the Circle office intimated that the issue was under consideration with the respective Department.

Ministry/ASI stated (January 2022) that the MoU for the work was signed with the approval of the Ministry after due vetting by Ministry of Law. However, no explanation on issues *viz.* appraisal by the competent forum; approval of the competent authority and quality of work being carried out was furnished.

Other observations on financial management such as irregularities in awarding housekeeping contracts for the monuments, non-recovery of labour cess, delay in deposit of receipts from ticket sale, unutilised construction material, etc. are illustrated at **Annexe 5.1**.

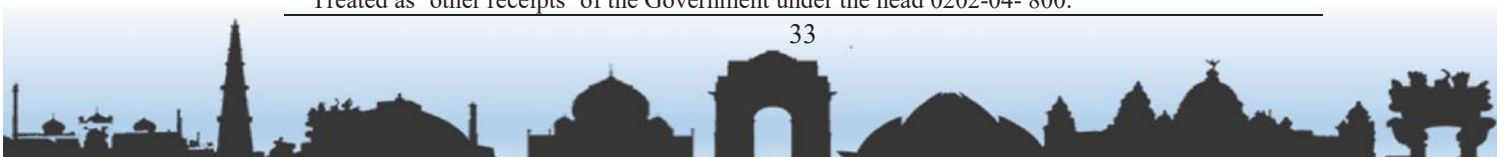
5.3 Revenue Generation in ASI

NITI Aayog, in its Voluntary National Report presented to United Nations High Level Political Forum (June 2020)²⁹, had mentioned that tourism accounted for 6.8 *per cent* of India's GDP in 2019 and contribute to 8.1 *per cent* of all employment. It expected that over the next decade, the sector's direct contribution to GDP would grow by 7.1 *per cent* per annum.

Receipts through sale of tickets and permissions for film shooting, organisation of cultural events, etc. are the main sources of revenue for the ASI³⁰. *The PAC had asked the Ministry/ASI to explore other possible avenues of revenue generation, consider revising the entry ticket and other charges and also bring more monuments under the ticketed category.*

²⁹ To report the efforts and progress made towards achieving the Sustainable Development Goals.

³⁰ Treated as 'other receipts' of the Government under the head 0202-04- 800.



Since the earlier Performance Audit, ASI had revised the entry fee rates (2016 and 2018) upwards as detailed in **Annexe 5.2**. Number of ticketed monuments had also been increased from 116 to 143 (in April 2019 and February 2020). Besides revised charges for film shooting, extension of visiting hours to monuments and discount on digital payments had also been introduced by ASI.

Other issues connected with receipts of ASI are discussed in succeeding paragraphs:

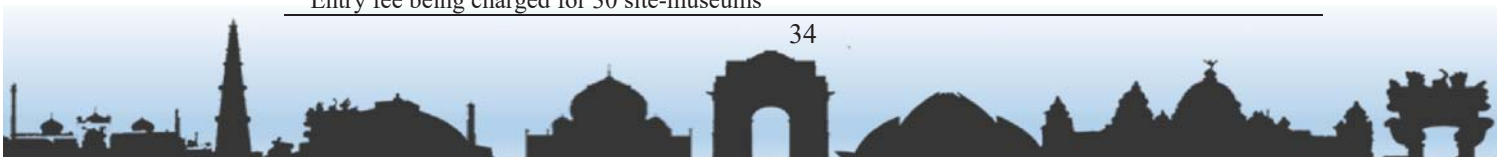
5.3.1 Revenue through Ticketing

In the previous Report, absence of specific criteria or guidelines for categorisation of a specific monument as ticketed monument was mentioned. Ministry had informed the PAC that *footfall of the visitors at the monument is generally taken into consideration while identifying new monuments to be brought under category of ticketed monuments*. However, it also submitted that no record was being maintained at any monument in respect of monitoring footfall. As mentioned in Para 3.1, amendment in AMASR Act for introducing a system of recording footfalls was still pending. Audit further noted:

- Out of 3693 monuments in 33 States/UTs, ASI had 143 ticketed monuments in 20 States/UTs, while in remaining 13 States/UTs³¹, having a total of 150 monuments, none was considered by ASI for ticketing. It was noted that there was absence of transparency/criteria for notifying a certain monument as ticketed. This could also be seen from the fact that monuments in Bhopal (Buddhist Caves), Delhi (*Sultan Garhi*) and Vadodara (*Baba Pyara Caves*) Circles with zero or negligible footfall were continuously included in the list of ticketed monuments. In contrast, the request of Chandigarh Circle (May 2019) regarding introduction of entry ticket in *Jal Mahal*, Narnaul, Haryana was not considered by ASI.
- In Bhubaneswar Circle, after revision of entry fee (from 1 April 2016), between 6 April 2016 to 22 May 2016, instead of revised ticket rates of ₹ 30, only ₹ 10 was charged from the visitors of Sun Temple, Konark. Circle office intimated that pre-revised rate was charged as per the order of the Collector, Puri, Odisha. The violation not waived by the Ministry resulted in short collection of entry fee of ₹ 44.02 lakh.
- ASI had not issued any notification identifying its ticketed site-museums or fixing rate of their entry fees³². In Delhi Circle, ₹ 30 and ₹ 350 were being charged (cashless payment) from Indian and foreign visitors, respectively, for four site-museums located at Red Fort. However, for one site-museum at *Purana Qila* ₹ five was being charged only from Indian visitors. ASI was also found charging entry fees from visitors to enter into lake area of *Purana Qila* without issuing notification for this purpose.

³¹ Arunachal Pradesh, Daman & Diu, Jharkhand, Ladakh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Punjab, Sikkim, Tripura and Uttarakhand.

³² Entry fee being charged for 30 site-museums



- Similarly, out of five site-museums located in Madhya Pradesh, entry fee for Shivpuri site-museum was not being charged by ASI. There was no proposal from the Circle office despite considerable number of visitors arriving at the museum.
- With reference to receipts from ticketing, variation in the amount of receipts and number of visitors as intimated by ASI Headquarters and Delhi Circle was observed. Audit had also pointed out earlier (January 2019) about variation in the receipts of ASI and those reported to Pay and Accounts office. These instances indicate weak receipts management in ASI.
- The Ministry/ASI had intimated the PAC regarding its decision about opening of souvenir shops at selected monuments at *Qutub Minar* and Sarnath³³. During physical inspection, no such shop was found open at *Qutub Minar*, Delhi. ASI informed (January 2021) that it was in process to formulate a mechanism for the purpose.

ASI stated (January 2022) that it had a mechanism wherein the concerned Conservation Assistant and Watch & Ward staff regularly informs about the number of visitors to a monument. Further based on data for a fairly long period (six months to a year), concerned Circle recommend for inclusion of the monument as a ticketed monument.

Reply was not tenable as some of the monuments referred above have been considered by ASI as ticketed despite low visitors' footfall for a long period. Further, as pointed out in Paragraphs 4.2 and 7.3, many ASI monuments had no watch & ward staff or being looked after by only a single Conservation Assistant.

Monuments with Restricted Access: As per AMASR Act 1958 and Rules made thereunder, the public shall have a right of access to all protected monuments and ASI may prescribe entrance fee on certain specified monuments by notifying them as ticketed.

In respect of non-ticketed monuments, issue of restricted public access was discussed in the previous Report. Audit pointed out that at some CPM, there were restrictions for people of some category Further, some monuments were in the premises of other agencies and were not open for all visitors³⁴. Since ASI had not entered into any agreement/MoU with the management of these monuments, Ministry had assured the PAC that ASI would pursue the matter of individual written agreement with owners of these monuments, wherever feasible. However, during audit, ASI was unable to provide any assurance that efforts had been made towards resolving issues of restricted access in non-ticketed monuments. Ministry/ASI intimated (January 2022) that at some of the religious places, such restrictions were in practice for long and were not interfered with, in view of the

³³ The Ministry had intimated about signing of MoU with Handicraft and Exports Cooperation (Ministry of Textiles) to open souvenir shops at *Qutub Minar* and Sarnath.

³⁴ Seven monuments located in the premises of other Agencies (five in Delhi Circle and two in Patna Circle). 11 monuments where entry to visitors were restricted based on their religion/gender.



law and order situation.

Moreover, in Delhi Circle, restricted access to six more non-ticketed monuments of ASI was noticed. All these monuments were located inside a garden *viz.* Sunder Nursery which was managed privately and entry fee (upto ₹ 200) was being charged by its management for the garden entry (including monuments). ASI in a reply (August 2021) submitted that it had entered into MoU with the management of Sunder Nursery (December 2017) to carry out conservation activities at its monuments and charge entry fee from the visitors to the garden (including monuments). Fact remains that, these six monuments were not declared by ASI as ticketed and it had no mechanism to ensure free access to general public visiting these monuments.

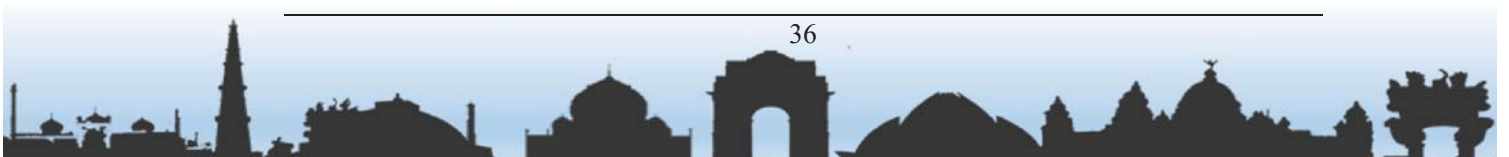
5.3.2 Sound and Light Shows

ASI had entered into agreement (MoU) with different stakeholders' *viz.* India Tourism Development Corporation, State Tourism Departments for sound and light shows at selected monuments. It was noted that in agreements entered by ASI, there was no uniformity on the revenue sharing pattern. In respect of Sanchi-Group of Monuments and *Hindola Mahal*, Mandu, (both in Madhya Pradesh) amount equivalent to entry fee ticket was agreed by ASI as its share of revenue, while in Sarnath and Residency, Lucknow (both in Uttar Pradesh), ASI agreed to a share of 40 *per cent* of the income generated from the show. Bhubaneswar Circle had sound and light shows at two monuments *i.e.* Sun Temple, Konark and Khandagiri, Udayagiri caves. However, audit noticed that the facility at Khandagiri, Udayagiri caves was not functional. In this regard, Circle office stated that the sound and light shows facility would be operative soon.

Ministry/ASI stated (January 2022) that normally revenue sharing in Sound and Light show is 60:40 but sometimes agencies involved in the process request for lower sharing amount (to ASI) due to higher cost of show running. It further informed that guidelines for Sound and Light show were being worked out.

5.3.3 Receipts from Publications and Horticultural activities

PAC had noted that receipts from sales of publications and horticultural activities were another source of revenue of the ASI. The Horticulture Branch had reported receipts of ₹ 1.08 crore from the sale of grass, dead wood and fruit auction during the period 2013-14 to 2019-20. However, during the same period, its Division located at Bhubaneswar, Odisha had shown no income from the sale of grass from any of the 157 number of gardens under its control. In respect of Publication Division, there was no unified system for compiling sales of publication or stocking of over 460 types of books at their designated 107 sales counters.

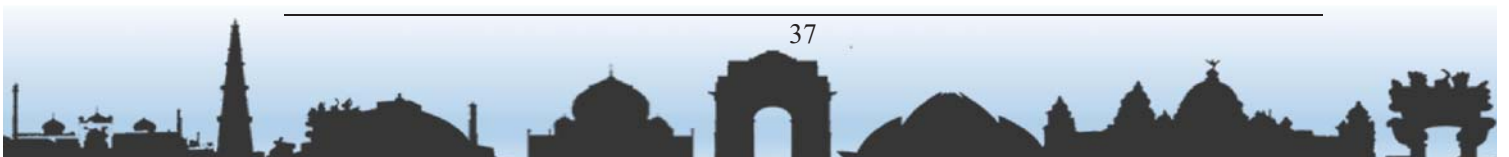


Ministry/ASI stated (January 2022) that a decision had been taken to create a unified application to control and access the data of sales and stock of publications.

Conclusions:

In view of recommendations of PAC, ASI had included more monuments under the ticketed category and also revised upward the rates of entry tickets and charges for film shooting at the monuments. It had introduced e-ticketing facility for online booking of entry ticket for monuments. Further, as part of other funding arrangements, for developing amenities at monuments, private bodies have been involved under 'Adopt-a-Heritage Initiative'. However, some areas of concern in financial management were found to persist.

- *Despite assuring the PAC, ASI's expenditure on excavation and exploration activities was still below one per cent.*
- *Funds available with National Culture Fund have been accumulating over the years and not being utilised for its objectives.*
- *There was lack of clear guidelines regarding categorization of a monument as ticketed/non-ticketed, amount of fees to be levied/shared, issue of notification, etc.*



Functional Issues



**Laxman Temple Khajuraho
(Madhya Pradesh)**