

3 CHAPTER

Administrative functioning of Autonomous Bodies

3.1 Introduction

Matters relating to creation of posts, recruitment, promotions, superannuation, pay and allowances, other entitlements and any other in ABs under DST are regulated by GFRs, Fundamental Rules and Supplementary Rules (FRSR), Delegation of Financial Powers Rules (DFPR) and extant orders of the MoF and DoPT.

As per Rule 13(2) of DFPR, a department of Central Government may, by general or special order, confer powers, not exceeding those vested in that Department upon an administrator or head of department or any other sub-ordinate authority in respect of any matter covered by these rules provided that no power under this sub rule shall be re-delegated in respect of (a) creation of posts; (b) write off of losses; and (c) re-appropriation of funds exceeding 10 *per cent* of the original budget provision for either of the primary units of appropriation or sub head, whichever is less. MST reiterated (January 1999) these instructions to the ABs under its control.

Observations on compliance with extant instructions by the selected ABs are discussed in this chapter.

3.2 Non- inclusion of restrictive clause in the Rules and Bye laws

MoF issued (October 1984) instructions that rules and Bye laws of ABs which are fully and partly funded by the Government of India (GoI) should invariably incorporate restrictive clauses relating to the powers of the GBs of such organisations in matters of creation of posts, revision of pay and allowances of their staff and similar establishment expenditure and provide for prior approval of the Central Government in specific cases. The further clause was required to be incorporated in the relevant Bye laws/Rules/Regulations of the ABs that proposals relating to employment structure i.e. adoption of pay scales, allowances and revision thereof and creation of post above a specified pay level would need the prior approval of GoI in consultation with MoF.

MST further elaborated (January 1999) that the Scientific Departments enjoy operational freedom regarding Group B, C and D posts but they are subject to DoPT/MoF guidelines in case of Group A posts. It further clarified that the GB/GC of the Autonomous R&D institutions might exercise powers upto the limit of powers

enjoyed by the Administrative Ministry/Department concerned except with regard to creation of posts.

Audit examination of the Rules and Bye laws of the 17 ABs registered as societies revealed that the Bye laws/Rules/Regulations of 16²ABs did not contain any restrictive clauses regarding creation of posts. Only International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad (ARCI) had included the necessary restrictive clauses in its Bye laws. We also observed that necessary amendments in the Rules/ Bye laws/Regulations relating to employment structure were not made in the 17 test checked ABs. The status in respect of this provision is given in **Annexure III**.

Non-inclusion of restrictive provisions in the Rules/ Bye laws/Regulations resulted in irregular creation of posts and relaxation in promotion of staff of the ABs as discussed in the succeeding paragraphs.

DST accepted (May 2016) the audit observation.

3.3 Creation of posts

3.3.1 Irregular creation of posts

During 2009-14, 486 posts were created/upgraded by the GB/GC of 11 ABs (IACS³, BI⁴, ARCI⁵, IIA⁶, SNBNCBS⁷, NASI⁸, BSIP⁹, WIHG¹⁰, IAS¹¹, JNCASR¹² and TIFAC¹³) in violation of instructions of MoF/MST. The details of the 486 posts created are in **Annexure IV**. Creation of posts by the GB/GC of the ABs without approval of DST and MoF was irregular.

ARCI justified the appointments stating (November 2014) that activities grew manifold and there was dearth of scientific staff. SNBNCBS stated (November 2014) that since the matter was discussed during the respective GB meetings and had been approved by the Chairman, GB who was also the Secretary, DST, no further separate approval was required. IIA stated (January 2015) that they did not have the details of the sanctioned posts under various categories of posts. NASI (March 2015) stated that the up-gradation of posts was made by the Council.

² IACS, BI, ARI, ARIES, BSIP, CNSMS, IIA, IIG, INSA, IAS, JNCASR, NASI, RRI, SNBNCBS, TIFAC and WIHG

³ Indian Association for the Cultivation of Science, Kolkata

⁴ Bose Institute, Kolkata

⁵ International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad

⁶ Indian Institute of Astrophysics, Bengaluru

⁷ Satyendra Nath Bose National Centre for Basic Sciences, Kolkata

⁸ National Institute of Science-India, Allahabad

⁹ Birbal Sahni Institute of Paleobotany, Lucknow

¹⁰ Wadia Institute of Himalayan Geology, Dehradun

¹¹ Indian Academy of Sciences, Bengaluru

¹² Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru

¹³ Technology Information Forecasting and Assessment Council, New Delhi

The justifications are not tenable, as the ABs were not empowered to create posts on their own. DST stated (May 2016) in exit conference that the issue had been recognised and a Committee had already been constituted to look into such matters and assured that the relevant clause would be incorporated in the Bye laws and approval of MoF where necessary would be taken.

3.4 Recruitments

3.4.1 Deviations in Bye laws/Rules/Regulations from orders of DoPT

DoPT issued (2006) orders stating that for appointment at the level of Director or above for ABs (excluding those constituted by separate Acts of Parliament), Search-cum-Selection Committee were to be constituted mandatorily, the composition of which was required to be approved by DoPT in each case. The norms and criteria for selection could be finalised by the autonomous institutions with the concurrence of the concerned Ministry. The instructions further stated that for all appointments to the post of Chief Executive and for all appointments carrying a pay scale of ₹ 18,400-22,400, approval of Appointment Committee of the Cabinet (ACC) was required.

Accordingly, all autonomous institutions were required to modify their Memoranda and Articles of Association, Bye laws, etc. with the approval of Registrar of the Society and incorporate the guidelines.

We observed that

- i. Three ABs (ARIES¹⁴, BSIP, CNSMS¹⁵) did not incorporate the provisions relating to composition of Search-cum-Selection Committee in their Bye laws.
- ii. In three ABs (IACS, IIA, ARCI), the Bye laws did not have a specific mention of the composition and role of Search-cum-Selection Committee or authority of ACC. It had a general restriction to the effect of complying with Gol instructions regarding recruitment rules and procedures.
- iii. 11 ABs (JNCASR, SNBNCBS, BI, RRI¹⁶, NASI, IAS, INSA¹⁷, TIFAC, WIHG, IIG¹⁸ and ARI) did not incorporate provisions relating to creation and method of composition of Search-cum-Selection Committee.

The details of deviations in Bye laws/Rules/Regulations is given in **Annexure V**.

¹⁴ Aryabhatta Research Institute of Observational Sciences, Nainital

¹⁵ Centre for Nano and Soft Matter Sciences, Bengaluru

¹⁶ Raman Research Institute, Bengaluru

¹⁷ Indian National Science Academy, Delhi

¹⁸ Indian Institute of Geomagnetism, Mumbai

Thus, none of the 17 ABs fully complied with the instructions of DoPT. This led to irregular appointments in these posts as discussed in the succeeding paragraphs.

While agreeing to look into the matter, DST stated (May 2016) that the formulation of provisions would have to be such that it would not need frequent modifications of the Rules and Regulation and Bye laws.

The reply is viewed in the context of DoPT instructions (July 2007) that requires all autonomous institutions to incorporate fully the guidelines of DoPT in their MoA and Bye laws.

3.4.1.1 Irregular appointment of Chief Executive

There was no regular Director at Agharkar Research Institute, Pune (ARI) since January 2009. The vacant post was filled (August 2009) with the approval of MST/DoPT by appointing an Officiating Director initially for a period of one year with effect from 1 January 2009 and subsequently extended upto 30 June 2010. Thereafter, ARI appointed two persons as officiating Director from 1 July 2010 till 30 April 2013 and from 1 May 2013 till 31 January 2015 respectively initially for duration of three months with the approval of GC of the Institute.

We observed that neither Search-cum-Selection Committee was constituted nor approval of ACC obtained for appointment of Officiating Director, which was irregular, as the post of Director was equivalent to post of Chief Executive. Further, granting extensions by GC without the approval of ACC was also irregular.

ARI stated (January 2015) that as per its Bye laws, GC was the Appointing Authority for the post of Director. The reply was not acceptable, as the provision of Bye laws was in contravention of Government instructions.

3.4.1.2 Irregular constitution of Selection Committee

International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad (ARCI) appointed two senior Scientists in the scale of ₹ 18,400-22,400 in February 2006 and October 2010 respectively. We observed that in both cases, Recruitment Committee was constituted by the Council/Director without being approved by DoPT, which was irregular. ARCI incurred expenditure of ₹ 73 lakh on pay and allowances of the officers for the period since their recruitment till March 2015.

ARCI stated (February 2015) that recruitment of the officers was done as per the provisions of the Rules/Regulations of the Institute. The reply is not acceptable as the provisions of Rules and Regulations of ARCI were in violation of DoPT instructions and hence irregular.

3.4.1.3 Irregular up-gradation of pay scale

Indian National Science Academy, New Delhi (INSA) appointed (May 1991) a person to the post of Executive Secretary (ES) in the pay scale of ₹ 5,100-6,300 (revised to ₹ 16,400-20,000 w.e.f. 1996 after implementation of recommendations of Fifth Central Pay Commission). Based on the recommendations of Resource Management Committee (RMC), the scale of pay of ES was proposed (August 1998) for up-gradation to ₹ 18,400-22,400, which was approved *ex-post-facto* by DST in December 2000.

Up-gradation of post is equivalent to creation of post and Group A posts can only be created with approval of MoF. Further, appointment to a post carrying pay scale of ₹ 18,400-22,400 could be done only with the approval of ACC. The term of the officer was also extended for a further period of two years from July 2006 to June 2008. However, ARCI did not obtain approval of MoF and ACC for up-gradation of the post, which was irregular.

Thus, up-gradation/creation of the post of Executive Secretary to the pay scale of ₹ 18,400-22,400 and appointment to the post was in violation of DoPT directions.

3.4.2 Deficiencies in framing and implementation of Recruitment Rules

According to instructions (December 2010) of DoPT, as soon as a decision is taken to create a new post/service or to upgrade any post or restructure any service, action should be taken immediately by the administrative Ministry/Department concerned to frame Recruitment Rules (RR)/service rules. RRs should be framed for all posts which are likely to last for one year or more.

We observed that

- i. Bose Institute, Kolkata (BI) framed RRs in October 1980 for all categories of staff without approval of DST.
- ii. Similarly, Indian Institute of Astrophysics, Bengaluru (IIA) framed (October 2000) 'Norms and Guidelines for Recruitment', which were approved by GC but approval of DST and MoF was not obtained.
- iii. Indian Association for the Cultivation of Science, Kolkata (IACS) was established in 1876. Up to 21 December 2005, IACS had no RRs for Gr A, B, C and D posts. GC of IACS approved (December 2005) the report of Structural Reforms Committee constituted by it, which recommended the pay structure and career advancement scheme for Academic, Administrative and Technical staff of IACS. Recommendations of the Committee were sent to DST for approval. DST intimated (June 2006) that salary structure for the post of Director and

Group 'A' Administrative staff¹⁹ were to be approved by MoF. DST however, approved recommendations for pay scales of other staff subject to finalisation of RRs by the GC of IACS. RRs of IACS were subsequently finalised and approved (July 2006) in a Special General Body meeting.

We observed that RRs of IACS were approved in a Special General Body meeting and not by the GC, as directed by DST. In the said Special General Body meeting, out of total 12 members of GC, only the four internal members from IACS were present and all the external eight members were absent. Hence approval for the RRs was irregular.

We further observed that though DST stated that approval of MoF was required for implementation of scales of Group 'A' Administrative posts as recommended by the Structural Reforms Committee, IACS implemented these scales and incorporated the same in its RRs without approval of MoF, which was irregular.

IACS stated (January 2015) that RRs was a part of their Bye laws which was approved by the GC in December 2006. We, however, observed that the RRs was not finalised by the GC. In fact, minutes of the said meeting of GC do not record any discussion of RRs or Bye laws.

3.4.3 Deviations in Recruitment Rules

Rule 209 (6)(iv)(a) of GFR stipulates that all grantee institutions or organisations which receive grants-in-aid of more than fifty *per cent* of their recurring expenditure 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 could be made in consultation with the MoF.

Scrutiny of records of the selected ABs revealed that RRs were not framed by one AB viz. RRI. Further, there were deviations in the RRs framed by 13 ABs (CNSMS, WIHG, JNCASR, ARIES, IACS, SNBNCBS, BI, NASI, BSIP, IIA, ARCI, IAS and IIG) vis-a-vis the provisions in the DoPT instructions as well as with GFR that implied grant of higher benefits to the persons appointed in these ABs. The details of deviations in RRs are given in **Annexure VI**.

We observed that approval of MoF for deviations from the Government prescribed RRs was not taken in any of the cases.

¹⁹ ₹ 8,000-13,500 for Assistant Registrar; ₹ 10,500-15,200 for Sr. Assistant Registrar; ₹ 12,000-16,500 for Deputy Registrar; ₹ 14,000-18,300 for Sr. Deputy Registrar and ₹ 16,400-20,000 for Registrar.

DST stated (May 2016) that once Bye laws of the ABs were revised, the Recruitment Rules would be suitably modified and placed appropriately in the same.

Specific cases of irregular appointments and grant of higher benefits observed in audit and are discussed in the following paragraphs.

3.4.4 Deficiencies in recruitment process

(a) As per DoPT instructions (December 2010), RRs were to stipulate the selection criteria for each position, requirements of educational qualification, experience and reservation roster, age limit, composition of the selection committee, manner of selection, details of competent authorities to approve various stages of recruitments, etc.

We observed that Indian Academy of Sciences, Bengaluru (IAS) had been conducting recruitment for all the posts without adopting the norms prescribed by DoPT. Though IAS amended its 'Rules for the administration and management of Indian Academy of Science' in 2013, the norms and the selection criterion as envisaged in the instruction of DoPT were not included. In view of absence of prescribed criteria, deficiencies were noticed in the process of recruitment the details of which are detailed in **Annexure VII**. Some major persistent deficiencies in appointment of personnel are given below:

Screening of the applications:

- i. IAS had not constituted any committee for screening of applications received for any of the posts. Even the signature of the official who had screened the applications was not available in the sheet in which names of the shortlisted candidates were mentioned.
- ii. While screening the applications, ineligible candidates were also shortlisted for interview and finally selected.
- iii. We further observed that there was no uniformity in the screening process. In most of the cases the information pertaining to the number of applications received and the details of such applications viz. name of the applicant, date of receipt of the application etc. were not available.
- iv. Approval of the Competent Authority for the shortlisted candidates was also not obtained.
- v. Further, the criteria adopted for screening the applications and the basis on which the applications were rejected in individual cases was not mentioned except in one case.

Thus, screening was not done in the prescribed manner.

Selection Process:

- i. Selection Committee of the Academy was to define the criteria to be followed for selection. However, the Committee did not mention the criteria to be adopted for selecting candidates. Thus, the basis on which the committee selected or rejected the candidates was not documented and hence could not be verified.
- ii. Academy had not maintained attendance sheet for the candidates who appeared in the interview. As per the minutes of selection committee, the short listed candidates did not attend the interview. In the absence of attendance sheet, we could not ascertain whether the candidates had appeared for the interview or not.

Qualification:

We observed that the qualifications prescribed for posts at lower level were higher than that prescribed for posts at higher level in the same hierarchy. The qualification prescribed for the post of ES in the Academy (2008) was a Bachelor degree, however for Executive Editors, the lower level post, the qualification prescribed was Master degree. Similarly, for Accounts Assistant (in 2013-14), the essential qualification prescribed was Bachelor/Master degree with five years' experience while for the position of Accounts Officer in 2010-11, a higher level post, the qualification prescribed was a Bachelor degree only.

(b) Audit scrutiny of 16 recruitment files of regular staff and 11 temporary staff in IIA revealed that the recruitment process followed by the institute for the recruitment of its regular staff did not follow the due process prescribed for recruitments in Central Government. The irregularities were of the following categories:

- i. Recruitments were made without open advertisement in violation of instructions of DoPT.
- ii. Candidates were selected without having prescribed experience.
- iii. Appointment of Director was made without constitution of search-cum-selection committee.
- iv. Approval of ACC was not obtained for appointment of acting Director.

Details of irregularities observed are given in **Annexure VIII**.

3.4.5 Recruitments made in contravention of provisions of RRs

(a) As per RRs of BI, the post of Dy. Registrar is to be filled by Direct Recruitment through issue of advertisements. Audit examination revealed that BI recruited Dy. Registrar in September 2006 without advertising for the post which was irregular. BI stated in July 2015 that the advertisement for the said post was not published to save time and money which is not acceptable as it was not as per their RRs.

(b) IACS recruited 17 Assistant Professors, four Technical Assistants and three administrative staff during 2009-14. We examined 10 cases (six Assistant Professors, two technical staff and two administrative staff) and observed that five of the six Assistant Professors recruited were allowed a fixed allowance equivalent to two increments which was not as per the RRs of IACS. This resulted in an excess recurring monthly expenditure of ₹ 1,780 for each Assistant Professor. IACS stated (January 2015) that the Selection Committee for recruitment of Assistant Professor recommended for two additional increments during the initial recruitment which was approved by the GC. The reply is not acceptable since grant of financial benefit in initial pay fixation is not within the authority of the GC and required approval by MoF.

3.4.6 Irregular adoption of provisions relating to recruitments

Sree Chitra Tirunal Institute of Medical Science and Technology, Thiruvananthapuram (SCTIMST) was included in the list of University Grants Commission (UGC) recognised Universities and Institutions/deemed to be Universities and Institutes of national importance in India since 31 March 2006. As such, SCTIMST was to follow the pay structures notified by UGC from time to time.

Ministry of Health and Family Welfare (MHFW) issued instructions (January 2010) revising pay scales of faculty of autonomous institutions of medical education under MHFW, following the implementation of recommendations of Sixth Central Pay Commission. The GB of SCTIMST, in the same month, approved the revised pay structure for its own faculty at par with All India Institute of Medical Science (AIIMS), an AB under the administrative control of MHFW. Prior to this, SCTIMST had adopted the Central Government pay structure as approved by its GB. The pay structure approve by GB for academic staff was not in accordance with the UGC pay structure, as shown in Table 2.

Table 2: Difference between pay structure approved by GB of SCTIMST and Central Government (MST) approved pay structure

Designation	Pay scale (₹)	Pay structure approved by GB prior to 2010	Pay structure adopted by SCTIMST
		Grade pay according to MST approved pay structure (₹)	Academic grade pay drawn (₹)
Scientist D/Engineer D	15,600-39,100	7,600	8,000
Scientist E/ Engineer E	37,400-67,000	8,700	9,000
Scientist F/ Engineer F	37,400-67,000	8,900	9,500
Scientist G/ Engineer G	37,400-67,000	10,000	10,500
Assistant Professor	15,600-39,100	6,600	8,000
Associate Professor	37,400-67,000	8,700	9,000
Additional Professor	37,400-67,000	8,900	9,500
Professor	37,400-67,000	10,000	10,500

Adoption of irregular pay structure by SCTIMST resulted in incurring of excess expenditure in basic pay and Grade Pay (GP).

22 medical staff/Scientists were appointed on direct recruitment during the period 2009-14 as Assistant Professors, Additional/Associate Professors/Professors/Scientist D whose initial pay were fixed at enhanced pay and higher GP resulting in excess expenditure of ₹ 2.67 crore as of March 2014.

DST agreed (May 2016) to look into the issue.

3.4.7 Irregular grant of advance increments on initial recruitment

(a) Provisions of FR-27 stipulated that any authority might grant a premature increment on a time- scale of pay if it had power to create a post in the same cadre on the same scale of pay. DST instructions (January 1999) on delegation of powers to ABs specified that heads of ABs did not have the power to create posts and hence ABs did not have the power to grant premature increments.

We observed that seven employees of three ABs viz. IAS, BI and BSIP were granted one to 16 advance increments at the time of joining service, without obtaining approval of DST and MoF. This was irregular as none of the ABs had the power to create posts and therefore to sanction advance increments.

(b) Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru (JNCASR) was declared (August 2002) as deemed University by Ministry of Human Resources Development (MHRD) subject to the condition that the centre would adhere to the guidelines/instructions issued by UGC from time to time as applicable to deemed Universities. As per instructions of MHRD (December 2008), the pay structure of different categories of Teachers and equivalent positions in the Universities and Colleges under UGC would be in three categories viz. Assistant Professors, Associate

Professors and Professors. Accordingly, direct recruitment could be done in the post of Assistant Professors carrying Pay Band ₹ 15,600-39,100 with Academic Grade Pay (AGP) ₹ 6,000, Associate Professor carrying Pay Band ₹ 37,400-67,000 with an AGP of ₹ 9,000 and Professor carrying Pay Band ₹ 37,400-67,000 with AGP ₹ 10,000 with minimum Pay of ₹ 43,000. Further, five non-compounded advance increments would be admissible at the entry level of recruitment as Assistant Professor to persons possessing degree of Ph.D. DST instructed (August 2014) the centre to follow the UGC Regulations 2010.

JNCASR recruited seven personnel between June 2009 and July 2013, of which we scrutinised five cases of those who possessed Ph.D degree at the time of initial appointment. We observed that although these incumbents were eligible for grant of five advance increments only, they were granted eight advance increments by JNCASR which was in contravention of UGC guidelines. Consequently, due to fixation of salary on higher side at the initial stage, JNCASR incurred extra expenditure of ₹ 61 lakh up to March 2015.

3.5 Promotion of employees

3.5.1 Irregular adoption of promotion policy in academic cadre

DST conveyed (February 1989) the approval of GoI to the extension of UGC packages of pay, allowances and all other terms and conditions of service to academic staff of ABs and also directed ABs covered by the UGC packages should not follow the Flexible Complementing Scheme²⁰ (FCS) applicable to scientific staff. We observed deviations from these instructions in two ABs as detailed below:

- i. Indian Association for the Cultivation of Science, Kolkata (IACS) convened a special general meeting (December 1989) and by resolution, adopted a separate promotional rule for its academic staff in violation of the above instruction of DST. Subsequently, GC of IACS constituted (October 2004) a Structural Reforms Committee (SRC) with the approval of DST, to introduce pay scales, promotional avenues and other research benefits for its academic and non-academic staff. DST agreed and approved the recommendation of the SRC in April 2006.

Audit examination of the pay scales, promotional avenues etc. given to the academic staff of IACS revealed deviations from the UGC pay structures. We observed that IACS academic staff enjoyed higher pay scales/lesser residency

²⁰ DST introduced Flexible Complementing Scheme in May 1986. Subsequently, DoPT issued instructions from 1998 onwards in supersession to the order of DST (1986) in which minimum residency period for career advancement pertaining to promotion of scientific staff from one grade to another was mentioned.

period than the employees of the Central Universities under UGC. Details of deviation in residency period is given in **Annexure IX**.

The creation of higher pay structure in respect of Gr 'A' post without the approval of MoF/DoPT was in violation of MoF instructions 1994²¹ as well as MST's instruction issued in 1999²². Further, DST approved the recommendations of SRC which were not in compliance with the above instructions, without consultation with DoPT/MoF.

- ii. Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru (JNCASR) was declared (August 2002) Deemed University by MHRD subject to the condition that it would adhere to the guidelines/instructions issued by UGC from time to time as applicable to Deemed Universities. We observed that JNCASR adopted higher pay scales as per the pay structure in Indian Institute of Science, Bengaluru (an AB under MHRD) from 2002 which were not in accordance with UGC pay packages. Approval of DST and DoPT/MoF to the pay scales was not obtained.

During 2009-14, 19 academic staff were promoted and in nine cases randomly selected, JNCASR incurred excess expenditure of ₹ 3.15 crore towards pay and allowances by adoption of higher pay scales.

JNCASR stated (December 2014) that it was presently in the process of forming guidelines of promotional policy to be approved by the appropriate authority. The reply is not tenable as instructions of MHRD/DST to follow the UGC guidelines applicable for Deemed University were already in existence.

3.5.2 Irregular promotion of academic staff

Raman Research Institute, Bengaluru (RRI) adopted the Central Government pay scales for its scientific staff. Test check of service books of seven scientific staff revealed deviations which are detailed below:

- i. The Scientists were offered designation of Associate Professor instead of 'Scientist' at the time of initial appointment/promotion. The designation of Associate Professor was applicable only in the UGC pay scales, which were not adopted and hence were not applicable to RRI.
- ii. Three Scientists were appointed in the pre-revised scale of pay of ₹ 10,000-325-15,200. We observed that the Scientists were granted two advance increments at the time of initial appointment and their pay fixed at ₹ 10,650,

²¹ Posts equivalent to Group 'A' could be created in ABs with the approval of Secretary (Expenditure), MoF through Financial Advisor of the Ministry concerned.

²² The Scientific Departments enjoy operational freedom regarding Group 'B', 'C' and 'D' posts while they are subject to DoPT/MoF's Guidelines in case of Group 'A' posts.

which was irregular as there was no such provision in Central Government pay structure.

- iii. In the case of one Scientist, the initial pay was fixed at ₹ 32,320 with GP of ₹ 7,600 which was much higher than the required minimum of the time scale of ₹ 15,600 – 39,100 with GP ₹ 7,600.
- iv. Promotion was granted to one Scientist before completing the applicable residency period of five years.

RRI stated (April 2015) that it had not formulated any separate recruitment and promotion rules for its staff. The reply is not acceptable as RRI is required to follow Central Government pay scales as specified by DoPT for its scientific staff.

3.5.3 Irregular adoption of promotion policy in non-academic cadre

Indian Institute of Astrophysics, Bengaluru (IIA) was required to follow the promotional policy of FCS as introduced by DST/DoPT for its scientific staff. We observed that the promotion policy framed by IIA was not in accordance with the orders applicable to Central Government employees and did not have the approval of DST/ DoPT and MoF as required. Audit scrutiny further revealed that IIA did not even follow its own promotion policy, which was irregular, as detailed in Table 3.

Table 3: Violation of provisions in promotion policy by IIA

Provision in promotion policy of IIA	Violation of promotion policy by IIA
Cases of officials who were not promoted were to be taken up for reassessment normally after two years.	In two cases, reassessment and promotion before completion of two years were found.
Recommendations of review committee constituted for assessment of the promotion cases were to be scrutinized by other senior committees.	In 21 cases, promotions of staff were granted without scrutiny of senior committees.
Promotions could not be granted with retrospective effect.	31 promotions were granted with retrospective effect resulting in irregular benefit of ₹ 18 lakh between 2009 and 2014.
Director was to constitute a Normalizing Committee to review and recommend the Assessment Committee recommendations for promotions.	The institute did not fix the powers of the Normalising Committee to review the recommendations of the assessment committees including the powers over and above the assessment committees.
Review committee was to examine the confidential reports, work reports and conduct personal interview to assess the work and performance of the staff members selected by the screening committee.	The Review committee recommended the official for promotion without obtaining the work and performance reports and conducting personal interview.

3.5.4 Irregular grant of promotions under Flexible Complementing Scheme

DoPT introduced (November 1998) FCS for scientists wherein promotion could be granted to scientists after consideration by Assessment Boards constituted for the purpose, which would meet at least once a year. DoPT clarified (July 2002) that in FCS cases promotions may not be granted with retrospective effect and further reiterated (September 2012) the same stating that giving the benefit of promotions from a retrospective date without timely assessment as prescribed in the guidelines of FCS would dilute the spirit of FCS instructions on rigorous assessment and would be akin to granting of financial up-gradation as in other such schemes.

Our scrutiny revealed that 74 scientists were granted promotion with retrospective effect under FCS on the basis of approval of GC in Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvanthapuram (SCTIMST), in violation of the DoPT orders. Grant of promotion with retrospective effect resulted in inadmissible payment of ₹ 8.70 crore between 2009 and 2014 to these employees.

3.5.5 Irregular revision of pension

Finance Committee of IACS decided (June 2009) that those Professors in the pay scale of ₹ 14,300 - 22,400 (Fifth Central Pay Commission) who retired prior to 1 January 2006 and were drawing basic pay exceeding ₹ 18,400 would be placed in the post of Sr. Professor in the scale of ₹ 18,400 - 22,400 (Fifth Central Pay Commission) and those drawing less than ₹ 18,400 were placed in the post of Professor in the scale of ₹ 16,400 - 20,000 (Fifth Central Pay Commission). Accordingly, the pension of 20 such retired Professors and the family pension in five cases was notionally revised with effect from 1 January 2006.

We observed that the revision of pension in the upgraded pay scale was in violation of Department of Pension and Pensioners Welfare orders (February 2009) which stated that pension should be revised with respect to pay in the pay band plus grade pay corresponding to the pre-revised pay scale from which the pensioner had retired. Hence, the benefit of up-gradation of post subsequent to retirement would not be admissible to the pre-2006 pensioners.

IACS accepted (April 2015) that the persons whose pensions/family pensions were revised to Sr. Professors had never served in that scale.

3.6 Entitlements of employees

Entitlements issues relating to grant of Travelling Allowances (TA)²³, Leave Travel Concession (LTC)²⁴, House Building Advances (HBA)²⁵, sanction of leave²⁶ and other loans and advances²⁷ were examined. Our observations on these areas are discussed in the succeeding paragraphs.

3.6.1 Irregular expenditure on grant of allowances to academic staff

We observed the following irregularities in grant of allowances to academic staff of SCTIMST:

(a) Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvanthapuram (SCTIMST) granted Clinical Research Allowance (CRA) to its academic staff at the rate of ₹ 2,500 per month and academic allowance at the rate of ₹ 250 per month to all Group A officers from April 1999. The CRA was revised to ₹ 10,000 per month from April 2011 by the GB of the Institute. During 2009-14, SCTIMST paid an amount of ₹ 4.63 crore to its employees towards CRA and academic allowance.

We observed that there was no such allowance in the Central Government Rules. Payment of allowances of ₹ 4.63 crore to employees without approval of administrative Ministry and MoF was irregular.

(b) GB of SCTIMST decided (May 2002) to introduce Learning Research Allowance (LRA) for purchase of books, journals and other resource material like floppies, CDs, Video films, transparencies, colour films for making slides, developing and mounting charges of slides, etc. to the academic staff of the institute subject to a maximum of ₹ 20,000 in each financial year. A similar allowance was being paid in AIIMS, which was rejected by MHFW (July 2004), directing that LRA should be stopped immediately and instead faculty members/Group A officers might be allowed to send requisition to the Library administration for purchasing books/journals relating to their work. AIIMS, however, continued to pay LRA to its Faculty/Group A officers and hence considering payment of LRA by AIIMS, SCTIMST enhanced (April 2011) the rate of LRA from ₹ 20,000 to ₹ 60,000 per annum to the faculty members and ₹ 10,000 to ₹ 30,000 per annum for all Group A officers.

²³ GFR-48 (Part II) read with SR Part II

²⁴ GFR-52(Part II) read with LTC Rules

²⁵ GFR-86, (Part II) HBA Rules

²⁶ FR 54 to 104 read with SR Part III

²⁷ Part II GFR 2012

Audit scrutiny revealed that during 2009-14 SCTIMST paid an amount of ₹ 2.23 crore towards LRA to its Faculty/Group A officers. Payment of LRA without approval of Government was irregular.

DST agreed (May 2016) to take remedial measures on the above irregularities.

3.6.2 Grant of Hospital Patient Care Allowance to ineligible staff

MoHFW introduced grant of Hospital Patient Care Allowance (HPCA) at the rate of ₹ 700 per month to Group C and D (non-ministerial) employees working in hospitals and whose regular duties involved continuous and routine contact with patients infected with communicable disease or those who had to routinely handle, as their primary duty, infected materials, instruments and equipment which could spread infection as their primary duty. MoF further clarified that HPCA should not be allowed to those categories of employees whose contact with patients or exposures to infected materials was of an occasional nature.

SCTIMST is a hospital having 253 beds and serves as tertiary referral centre for cardio vascular, thoracic and neurologic diseases. SCTIMST granted HPCA to all its Group C and D employees. Audit scrutiny revealed that during 2009 - 2014 (except 2012-13) SCTIMST paid HPCA of ₹ 1.53 crore to its staff without approval of DST and MoF.

Grant of HPCA to employees without obtaining approval of DST and MoF was irregular.

3.6.3 Inadmissible allowances to Scientists

GC of International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad (ARCI) requested (March 2003) DST to obtain approval of MoF for grant of Special Pay and Update Allowance to its Scientists. However, ARCI paid ₹ 32.23 lakh as Update Allowance to its Scientific staff for the period from 2007-14 without obtaining/waiting for approval from MoF.

ARCI stated (2015) that grant of allowances was approved by the GC. The reply is not acceptable since proposal involving financial implication required prior approval of MoF and GC had also recommended approval of MoF.

3.6.4 Excess payment of allowances to staff

As per extant orders, House Rent Allowance (HRA) is to be paid at the rate of 30 per cent, 20 per cent and 10 per cent of basic pay as per the classification of the city into the category of X, Y and Z, respectively. Other unclassified cities were to be treated as 'Z' category. Similarly, Transport Allowance (TA) was also admissible as per the classification of cities.

We observed that during 2009-14, Indian Institute of Astrophysics, Bengaluru (IIA) paid HRA and TA in respect of its employees posted at Hoskote (an unclassified city) at the rate applicable to Bengaluru city (category X). Payment of the HRA and TA at higher rate was irregular and the Institute incurred excess expenditure of ₹ 74.35 lakh towards such payment.

3.6.5 Inadmissible payment of Festival Advance

Provisions of GFR stipulates that non-gazetted employees whose GP does not exceed ₹ 4,800 are eligible to draw Festival Advance for an amount ₹ 3,000 effective from October 2008. The rate of Festival Advance from January 2011 was enhanced to ₹ 3,750 and from January 2014 to ₹ 4,500.

Audit scrutiny revealed that between 2009 and 2015 Bose Institute, Kolkata (BI) paid Festival Advance to both gazetted and non-gazetted employees. This resulted in grant of Festival Advance of ₹ 1.31 crore to ineligible employees.

DST accepted (May 2016) the audit observation.

3.6.6 Irregular leave benefits to employees

According to Government Rules, Sabbatical Leave was admissible to teachers in Central Universities/Colleges to undertake study or research or other academic pursuits to increase their proficiency and usefulness to the University and higher education system. The duration of leave should not exceed one year at a time and two years in the entire career of the employee. We observed that Satyendra Nath Bose National Centre for Basic Sciences, Kolkata (SNBNCBS) incorporated a provision in its Bye laws for grant of Sabbatical Leave for four years. Further, it granted the Sabbatical leave to one Scientist for more than five years and hence granted leave for excess period. An excess payment of ₹ 36.13 lakh was made to the Scientist on this account.

3.7 Retirement of employees

3.7.1 Rules and Regulations relating to retirement

Of the 17 selected ABs, the rules and regulations framed by three ABs (INSA, IIG and ARI) were in conformity with extant Government rules. The remaining 14 ABs had also framed their rules but the rules were at variance with the extant Government regulations. However, as prescribed, approval of DST and MoF was not found on record. The deviations in the rules are given in **Annexure X**.

3.7.2 Irregular grant of extension of service

DoPT (July 2006) issued instructions that the authority for approval of extension in tenure of Chief Executives of ABs vests with the ACC. Extension in tenure of officers other than the Chief Executives carrying scale of pay ₹ 18,400-22,400 and above was to be considered by Search-cum-Selection Committee (SSC) and their recommendations were to be implemented by the Ministry/Department. Any deviation would require approval of the ACC. The following three ABs violated the instructions of DoPT as shown in the Table 4.

Table 4: Inadmissible payment due to irregular extension of service

AB	Particulars	Scale of pay	Month of superannuation	Extended upto	Audit observation	Irregular payment ₹ in crore
SNBNCBS	Scientific staff	37,400-67,000 with GP 10,000	April 2006	May 2010	Approval for extension was not routed through SSC	0.37
SNBNCBS	Chief Executive	80,000 Fixed	February 2012	September 2014	Approval of ACC for extension of service from March to September 2014 was not taken	0.11
IAS	Executive Secretary	37,400-67,000 with GP 8,900	November 2013	April 2016	Approval of ACC was not obtained	0.23
IIA	Engineer G	37,400-67,000 with GP 10,000	July 2009	July 2011	Absence of approval of SSC/ACC	2.70
	Senior Professors	37,400-67,000 with GP 10,000	June 2014	June 2016		
			January 2009	January 2011		
			May 2009	May 2011		
			December 2010	December 2014		
	Professor	37,400-67,000 with GP 8,900	May 2010	May 2012		
Director	67,000-79,000	June 2010	June 2012			
Total						3.41

Violation of Government orders resulted in inadmissible payment of ₹ 3.41 crore towards extension of service of the academic staff.

While accepting the observation DST stated (May 2016) that extension of service was granted very selectively and judiciously after thorough peer review and only against the posts that were lying vacant. The fact remained that approval of Ministry of Finance was not obtained in cases that were in deviation of Gol instructions.

3.8 Outsourcing of services

3.8.1 Remunerations to consultants

DoPT order (April 2009) stated that with a view of bringing about uniformity in all cases of engagement of consultants, provisions as envisaged in GFR shall apply.

Satyendra Nath Bose National Centre for Basic Sciences, Kolkata (SNBNCBS) appointed 47 persons on contractual basis during the period 2010-14 and paid consolidated monthly remunerations with an annual increment of three *per cent*, DA and HRA as applicable to regular employees. Besides payment of fixed monthly remuneration they were also allowed other incidental benefits such as leave encashment for a maximum of 30 days in a year on the basis of last pay drawn and reimbursable medical expenses. The payment of remuneration and other benefits to contractual staff violated the provision of GFRs.

3.8.2 Engagement of contractual staff in excess of sanctioned strength

As on March 2006, IACS had one sanctioned post of Registrar in the scale of ₹ 12,000-16,500 and one sanctioned post of Deputy Registrar in the scale of ₹ 10,000-15,200. In October 2007, IACS appointed one consultant against the post of Registrar in the scale of pay ₹ 14,300-18,300 though there was no sanction for that pay scale in IACS for the post of Registrar. The incumbent resigned from IACS in August 2009. IACS paid an amount of ₹ 15.24 lakh during the period October 2007 to August 2009 which was irregular.

3.9 Conclusion

Administrative functioning of the selected ABs was not in conformity to the applicable rules and regulations. The extant rules and orders were violated in creation of posts, recruitments, promotion policies for scientists, staff entitlements, retirement matters and outsourcing of services.

3.10 Recommendations

1. DST may ensure that Autonomous Bodies incorporate relevant clauses in the Bye laws specifying the powers enjoyed by the Governing Bodies/Council of the said Autonomous Body in matters of creation of posts, recruitments, promotions, retirements, staff entitlements and other administrative issues.
2. DST may ensure that Autonomous Bodies, recognised as Deemed Universities, follow the UGC guidelines on pay structures.