CHAPTER XIII : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Doctor Harisingh Gour Vishwavidyalaya, Sagar (M.P.)

13.1 Financial Management and Infrastructure Development

The University failed to fully utilise the grant received from the University Grants Commission and return the unspent amount with lesser interest of ₹ 6.53 crore. Rent of ₹ 48.38 lakh could not be recovered from its tenants. There were abnormal delays in construction works including the sophisticated Central Instrumentation Laboratory. Violation of provisions of GFRs in procurement of equipment by ignoring the lowest bidder, acceptance of modified bids after opening of tenders and purchase of equipment from technically disqualified bidder without recording any reasons were noticed. University incurred irregular expenditure of ₹ 1.26 crore on the purchase of higher model without retendering which remained uninstalled due to non-completion of construction of laboratory.

Doctor Harisingh Gour Vishwavidyalaya (erstwhile University of Sagar) (University) established in 1946 as a state University was granted central status on 15th January 2009 by the Central University Act, 2009 of Government of India. The University has 36 teaching departments under 11 schools of studies, which offer 43 programmes at undergraduate level, 35 at postgraduate level and 32 at Ph.D. level.

The audit was conducted (April to August 2016) to assess whether financial resources including grants were utilised economically, efficiently and effectively during the period 2011-12 to 2015-16. The audit findings are discussed in the subsequent paragraphs.

13.1.2 Financial Management

13.1.2.1 Underutilisation of Funds

The University is mainly financed through grants received from the University Grants Commission (UGC). The year wise financial position (**Annex-IV)** revealed that the University could not utilise the available funds. The extent of non-utilisation of funds ranged from 44.34 to 51.08 *per cent*.

University replied (August 2016) that reasons for underutilisation of plan grant were change in its status to a central university, absence of regular Vice

Chancellor (VC) and Finance Officer, delay in preparation and approval of statutes and ordinances of the University.

Reply of the University is not tenable as, in absence of regular VC, the duties of VCs were discharged by the VC-in-charge. Further, other Committees *viz.* Finance Committee and Building Works Committee (BWC) were also functioning during this period.

13.1.2.2 Non-utilisation of UGC Grant under XI Plan (2007-12)

As per UGC instructions, in the case of non-utilisation of the funds, the unspent balance should be refunded by the grantee institution along with the interest earned thereon. Further, as per GFR 209 (6) (IX), simple interest at 10 *per cent per annum* as amended from time to time will be charged on unutilised amount.

Audit noted that the University had received plan grant of ₹ 100.00 crore during XI Plan period (2007-12), as General Development Assistance (GDA) and ₹ 1.83 crore for merged scheme. The University could utilise only ₹ 82.03 crore and ₹ 0.95 crore respectively out of the two grants up to the extended period of XI Plan i.e. March 2015. The University refunded (December 2015) ₹ 19.41[1] crore to the UGC which included an interest of ₹ 0.56 crore thereon for the period from April to November 2015 whereas interest amount of ₹ 7.09[2] crore was required to be refunded. As such, an amount of interest ₹ 6.53 crore (₹ 7.09 crore - ₹ 0.56 crore) was not refunded.

University quoted (August 2016) same reasons for non-utilisation of grant as mentioned in para 13.1.2.1 but did not offer any comment on non-payment of interest as per terms of sanctioned letter on the unspent balance retained by it.

13.1.2.3 Rush of expenditure during March and last quarter of the year

As per Ministry of Finance, Government of India instructions (July 2011, May 2012 and October 2014), expenditure during March and the last quarter of the financial year should be restricted to 15 *per cent* and 33 *per cent* of the budget estimates, respectively.

Audit noted that during the years 2011-12, 2012-13 and 2014-15 the University incurred expenditure from 15.9 to 31.5 *per cent* and 35.2 to 51.8 *per cent* during

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1 ₹ 17.97 crore of GDA, ₹ 0.88 crore of Merge Scheme and ₹ 0.56 crore of interest = ₹ 19.41 crore.

2 Amount of interest on unutilised GDA ₹ 658.80 lakh (₹ 1796.73 lakh for the period 04/2012 to 11/2015 (44 months) @ 10 *per cent*) and amount of interest on unutilised amount of Merge Scheme ₹ 49.96 lakh (₹ 88.17 lakh for the period 04/2010 to 11/2015 (68 months) @ 10 *per cent*)

March and the last quarter of the above financial years respectively in violation of the Government instructions.

The University stated (August 2016) that the reasons for rush of expenditure during that period were delays in allocation and release of the grant.

The reply is not tenable as the University should have taken up the matter with the UGC at appropriate level for timely release of grant to avoid rush of expenditure.

13.1.2.4 Outstanding rent of ₹ 48.38 lakh

The University had rented its premises to 39 different agencies, including two banks, post office, an ATM, and shops etc. Audit noted that rent of ₹ 48.38 lakh was outstanding from these shops/Institutions for periods ranging from eight months to 40 years. University had not entered into any rent agreement with five agencies[3] and had not renewed the rent agreements with the other 34 shops/agencies. Due to non- renewal of the rent-agreements, the University was not able to revise the rent.

The University replied (August 2016) that the bank and post office in the campus were invited long back to provide these essential facilities to the students, teachers and the staff and in the absence of rent agreement, could not be charged from retrospective date and a fresh agreement is to be made for the rent. It also added that the banks and the post office have agreed to pay rent in future at the Government rates. It also stated all dues of shopkeepers would be recovered in the current financial year.

The reply of the University is not acceptable as University had cancelled the free of cost allotment of space to bank in October 1976 and claimed rent from the bank from December 1976 and hence, it was their responsibility to enter into rent agreement from the date of cancellation of free of cost allotment of space.

[3] State Bank of India, A.T.M. (State Bank of India), Residence of Bank Manager of State Bank of India, Central Bank of India and Post Office.

13.1.2.5 Non refund of unutilised fund for ten years of ₹ 31.12 lakh

The University had received (March 2003) a grant of ₹ 35.30 lakh from UGC for strengthening the infrastructure of post graduate teaching and research in the Department of Botany under the UGC ASIST Programme. The grant was required to be kept in a separate bank account and utilised during 2003-04.

Audit noted that out of ₹ 35.30 lakh, the University could utilise only ₹ 4.18 lakh up to September 2005 and the balance amount of ₹ 31.12 lakh (88.40 *per cent*) had been lying unutilised (March 2016) in the University joint accounts for more than ten years. The University had also not sent any utilisation certificate to UGC.

After the matter was pointed out by Audit in May 2016, the University refunded the unutilised amount of ₹ 31.12 lakh to the UGC in August 2016.

13.1.2.6 Irregular purchase of motor vehicles worth ₹ 69.72 lakh

As per Government of India's instructions (July 2011 and May 2012), purchase of vehicles including against condemned vehicles was banned. These orders were also applicable to the autonomous bodies.

Audit noted that the University, in contravention of above orders, purchased six vehicles valuing ₹ 69.72 lakh during the years 2011-13.

The University replied (August 2016) that in the year 2011-12 University was in transition phase after up gradation as a Central University and the primary objective was to proceed for developmental activities in a faster way. Vehicles were purchased after adopting due procedures.

Reply is not acceptable as the University contravened the directions of Ministry of Finance, Government of India (GoI).

13.1.2.7 Irregular execution of repair works

As per GFR 126 (2) and 126 (3), a Ministry or Department may directly execute repair works estimated to cost upto Rupees Thirty lakhs while the repair works estimated to cost above Rupees thirty lakhs are required to be assigned to a Public Works Organisations such as CPWD, State PWD, other Government Organisations and Public Sector Undertakings etc. to carry out civil or electrical works.

Audit observed that the University, in contravention of the provisions of GFR 126 (2) and 126 (3), directly executed 18 repair works of civil and electrical nature, with estimated value ranging from ₹ 35.37 lakh to ₹ 60.83 lakh, totalling ₹ 8.41 crore through private contractors during the period 2011-2015.

The University replied (August 2016) that CPWD informed that they take repair works only of those buildings, which are under their control and further stated that they have full-fledged engineering department and they do these works in time bound manner.

Reply is not tenable because as per GFR 126 (2) repair works estimated to cost above ₹ 30.00 lakhs may be awarded to any of the construction agencies as mentioned in rule and not only to CPWD. Further, in spite of having engineering department, the University was getting the original works executed through Hindustan Steelworks Construction Ltd., Kolkata (HSCL) and CPWD.

13.1.3 Development of infrastructure

The University received a grant of ₹ 100.00 crore from UGC during the XI Plan Period (2007-12) under General Plan Development Assistance Scheme for development of infrastructure which included construction of buildings for academic, administrative and residential purposes and procurement of lab equipment.

13.1.4 Construction Works

13.1.4.1 Non-completion of the works assigned to HSCL

The University awarded (August, 2011) five works to HSCL a public sector undertaking at estimated cost of ₹ 45.00 crore on nomination basis. HSCL further awarded (August 2011 to September 2015) these works to different contractors (based on the open tender) at a tender cost of ₹ 86.62 crore by splitting them into two or more works contract. The University while accepting the tender cost stipulated that the works must be completed within 18 months of their commencement.

Audit noted that out of the five works, only one work (Boundary wall) had been completed (March 2013) within the stipulated period. The remaining four works were incomplete to the extent of four *per cent* to 80 *per cent* even after lapse of 16 months to 35 months from the stipulated date of completion (March 2016).

An expenditure of ₹ 63.35 crore has already been incurred (March 2016) on these works. The MoU signed between the University and HSCL stipulated that for delay in completion of work, the construction agency would be liable to pay damages @ 0.10 *per cent* of the agency charges for the balance work for each month of the delay subject to a maximum of two *per cent* of the agency charges. The University has not levied any penalty on HSCL for the delay in the completion of the work.

The University replied (August 2016) that delay in works assigned to HSCL was due to change in design, problem of contractor, disturbances in the University, absence of regular VC and non-release of funds due to expiry of extended period of XI plan grant.

Reply is not tenable because the VC-in-charge was performing the duties in absence of regular VC. The University failed to execute its works under 11th Plan even after the extension of three years from March 2012 to March 2015. This indicates lack of monitoring system on the part of University having full-fledged Engineering Wing.

13.1.4.2 Avoidable payment of ₹ 5.27 crore towards centage and architectural charges

The MoU between the University and HSCL for execution of works included, inter alia, payment of seven *per cent* agency charges/departmental charges to HSCL on the actual final cost of the projects. It was decided in 3rd meeting of BWC (August 2011) that University shall pay the architectural fee at two *per cent* of the project cost. The University paid ₹ 4.10 crore[4] to HSCL as centage charges (agency charges) during the period 2011-16. Besides the centage charges, the University also paid ₹ 1.17 crore[5] as architectural charges to HSCL during the same period for design consultancy in respect of these works.

Audit observed that the University awarded these works to HSCL on nomination basis without approaching CPWD which does not levy any departmental/centage charges from the autonomous bodies fully funded by the Central Government.

Audit also noted that the University had taken the decision to execute the works through HSCL to avoid undue delay caused by CPWD in execution of

[4] ₹ 63,85,21,620x7/109= ₹ 4,10,05,976/-
[5] ₹ 63,85,21,620x2/109= ₹ 1,17,15,993/-

construction works assigned to it earlier as per decision taken in the BWC meeting held in February 2011. However, as already pointed out under para 13.1.4.1 above, four out of the five works awarded to HSCL were lying incomplete even after lapse of 16 to 35 months. Thus, by awarding the works to HSCL instead of CPWD and payment of ₹ 5.27 crore towards centage and architectural charges, the University did not get any advantage as delays persisted in works executed by the HSCL.

The University replied (August 2016) that initially the work was awarded to the CPWD as a deposit work and an amount of ₹ 11.00 crore was released to it, but CPWD refunded ₹ 7.70 crore after executing only repair work of quarters and thereafter the works were awarded to HSCL. The reply is not acceptable as University had itself asked CPWD to return the balance amount of deposit. Subsequently University awarded nine works to CPWD during the period October 2013 to October 2015. The facts remain that even after paying ₹ 5.27 crore towards centage and architectural charges to HSCL, the delays persist.

13.1.5 Procurement of equipment for Central Instrumentation Lab

The University decided (May 2010) to establish a Central Instrumentation Laboratory (Lab) with all state-of-the-art instruments to encourage interdisciplinary research and invited tenders (December 2011) under two bid system (Technical and Commercial) for purchase of 28 sophisticated equipment for the Lab. The last date for submission of the tenders was 9 January 2012. The University, however, received bids for supply of only 24 instruments. As such, only 24 instruments were procured by the University.

The University could not provide the minutes of evaluation of the tenders by the Technical Committee for 16 of the 24 instruments to Audit stating that the minutes had been lost and a Search Committee had been formed for retrieving the same. The important findings are as under:

13.1.5.1 Ignoring the lowest bidder

The University invited bids (December 2011) for the purchase of Powder X-ray Diffract meter System (XRD) and Thin Film & Rietveld Analysis. The University received three bids in January 2012. All the three bidders were found technically qualified and recommended for financial evaluation.

After evaluation of bids, the Financial Committee recommended for purchase of item from the L-1 bidder, M/s IR Technology Services Pvt. Ltd, Navi Mumbai at a price of ₹ 49.92 lakh. However, disregarding the recommendations of Financial Committee, the purchase order was issued to M/s Bruker AXS Analytical Instruments Pvt. Ltd., New Delhi (L-2) which quoted the rate of ₹ 57.43 lakh. Consequently, University incurred extra expenditure of ₹ 9.19 lakh (based on the foreign exchange rate at the time of actual payment).

Further, Audit noticed that the accessories in respect of the above instrument were purchased for ₹ 19.86 lakh from L-2 without inviting any quotation/justification, which violates the Rule 151 of GFR.

The University while accepting (August 2016) that Bruker AXS Analytical Instruments Pvt. Ltd., New Delhi was L2 stated that it had subsequently offered accessories amounting to ₹ 5.00 lakh and instrument operator for two years free of cost. The University has also assured to take due precaution in future.

The reply is not tenable because Financial Committee had recommended purchase of the item from the lowest bidder. The acceptance of revised offer for free accessories and operator after the close of the last date was contrary to Rule 160 (xi) of GFR which states that bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.

13.1.5.2 Ignoring the lowest bidder and post-tender modification in price bid: Extra expenditure of ₹ 8.99 lakh

The University received four bids for purchase of ICP-MS in January 2012, out of which only three bidders were technically qualified and recommended for financial evaluation[6]. The lowest bidder M/s Perkin Elmer (India) Pvt. Ltd., Vadodara was recommended (January 2012) for purchase by the Financial Evaluation Committee.

Subsequently, two firms *viz.* M/s Perkin Elmer (India) Pvt. Ltd. and M/s Labindia Analytical Pvt. Ltd. again submitted (March-April 2012) their revised rates[7], reasons for

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Sl. No.	Name of the firms	Price in USD	in INR @ 49.65 (exchange rate dated 26.01.2012)
1.	M/s Perkin Elmer (India) Pvt. Ltd., Vadodara	125900	62,50,935
2.	M/s Agilent Technology Pvt. Ltd., Ahmedabad	158198	78,54,507
3.	M/s Labindia Analytical Pvt. Ltd., Vadodara	163680	81,26,712

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Sl. No.	Name of the firms	Date	Price in USD	₹ in INR @ 49.65 (exchange rate dated 26.01.2012)
1.	M/s Labindia Analytical Pvt. Ltd., Vadodara	30/04/2012	144000	71,49,600
2.	M/s Perkin Elmer (India) Pvt. Ltd., Vadodara	13/03/2012	133300	66,18,345+3,90,000 **Total =70,08,345**

which were not found on record. M/s Perkin Elmer (India) Pvt. Ltd., Vadodara was again lowest but in spite of this fact, the purchase order was issued to M/s Labindia Analytical Pvt. Ltd., Vadodara for purchase of above instrument. Audit noted that the purchase was made in contravention of the Rule 160 (xi) of GFR by permitting the bidders to alter their bids after expiry of deadlines for receipt of bids. As such, undue benefits have been given to M/s Labindia Analytical Pvt. Ltd., Vadodara. Had the purchase order been issued to M/s Perkin Elmer (India) Pvt Ltd., Vadodara before revised rates, the University could have saved ₹ 8.99 lakh (₹ 71.50 lakh *less* ₹ 62.51 lakh).

The University replied (August 2016) that the difference between these two bidders were only ₹ 1.41 lakh and M/s Labindia Analytical Pvt. Ltd., Vadodara had offered additional instrument and accessories of ₹ 6.79 lakh free of cost. As such, the price of M/s Labindia was approved as L-1 by authorities. It further stated that due precaution will be taken in future.

Reply is not tenable as there were no reasons on record for obtaining modified bids after opening of tenders and ignoring the lowest bidder, M/s Perkin Elmer (India) Pvt. Ltd., Vadodara. Further, no term and conditions regarding accessories and additional instrument were mentioned at the time of inviting bids. The acceptance of revised offers for free accessories and operator after the close of the last date was against the Rule 160 (xi) of GFR, 2005.

13.1.5.3 Irregular procurement leading to extra expenditure of ₹ 1.26 crore and idling of equipment

Based on the open tender, the Financial Evaluation Committee recommended (January 2012) to buy 'Nuclear Magnetic Resonance Spectrometer' (NMRS) with an observation frequency of 400 MHz, priced at US $ 352360 from MDS Bio-Analytics Pvt. Ltd. The University, however, irregularly placed order (February 2012) for purchase of a different advanced model of the NMRS named JNM-ECX 500FT NMR with an observation frequency of 500 MHz priced at US $ 595250 from the same supplier.

Thus, the University had incurred an irregular expenditure of ₹ 1.26 crore on the purchase of the equipment. There was no justification on record for purchasing a different model, which was about 69 *per cent* costlier than the recommended model. Audit further observed that the equipment had been lying uninstalled even after a lapse of more than three years from its procurement (October 2012) due to non-completion of the work of construction of the Lab required for its installation. Meanwhile, the warranty of the equipment expired in December 2015. Non-completion of the Lab led to idling of the equipment for more than three years.

The University replied (February 2016 & August 2016) that the second model (500 FT) was purchased by it on the verbal orders of the Vice-Chancellor as JNM ECX 400 FT NMR would have become obsolete in future. It added that they were hopeful that the Lab would be completed within stipulated time. It further stated that due precaution will be taken in future.

The reply is not tenable as the requirement of the equipment as identified by the University was for an NMRS with observation frequency of 400 MHz. Had the University decided to go for higher model, then they should have gone for retendering. Further, the University's contention that the NMR with frequency of 400 MHz would have become obsolete is not tenable because as of March/June 2016, several major Indian scientific institutes like IITs, Indian Institute of Science, Bangalore, Indian Institute of Science Education and Research, Mohali were utilising NMRs with 400 MHz frequency.

13.1.5.4 Irregular purchase of instrument from technically disqualified firm

The University invited (November 2011) tenders for purchase of "Powder X-ray Diffractometer System" under two bid system. Out of the offers of the three firms, the offer of only one firm M/s PANalytical, Nagpur was found technically acceptable by the Technical Committee. The Audit observed that the price bids of all the three bidders were simultaneously opened along with technical bids in contravention of GFR 152. Further, even though the offer of the firm M/s Bruker AXS Analytical Instruments Pvt. Ltd., Mumbai had been found technically unacceptable, the University permitted it to submit a modified financial bid on 09 February 2012 i.e. after a lapse of more than two months from the last date i.e. 30 November 2011 of tender. The University accepted the firm's modified bid after the deadline and issued purchase order to it at a price of ₹ 56.22 lakh. Thus, the University had not only purchased the equipment from a technically disqualified firm but also extended undue financial benefit to M/s Bruker AXS Analytical Instruments Pvt. Ltd., Mumbai and incurred an extra expenditure of ₹ 0.77 lakh on purchase of the instrument.

The University replied (August 2016) that it had purchased the instrument from L-1 firm i.e. M/s Bruker AXS Analytical Instruments Pvt. Ltd., Andheri, Mumbai and this purchase was done on the recommendation of project in-charge who was a technical expert.

Reply is not tenable because according to the Rule 152 and 160 (xi) of GFR, 2005, financial bid of only such firms should be opened whose offers have been found technically acceptable and no modification or alteration should be entertained after last date of submission of tenders. As M/s Bruker AXS Analytical Instruments Pvt. Ltd., Andheri was found technically disqualified; the financial bid should not have been opened.

13.1.6 Conclusion

The University could not utilise the grants provided for procurement and construction projects resulting in refund of grants along with interest. There was rush of expenditure during last quarter and month of the financial years. The University could not recover outstanding rent from its tenants. There were abnormal delays in completion of several works. University violated the provisions of GFR for procurement of equipment by ignoring the lowest bidder, acceptance of modified bids after opening of tenders and purchase of equipment from technically disqualified bidder without recording any reasons.

The matter was reported to the Ministry in December 2016; their reply was awaited as of January 2017.

Indian Institute of Technology, Jodhpur

13.2 Irregular waiver of overpayment

The Board of Governors irregularly waived recovery of excess payment amounting to ₹ 59.38 lakh made to its faculty, which is now under recovery at the instance of Audit.

Ministry of Human Resources Development communicated (August 2009 and September 2009) the pay scales of faculty of Centrally Funded Technical Institutions (CFTIs) as revised in light of the recommendations of the Sixth Pay Commission. Audit observed that during 2009-10 to 2012-13, the Indian Institute of Technology (IIT), Jodhpur fixed the initial pay of 15 newly appointed faculty at stages higher than their entitlement. The Finance Committee of the Institute recommended (27 November 2014) recovery of the excess payments, based on which, ₹ 6.41 lakh was recovered from two faculty who had resigned. The Board of Governors, however, decided (27 April 2015) to waive recovery and continue with the higher emoluments for the remaining faculty. The excess payment to 13 faculty till March 2016 alone amounted to ₹ 0.59 crore.

The decision of the Board of Governors to waive recovery, contravened orders of the Ministry of Personnel[8], which stated that, such waiver required the approval of Department of Expenditure.

Ministry of Human Resources Development accepted the audit findings and informed (November 2016) that IIT, Jodhpur has been directed to stop overpayment and recover the excess payments.

Kendriya Vidyalaya Sangathan

13.3 Irregular expenditure on Project Kendriya Vidyalayas

KVS incurred expenditure on the Project Kendriya Vidyalayas in violation of prescribed conditions of Account Code. As of 31 March 2016 ₹ 59.67 crore were due from 81 Project KVs of which 34 had been closed rendering the possibility of recovery as remote.

Kendriya Vidyalaya Sangathan (KVS), an autonomous body under Ministry of Human Resource Development (MHRD) establishes and manages Kendriya Vidyalayas (KV). The scheme of KV had also been extended to the children of the employees of Public Sector Undertakings (PSUs)/Institute of Higher Learning owned by Government of India (GoI), at their request on the condition that all recurring and non-recurring expenditure on running these Vidyalayas would be provided by the sponsoring agencies. As per the Paragraph 2 of Appendix 23 of Accounts Code for KVs, the annual requirements of school are required to be met by the sponsoring agency by release of budgeted funds (recurring and non-recurring) to the concerned KVs in bank account as advance in two instalments i.e. in April and October of the current financial year under intimation to the Regional office and KVS, Headquarters.

In CAG's Audit Report (No. 4 of 2004) Audit had highlighted non-payment of dues by the sponsoring Authorities as an amount of ₹ 12.73 crore and ₹ 11.84 crore was outstanding as at March 2003 from existing/functioning Project

[8] Ministry of Personnel, PG and Pension, DoPT OMs dated 6 February 2014 and 2 March 2016.

Vidyalayas and closed Project Vidyalayas respectively. Subsequently, PAC, in its Forty Sixth Report of 2006-07 advised that the matter be resolved early by MHRD in co-ordination with other Departments of GoI with a view to recover the amount due to KVS. The Committee further recommended that KVS should be cautious in future and also reconsider their policy of opening and running such project schools involving PSUs so as to avoid recurrence of such instances.

Audit examination (July 2015 and July 2016) disclosed that as of March 2016 there were 161 Project Vidyalayas of which dues of ₹ 59.67 crore were recoverable from 34 closed and 47 operating Vidyalayas. Audit observed that in cases 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. Following table captures the amounts recoverable from defaulting Sponsoring Authorities.

(₹ in crore)

Sl. No.	Year	Closed Vidyalayas	Existing Vidyalayas	Total
1.	2011-12	14.71	11.22	25.94
2.	2012-13	14.61	18.40	33.02
3.	2013-14	14.74	28.58	43.33
4.	2014-15	14.74	40.39	55.14
5.	2015-16	15.10	44.56	59.67

It may be seen from the table that the outstanding amount of Closed Project Vidyalayas were between ₹ 14.61 crore to ₹ 15.10 crore during 2011-12 to 2015-16 and have increased from ₹ 11.22 crore in 2011-12 to ₹ 44.56 crore in 2015-16 in respect of existing Vidyalayas. The regular practice of diversion of Government grants is not only financially imprudent but also against the canons of Budgetary Management and Expenditure Control. This would also adversely impact the core objective for which such budget was allotted. Even though the matter was brought to the notice of Management/Ministry in CAG Report No. 4 of 2004 and specific recommendations of 46th PAC Report of 2006-07 that the matter be resolved early by MHRD in co-ordination with other Departments of GoI with a view to recovering the amount due to KVS, KVS has not streamlined its recovery process since the recovery from closed projects increased from ₹ 11.84 crore to ₹ 15.10 crore and for existing Vidyalayas increased from ₹ 12.73 crore to ₹ 44.56 crore from March ending 2003 to March ending 2016 respectively.

KVS, in its reply stated (July 2016 and August 2016) that it was regularly monitoring the issue and this was being taken up at the level of Commissioner, and Hon'ble HRM-cum-Chairman, KVS and Hon'ble Ministers in charge of other ministries under whom the project schools are functioning. It was further added that efforts of Administrative Ministry resulted into recovery of an amount of ₹ 1.83 crore.

In view of the fact that a large number of project KVs have been closed and huge payments are due from even the operating Project KVs, it is recommended that the Government may review the process of setting up of Project KVs *vis-à-vis* fulfilment of the intended objective and take appropriate action. The recovery process also needs to be taken up aggressively to ensure compliance with PAC's directions.

The matter was reported to the Ministry in July 2016; their reply was awaited as of January 2017.

Malaviya National Institute of Technology, Jaipur

13.4 Irregularities in Works Contract and Estate Management

Estate management of the MNIT was not adequate as no effective action was taken by MNIT to get back possession of encroached land valuing ₹ 1163.77 crore and to reconcile its land records with Revenue Department. MNIT did not execute agreement with lessees and rent was not reassessed from time to time resulting in loss of rental revenue of ₹ 58.67 lakh and rent of ₹ 56.98 lakh was not realised despite reassessment. Hostel accommodation was not provided to all students as required under the Statutes of National Institutes of Technology and 30.86 *per cent* students were deprived of hostels facility. Works contract mechanism of MNIT was deficient as excess residential quarters were constructed. MNIT made undue payment of ₹ 1.47 crore to REIL on account of subsidy and failed to withhold/deduct ₹ 3.22 crore from the contractors' claims.

The Malaviya National Institute of Technology (MNIT[9]), Jaipur was established in 1963 as a joint venture of the Government of India (GoI) and the Government of Rajasthan (GoR). On 26 June 2002 the college received the status of National Institute of Technology (NIT) and on 15 August 2007 proclaimed as Institute of National Importance through an Act of Parliament. The Institute is fully funded by Ministry of Human Resource Development (MHRD), GoI.

[9] Erstwhile Malaviya Regional Engineering College

The Institute is managed by a Board of Governors (BOG) assisted by Finance Committee, Building and Works Committee (BWC) and the Senate. The Director, being the Principal of the academy and executive officer of the institute, responsible for administration of the institute.

Subject Specific Compliance Audit (SSCA) on Estate Management and Works Contract in MNIT was conducted between April 2016 and August 2016 covering the period 2013-16. Out of 60 works involving sanctioned/contract value of ₹ 313.02 crore undertaken by the MNIT during 2013-16, sample of 33 works having sanctioned/contract value of ₹ 284.57 crore was selected based on stratified sampling method fulfilling various criteria[10] mainly based on sanction of expenditure involved.

13.4.2 Audit findings

13.4.3 Funding from MHRD

Year wise details of Plan grant released by MHRD and expenditure incurred are depicted in table below:

(₹ in crore)

Year	Annual plan submitted by MNIT			Grants received from MHRD	Funds released to executing agencies for construction & renovation works	Expenditure incurred
	Construction and renovation activities	Other Activities	Total			
2013-14	145.53	46.74	192.27	58.00	41.83	36.55
2014-15	101.34	22.85	124.19	100.00	72.90	84.25
2015-16	250.27	52.43	302.70	72.00	80.33	76.44
Total	**497.14**	**122.02**	**619.16**	**230.00**	**195.06**	**197.24**

During 2013-16, out of annual plans of ₹ 619.16 crore submitted by the MNIT, MHRD released ₹ 230.00 crore only which was 37 *per cent* of the total annual plan. Hence, though ₹ 497.14 crore was required for construction activities, MNIT could release ₹ 195.06 crore to executing agencies for construction works. MNIT did not furnish reasons for short release of funds by MHRD and efforts made to get the remaining funds released from MHRD.

[10] Sanctioned amount of works upto ₹ 10 lakh (10 *per cent*), More than ₹ 10 lakh to ₹ 50 lakh (50 *per cent*), More than ₹ 50 lakh to ₹ 100 lakh (50 *per cent*), more than ₹ 100 lakh (100 *per cent*) and ongoing works more than ₹ 100 lakh as on 01 April 2013 (50 *per cent*).

MNIT replied (November 2016) that important major works planned for 2013-14 and 2015-16 could not be started/completed and also funds could not be released to various works being carried out by CPWD due to short release of funds from MHRD.

13.4.4 Estate management

13.4.4.1 Utilisation of land allotted by the State Government

GoR allotted 192.01 hectare (ha) land to MNIT between 1964 and 1979. Details of land allotted to and land available with MNIT as of March, 2016 are shown below:

(Area in hectare)

Sl. No.	Land allotted to MNIT		Land recorded in name of MNIT (as per letter 20-03-2002 & 21-12-2002 of Tehsildar Sanganer)		
			Land transferred to others by GoR		Land Area in name of MNIT
	Order no. & date	Area	Name of transferee	Area	
1.	63/12-08-1964 & 82/28-08-1972	29.86	Kendriya Vidhyalaya No. 3	5.05	131.62
2.	63/15-06-1966 & 218/14-12-1979	13.35	Government departments	35.40	
3.	63/15-06-1966 & 27-07-1967 and 81/28-08-1972	128.78	Other's name	17.51	
4.	62/27-06-1966 & 80/28-08-1972	20.02	Measured /recorded less	2.43	
Total		**192.01**	**Total**	**60.39**	**131.62**

As per demarcation report of Tehsildar, Sanganer (December 2002), 192.01 ha land was initially in the name of MNIT but in actual 131.62 ha (130.64 ha as per 'Jamabandi' details available on website of Revenue Department, GoR) was recorded in the name of MNIT and balance 60.39 ha was transferred to private parties and other Government institutions, local bodies and departments. Though title of 131.62 ha transferred in the name of MNIT, 25.73 ha valuing ₹ 1163.77 crore[11] was encroached, including 8.48 ha under litigation.

Audit noticed that MNIT never reconciled its records with Revenue Department and did not investigate the reasons of transfer of 60.39 ha land to others parties out of 192.01 ha transferred to them by GoR. Further, in case of 17.25 ha (25.73 ha – 8.48 ha) encroached land, no effective action has been taken by MNIT since last 14 years to get back possession of land despite being pointed out by audit vide paragraph No. 3.5.1 of CAG's Audit Report (13 of 2011-12).

[11] 257300 sqm x ₹ 45230 per sqm as per rate fixed (October 2015) by District Level Committee of Registration & Stamps Department, GoR for this area.

MNIT replied (November 2016) that it has requested various authorities of GoR for removal of encroachment from MNIT campus and to transfer the land which was originally allotted to then MREC. However, no effective efforts were made after 2011 for removal of encroachment and retransfer of land transferred to other agencies.

13.4.4.2 Allotment of space for commercial activities

MNIT allotted space to various entities for commercial activities inside their campus. Discrepancies noticed *viz.* non-execution of agreement, delay in reassessment of rent and short recoveries of rent are discussed below:

Sl. No.	Name of the lessee (Date of allotment)	Audit Observation
1.	ICICI Bank[12] (4 October 1972) and ATM (8 September 2004).	Agreement not executed (March 2016). Though MNIT reassessed (August 2010) rent as per CPWD norms to ₹ 54496 per month to be increased 10 *per cent* annually, continued to recover monthly rent of ₹ 353, resulting in short recovery of rent of ₹ 50.20 lakh (with 10 *per cent* annual increase) during September 2010 to August 2016.
2.	(i) Coffee Corner (28 February 2003), (ii) Post Office (22 November 1971), (iii) Milk Booth (not available), (iv) Cloth Wash and Iron Shop (31 October 2003) (v) Barber Shop (19 May 2004), (vi) Upahar co-operative shop (not available) (vii) M/S 1589 Core (11 July 2014).	In the absence of any agreement executed (except M/S 1589 Core) with lessees, monthly rent was not revised during last three to 14 years. However, had the monthly rents been revised as reassessed for ICICI bank based on PWD norms, rent of ₹ 58.67 lakh (at the rate of ₹ 412.75 per sqm) for 197.44 sqm space provided could have been recovered between September 2010 and August 2016.
3.	State Bank of India	Agreement not furnished. Though monthly rent was reassessed (August 2015) to ₹ 52127 by MNIT, revised monthly rent of ₹ 6.78 lakh for the period from August 2015 to August 2016 was not recovered.

MNIT stated (November 2016) that Chief Engineer, CPWD has been asked (October 2016) to assess rent of commercial spaces and an agreement has been executed (August 2016) with ICICI bank for lease of commercial space. It further stated that in order to have a nationalised bank on campus, the SBI was allowed to start operations and was temporarily provided rent free premises but now commercial space under lease agreement is being provided at the rates offered to ICICI bank.

[12] Erstwhile the Bank of Rajasthan Limited.

However, reasons for non-recovery of revised rent where rent has already reassessed has not been furnished.

13.4.4.3 Inadequate Hostel accommodation

Section 38 (1) of First Statutes for National Institutes of Technology (NIsT) provides that every institute shall be a residential institution and all students and research scholars shall reside in the hostels and halls of residence built by the institutes. Year wise details of Students/Scholars enrolled in MNIT, hostel capacity and Students/Scholars enrolled in the Institute's hostels during 2013-14 to 2015-16 were as under:

Year	Number of students /required accommodation	Number of hostel seats available	Number of students accommodated in the hostels[13]	Hostel facility not provided by MNIT	
				No. of students	Percentage
2013-14	4298	3111	3024	1274	29.64
2014-15	4400	3119	3009	1391	31.61
2015-16	4407	3119	3028	1379	31.29
Total	**13105**	**9349**	**9061**	**4044**	**30.86**

Audit noticed that despite clear provisions in Statutes, average 30.86 *per cent* of total enrolment of students/scholars (1044 girl students out of 2922 enrolled) was deprived of hostels facility during 2013-14 to 2015-16 due to insufficient accommodation facility.

MNIT replied (November 2016) that hostel facility is just sufficient for UG students and all the students/scholars enrolled in the Institute were not willing to take hostel accommodation. However, 884 bedded girls hostel is under construction and 1500 bedded boys hostel is under planning subject to availability of funds.

Reply is not tenable as willingness of students is not relevant since the Statutes mandates compulsory lodging of students in the Institute's campus and in exceptional cases where Director permit a student/scholar to reside with his parents, payment of such seat rent shall be borne by that student/scholar. It is also pertinent to mention that despite highlighting insufficient hostel facilities in MNIT vide paragraph 3.5.5 of CAG'S Audit Report (13 of 2011-12), no action has been taken by the MNIT to extend hostel facility to all students enrolled in the Institute.

[13] Less number of students accommodated than hostel seats available was due to space utilised for offices, guest rooms, etc. and some rooms are damaged.

13.4.5 Deficiencies in planning of works

13.4.5.1 Construction of excess residential quarters

As per the provisions of Residential Accommodation Rules of GoI, applicable to MNIT, employees drawing Grade pay of ₹ 10000 and Basic Pay of ₹ 67000 to ₹ 74999 are entitled for Type-VIA & VI B quarters respectively and where Type-VI accommodation has not been classified as Type-VIA & VI B, all the staff eligible for Type-VI shall be grouped together. In MNIT, sanctioned strength of officials in the grade pay of ₹ 10000 were 44, 44 & 68 and men in position were 46, 44 & 41 during the year 2013-14, 2014-15 and 2015-16 respectively. None of the officials were drawing salary higher than grade pay of ₹ 10000. MNIT had one Type A (reserved for Director) and 17 Type B quarters (entitled for officials drawing grade pay of ₹ 10000).

MNIT decided (October 2012) to construct 198 Type VI quarters. The work was awarded (January 2014) for ₹ 115.52 crore and an amount of ₹ 94.50 crore was deposited with CPWD (August 2016). Audit noticed that MNIT decided to construct 198 Type VI quarters against the requirement of 50 additional quarters as per the sanctioned strength of 68 entitled employees and availability of 18 Type VI quarters. It was further observed that no justification was available for construction of 198 quarters in the agenda/minutes of BWC meeting (October 2012).

MNIT replied (November 2016) that work of 198 quarters was undertaken with a vision to attract, recruit and retain at least 200 positions of top quality professors at Institute in a time frame of five to ten years. However, the institute shall be relooking to accommodate housing needs of students in the blocks of this residential complex.

Reply is not tenable as construction of excess residential accommodation rather than providing hostel facility to their students which was mandatory as per Statutes shows poor planning. Contention to accommodate students in residential complex may not be feasible instantly as it may require a lot of alterations which would cost the exchequer.

Thus, construction of excess 148 (198-50) Type VI quarters at a cost of ₹ 86.35 crore was a planning failure.

13.4.5.2 Technical Sanction not accorded

Clause 2.5 & 2.5.1 of CPWD works manual stipulates that a Technical Sanction (TS) amounts to a guarantee that the proposals are technically sound and that the estimates are accurately prepared and are based on adequate data.

In 11 works, executed by the MNIT's Estate Section, TS to estimates amounting ₹ 6.05 crore was not accorded by competent authority. This indicates, estimates were not properly scrutinised before commencement of the work.

MNIT stated (November 2016) that institute does not have a set up similar to works department having powers vested to different level of officers. Institute takes up any work on approval of BWC/BOG as per provisions of NIT statutes. However, issuance of TS shall be complied.

The reply is not tenable as MNIT has full-fledged Estate Wing which has got executed civil works of the value of ₹ 96.27 crore. Checking of estimates by different levels of officials is required to ensure technical soundness and accuracy of estimates and the fact remained that TS were not accorded in the above mentioned works.

13.4.6 Irregularities in award of works

13.4.6.1 Incorrect evaluation of financial bid resulted in award of work at higher rates.

MNIT invited (June 2012) tender for construction of Vivekanand Lecture Theatres Complex (VLTC). The work was awarded (September 2012) to M/s KMV Projects Ltd. (KMV) being L1 who quoted ₹ 62.07 crore. The quoted rate was further reduced to ₹ 61.97 crore after negotiations.

Audit noticed that the quantity of item no. 9[14] of earthwork was incorrectly mentioned as 479100 sqm instead of 47910 in the tender documents, which was rectified in pre-bid meeting (15.6.2012). In the financial bid of M/s Renaissance Build Home Pvt. Ltd. (L-4) the rate of this item was mentioned incorrectly as ₹ 3.58 crore instead of ₹ 3.58 lakh considering actual quantity of the work. Had MNIT evaluated the financial bids properly, rate of M/s Renaissance would have been ₹ 61.69 crore and they would become L1. Thus, improper evaluation of financial bids has resulted in award of work at higher rates by ₹ 0.38 crore (₹ 62.07 crore - ₹ 61.69 crore).

[14] Surface dressing of the ground.

MNIT accepted (November 2016) the audit observation and replied that on actual execution at site, amount of KMV is ₹ 0.88 crore lower than M/s Renaissance Build Home Pvt. Ltd.

13.4.6.2 Irregular award of work through negotiation.

Clause 20.4.7 of CPWD works manual stipulates that negotiations, if found necessary, should be restricted only to the lowest tenderer. Further, provisions of General Financial Rules (GFR) also specified ban on post-tender negotiations except with L-1 bidder as per the recommendation of Central Vigilance Commission (CVC).

M/s Jain Irrigation System Ltd. (L-1) quoted lowest price of ₹ 488.55 lakh for 'Supply, Installation, Testing, Commissioning and Maintenance of Roof Top SPV system of 300 kWp (6 units of 50kWp each)'. Audit noticed that MNIT offered these rates to M/s. Rajasthan Electronics & Instruments Limited (REIL) which stood first in technical evaluation (T-1) but L3 in financial bid. On acceptance of these rates the contract was awarded (June 2013) to REIL. The procedure adopted by MNIT was in violation of provisions of CPWD works manual.

MNIT stated (November 2016) that the methodology of tender evaluation was prefixed and explicitly given in the bid document, entire tender process was exercised in transparent and fair manner and no post-tender negotiation was held. Reply is not tenable as the procedure adopted by MNIT was against the provisions of CPWD Works Manual and amount to post tender negotiation with L3 which was in violation of provisions of the GFR/CVC guidelines.

13.4.7 Irregularities in execution of work

13.4.7.1 Undue payment of ₹ 1.47 crore

Work order for 'Supply, Installation, Testing, Commissioning and Maintenance of Roof Top Solar Photo Voltaic (SPV) system of 300 kWp (6 units of 50kWp each)' was placed (June 2013) with REIL at total project cost of ₹ 4.89 crore (including 30 *per cent* subsidy of ₹ 1.47 crore).The work was completed in August 2014. As per terms and conditions of work order, MNIT required to pay ₹ 3.42 crore to REIL after adjusting the 30 *per cent* subsidy.

Ministry of New and Renewable Energy (MNRE) sanctioned (December 2013) 300 kWp project of SPV at MNIT under Central Financial Assistance (CFA) and was valid up to 31 August 2014. As per MNRE's sanction, REIL would raise invoices net of subsidy amount to MNIT. Audit observed that REIL raised invoices without deducting subsidy amount receivable from the MNRE and MNIT paid ₹ 4.38[15] crore in December 2014 in contravention of Works order as well as MNRE sanction.

MNIT replied (November 2016) that MNRE sanctioned CFA for upcoming projects and therefore, subsidy not available for this project.

Reply of MNIT is not tenable as MNRE's letter (December 2013) clearly mentioned that the aforesaid project was sanctioned for CFA and valid up to 31 August 2014. Further MNIT has also claimed (August 2015) the amount of subsidy from the REIL. Thus, MNIT made undue payment of ₹ 1.47 crore to REIL on account of subsidy.

13.4.7.2 Non deduction of amounts from contractor's bills as per tender conditions.

In following four cases, an amount of ₹ 294.66 lakh was not deducted from four contractors on account of slow progress of work, delayed completion of work and electricity charges as per conditions of the contract:

Sl. No.	Name of the work (name of the contractor)	CPWD provisions/tender conditions not followed	Audit Observation	Reply of MNIT and further remarks of audit
1.	Construction of VLTC (M/s KMV Projects)	Clause 5 of General Conditions of Contract provides that contractor has to achieve physical progress of work as per milestones determined in Schedule 'F' and in case of non-achievement of physical milestones, percentage amount on tender value of work (prescribed for different stages of work) was to be withheld from contractor's payment.	Though contractors failed to achieve physical milestones, ₹ 284.29 lakh was not withheld as per the tender conditions, resulted in undue financial assistance to contractors.	MNIT replied (November 2016) that the work was delayed due to late finalisation of designs and drawings and other reasons and final settlement of delay and penalty will be done at the time of final payments. Reply is not tenable as no hindrance register were maintained by the MNIT and stage-wise progress of the works were neither monitored nor extension of time limit has been sanctioned for delay.
2.	Construction of STP (M/s SS Engineering Corporation)			
3.	Renovation of Metallurgical Engineering Department (M/s Vardhaman Feb Tech)			

15 After deducting ₹ 46.00 lakh as per contract's condition.

4.	Construction of one additional floor & renovation of toilets & kitchen at guest house no.1 (M/s Kishan Sahai Meena)	As per clause 2 of agreement compensation @ 1.5 *per cent* per month of delay (to be compounded on per day) on tendered value was to be imposed if contractor fails to complete the work within scheduled time period which shall not exceed 10 *per cent* of tendered value of work.	Though the contractors did not complete the work within stipulated period of completion, extension of time limit sanctioned without levy of compensation. Audit noticed that no hindrance register was maintained at MNIT and reasons for non levy of ₹ 10.37 lakh compensation for delay not furnished.	MNIT stated (November 2016) that responsibilities to exercise terms and conditions of the tender lies with CPWD. However, no reply was furnished by CPWD.

13.4.7.3 Short/Non recovery of statutory deductions and advances from the contractor's bills

In following cases, an amount of ₹ 27.83 lakh was not/short recovered from contractors on account of Royalty, Value Added Tax, Service Tax and advances as discussed below:

Sl. No.	Name of the work (name of the contractor)	CPWD provisions/tender conditions not followed	Audit Observation	Reply of MNIT and further remarks of audit
1.	In 12 works detailed in **Annexe-V.**	As per circular (November 2011 & January 2013) of Mining Department, GOR, every contractor should obtain Short Term Permit (STP) or got Royalty assessed from concerned Mining Engineer before commencement of the work and pay Royalty accordingly at the prescribed rate	Though contractors did not follow conditions of GoR circulars, Royalty of ₹ 18.42 lakh was not/short recovered from the contractor's bills.	At the instance of audit in three cases royalty of ₹ 0.51 lakh has been recovered and in rest cases either it has been proposed or contractor has been asked to deposit the royalty as intimated by MNIT (November 2016).
2	In five cases detailed in **Annex-VI.**	As per circular (March 2015) issued by the GOR Value Added Tax (VAT) is to be recovered from the contractor at the rate of six *per cent* instead of three *per cent* with effect from 01 April 2015.	VAT of ₹ 5.80 lakh was short recovered from the contractors.	At the instance of audit in three cases VAT of ₹ 3.87 lakh has been recovered, in one case contractor has been asked to deposit balance VAT as intimated by MNIT (November 2016) and in remaining one case no reply was furnished.
3.	Providing & Fixing UPVC windows at	Rule 2A (ii) (A) of Service Tax (ST)	ST claimed on 70 *per cent* of the	MNIT stated (November 2016)

	VLTC (M/s Unisystem)	(Determination of Value) second amendment rule 2012, ST shall be paid on 40 *per cent* of the total amount charged for the works contract.	works value instead of 40 *per cent* resulting in excess payment of ST amounting to ₹ 3.61 lakh to the contractor. .	that the ST Paid on 70 *per cent* value was in order. The reply is not tenable as the work of providing and fixing UPVC windows attract ST on 40 *per cent* value of work.

13.4.7.4 Non settlement of advance

As per CPWD works manual, settlement of accounts against the deposit works is to be done expeditiously so that the amount does not remain unsettled for long. Audit observed that an advance of ₹ 22.12 lakh paid to Avas Vikas Sansthan Ltd. was outstanding more than 15 years and not reconciled/recovered. MNIT replied (November 2016) that efforts shall be made to reconcile and settled the accounts.

13.4.8 Conclusion

MNIT failed to make effective efforts for removal of encroached land. It incurred loss of revenue due to delay in reassessment of rent and revised rent was not recovered from the lessees. Institute failed to provide hostel accommodation to 30.86 *per cent* of enrolled students and constructed excess residential quarters. Incorrect evaluation of financial bid resulted in award of work at higher rate to an ineligible firm. The cases of undue payment due to non-availing subsidy, non-recovery of statutory dues and non-deduction from contractors on account of slow progress of work were noticed.

The matter was reported to the Ministry in September 2016; their reply was awaited as of January 2017.

Indian Institute of Information Technology, Allahabad

13.5 Construction activities in Indian Institute of Information Technology, Allahabad

Delay in award of work by CPWD from one to 17 months resulted in extra cost of ₹ 19.35 crore. The construction work of the administrative and academic building at RGIIT, Amethi was foreclosed which resulted in non-achievement of intended benefit even after incurring expenditure of ₹ 39.81 crore.

The Indian Institute of Information Technology, Allahabad (Institute) established in 1999 as a centre of excellence in Information Technology and allied areas was conferred “Deemed University” status by Govt. of India in

2000. The Government of India introduced Indian Institute of Information Technology Bill, 2014 and after notification of Act, IIIT Allahabad along with the other four MHRD funded IIITs of the country, became an Institute of National Importance w.e.f. 01 December, 2014. The Rajiv Gandhi Institute of Information Technology, Amethi (RGIIT, Amethi) was established (April 2005) as an extension campus of the Institute to be developed as an independent entity during 11th Plan period (2007-2012).

During 2011-12 to 2015-16, the Institute incurred ₹ 171.09 crore on construction activities in IIIT, Allahabad and RGIIT, Amethi. The audit of IIIT, Allahabad for construction activities for five years from 2011-12 to 2015-16 was carried out and the irregularities noticed during examination of records are discussed in succeeding paragraphs:

13.5.2 Irregularity in awarding the works

13.5.2.1 Audit examination of records revealed that Institute awarded ten major works to CPWD during 2008-09 to 2012-13. Although Institute intimated Administrative Approval and Expenditure sanction (AA&ES) to CPWD, but the contract award of seven works were delayed due to delay in completion of tendering process etc. The delay in award of work ranged from one month to 17 months (after allowing a reasonable time frame (upper limit) of six month for award of work from date of approval of AA&ES). Audit noted that the AA&ES for the seven works was ₹ 84.07 core and due to delay in awarding these construction works the tendered cost increased to ₹ 103.45 crore. The percentage increase of tendering cost ranged between 10.58 *per cent* and 33.25 *per cent*. Thus, delay in awarding the work by CPWD, resulted in extra cost of ₹ 19.35 crore.

The Institute stated (August 2016) that estimates were prepared much earlier and there are different activities between preparation of estimate and award of work.

The reply of Institute was not acceptable as delay was mainly due to non-completion of tendering process and tendered documents were not sent to the Institute for approval of increase in estimated cost.

13.5.2.2 Audit noted that CPWD has executed 237 extra items valuing ₹ 239.02 lakh and 32 substituted items valuing ₹ 154.71 lakh in eight works without obtaining the prior concurrence of the Institute.

The CPWD stated (September 2016) that extra items/substituted items were discussed and approved by the competent authority at construction site and later on approval of competent authority was taken on record.

The reply of the CPWD is not acceptable as execution/approval of extra items/substituted items was taken only from CPWD authority and concurrence of the Institute was not taken for extra/substituted items.

13.5.2.3 Para 14.1 of CPWD manual states that the work of urgent nature, costing more than ₹ 50,000 may be awarded on work orders, after approval of the competent authority.

Audit examination of the records revealed that Institute has executed seven minor works amounting to ₹ 31.43 lakh by awarding work orders to two firms[16] during 2011-12 to 2015-16 without tendering even though these were not of urgent nature.

In reply, the Institute stated (December 2016) that Director has given due approval for the execution of minor works. The reply of the Institute is not acceptable as the above works were not of urgent nature and only urgent nature could be executed on work orders.

13.5.3 Non-achievement of intended objective even after incurring expenditure of ₹ 39.81 crore

Department of Secondary and Higher Education, Ministry of Human Resource Development (MHRD) approved (April 2005) the proposal for setting up of extension campus of Institute at RGIIT, Amethi. CPWD entered (August 2011) into an agreement with M/s ANS construction Limited for the construction of academic and administrative building at RGIIT Amethi for ₹ 39.78 crore[17] with start and completion date being August 2011 and August 2013 respectively. The completion date was extended up to December 2013.

During the course of construction between May 2011 and December 2014 the Institute paid ₹ 39.81 core (₹ 33.91 crore for civil works and ₹ 5.90 crore for electrical division) to CPWD as deposit work.

[16] M/s Sree Glass Plywood Allahabad, M/s Kohli Enterprises
[17] Civil work ₹ 37.49 crore and Electrical work ₹2.29 crore

It was noticed that the contractor had completed (March 2014) only 62 *per cent* of the work against stipulated date of completion (December 2013) and stopped the work due to non-availability of funds.

- Till March 2014 an amount of ₹ 26.18 crore was paid to M/s ANS construction and other parties for Civil works.
- An amount of ₹ 2.41 core was paid to M/s ANS construction and other parties after the closure of the work.
- Further though the work was stopped in March 2014 Electrical division of CPWD paid (05.02.2015) ₹ 3.42 crore to UP Power Corporation Limited (UPPCL) Gauriganj, Amethi for construction of 33 KVA independent feeder to provide un-interrupted power supply to the RGIIT Amethi. The Institute requested CPWD to take refund from UPPCL but UPPCL had not refunded the amount as of date.
- Further Electrical Division of CPWD also entered (March 2013) into an agreement with M/s Voltas Limited New Delhi (Contractor) for "supplying, installing, testing and commissioning" (SITC) of Heat ventilated Air Conditioner (HVAC) system at RGIIT Amethi for the Administrative & Academic building with tendered cost of ₹ 6.57 crore. An amount of ₹ 5.90 crore was paid to CPWD as deposit work. The contractor supplied (October 2013, December 2013, March 2014 and March 2015) all the machinery and equipment and an amount of ₹ 4.01 crore was paid to the contractor as per terms and conditions of contract.

Thus, an amount of ₹ 39.81 crore was paid to CPWD (₹ 33.91 crore for civil works and ₹ 5.90 crore for electrical division) as deposit work. Out of which ₹ 36.02 crore (₹ 32.01 crore for civil works and ₹ 4.01 for HVAC) was paid to contractors and balance amount of ₹ 3.79 core is pending with CPWD as deposit work.

It was further observed that the foreclosure of the works were discussed in 28th, 29th and 30th meeting of Building Works Committee (BWC) in July 2014, October 2014 and April 2015 respectively and was accepted (October 2015) in 31st BWC meeting but Board of Management (BoM) of the Institute decided (November 2015) not to go for foreclosure and approach to MHRD for release of additional grant.

In reply, the Institute stated (December 2016) that the present RGIIT building is to be used for advancing academic objective by Babasaheb Bhimrao Ambedkar University, Lucknow and National Skill Development Corporation (NSDC).

The reply of the Institute is not acceptable as the work was stopped after 62 *per cent* completion and an expenditure of ₹ 39.81 crore (₹ 3.79 crore pending with CPWD) was incurred; hence the intended objective of extending campus of RGIIT Amethi remained unfruitful.

The matter was reported to the Ministry in December 2016; their reply was awaited as of January 2017.

Indian Institute of Technology, Roorkee

13.6 Idle expenditure

Failure on the part of the IIT Roorkee to construct sewer line across NH-58 and STP at Roorkee and Saharanpur campuses resulted in idle expenditure of ₹ 15.06 crore incurred on the construction of sewer line which could not be utilised even after lapse of more than four years from scheduled date of completion.

With a view to provide sewerage system and sewage treatment facility in the campus of the Indian Institute of Technology, Roorkee (Institute), the Board of Governors (BoG) in its 27th meeting approved (March 2010) construction of sewerage system including STP and recycling of treated effluent for the Roorkee and Saharanpur Campus at a cost of ₹ 23.23 crore and ₹ 4.83 crore respectively. The work comprised laying of sewerage system including STP and recycling of treated effluent. Accordingly, Memorandum of Undertaking (MoU) for Roorkee and Saharanpur campus was signed (September 2010) between the Institute and NBCC[18] with stipulated time of completion being 15 months from the date of start of work. The Institute provided an advance of ₹ 5.80 crore for Roorkee campus and ₹ 1.20 crore for Saharanpur campus to NBCC for execution of work which was to be adjusted in the final bill.

Audit examination of records revealed (September 2015) that the work of laying of sewer line was started (January 2011) and completed (March 2012) except sewer line connection with the buildings, laying of sewer line across National Highway and construction of STP for Roorkee campus. Only 60 *per cent* of STP at Saharanpur campus was completed. The Institute paid ₹ 15.06 crore

[18] National Building Construction Corporation Limited.

(₹ 12.05 crore for Roorkee campus and ₹ 3.01 crore for Saharanpur campus) to NBCC against the work executed at the site till March 2012. Work of STP at Roorkee campus was stopped (September 2012) due to agitation by the local villagers[19]. Simultaneously work at Saharanpur was also suspended anticipating similar problem as faced in Roorkee Campus.

Further, the sewer line was to be laid from Institute's building up to STP site[20] by crossing the National Highway (NH) 58. For crossing the NH-58, the NOC from National Highway Development Authority (NHAI), Dehradun was required to be obtained prior to start of work but the same was not yet been obtained and as such sewer line could not be constructed across NH-58.

Hence, expenditure of ₹ 15.06 crore (₹ 12.05 crore for Roorkee campus and ₹ 3.01 crore for Saharanpur campus) on construction of sewer lines remained idle and could not be utilised even after a lapse of four year from the stipulated date of completion.

Institute replied (June 2016) that they have initiated the process for the construction of STP at new location within the premises of IIT, Roorkee with some odourless technology for which the consultant has already been appointed and work is in progress. The Institute further stated that expenditure incurred over this project is not-unfruitful because they had already laid the complete sewerage system except few petty works such as connection to the buildings and road crossing of the Highway. The approval from NHAI is being pursued by the NBCC.

Reply of the Institute is not acceptable as the consultant of the Institute did not submit any feasibility report of new STP site (November 2016) and also NOC from NHAI is yet to be obtained.

The matter was reported to the Ministry in August 2016; their reply was awaited as of January 2017.

[19] Village Chandmari Khanjarpur.
[20] Village Chandmari Khanjarpur.

13.7 Irregular payment of Service Tax

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) made payment of service tax amounting to ₹ 12.42 crore on the outsourced services, although these services were exempted from payment of such tax.

Ministry of Finance (Department of Revenue), Government of India exempted certain services provided to or by educational institutions from service tax with effect from 1 July 2012 (Notification No. 25/2012-Service Tax dated 20 June 2012). The notification clarified that exempted services inter alia includes any services which educational institutions ordinarily carry out themselves but may obtain as outsourced services from any other person. Ministry of Finance further clarified that by virtue of the entry in the negative list, it was clear that all services relating to education are exempt from service tax (circular no.172/7/2013-ST dated 19 September 2013). These services also include hostels, construction, housekeeping, security services, canteen etc.

Audit observed that in five institutes, services provided by the contractors towards rendering of services such as security, construction, housekeeping and catering, etc. were exempted from payment of service tax, but paid ₹ 12.42 crore as service tax as detailed below:

Name of the Institute	Name of the outsourced agency	Service outsourced	Period of payment	Amount of Service Tax paid (in ₹ lakh)
Ministry of Human Resource Development (MHRD)				
Indian Institute of Technology (IIT), Roorkee	Bedi & Bedi Associates	Hospitality, Catering, & Management services	Jul 12 – Feb 16	5.00
	Sybex Computer Systems (P) Ltd.	Housekeeping services	2012 – 2016	81.93
	Peregrine Guarding Pvt. Ltd.	Security services	Jun 14 – Aug 15	46.19
Babasaheb Bhimrao Ambedkar University (BBAU), Lucknow	Sri Sai Nath Associates	Lab assistants, cooks, Sanitation, Housekeeping services	Dec 12 – Mar 16	132.70
	City Hawks	Security	Sept 13 –	18.06

	Manpower Services & Consultancy	services	Dec 14	
	Security Solution Services	Security services	Dec 14 – Apr 15	8.71
Indian Institute of Management (IIM), Ranchi	Ranchi Security Pvt. Ltd.	Security services	July 12 – Dec 15	26.05
	Areeba Housekeeping Agency	Housekeeping services	July 12 – Dec 15	13.62
	CMC Ltd.	Management of Information Technology Infrastructure & services	Sep 12 – Aug 15	16.63
Indian Institute of Technology, Patna	Shapoorji Pallonji & Co Pvt Limited (SPCL)	Construction services	2013-14 to 2014-15	780.00
	National Building Construction Corporation (NBCC)			56.00
Ministry of Statistics and Programme Implementation (MSPI)				
Indian Statistical Institute (ISI), Kolkata	Indian Ex-services League	Security services	Jul 12 – Jan 15 (except Apr 13)	25.22
	S&IB Services Private Limited	Security services	Apr 13	0.54
	NIS Management Pvt. Ltd.	Housekeeping services	Jul 12 – Jan 15	31.25
			Total irregular payment	**1241.90**

IIT Roorkee replied (April 2016) that services rendered by Bedi & Bedi Associates and Sybex Computer Systems (P) Ltd. are not exempt under aforesaid notification. The payment of service tax to Peregrine Guarding Pvt. Ltd. has been discontinued from August 2015. BBAU replied (May 2016) that service tax payment was being made to Sri Sai Nath Associates as the firm was providing manpower services and had discontinued payment of service tax on the bills of service providers pertaining to Sanitation & Security.

IIM Ranchi replied (June/August 2016) that payment of service tax was discontinued from January 2016 and also stated that they have put up claim for refund of service tax already paid. IIT Patna stated (August 2016) that Hon’ble High Court (in CWJC No 16965 Dated 03 March 2016) has upheld the audit observation and directed Commissioner of Service Tax for refund of Service Tax to the concerned tax payers. Accordingly, the IIT Patna has asked to the service providers for refund of Service Tax.

ISI Kolkata replied (October 2016/January 2017) that they had stopped the payment of service tax from February 2015 and have lodged (January 2016) a refund claim with the Service Tax Department. MSPI endorsed (November 2016) the views of ISI, Kolkata.

Replies of IIT Roorkee and BBAU are not acceptable as the services rendered by the three contractors come under "auxiliary educational services" and constitute services which otherwise, the educational institutions would have ordinarily carried out themselves.

The matter was reported to the MHRD in June - August 2016; their reply was awaited as of January 2017.

Indian Institute of Management, Kozhikode

13.8 Irregular payment of pensionary benefits

Extension of the GPF-cum-Pension Scheme to employees without approval of the Government of India resulted in expenditure of ₹ 61.20 lakh being incurred towards pensionary benefits without proper sanction.

The employees of Indian Institute of Management, Kozhikode[21] (IIMK) are governed by IIMK Employees' Contributory Provident Fund Rules. A circular was issued by IIMK on 24 October 2000 intimating that the Board of Governors of the Institute had approved in principle GPF-cum-Pension Scheme for its employees and the matter has been referred to the Government of India for approval. The circular also stated that MHRD has agreed to the scheme in respect of those who were, prior to joining the Institute, working in organisations where the scheme was in operation and had opted for the same.

Since IIMK had been following Contributory Provident Fund Scheme from inception, extension of the GPF-cum-Pension scheme to cover these employees by the BOG was in contravention of Department of Expenditure (DoE) letter dated 16 March 2000 which states that pension scheme should not be introduced

[21] IIMK is an Institute of Higher Education under the Ministry of Human Resource Development w.e.f. 1 July 1997.

to the employees of Autonomous Bodies without the express approval of this DoE.

Nine employees who had joined IIMK after resigning from various pensionable organisations applied for the GPF-cum Pension scheme. Based on the employees' requests, their pensionary benefits had also been transferred from their previous employers to IIMK[22]. Two of these nine employees have retired from service[23] and total pensionary benefits of ₹ 83.63 lakh were paid[24] without any final communication from the Ministry of HRD regarding approval by Ministry of Finance/Ministry of Personnel, Public Grievances and Pensions for extension of the GPF scheme to IIMK.

Further as per MoF OM dated 8 September 1983, permanent employees of an autonomous body governed by Pension schemes with qualifying service of 10 years or more, on absorption in another organisation are entitled for prorata pension. Audit observed that even applying this rule of prorata pension, the remaining pensionary benefits paid amounting to ₹ 61.20 lakh (after adjusting ₹ 22.43 lakh received from previous employers) was without proper sanction.

On this being pointed out[25], IIMK replied (March/June and October 2016) that the Institute's action was based on MHRD's letter dated 12 July 2000 which stipulated that the faculty and staff from the institutions enjoying pensionary benefits shall be allowed to retain the same in new IIMs. However, a reference was made to Ministry of HRD in June 2016 and reply was awaited.

The extension of pension benefits without the approval of Ministry of Finance/Ministry of Personnel, Public Grievances and Training was irregular. Further MHRD letter dated 12 July 2000 stated that a meeting with Additional Secretary (Pension) in this regard is being arranged to finally decide the issue.

The matter was reported to the Ministry in July 2016; their reply was awaited as of January 2017.

[22] Between June 2001 and March 2008
[23] In February 2004 and May 2012
[24] Upto 2015-16
[25] October 2015/May 2016

University of Allahabad

13.9 Unfruitful expenditure

Construction work was started at Beli Farm without prior approval from Allahabad Development Authority and in prohibited area, which was in-contravention of Hon'ble High Court's direction resulting in unfruitful expenditure of ₹ 4.99 crore.

The Hon'ble Allahabad High Court vide its judgment (April 2011)[26] directed that no construction shall be undertaken within 500 meters from the highest flood level (HFL) of river Ganga in the city of Allahabad as well as part of river Yamuna, adjoining the river Ganga (Sangam). It also directed Allahabad Development Authority (ADA) and the district administration to ensure that no construction be made in the aforesaid area.

CPWD submitted (August 2011) a proposal for construction of faculty quarters[27] at Allahabad University (AU). The Building and Works Committee of AU approved (November 2011) the proposal for the construction of faculty quarters to provide residential facility to the University's employees. Audit noticed that the University had not taken approval of construction plan from ADA. The AU accorded (June 2012) the Administrative approval and sanctioned expenditure of ₹ 833.47 lakh against the estimated cost of ₹ 843.40 lakh as submitted (February 2012) by CPWD. The CPWD started (March 2013) the above work with the schedule date of completion as 22 June 2014. The AU provided ₹ 427.50 lakh[28] (September 2014) to CPWD for above work.

The Joint Secretary, ADA intimated (January 2014) that the construction work carried out by AU falls within 500 meters of HFL, where construction works has been prohibited by the Hon'ble High Court. The ADA issued (February 2014) a show cause notice to the University to stop the construction work with immediate effect. The University complied with the notice and asked (February 2014) CPWD to discontinue the work[29]. CPWD stopped (February 2014) the work after incurring an expenditure of ₹ 499.09 lakh[30] (up to February 2014) against which AU paid ₹ 427.50 lakh.

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26 In PIL no. 4003/2006, Ganga Pollution vs State of U.P and others

27 (Type IV-16 nos., Type V-8 nos. and Type VI-6 nos.) at upper portion of Beli Farm, Allahabad (plot nos 85, Village Beli Uparhar, Tehsil Sadar, District-Allahabad).

28 ₹ 277.50 lakh released in April 2013 and ₹ 150.00 lakh in September 2014.

29 Approx. 60 per cent of work (structural work) was completed

30 As per CPWA – 65 (August 2016).

The University replied (September 2016) that the major construction works of the University are carried out as per the resolution of the various statutory committees. The University adheres with the guidelines of the ADA in its construction projects and ADA has never objected to resolution of committees.

The reply of the University is not acceptable as University should have taken the required permission from ADA before starting construction work. Hence, construction work at Beli Farms without ADA approval resulted in unfruitful expenditure of ₹ 4.99 crore.

The matter was reported to the Ministry in June 2016; their reply was awaited as of January 2017.

Sardar Vallabhbhai National Institute of Technology, Surat

13.10 Excess payment due to incorrect fixation of pay

Incorrect fixation of pay in respect of Associate Professors due to placing them in PB-4 with Academic Grade Pay ₹ 9,000 without completing the required qualifying service resulted in excess payment of pay amounting to ₹ 2.69 crore.

Ministry of Human Resource Development (MHRD), GoI issued instructions (August 2009) for revision of pay of teaching and other staff in Centrally Funded Technical Institutions (CFTI) following the pay revision of Central Government employees on the recommendations of 6th Central Pay Commission (CPC). As per the instructions, pay structure of CFTI will generally be the same as given to teacher of Universities as per the letter of MHRD dated 31 December 2008. It further stated that all promotions will be based on performance evaluation and subject to fulfilment of other conditions laid down vide MHRD letter dated 31 December 2008. The revision of pay scales was subject to Regulations to be framed by University Grant Commission (UGC) and other provisions of the scheme. UGC issued Regulations on Minimum Qualifications for Appointment of Teachers and other Academic Staff in Universities and Colleges and Measures for Maintenance of Standards in Higher Education, 2010 (Regulations) dated 30 June 2010.

As per the Regulations, the incumbent Readers and Lecturers (Selection Grade) who have completed three years in current pay scale of ₹ 12,000-18,300 (pre revised) on 1 January 2006 shall be placed in Pay Band 4 of ₹ 37,400-₹ 67,000 with Academic Grade Pay (AGP) ₹ 9,000 and shall be re-designated as

Associate Professor. Incumbent Readers and Lecturers (Selection Grade) who had not completed three years in current pay scale of ₹ 12,000-₹ 18,300 on or after 1st January 2006 shall be placed at the appropriate stage in the P B-3 of ₹ 15,600-₹ 39,100 with AGP ₹ 8,000 till they complete three years of service in that grade and thereafter shall be placed in the higher PB-4 of ₹ 37,400-₹ 67,000 with AGP ₹ 9,000 and accordingly re-designated as Associate Professor. Similarly, Assistant Professors completing three years of teaching in the AGP of ₹ 8,000 shall be eligible, subject to the qualifying conditions prescribed by these Regulations, to move to the PB-4 of ₹ 37,400-₹ 67,000+ AGP ₹ 9,000 and to be designated as Associate Professor.

MHRD has also clarified (August-2010) that entry pay of Readers, appointed on or after 1 January 2006 till issue of the Regulation, be fixed at ₹ 23,890 in PB-3 with an AGP of ₹ 8,000. This would also apply to Lecturers (Selection Grade) promoted during the above period. Such Readers/Lecturers (Selection Grade) after 3 years will move to minimum of PB-4 with AGP of ₹ 9,000.

Audit scrutiny of Sardar Vallabhbhai National Institute of Technology, Surat (SVNIT Surat) revealed that the pay in respect of 20 faculties promoted/appointed as Associate Professor between January-2006 and June-2010 was fixed in PB-4 of ₹ 37,400-₹ 67,000 with AGP of ₹ 9,000 before completing three years of teaching in the AGP of ₹ 8,000 in contravention of MHRD instructions and the UGC Regulations 2010. This has resulted in excess payment of basic pay with AGP including DA and HRA amounting to ₹ 2.69 crore between the periods January 2006 to June 2016.

SVNIT accepted (June 2015) the audit observations. The audit observation was placed before the Board of Governors (BOG) of SVNIT, Surat and the BOG appointed (October 2015) a committee to review the entire pay fixation of these faculties. The committee in its report (July 2016) has accepted the audit observations and recommended for recovery of excess payment in a phased manner to avoid hardship to the employees. The Committee further observed that the present situation arose due to insufficient checks and balances in fixing the pay of the employee and recommended for putting in place robust system as an exercise to fix such salaries will arise in near future due to the proposed recommendations of the 7th CPC. Subsequently, SVNIT stated (August 2016) that the Report of the Committee would be submitted to the BOG in the ensuing meeting.

The matter was reported to the Ministry in October 2016; their reply was awaited as of January 2017.

Gujarat Vidyapith

13.11 Human Resource Management

Post Based Rosters as per GoI norms were not being maintained for the teaching and the non-teaching staff. Appointments in teaching and non-teaching post were made in contravention of UGC/GoI instructions resulted in overpayment of ₹ 2.29 crore.

Gujarat Vidyapith (GVP) was founded by Mahatma Gandhi on 18 October, 1920 and received the status of a deemed university under the UGC Act on 16 July, 1963. GVP is a public trust registered under the Bombay Public Trust Act, 1950. The Vice-chancellor and the Registrar are responsible for the day-to-day administration of the Vidyapith.

Audit of GVP was conducted for the period April 2009 to March 2016 during January-February 2015 and June 2016 to ascertain the extent of adherence to rules and regulations relating to appointment, promotion, pay fixation of Teaching and Non-Teaching Staff working in GVP. Audit findings were reported to the GVP in August 2015 and Ministry in February 2016. The reply of GVP (September 2015, April 2016 and June 2016) have been suitably incorporated in the para. The important audit findings are given in subsequent paragraphs.

13.11.2 Audit Findings

13.11.2.1 Non follow up of norms of reservation.

Department of Personnel and Training (DoPT) issued (July 1997) instructions for implementation of Post Based Reservation (PBR) roster. Further, UGC from time to time had issued instructions to GVP to the follow reservation policy of GoI for the teaching and non-teaching posts and also to fill up the backlog vacancies for SC/ST/OBC/Physically Handicapped (PH) to fulfil the statutory requirement of GoI.

Audit noticed that despite instructions of GoI and UGC, GVP had not prepared and filled up posts as per PBR roster during 2009-2016 for teaching and non-teaching staff resulting in less representation of SC, ST and OBC in teaching staff. During 2009-16, representation of SC and ST category in teaching post of

Professor was NIL and in the post of Associate Professor, the representation of ST category was NIL. GVP did not fill up the vacant teaching posts earmarked for the reserved category.

The GVP stated (January 2016) that PBR rosters have been prepared and continuous efforts have been made to fill up vacant posts. Reply is not acceptable as no records were found on record to show that special drive for recruitments, if any, conducted to fill up vacant reserved posts.

13.11.3 Irregularities in Appointments and Drawl of pay scales for various posts

13.11.3.1 Based on the information and records furnished to Audit and on test check of records it was observed that certain appointments made for various posts and pay scales given were not as per the UGC Regulations and GoI norms.

Sl. No.	Name of Post	Audit findings	Management Reply
1.	Library Assistants	GVP had made four appointments (February 2011-June 2012) of Library Assistants through Direct Recruitment and on the date of appointment, the age of these appointed officials was beyond the maximum prescribed age as per Recruitment Rules.	The GVP replied (April 2016) that the proposal for condoning the age limit for such employees is being sent to UGC.
2.	Reader (Bio Gas Research)	Dr. Pradeep Acharya was appointed as Reader in Bio Gas Research *w.e.f* 1 November 1993 but he did not possess Ph.D as required under the UGC Regulations. He had completed his Ph.D in 26 May 2005. Thus, the appointment of Dr. Acharya as Reader *w.e.f* 1 November 1993 was irregular.	The GVP accepted (September 2015) the observation and intimated (June 2016) tentative differential[31] amount of ₹ 30.61 lakh for the period up to March 2016. The final action/recovery was yet to be taken by GVP.
3.	Reader (Archival Science)	The One Man Commission[32] appointed to inquire into the irregularities in the administration of GVP had observed (March 2006) that Ms. Binduvasini Joshi was not qualified to even be a Lecturer	The GVP replied (April 2016) that the case of Ms. Binduvasini Joshi has again been referred to UGC for grant of ex-post facto

[31] Based on the due and drawn statement furnished by GVP on the basis of audit observations.

[32] UGC had appointed One Man Commission to look into the Financial and Administrative irregularities of the Gujarat Vidyapith.

		but was appointed as Reader (AS) without having the requisite educational qualification and teaching experience. Hence, it adversely commented on her selection for the post of Reader (Archival Science). GVP had not sought relaxation from the UGC to appoint the candidate as Reader.	approval. The final action/recovery was yet to be taken by GVP.
4.	Assistant Librarian	Smt Raxaben Patel was appointed as Library Assistant *w.e.f* 27 March 1983 and further promoted to the post of Assistant Librarian *w.e.f* 1 August 1988 with the condition that the candidate shall have to pass the Masters of Library Science within two years which was the requisite qualification for appointment as Assistant Librarian. She cleared Master of Library in 1990. Hence promotion as Assistant Librarian *w.e.f* 1 August 1988 was irregular as she did not possess required qualification at the time of promotion. Based on the advertisement, Smt. Raxaben Patel was recruited again as Assistant Librarian/Lecturer (teaching post) on 24 October 1996. The appointment details were forwarded (November 1999) to UGC and the Commission stated (January 2002) its inability to accept the proposal on the ground that she did not possess NET/SLET. On non-acceptance of the proposal by UGC, Smt. Raxaben Patel was reverted to previous held post of Assistant Librarian on which she was appointed on 1 August 1988 *vide* orders dated 13 June 2007 considering as lien. The appointment of Smt. Raxaben Patel as Assistant Librarian/Lecturer in October 1996 when she did not possess the required qualification was irregular.	The GVP accepted (September 2015) the observation and intimated (June 2016) tentative differential amount of ₹ 59.61 lakh for the period up to March 2016. The final action/recovery was yet to be taken by GVP.
5.	Head Clerk	Shri. Prahlad G Parmar was appointed as a Junior Clerk cum typist on 3 January	The GVP accepted (September 2015) the

		1990 in the scale of ₹ 950-1500. Subsequently based on the Selection Committee decision, he was appointed as Statistical Assistant on 1 December 1997 in the scale of ₹ 5,000-8,000 as against the prescribed scale of ₹ 4,500-7,000. Thus, Shri P.G.Parmar was irregularly given higher scale in the post of Statistical Assistant. Further, GVP appointed (24 September 2004) him as Head Clerk from 3 January 1990 *i.e.* from the date of appointment as Junior Clerk with retrospective effect. The appointment to the post of Head Clerk with retrospective effect and consequential benefits of promotions and MACPs given to Shri Prahlad G Parmar were irregular.	observation and intimated (June 2016) tentative differential amount of ₹ 13.25 lakh for the period up to March 2016. The final action/recovery was yet to be taken by GVP.
6.	Cashier	Shri Jayesh Chauhan, Cashier was drawing higher pay scale than the pay scales as prescribed by various pay commissions during the period 1 June 2000 and 31 December 2010. The irregular higher pay scale drawn by Shri Jayesh Chauhan was considered at par with the post of Head Clerk and hence was promoted to the post of Section Officer (1 January 2011) which was also irregular .	The GVP accepted (September 2015) the observation and intimated (June 2016) tentative differential amount of ₹ 11.56 lakh for the period up to March 2016. The final action/recovery was yet to be taken by GVP.
7.	Internal Auditor	As per UGC instruction (May 1989) pay scale of non-teaching staff of the GVP were at par with the Central Pay Pattern with effect from 1 April, 1989. Shri Dineshbhai C. Rana, was appointed as Internal Auditor *w.e.f* 1 July 1997on a higher pay scale than the prescribed pay scale. The higher pay scale drawn for the period from 1 July 1997 to 13 March 2003 while holding the post of Internal Auditor was irregular.	The GVP accepted (September 2015) the observation and intimated (June 2016) tentative differential amount of ₹ 18.92 lakh for the period up to March 2016. The final action/recovery was yet to be taken by GVP.
8.	Secretarial Services	Ministry of Education & Social Welfare, (Department of Education), GoI prescribed (January 1978) pay scale of Stenographer in GVP as ₹ 380-700.	The GVP accepted (September 2015) the observation and intimated (June 2016) tentative

		Further as per UGC instruction (May 1989) non-teaching staff of the GVP are to be brought at par with the Central Pay Pattern with effect from 1 April, 1989: Shri Sevantibhai Panchal, Private Secretary, Shri Shailesh Trivedi and Ms. Preeti Shah Stenographers were drawing higher pay scale other than the prescribed pay scale from the date of appointment till the date of audit. This further resulted in incorrect drawl of ACP/MACP	differential amount of ₹ 15.72 lakh, ₹ 16.94 lakh and ₹ 11.74 lakh respectively in respect of these three officials for the period up to March 2016. The final action/recovery was yet to be taken by GVP.
9.	Lecturer	Smt. Shashibala Punjabi was appointed as lecturer in the PB - 3 ₹ 15,600-₹ 39,100 GP 6000 in GVP on 26 September 2006. She had tendered her resignation (September 2006) as Assistant Professor (Selection Grade) in previous organisation to join the new post at GVP. GVP gave both pay scale and pay protection by fixing the pay in the Pay Band PB 4 ₹ 34,700 - ₹ 57,000 GP 9,000 *w.e.f* 26 September 2006 which she was drawing in her previous organisation instead of fixing the pay in the scale of Lecturer of PB - 3 of ₹ 15,600 - ₹ 39,100 with GP 6000 the scale of her appointment. Since her application for appointment as Lecturer in GVP was not routed through proper channel she was not eligible for protection of pay in terms of MoF OM No. 3379-E.III(B)/65 dated 17 June, 1965 read with provisions of FR 22-B. Hence she was not eligible for protection of pay and should have been placed in the scale which she was appointed i.e. as Lecturer PB-3 of ₹ 15,600 - ₹ 39,100 with GP 6,000.	GVP accepted (September 2015) the observation and intimated (June 2016) tentative differential amount of ₹ 50.25 lakh for the period up to March 2016. The final action/recovery was yet to be taken by GVP.

13.11.4 Conclusion

The Post Based Rosters as per GoI norms were not being maintained for the teaching and the non-teaching staff. In the appointments of teaching and non-teaching staff, deviations from the requirement of prescribed qualifications, age criteria etc. under the UGC guidelines and GoI norms were made. Cases of retrospective selection in the higher post, grant of higher pay scales and fixation of higher pay in contravention of UGC guidelines/regulations were noticed.

The matter was reported to the Ministry in February 2016; their reply was awaited as of January 2017.

National Institute of Technology, Uttarakhand

13.12 Infructuous & idle expenditure on construction of boundary wall

Construction of the boundary wall on the new permanent campus site by ignoring the survey report of IIT Roorkee which clearly stated that the site was not suitable as the area falls in the seismic zone-IV and close to important regional thrusts resulted in expenditure of ₹ 2.56 crore on steel work as idle and ₹ 0.78 crore incurred on fencing work and payment of Agency charges infructuous.

To establish a permanent campus of National Institute of Technology (NIT), Uttarakhand at Srinagar (Garhwal), NIT requested (March 2012) Indian Institute of Technology (IIT), Roorkee to undertake geotechnical survey of the proposed site[33] for construction of NIT campus. The site survey report submitted (May 2012) by the IIT Roorkee stated that the proposed area falls in seismic zone-IV and the terrain is not suitable for construction of multi storied buildings.

The Ministry of Human Resource Development (MHRD) constituted (May 2013) a Site Selection Committee (Committee). The Committee jointly inspected the site with local administration and members of CPWD for campus and found (June 2013) that the offered land suitable and recommended for the 'Permanent Campus' of NIT, Uttarakhand. The Uttarakhand Government transferred (December 2013) 310 acre of land of selected site free of cost to NIT.

The Building and Works Committee (BWC) of NIT approved (August 2013) the design and estimate valuing ₹ 13.27 crore for construction of boundary wall. The NIT awarded (March 2014) the work of construction of boundary wall of permanent campus to NBCC (India) Ltd. (NBCC) with the stipulated time of construction of six months. The NIT paid (March 2014) ₹ four crore for construction of boundary wall and ₹ one crore for site development as advance to NBCC.

[33] Village Sumari District Pauri.

NBCC intimated (October 2014) that in the stretch C of the boundary wall in which the forest was very dense & terrain was steep, sample for boundary wall has been prepared and asked IIT Roorkee to approve the sample and give decision for the pattern of boundary wall. As neither IIT, Roorkee team visited the site nor NIT took any decision, the NBCC foreclosed (December 2015) the work. The NBCC completed (January 2015) the work of boundary wall (except stretch C) at ₹ 3.34 crore (₹ 2.56 crore of steel work, ₹ 0.52 crore of fencing work and ₹ 0.26 crore as agency charges) which was approved by the BWC.

The Board of Governors in its meeting (06 January 2016) discussed the progress of boundary wall and decided to seek assistance from MHRD in allocation of a new site as present site was prone to landslides, earthquakes and cloudbursts. It was observed that Minister, HRD informed (June 2016) Chief Minister, Uttarakhand that a portion of fencing had collapsed due to landslide and the site is prone to landslides, earthquakes and cloudbursts and requested to provide an alternate suitable piece of land for the NIT permanent campus.

Thus by constructing the boundary wall on the site which was not suitable resulted in infructuous expenditure of ₹ 0.78 crore incurred on fencing work & Agency charges and expenditure of ₹ 2.56 crore on steel work as idle.

The NIT stated (July 2016) that as per the recommendation of IIT Roorkee, steel fencing was designed and installed by NBCC, which can be removed and re-installed after terracing. Even if the site is changed the same fencing can be re-installed in the new site.

The reply is not acceptable as the NIT knew about the unsuitability of land allotted for campus before the start of construction work of boundary wall. Although, expenditure of ₹ 2.56 crore on steel work was idle which might be re-installed but expenditure of fencing work and Agency charges worth of ₹ 0.78 crore rendered infructuous.

The matter was reported to the Ministry in August 2016; their reply was awaited as of January 2017.

Indira Gandhi National Tribal University

13.13 Irregular payment of medical allowance

Indira Gandhi National Tribal University paid monthly medical allowance to its employees equal to one-twelfth of their salary on first of July of the concerned year amounting to ₹ 1.96 crore during 2013-16 in contravention of the Civil Services (Medical Attendance) Rules, 1944 and the provisions of General Financial Rule 209 (6) (iv) (a).

Employees of the Indira Gandhi National Tribal University (IGNTU) are governed[34] by the CS (MA) Rules[35], 1944. Government of India Decision 9 below Rule 2 of these Rules provides for payment of a fixed medical allowance of ₹ 100 per month per employee working in interior/remote areas where no Authorised Medical Attendant was available within a radius of five km. The allowance had been withdrawn by the Government w.e.f. 03 June 2015.

More than 90 *per cent* of the annual expenditure of IGNTU is met from grants in aid from the University Grants Commission. Rule 209 (6) (iv) (a) of the General Financial Rules, 2005 stipulates that, barring exceptional cases requiring consultation with the Ministry of Finance, the terms and conditions of service of employees of institutions receiving recurring grants that are more than 50 *per cent* of their annual expenditure, should not be higher than those applicable to similar categories of employees in Government of India. It was observed however, that with effect from 1 July 2013, IGNTU permitted its employees to claim, based on self-certification, medical expenses equal to one month's salary (basic pay + grade pay + dearness allowance) prorated every month during the year. Accordingly, IGNTU incurred an expenditure of ₹ 1.96 crore during the period from July 2013 to March 2016, with every employee receiving medical reimbursement ranging from ₹ 1,108.00 to ₹ 9,372.00 per month. In addition to such payments made on self-certification, IGNTU had also reimbursed ₹ 0.26 crore towards medical expenses of its employees during the period April 2013 to December 2015.

The Ministry of Human Resource Development accepted (September 2016) the audit observations and informed that IGNTU had been directed to recover the excess payments and University has been advised to formulate terms and

[34] According to Ordinance 48 of the Rules for Medical Reimbursement to the employees of the Indira Gandhi National Tribal University.

[35] The Central Services (Medical Attendance) Rules, 1944, applicable to Central Government employees residing in areas not covered under the Central Government Health Scheme.

conditions of the service of its employees which are, by and large, not higher than those applicable to similar categories of the employees of Central Government.

Assam University, Silchar

13.14 Unfruitful expenditure

Failure of the Assam University, Silchar (AUS) to make entire provision of fund resulted in non-implementation of the e-governance Project as a whole. Action of AUS, to release payment of ₹ 60.02 lakh to PricewaterhouseCoopers Pvt. Ltd. and not to encash bank guarantee of ₹ 37.50 lakh, despite having several deficiencies in HR module, was irregular. Moreover, inaction of the AUS to make the Project re-operational rendered the expenditure of ₹ 1.75 crore incurred on the Project unfruitful.

Assam University, Silchar (AUS) awarded (August 2011) the work for digitalisation and e-governance solution (Project) and support to PricewaterhouseCoopers Pvt. Ltd. (PwC) at a price of ₹ 3.75 crore. Accordingly, AUS entered (September 2011) into an agreement with PwC for implementation of the Project consisting of four modules and two application portals. The PwC started the work in September 2011 and declared one module i.e., HR module go-live in April 2012. PwC installed the hardware and software[36] of other modules/portals by October 2012, and was paid an amount of ₹ 1.75[37] crore during the period from November 2012 to June 2014.

A test check of records (August 2016) in audit showed that although the PwC declared HR module go-live (April 2012), the same was not satisfactorily working since AUS noted (January 2013) that only one sub-module[38] was functioning, which too had several deficiencies. However, in July 2013, AUS and PwC jointly decided to give sufficient time to end users to acclimatize themselves to the HR module and gather sufficient knowledge/expertise. Accordingly, it was jointly agreed to suspend the Project temporarily and the go-live support period was restricted up to December 2013 in place of April 2015 mentioned in the agreement. It was also agreed to jointly review the

[36] Having perpetual licenses.

[37] Total payment of ₹ 1.75 crore made to PwC consisting of (i) ₹ 115.25 lakh for implementation of E-governance project (November 2012), (ii) ₹17.97 lakh for balance amount of licence fee (March 2013), (iii) ₹ 31.32 lakh as 75 *per cent* of HR module cost (May 2013) and (iv) ₹ 10.73 lakh as balance 25 *per cent* of HR module cost (June 2014).

[38] Absence management.

situation in future to re-commence the Project and re-enter a fresh contract with mutually agreeable terms and conditions.

Audit further found that the GENSET of Computer Centre was forcefully taken away (March 2014) by students and the servers crashed in May 2014 thereby making the hardware and software installed non-operational from May 2014. AUS approached PwC for paid up support for making the Project re-operational only in June 2015, but PwC turned down (August 2015) the proposal for providing paid up support.

Audit scrutiny (August 2016) revealed the following deficiencies in the implementation of the Project:

a. The AUS provided (September 2011) financial concurrence of ₹ 1.75 crore against total cost of ₹ 3.75 crore. Thus, the AUS did not have the financial provision of the remaining ₹ 2.00 crore. Such non-provision of fund was one of the reasons for non-implementation of the Project as a whole since the Project Monitoring Committee (PMC) admitted (March 2013) that the fund available for the Project was insufficient and the AUS could only achieve goals *viz.*, Oracle software license, hardware cost and HR module costing ₹ 1.75 crore.

b. In terms of the agreement with PwC, AUS was to constitute a Core Committee for monitoring and co-ordination with PwC during implementation of the Project. For monitoring the Project, AUS constituted (September 2011) two committees *viz.* Project Monitoring Committee (PMC) and Core Committee (CC). Records revealed that the Project Monitoring Committee (PMC) held first meeting in January 2013 when the Project was already declared Go-live in April 2012. This indicated that the PMC did not monitor the implementation stage. Moreover, AUS did not provide any evidence establishing co-ordination with PWC either by PMC or by CC.

c. Vice-chancellor of AUS observed (January 2013) that only leave section (Absence Management) of HR Module was working. In that section too, several deficiencies were noticed and VC suggested that overall progress must be looked into before making further payment to PwC. Records revealed that although the PMC noted (February 2013) performance of the Project as unsatisfactory, it recommended payment of balance amount of license fee to PwC as per terms and conditions of the agreement. Accordingly, an amount of ₹ 17.97 lakh was paid to PwC in March 2013. Further, the PMC recommended (March 2013) for release of 75 *per cent* HR module cost payable to PwC, while balance 25 *per cent* to be released after university administration's full satisfaction regarding smooth and desired functioning of the HR module. Accordingly, ₹ 31.32 lakh (75 *per cent* of HR module cost) was paid to PwC in May 2013. Audit noted that feedbacks[39] (July 2013) from the end-users disclosed gross dissatisfaction regarding implementation and functioning of HR module which remained unresolved by PwC. Nevertheless, during a meeting (July 2013), between AUS and PwC it was mutually agreed that PwC had by far completed and delivered the HR and all related modules to AUS, which were in operation. It was also decided to release the outstanding amount of ₹ 10.73 lakh (25 *per cent* of HR module cost) to PWC, which was paid in June 2014. Thus, AUS released payment of ₹ 60.02 lakh despite several deficiencies in HR module, which was irregular.

d. In terms of clause 4.8 of RFP[40], AUS obtained bank guarantee of ₹ 37.50 lakh from PwC in March 2012 with validity period till 30 June 2015 as security deposit for satisfactory performance by PwC as per terms and conditions of the agreement. However, in spite of several deficiencies in HR module, AUS did not encash the bank guarantee.

e. The Project was inoperative since May 2014 due to some technical as well as power issues but AUS neither initiated any further action to make the Project re-operational by engaging other agency after the denial (August 2015) by PwC to provide paid up support. Such inaction of AUS made the Project non-functional rendering the total expenditure of ₹ 1.75 crore incurred on Project unfruitful.

Thus, failure of AUS to make entire provision for funds, resulted in non-implementation of the Project as a whole. Despite facing several deficiencies in HR module release of payment of ₹ 60.02 lakh to PwC was irregular, and non-encashment of bank guarantee of ₹ 37.50 lakh lacked justification. Thus, inaction on part of AUS for making the Project re-operational, rendered the entire payment of ₹ 1.75 crore (refer footnote no. 37) made to PwC, as unfruitful.

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[39] In terms of agreement PwC was to carry out corrections based on feedback.
[40] Request For Proposal.

AUS stated (November 2016) that they would constitute a Status Evaluation Committee to study the status of the present hardware and software to explore avenue to restart the Project.

The matter was reported to the Ministry in September 2016; their reply was awaited as of January 2017.

13.15 Irregular re-imbursement of LTC claims by five Central Autonomous Bodies

Five Central Autonomous Bodies irregularly reimbursed air fares of ₹ 6.90 crore during 2012-16 against the air tickets purchased by their employees from unauthorised agents in violation of the MoF guidelines for availing Leave Travel Concession. Indian Institute of Technology, Kharagpur, despite delayed submission of claims, did not recover LTC advance of ₹ 1.14 crore of which ₹ 19.85 lakh was to be forfeited. Cross verification of claims with the Airlines also revealed that the air fares reimbursed by the Indian Institute of Technology, Kharagpur and Indian Institute of Technology, Bombay were inflated by ₹ 18.56 lakh.

As per the guidelines issued (September 2010) by Ministry of Finance, Department of Expenditure (MoF) for air travel on Leave Travel Concession (LTC), air tickets were to be purchased directly from Airlines[41] or by utilising the services of authorised travel agents *viz.* M/s Balmer Lawrie & Company, M/s Ashok Travels & Tours and Indian Railway Catering & Tourism Corporation (IRCTC)[42].

Test check of LTC bills revealed that five Central Autonomous Bodies (CABs) irregularly reimbursed air fares of ₹ 6.90 crore in 932 cases during 2012-13 to 2015-16 to their employees for undertaking air journeys while availing LTC for self/family members as under.

Sl No.	Audited Entity	No. of cases	Amount reimbursed (₹ in crore)
1.	Indian Institute of Technology, Kharagpur (IITK)	731	5.04
2.	Indian Institute of Technology, Bombay (IITB)	100	1.05
3.	National Institute of Technology, Warangal (NITW)	2	0.02
4.	University of Allahabad (UoA)	87	0.59

41 At Booking counters/Website of Airlines.

42 To the extent IRCTC is authorised as per DoPT OM No. 31011/6/2002-Estt. (A) dated 02 December 2009.

5.	National Institute of Technology, Hamirpur (NITH)	12	0.20
	Total	**932**	**6.90**

Audit scrutiny revealed that the air tickets submitted by employees of these CABs in support of air journey were purchased from agents other than the authorised travel agents. Since the purchases of air tickets were made in violation of MoF guidelines, reimbursement of ₹ 6.90 crore was irregular.

Further scrutiny showed the following irregularities:

(i) As per Government of India's Decisions under Rule 52(2) of Compendium of Rules on Advances read with rule 15 (vi) of CCS[43] (LTC) Rules, 1988 where an advance has been drawn towards LTC, the final bill have to be preferred within one month of the completion of the return journey. If that is not done, the authority which sanctioned the advance should enforce lump sum recovery of the advance forthwith and once such recovery is made, it should be taken as if no advance had been drawn and the claim allowed to be preferred within a period of three months, failing which it shall stand forfeited. Audit found (December 2016) in 141 cases at IITK that LTC advances of ₹ 1.14 crore were given, the claims for reimbursement were submitted after a delay ranging between one and 728 days from the schedule date of one month. Despite delayed submission of claims, IITK did not recover LTC advances totalling ₹ 1.14 crore in one lump sum, Further, in 20 cases, the claims totalling ₹ 19.85 lakh were submitted after a delay ranging between two and 668 days from the schedule date of three months. Despite delayed submission of claims, IITK instead of forfeiting the claims irregularly reimbursed ₹ 19.85 lakh.

(ii) As per rule 14 of CCS (LTC) Rules, 1988, where no advance has been drawn by the Government servant, the claim for reimbursement of expenditure incurred on journeys is to be submitted within three month of the completion of return journey and on failure to do so, the entire claim is to be forfeited. Audit found that in five cases at IITK, the claims totalling ₹ 3.43 lakh were submitted after a delay ranging between 11 and 201 days from the schedule date. Despite delayed submission of claims, IITK instead of forfeiting, irregularly reimbursed the claims.

[43] Central Civil Services

(iii) Audit cross verified the claims submitted by the employees of IITK and IITB with the records of Air India and noticed that the air fares claimed were inflated by ₹ 18.56 lakh as under.

Sl. No.	Audited Entity	No. of cases	Inflated amount (₹ in lakh)
1.	IIT Kharagpur	80[44]	11.21
2.	IIT Bombay	37[45]	7.35
Total		**117**	**18.56**

Thus, five CABs irregularly reimbursed air fares of ₹ 6.90 crore during 2012-16 against the air tickets purchased by their employees from unauthorised agents in violation of the MoF guidelines for availing LTC. Moreover, despite delayed submission of claims, IITK did not recover LTC advance of ₹ 1.14 crore of which ₹ 19.85 lakh was to be forfeited. IITK also did not forfeit the claims of ₹ 3.43 lakh, where no advance was given, despite delayed submission of claims. Cross verification of claims with the Airlines also revealed that the air fares reimbursed by the IITK and IITB were inflated by ₹ 18.56 lakh.

IITK accepted audit observation and stated (September 2016) that an advisory was issued to all staff members to book tickets through M/s Balmer Lawrie & Company, M/s Ashok Travels & Tours and Indian Railway Catering & Tourism Corporation (IRCTC) and that reimbursement of LTC expenses was within LTC 80 fares as notified by Government of India.

IITB also accepted the audit observation and stated (February 2016) that on being pointed out by audit, a circular to all employees was issued for booking air tickets directly from the Air India website/counters or from the three Government authorised agencies. Regarding excess re-imbursement in 37 cases, IITB stated (February 2016) that refund/recovery has already been initiated limiting the claim to LTC 80 fares.

NITW stated (February 2017) that the reimbursement to the employees was done due to oversight and in future, they would follow the rules and regulations for reimbursement of LTC claims strictly. UoA and NITH did not furnish (January 2017) reply though the issue was reported to them in December 2016 and December 2015 respectively.

[44] Remaining 651 cases (731-80), no information from the Airlines was received.

[45] Remaining 63 cases (100-37) pertaining to Airlines other than Air India could not be verified in absence of details of air tickets.

The reply of IIT Kharagpur and IIT Bombay is not tenable since both the Institutes reimbursed LTC claims of their employees in violation of CCS (LTC) Rules 1988 and guidelines issued by Government of India.

The matter was reported to the Ministry and their reply was awaited as of January 2017.

National Institute of Technology, Jamshedpur

13.16 Excess payment due to irregular implementation of Career Advancement Scheme

Promotion of faculty members under Career Advancement Scheme violating the instructions of MHRD resulted in irregular payment of ₹ 1.46 crore.

As per Para 1 (iii) on 'Career Advancement Scheme (CAS)' of the Ministry of Human Resource Development (MHRD) order (October 1998) regarding revision of pay scales of teachers in centrally funded Degree level technical institutions after 5th Central Pay Commission (CPC), for movement into the grades of Assistant Professor and above, the minimum eligibility criterion would be Ph.D. Those teachers without Ph.D. could go up to the level of Lecturer (Selection Grade) (Pay scale - ₹ 12,000 - ₹ 18,300). MHRD clarified (May 2007) that Selection Grade Lecturer will be considered for upgradation as Assistant Professor from the date he/she obtains Ph.D. Subsequently, MHRD issued (March 2012) the following guidelines for promotion of faculty under CAS:

(i) All recommendations of the Selection Committee shall take effect only from the date of approval of recommendations by the Board or any later date as decided by the Board. There shall be no retrospective implementation of recommendations in any case (either financial or notional).

(ii) Any promotion or enhancement of Pay Band or Grade Pay, already implemented by the Institute should be got reviewed/examined by the Board by a duly constituted Selection Committee immediately.

(iii) A faculty member without Ph.D. will not earn any enhancement of AGP, unless he acquires a Ph.D. degree.

After the implementation of 6th CPC, MHRD circulated (June 2009), the fitment tables for fixation of pay of the existing incumbents. As per the fitment tables, revised pay band of Lecturer (Selection Grade) was ₹ 15,600 - ₹ 39,100 plus Academic Grade Pay (AGP) ₹ 8,000 p.m. Further, following the revision of pay scales on the recommendations of 6th CPC, MHRD issued (August 2009) fresh set of instructions for fixation of pay according to which, Assistant Professor possessing degree of Ph.D. and with regular service of three years at AGP of ₹ 7,000 p.m. shall be eligible for moving to AGP of ₹ 8,000 p.m.

National Institute of Technology (NIT), Jamshedpur, implemented CAS (as per 5th CPC) after its approval (November 2011) at the 16th Board of Governors (BoG) meeting and promoted 75 faculty members. Further, in the 18th BoG meeting (March 2013), the BoG approved the pay fixation of the faculty with effect from 1 January 2006 in the revised pay scale as per 6th CPC with notional increments. Accordingly, NIT issued (August 2013) revised pay fixation orders indicating notional fixation of pay from 1 January 2006 and financial benefit from 29 November 2011.

Test check by Audit of the pay fixation orders of 21 faculty members out of 75 faculty members promoted revealed that:

(i) NIT promoted 16[46] Lecturers (Selection Grade) to Assistant Professor without Ph.D. degree to AGP of ₹ 9,000/- and also gave retrospective notional benefit in violation of MHRD circulars resulting in irregular payment of ₹ 1.34 crore[47] for the period from November 2011 to March 2016.

(ii) NIT gave retrospective notional benefit to five faculty in violation of MHRD circulars resulting in irregular payment of ₹ 0.12 crore[48] for the period from November 2011 to March 2016.

In reply NIT stated (August 2016) that:

(i) MHRD notified the implementation of 6th CPC vide order dated 31 December 2008 for Teachers and equivalent cadres in Universities and colleges wherein it was mentioned that 'incumbent Readers and Lecturers (Selection Grade) who have completed three years in current pay scale of

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46 15 Lecturers have no Ph.D. and one Lecturer (Shri. B. K. Prasad, Associate Professor (CED) completed his Ph.D. in August 2009 but was granted promotion to AGP ₹ 9,000 in June 2009 when he had not yet obtained Ph.D.degree).

47 Irregular payment has been worked out based on Basic Pay only and Allowances have not been considered. Irregular payment in case of Shri. B. K. Prasad has not been worked out as his Pay after completion of Ph.D. was supposed to be fixed after completion of due process.

48 Irregular payment has been worked out based on Basic Pay only and Allowances have not been considered.

₹ 12,000 - ₹ 18,300 on 1 January 2006 shall be placed in the pay band of ₹ 37,400 - ₹ 67,000 with AGP of ₹ 9,000 and shall be re-designated as Associate Professor. Pay fixation was to be done under 6th CPC as per fixation table notified by MHRD vide order dated 4 June 2009. No faculty has been given AGP ₹ 9,000 without completing three years in AGP of ₹ 8,000 as per requirement of above order of MHRD.

(ii) In the matter of CAS, MHRD had given the guidelines from time to time on various matters. However, the final decision has been left to Institute. Hence, BoG in its 18th meeting approved the grant of notional increments from 1 January 2006 in the pay scale for those faculty members, who have been promoted under CAS as per 5th CPC.

The reply is not tenable since:

(i) The CAS under 5th CPC clearly states (October 1998 and May 2007) that the eligibility criterion of Ph.D. is required for upgradation to Assistant Professor.

(ii) MHRD vide its order issued in March 2012 clearly mentioned that there shall be no retrospective implementation of recommendations of Selection Committee (either financial or notional).

Thus, NIT, Jamshedpur made an irregular payment of ₹ 1.46 crore through improper implementation of CAS.

The matter was reported to the Ministry in August 2016; their reply was awaited as of January 2017.

University Grants Commission

13.17 Blocking up of funds and non-achievement of intended objective

The grants released by UGC for construction of two Ladies Hostel at Government College for Women at Thiruvananthapuram and Kannur in 2009 were neither utilised nor refunded even after lapse of seven years, resulting in blocking up of funds of ₹ 1.27 crore (including interest) and non-achievement of intended objective.

With a view to providing hostels and other infrastructure facilities, the UGC sanctioned (March 2009) grant of ₹ 75 lakh to two colleges[49] for construction of two Ladies Hostels in Kerala under special scheme for "construction of

[49] Government College for Women, Vazhuthacaud, Thiruvananthapuram was released ₹ 50 lakh during 2009 in two instalments of ₹ 25 lakh each in January and March 2009 and Government Brennen College, Thalassery, Kannur was released ₹ 25 lakh in March 2009.

Women's Hostels". As per Rule 209 (6) (ix) of GFR, in the event of grantee failing to comply with the condition of or breach of the bond is liable to refund to the President of India, whole or a part of the amount of grant with interest at 10 *per cent per annum*.

Scrutiny of records of UGC revealed that the allotted grants were neither utilised nor refunded by these colleges even after a lapse of more than seven years. The interest payable thereon as per the above provisions of GFR amounted to ₹ 52.50 lakh. This had resulted in blocking up of funds of ₹ 1.27 crore (including interest) for seven years and non-achievement of intended objective of construction of woman hostels.

The UGC Bangalore, in their reply (April 2016) stated that it had blocked release of further grants to these Colleges till they return the grants along with 10 *per cent* interest.

The matter was reported to the Ministry in April 2016; their reply was awaited as of January 2017.

Indian Institute of Technology, Madras

13.18 Avoidable expenditure towards penal charges on electricity consumption

IIT, Madras had incurred avoidable expenditure of ₹ 1.05 crore towards penalty for exceeding contracted demand during April 2013 to March 2016 due to non-review and enhancement of sanctioned demand

Under the tariff structure of Tamil Nadu Electricity Regulatory Commission (TNERC), for High Tension (HT) consumers, maximum demand charges for any month shall be levied based on the Kilo Volt Amperes (kVA) demand actually recorded in that month or for 90 *per cent* of the sanctioned demand whichever is higher. Further, whenever the consumer exceeds the sanctioned demand, the exceeded demand alone shall be charged as penalty at double the normal rate as per para 5(2) (i) of Tamil Nadu Electricity Supply Code, 2010.

The Indian Institute of Technology (IIT), Madras is having HT service connection with sanctioned maximum demand of 6000 kVA from June 2010. The interval allowed between successive enhancements/reduction in sanctioned demand by Tamil Nadu Electricity Board (TNEB) is one year. IIT, Madras has initiated action to increase the contract demand from 6000 kVA to 7000 kVA in March 2016.

Audit observed that IIT, Madras has been exceeding the sanctioned demand (6000 kVA) since April 2012. The sanctioned demand was exceeded in 33 out of 55 months during the period September 2011[50] to March 2016 and ranged between 6003 kVA and 7155 kVA. It was also noticed that there was considerable increase in infrastructure during 2013 and 2015 which also resulted in increase in electricity consumption. Failure to review the sanctioned demand with reference to increase in infrastructure, as evident from consumption pattern, resulted in payment of penalties to the tune of ₹ 1.05 crore[51] to Tamil Nadu Generation and Distribution Corporation Ltd.

In response, Ministry endorsed (August 2016) the reply of IIT, Madras which stated (July 2016) that any unrealistic increase in contract demand with a view to avoiding penalty may lead to additional payment even when the maximum demand is lower than the contract demand. Further action was taken to decrease the maximum demand by utilising renewable energy sources and increase the contract demand (March 2016) from 6000 kVA to 7000 kVA.

The reply is not acceptable as the consumption pattern constantly exceeded sanctioned demand attracting penalty since April 2012. IIT Madras has not reviewed its sanctioned demand since June 2010 even though it had the option to review its sanctioned demand once every 12 months. The recorded demand continued to exceed the sanctioned demand even after completion of renewable energy plant. Even after increase in sanctioned demand, the saving would have been much higher than additional payments in the form of penalty. IIT Madras took action to revise its contract demand after the Audit raised the issue.

Thus, the failure of IIT Madras to periodically review and get the contracted demand enhanced at appropriate time led to avoidable payment of penalty of ₹ 1.05 crore.

[50] IIT, Madras could increase/decrease sanctioned demand since September 2011, i.e., 1 year from increase to 6000 kVA in June 2010 and cushion of 3 months for decision making and procedures.

[51] Penalty paid is considered from April 2013 to March 2016 after giving enough cushion to IIT to review the consumption pattern.

University of Hyderabad

13.19 Irregular payment of Transport Allowance to teaching faculty

Payment of Transport Allowance and Dearness Allowance (DA) thereon to teaching faculty, for the periods of absence from duty for full calendar months during vacation periods, resulted in irregular expenditure of ₹ 95.96 lakh.

Government of India, Transport Allowance Rules stipulates that transport allowance to vacation staff shall not be admissible during vacation, when such vacation spell, including all kinds of leave, envelops the entire calendar month(s). Further, Transport Allowance was not admissible to the employees, during absence from duty for a full calendar month due to leave/training/tour, etc. If the absence covers more than one month, it will not be admissible for calendar month(s) wholly covered by such absence. Consequent on implementation of Sixth Pay Commission recommendations, these Rules along with new rates of Transport Allowance (TA) were made applicable with effect from 1st September 2008.

The University of Hyderabad, notified the following spells as vacation period to the teaching faculty during the Academic years 2012-13 to 2015-16:

Sl. No.	Academic Year	Vacation	Period of vacation	Full month for which Transport allowance and DA thereon is not eligible
1.	2012-13	Winter	1.12.2012 to 1.1.2013	December 2012
		Summer	11.5.2013 to 12.6.2013	Nil
2.	2013-14	Winter	2.12.2013 to 1.1.2014	Nil
		Summer	17.5.2014 to 30.6.2014	June 2014
3.	2014-15	Winter	2.12.2014 to 1.1.2015	Nil
		Summer	18.5.2015 to 30.6.2015	June 2015
4.	2015-16	Winter	09.12.2015 to 03.01.2016	Nil
		Summer	16.05.2016 to 30.06.2016	June 2016

Audit observed (March/July 2016) that though teaching faculty were absent from duty for full calendar months in December 2012, June 2014, June 2015 and June 2016 during vacation periods for the Academic years from 2012-13 to 2015-16, Transport Allowance (including Dearness Allowance on TA) of ₹ 95.96 lakh was paid to the teaching faculty for the four full calendar months, in violation of Transport Allowance Rules, ibid.

The University replied (December 2016) that Transport Allowance was paid to the teachers during vacation as they attended to their Schools/Departments in connection with research, guidance to Ph.D scholars or for other teaching or administrative work at least a few days in a calendar month and by virtue of powers vested in Act and Statues of the University, the University made payment of transport allowance to teachers considering the academic and research aspects.

The reply of the University was not acceptable in view of the fact that Ministry instructions (December 2008) and UGC Regulations 2010 (issued in June 2012) stipulate payment of Allowances, including Transport Allowance as applicable to teachers, at par with that of Central Government employees, consequent on implementation of Sixth Pay Commission recommendations.

Further issue of Circular (October 2016) by the University in compliance to Audit observation, making it mandatory to teaching faculty to provide information on attendance during vacation, underscores the fact that there was no practice of obtaining such information during the years 2012-13 to 2015-16, for payment of Transport Allowance during vacation. Hence, there was irregular payment of Transport Allowance (including Dearness Allowance on TA) of ₹ 95.96 lakh to the teaching faculty during vacation period covering full calendar months (s).

The matter was reported to the Ministry in June 2016; their reply was awaited as of January 2017.

13.20 Improper conversion of University of Hyderabad School into Kendriya Vidyalaya Project School

Improper conversion of University of Hyderabad Campus School (UHCS) into Kendriya Vidyalaya Project School, without approval of University Grants Commission (UGC) resulted in avoidable expenditure of ₹ 7.07 crore towards Pay & Allowances of the Teaching and Non-teaching staff of KV Project School, while rendering their UHCS Teaching and Non-teaching staff underutilised.

The Executive Council of the University in its 156th Meeting (June 2012) approved conversion of UHCS into Kendriya Vidyalaya Project School. Kendriya Vidyalaya Sangathan (KVS), New Delhi, also conveyed sanction (March 2013) to open a new Kendriya Vidyalaya School with effect from 01 April 2013. The University vide Notification dated 28 March 2013, offered three options to the existing Teaching and Non-Teaching staff of UHCS, (i) Teaching staff may go on deputation to KVS for a period of three years up to 31 March 2016 (or) those who are not willing to go on deputation may be assigned duties in the University, (ii) Teaching staff, who have completed 20 years of qualifying service and willing to accept Voluntary Retirement Scheme, may opt so. (iii) the services of the Non-teaching staff would be utilised in the manner that, it deems fit in such Schools/Departments/Centers/Sections of the University.

As none of the UHCS teachers exercised option for deputation to KVS, the University requested (April 2013), KVS, New Delhi, to make its own arrangements for providing adequate number of teachers to run the KV Project School. Subsequently, the University entered into a Memorandum of Understanding (MOU) with the KVS, New Delhi (May 2013), for opening KV Project School.

Audit examination of the records of the University (January-April 2016) revealed that the University re-deployed 31 teaching staff and all the non-teaching staff of UHCS in its various Schools/Departments/Centers. Further, 10 Primary and Trained Graduate Teachers, were deployed in Pre-Primary School of the University, rendering their teaching services underutilised.

University's requests (November 2014, May 2015, July 2015 and September 2015), for additional funds for the KV project school was not accepted by UGC (February 2015, December 2015 and March 2016) on the ground that the University was already having a Campus School and it had not obtained its prior approval for establishment of a KV at University Campus. The University request (November 2014) for absorption of UHCS teachers in KVS school was also rejected (December 2014) by KVS, New Delhi. Further, a Committee constituted by the University in the matter has also recommended (March 2015) to discontinue the KV and reopen the UHCS.

Thus, none of the teachers had exercised option for deputation to KVS in March/April 2013, i.e before signing MOU with KVS in May 2013, and the University went ahead with its decision to establish KV Project School, without the approval of MHRD/UGC. This has resulted in incurring of avoidable additional expenditure of ₹ 7.07 crore on payment of Pay & Allowances of the Teaching and Non-teaching staff of KV Project School while rendering their UHCS Teaching and Non-teaching staff underutilised.

The University replied (December 2016) that in the light of demand of University community, it was decided to convert the existing UHCS into KV

Project school. It further stated that the teaching and non-teaching staff of the UHCS were re-deployed in various Schools/Departments/Centers/Sections of the University and the services of primary and Trained Graduate Teachers were being utilised in the Pre-primary School of the University.

Audit noted that the University failed to make a proper plan to safeguard the future career interests of the UHCS staff, before deciding to convert the existing UHCS into KV school. The redeployment of teaching staff to other Departments of the University and pre-primary school resulted into non utilisation/underutilisation of their teaching services. The report (March 2015) of the Committee which recommended to discontinue the KV School and reopen the UHCS proved that the decision was taken without proper plan. Such conversion of UHCS into KV school was also objected by UGC.

The matter was reported to the Ministry in July 2016; their reply was awaited as of January 2017.