

PREFACE

This Report of the Comptroller and Auditor General of India containing results of performance audit of the following Central Autonomous Bodies has been prepared for submission to the President of India under Article 151 of the Constitution:

Sl. No.	Name of Autonomous Body	Ministry
1.	Marine Products Export Development Authority	Ministry of Commerce and Industry
2.	Assam University	Ministry of Human Resource Development
3.	Jawaharlal Nehru University	Ministry of Human Resource Development
4.	National Institute for the Orthopaedically Handicapped, Kolkata	Ministry of Social Justice and Empowerment
5.	Delhi Development Authority	Ministry of Urban Development

These performance audits incorporate the results of test check of records of the above mentioned autonomous bodies conducted during 2010-11.

EXECUTIVE SUMMARY

This Report contains results of performance audit of (i) Marine Products Export Development Authority (ii) Functioning of Assam University (iii) Jawaharlal Nehru University (iv) National Institute for the Orthopaedically Handicapped, Kolkata and (v) Acquisition and development of land by Delhi Development Authority.

MINISTRY OF COMMERCE AND INDUSTRY

Marine Products Export Development Authority

The Marine Products Export Development Authority (Authority) was constituted in 1972 under Marine Products Export Development Authority Act 1972 (No. 13 of 1972) to promote and development of marine products industry with special emphasis on exports of marine products under the control of the Ministry of Commerce and Industry. In order to promote exports, the authority carries out its activities primarily by providing financial assistance to the fishermen/ hatcheries/aqua farmers/processors and exporters under six major heads namely Market Promotion, Capture Fisheries, Culture Fisheries, Processing, Infrastructure & Value addition, Quality Control, Research and Development.

A performance audit of the authority, covering the period from 2005-06 to 2009-10, disclosed that the post disbursement risks associated with financial assistance schemes were not adequately addressed. Audit also found defects in planning and formulation of schemes, shortfall/failure in achieving the objective of the schemes, scaling down of critical controls on bank guarantee and export obligation. Further, it was found that there was no mechanism of obtaining feedback from the beneficiaries on the outcome of the scheme.

(Paragraph 1)

MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Assam University

Functioning of Assam University

The Assam University was established in 1994 at Silcher under an act of Parliament – the Assam University Act, 1989. It aims to disseminate and advance knowledge by providing instructional and research facilities in various disciplines and to make provisions for integrated courses in

humanities, natural and physical science and social sciences in the educational programme of the University. In order to provide scope of higher learning to the people of far flung areas of North East and cater to the long term demand of the people of Karbi Anglong, another campus was established at Diphu in July 2007 where six Post graduate courses were introduced.

Performance audit of the University revealed that it could not utilize its resources to the extent of ₹ 14.30 crore efficiently as 17-39 *per cent* of available seats in 28 PG courses and 26-59 *per cent* in four UG courses remained vacant during the period of report. In contrast, excess students were admitted in three Five years integrated courses almost in all years of report. Out of the total 46 Research Projects undertaken by different departments of the University, only 12 projects could be completed as of June 2010. No mechanism for monitoring the research projects existed. The Plan fund ranging 39 to 73 *per cent* remained unutilized in all the years during 2005-10. The University did not set up any Internal Audit wing despite being pointed out in Separate Audit Reports of earlier years.

(Paragraph 2)

Jawaharlal Nehru University

The Jawaharlal Nehru University (University) was established in 1966 under an Act of Parliament - the Jawaharlal Nehru University Act 1966 (Act). It aims to disseminate and advance knowledge, by teaching and research and by the example and influence of its corporate life to promote the study of the principles for which Jawaharlal Nehru worked during his life time, namely national integration, social justice, secularism, a democratic way of life, international understanding and a scientific approach to the problems of society.

Performance audit of the University revealed that it could not utilize its resources economically and efficiently as 11 *per cent* of the available seats in various courses remained unfilled during the period of report due to the defective admission policy. Grants received for development of infrastructure remained unutilized to the extent of 31 *per cent*. The University could generate a maximum of 5.91 *per cent* of its annual recurring expenditure which was much below the target of 25 *per cent* recommended by the Punnayya Committee in 1992-93. It did not invest its surplus funds in short term deposits which resulted in loss of interest of ₹ 1.39 crore. Despite our pointing out in earlier audit report the University did not create any mechanism for monitoring the research projects undertaken by different departments.

(Paragraph 3)

MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT

National Institute for the Orthopaedically Handicapped, Kolkata

Activities of National Institute for the Orthopaedically Handicapped

National Institute for the Orthopaedically Handicapped (Institute) was set up in Kolkata by the Government of India in 1978 under the erstwhile Ministry of Social Welfare (now Social Justice and Empowerment). It was established mainly for the purpose of developing human resource for providing services to the orthopaedically handicapped (OH) population.

A performance audit of the Institute disclosed that it could produce only 257 undergraduates over a period of 10 years from the year 2000 and 14 postgraduates over a period of four years from the year 2007. There was shortage of 16 faculties against the sanctioned strength of 45. The Institute was also facing shortage of infrastructure as against the requirement of 20 it was having only nine classrooms. Further, conducting sponsored research relating to the rehabilitation of the orthopaedically handicapped was one of its main objectives, the Institute, however, allocated only 5.31 *per cent* of the total plan grant during the period of report and utilised only 25 *per cent* of the allocation.

Even though the Institute was running major and minor operations regularly, there was no wing earmarked for surgical ICU for post-operative patients and also did not have a blood bank, which was also required for training under the 'DNB' Course. There were also shortages of equipment, staff, etc. coupled with inadequate supply of materials required for manufacturing and assembling of Prosthetics & Orthotics.

(Paragraph 4)

MINISTRY OF URBAN DEVELOPMENT

Delhi Development Authority

Acquisition and development of land by the Delhi Development Authority

Delhi Development Authority was created under the provision of Delhi Development Authority (DDA) Act, 1957 to promote and secure the development of Delhi according to Master Plan and for that purpose DDA shall have the power to acquire, hold, manage and dispose of land and other property, to carry out building, engineering, mining and other operations, to execute works in connection with supply of water and electricity, disposal of sewage and other services and amenities and generally to do anything

necessary or expedient for purposes of such development and for purpose incident thereto.

During the period 2005-06 to 2009-10, Delhi Development Authority acquired 6046.06 acres of land at a cost of ₹ 2060.43 crore. During this period, expenditure of ₹ 2612.18 crore was incurred on twenty development schemes which included survey and demarcation, leveling and dressing, construction of peripheral storm water drains, construction of internal drains, water supply lines, sewerage grill fencing and under ground water tanks & pump houses etc. Performance audit of acquisition of land and six schemes of development involving expenditure of ₹ 479.86 crore during the period of five years revealed non-achievement of objectives of Master Plan, non-recovery of excess payment, award of work without ensuring availability of clear site, undue delay and extra expenditure.

(Paragraph 5)

**Chapter I : Marine Products Export Development
Authority
(Ministry of Commerce and Industry)**

Highlights

- Against the allocation of ₹ 42.50 crore for the years 2007-08 to 2009-10, a sum of ₹ 3 crore was released under the sea freight assistance scheme for import of raw material required for manufacturing of value added products for boosting exports. Even out of this amount a sum of ₹ 1.03 crore remained un-utilized.

(Paragraph 1.3.1)

- A substantial amount of ₹ 14.84 crore paid during the period 2007-08 to 2009-10 as subsidy for conversion of vessels into tuna long liners to 345 boat owners has not been effectively utilized as production of Tuna declined from 37000 MT during 2007-08 to 22000 MT during 2009-10.

(Paragraph 1.3.2.1)

- The "development of potential farming area scheme" registered poor performance due to improper assessment of potential area for aquaculture farming and non-processing of available application from the beneficiaries.

(Paragraph 1.3.3.2)

- The objectives of the MOU signed with Swiss Import Promotion Programme to develop Organic Aquaculture were also not achieved despite incurring an expenditure of ₹ 65.62 lakh on consultancy alone

(Paragraph 1.3.3.3)

- Despite incurring huge amount on Culture Fisheries, the export of frozen shrimp which was the single largest item of export, constituting 59 per cent in the total export value in 2005-06, had gradually decreased to 41.62 per cent in 2009-10.

(Paragraph 1.3.3.7)

- Although there was a budget allotment of ₹ 11.77 crore for Technology Up-gradation scheme for Marine Products" during the three years ending 2009-10, subsidy amounting to ₹ 1.48 crore was provided only to three beneficiaries during 2009-10 as there was no applicant during 2007-08 and 2008-09. Thus the balance budget of ₹ 10.29 crore remained un-utilized.

(Paragraph 1.3.4.2)

- **Regulatory functions of the Authority were neither appropriate nor effective.**

(Paragraph 1.3.7)

Summary of Recommendations

- *The Ministry/Authority should address the risk of misuse of financial assistance adequately while formulating the schemes.*
- *The authority should ensure quality of marine products as per the standards of importing countries.*
- *The authority should take adequate measures for conservation of marine resources.*
- *Monitoring mechanism of the performance of outsourced quality certification laboratories needs strengthening.*
- *The Ministry/Authority may consider replacing the periodical assessment of progress with periodic visits to the premises of the beneficiary to assess the beneficiary-wise impact of schemes.*

1.1 Introduction

The Marine Products Export Development Authority (Authority) with its Head office at Kochi, Kerala under Government of India, Ministry of Commerce and Industry, is a statutory body constituted under the Marine Products Export Development Authority Act 1972 (No. 13 of 1972). The functions of the authority are to promote and develop quality of Marine products specifically for exports through disbursement of subsidies. The authority has formulated 58 sub schemes under six major heads namely marketing, capture fisheries, culture fisheries, processing infrastructure & value addition, quality control and research and development.

1.1.1 Objectives of the Authority

The Authority is entrusted with the primary task of promoting and developing marine products industry with special reference to exports. In order to achieve the primary objective the Authority is required to undertake the following measures:

- to develop and regulate deep sea and off shore fishing and undertake measures for Conservation of marine resources;
- to register fishing vessels, Processing plants, Storage plants etc.;
- to render financial or other assistance to the owners of (i) fishing vessels engaged in off-shore and deep-sea fishing and (ii) processing plants or storage premises for marine products and conveyances used for the transport of marine products;
- to carry out inspection in any fishing vessel, processing plant etc.; and

- to collect statistics from persons engaged in catching of fish or other marine products, owners of processing plants, storage premises etc.

1.1.2 Organisational set up

The Authority consists of a Chairman, one Director appointed by the Central Government and 28 Members nominated by the Government of India (GoI).

The Authority has six Regional offices¹, six Sub-Regional Offices², six Regional centers³, four Sub Regional centers⁴, one Rajiv Gandhi Centre for Aquaculture (RGCA) in Tamil Nadu, National Residue Control Programme through its laboratories at Kochi, Nellore and Bhimavaram, a Liquid Chromatography (Dual) Mass Spectrometer (LCMSMS) Laboratory at Bhubaneswar, six ELISA test laboratories⁵ in Andhra Pradesh and three Trade Promotion Offices at Tokyo, New York and New Delhi.

1.1.3 Export of marine products

Overall export of marine products from India is given in table-1.

Table-1

(in Metric Tonnes)

Items exported	2005-06	2006-07	2007-08	2008-09	2009-10
Frozen shrimp	145180	137397	136223	126042	130553
Frozen fish	182344	270751	220200	238543	260979
Frozen Cuttle fish	49651	55701	45955	50698	63504
Frozen Squid	52352	47252	34172	57125	61445
Dried item	14167	24293	22414	31688	47053
Live items	2568	2478	2498	3434	5492
Chilled items	5060	7200	6541	21453	28817
Others	60841	67571	73698	73851	80592
Total	512164	612641	541701	602835	678435

1.1.4 Financial Position

The authority is fully funded by the Government of India. The grants received and the expenditure there against is given in table-2.

¹ (Veraval, Mumbai, Kochi, Chennai, Vizag, Kolkata)

² (Panaji, Mangalore, Kollam, Tuticorin, Bhubaneswar, and Guwahati)

³ (Valsad, Paniel, Kochi, Thanjavur, Vijayawada, Bhubaneswar)

⁴ (Karwar, Kolkata, Bhimavaram and Kannur)

⁵ Nellore, Bapatla, Ongole, Amalapuram, Bhimavaram and Kakinada.

Table-2

(₹ in crore)

Year	Receipts				Expenditure			Excess (+)/Savings (-) over receipts
	Plan	Non-Plan	Internal receipts	Total	Plan	Non-Plan	Total	
2005-06	47.38	3.12	1.27	51.77	50.73	5.06	55.79	(+) 4.02
2006-07	46.41	3.80	1.25	51.46	39.18	14.08	53.26	(+) 1.80
2007-08	76.08	3.79	2.12	81.99	64.62	25.29	89.91	(+) 7.92
2008-09	84.32	3.11	2.10	89.53	66.36	29.48	95.84	(+) 6.31
2009-10	86.13	4.71	3.41	94.25	66.20	27.30	93.50	(-) 0.75

1.2 Audit Approach

The audit of the authority is conducted under section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with section 19(2) of MPEDA Act 1972.

1.2.1 Scope of Audit

The performance audit covers 18 out of 58 sub-schemes categorized under six major schemes⁶ during the period from 2005-06 to 2009-10.

1.2.2 Audit Objectives

The performance audit of the authority was conducted to assess whether:

- the planning, formulation and implementation of financial assistance schemes were carried out properly and efficiently;
- there was adequate post disbursement monitoring mechanism to prevent misuse of the assets created through schemes;
- there was effective quality control to ensure quality of exports of marine products as per the standards of the importing countries; and
- the authority has performed its regulatory functions effectively and efficiently.

1.2.3 Audit criteria

The following audit criteria were used in this performance audit:

- The MPEDA Act, 1972

⁶ 1- Market Promotion, 2- Capture Fisheries, 3- Culture Fisheries, 4- Processing Infrastructure & Value addition, 5- Quality Control, and 6- Research and Development.

- MPEDA Rules and scheme guidelines;
- Directions of the Ministry of Commerce and Industries and Coastal Aquaculture Authority; and
- Five year project plan/Annual plan.

1.2.4. Audit Methodology

The performance audit commenced with an entry conference with the authority in July 2010 wherein the audit scope, objectives, criteria and methodology were explained. The records relating to implementation of selected sub-schemes in the Head Office, Regional Offices and Regional Centers including Sub Regional Offices and Sub Regional Centers, in the States of Kerala, Tamil Nadu, Maharashtra and Gujarat were examined. Questionnaire was issued to 153 beneficiaries to ascertain their views and results thereof have been incorporated in the report. Stratified random sampling was adopted in selection of regional offices and centers.

The draft performance audit report was issued to the Ministry, with a copy to the authority in April 2011. An exit conference was held with the Director (Marketing) on 10 May 2011 to discuss the main audit findings and recommendations. The response of the authority has been suitably incorporated in the report.

1.3 Audit findings

1.3.1 Market promotion

Under 11th Five Year Plan the authority introduced in September 2009, a scheme 'Sea freight assistance' for increasing export of value added marine products and for making India a seafood processing hub as a measure of market promotion. The scheme envisaged assistance of freight differential to the seafood entrepreneurs for import of raw materials for processing and export of specified value added products. The scheme also envisaged assistance for export of value added products for which raw material has been sourced indigenously.

As per the Plan targets, a sum of ₹ 42.50 crore was envisaged for the year 2007-08 to 2009-10 for sea freight assistance for importing 3300 containers load of raw material for processing and re-export of 47000 MT (approximately) of value added products by the end of Ist year of the scheme. It was, however, noticed that against the above allocation, a sum of ₹ 3.00 crore only was released towards this scheme during the period 2008-09 and 2009-10 as detailed in table-3.

Table-3

(₹ in crore)

Year	Funds allotted	Expenditure	Excess(+)/ Savings (-)	Target	Achievement
2008-09	1.50	--	(-) 1.50	-	Nil
2009-10	1.50	1.97	(+) 0.47	-	560 cases
Total	3.00	1.97	(-) 1.03		

It may be seen that though a sum of ₹ 1.50 crore was released during 2008-09 but no subsidy was disbursed whereas during the year 2009-10 ₹ 1.97 crore was disbursed to 560 beneficiaries leaving a total unutilized grant of ₹ 1.03 crore. Reasons for non-releasing the targeted amount and the poor performance of the scheme were not recorded. The authority has, also not devised any mechanism to ascertain the increase in exports due to disbursement of financial assistance under this scheme.

The authority replied (July 2011) that norms for import of raw material stipulated by the Ministry were stringent which hampered the objectives of imports and assistance scheme which reflected in lower imports. The reply is an afterthought as nothing in this regard was available on record. Furthermore, stringent norms may be essential for ensuring quality of exports as per European Union (EU) norms.

1.3.2 Capture fisheries

Marine fisheries face serious threats to its conservation and sustainability due to over-fishing (fishes are caught faster than they can reproduce), by-catch (marine life caught that was not targeted), destructive fishing (use of poison and explosives) and marine pollution. Details indicating amount allotted for conservation of marine resources vis-à-vis expenditure etc. are given in table-4.

Table -4

(₹ in lakh)

Year	Amount allotted	Expenditure	Saving/Excess (+/-)	Target fixed	Achievement
2005-06	20.00	2.01	(+) 17.99	-	-
2006-07	07.00	12.04	(-) 5.04	-	-
2007-08	15.00	-	(+) 15.00	-	-
2008-09	10.00	-	(+) 10.00	-	-
2009-10	30.00	34.06	(-) 4.06	-	-
Total	82.00	48.11	(+) 33.89		

The authority to undertake measures for conservation of off shore and deep sea fisheries provided ₹ 55 lakh in the budget during 2007-08 to 2009-10. Audit observed that the authority had not identified specific measures to be taken under the scheme for conservation of marine resources, but utilized ₹ 34 lakh during 2009-10 towards establishment cost in 21 field offices for issuing catch certificates which was not directly related to the conservation measures.

It was observed that the authority took this measure under the EU regulation 1005/2008 with an intention to facilitate exports.

The authority replied that the very purpose of the catch certification scheme was to prevent, deter and eliminate illegal, unreported and unregulated fishing as a conservative measure.

1.3.2.1 Subsidy for conversion of vessels to tuna long liners

The authority realizing that the estimated potential oceanic tuna (231000MT) in the Indian Exclusive Economic Zone (EEZ) was not adequately tapped due to lack of proper tuna fishing technology, implemented (2006-07) a scheme to modify fishing vessels to Tuna long liners. The authority allocated ₹ 40 crore during the 11th Five year plan with a target to modify 900 vessels into tuna long liners by the year 2010 to achieve additional production of 90,000 MT of Tuna with an export value of US \$ 500 million. The subsidy was fixed at 50 percent of the total cost of modification subject to a maximum of ₹ 15 lakh for deep sea fishing vessel and ₹ 7.50 lakh for mechanized fishing vessel. Details of physical and financial targets and achievement their against is given in table-5.

Table-5

(₹ in crore)

Year	Number of vessels converted into tuna long liners					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2006-07	Nil	6.00	42	0.44	(+)42	(+)5.56
2007-08	90	4.50	47	2.37	(-)43	(+)2.13
2008-09	150	6.00	135	5.68	(-)15	(+)0.32
2009-10	110	5.50	163	6.79	(+)53	(-)1.29
Total	350	22.00	387	15.28	(+)37	(+)6.72

It was observed that the production of Tuna has declined from 37000 tons during 2007-08 to 22000 tons during 2009-10. This indicated that massive amount of ₹ 14.84 crore paid as subsidy to 345 boat owners has not been effectively utilized for the intended objective.

The authority replied (May 2011) that as the oceanic tuna is highly migratory in nature availability of tuna in a particular area cannot be assessed.

To monitor the impact of financial assistance, it was prescribed that the beneficiaries would submit periodical reports about their performance. The disbursement of subsidy was not followed by a periodical report monitoring exercise to verify whether the original beneficiaries had sold off their vessels. The authority has further stated (July 2011) that the field offices would be instructed to undertake physical verification of all assisted vessels to ensure the ownership of the vessels and collect voyage report.

1.3.2.2 Misuse of subsidy

It was seen that seven vessels (Andhra Pradesh) which were provided subsidy under the scheme of conversion of vessels to tuna long liners had dismantled the tuna gear and sold the same in the market. Further the vessels were not involved in tuna fishing but were deployed on charter as a chase boat to the foreign seismic companies.

The authority should have insisted upon hypothecation/pledge of the equipments/facilities for which subsidy was given. The authority replied (July 2011) that it had taken up the issue with the concerned office for corrective action. Hypothecation/pledge of the equipments/facilities would be considered by the authority.

1.3.2.3 Release of Subsidy without executing necessary bond

As per the practice in vogue the beneficiaries were required to execute a bond for availing subsidy under any of the scheme of the authority. The bond is a tool to ascertain the bonafide of the beneficiary and also a commitment by the beneficiary to remain in business during the bond period. It was observed that during 2008-09 and 2009-10 subsidy of ₹ 72.59 lakh was paid to 20 beneficiaries under the scheme of 'Capture Fisheries' without executing the necessary bonds.

The Authority replied (May 2011) that copies of agreements collected from the beneficiaries would be furnished to audit for verification, but the same were not furnished. In the absence of the requisite records, audit was unable to ascertain whether the concerned beneficiaries continued with their business after availing the subsidy and the intended purpose of subsidy was achieved or not.

1.3.2.4 Furnishing of periodical reports.

The Pre Processing Centers were required to furnish half yearly statements showing details of production, export, value addition achieved to the authority. The beneficiaries of Capture Fisheries scheme were required to furnish a monthly voyage report showing item wise and quantity wise details of catches and details of persons/units to whom these catches were sold. Catch details and the details of quantities of tuna, shrimp, scampi etc, procured by processing plants and quantities processed by them for export were required to be furnished by the beneficiaries.

It was observed that stipulation of such a procedure would have been appropriate in the case of a large industrial house which has a huge complement of staff to comply with this requirement. But, for the category of beneficiaries financed by the authority, this approach of prescribing submission of periodical reports by them was totally inappropriate. Instead periodical visits to the premises/vessels of beneficiaries covered under the

various schemes should be made to verify the progress of the schemes with the beneficiaries.

Recommendations

- *The authority should take adequate measures for conservation of marine resources.*
- *The Ministry/Authority should address the risk of misuse of financial assistance adequately while formulating the schemes.*

1.3.3 Culture Fisheries

1.3.3.1 Financial assistance to Commercial Hatcheries.

As per the projections of increase in demand of total consumption of seafood, it was assumed that the world capture fisheries would stagnate during the next three decades and it was projected that the future demand would then be met through culture fisheries (aquaculture production). As per projections, 40 per cent of world's production of fish would come from aquaculture by the year 2020. In order to promote aquaculture, promotion of commercial hatcheries for seed production of exportable species was necessary to ensure supply of adequate quantity of good quality of disease free seeds (shrimp and scampi) on a commercial basis. Accordingly, the authority introduced in 1990-91 financial assistance scheme to commercial hatcheries. The details of physical, financial targets of the scheme and achievement there against during the period of report is given in table-6.

Table-6

(₹ in lakh)

Year	Number of Commercial Hatcheries					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2005-06	14	60.00	5	27.00	(+) 9	(+)33.00
2006-07	15	69.00	8	39.00	(+) 7	(+) 30.00
2007-08	10	44.00	5	27.46	(+) 5	(+) 16.54
2008-09	03	20.00	2	10.94	(+)1	(+) 9.06
2009-10	03	18.00	1	06.00	(+)2	(+) 12.00
Total	45	211.00	21	110.40	(+24)	(+)100.60

It may be seen that the authority could not achieve the targets in any of the years during the last five years ending March 2010 due to which the grants to the extent of ₹ one crore remained unutilized at the end of the period of report and only 21 hatcheries had come up against the target of 45 during the above period. It was observed that no hatchery was developed in Maharashtra whereas one hatchery against the target of 11 was developed in Gujarat State.

The authority stated (July 2011) that more hatcheries in the State would come only if more farms came in the State, which could occur if the State

Governments took steps for speedy leasing of potential lands to the farmers. The authority also stated that its efforts to promote more hatcheries with increased subsidy failed as the State Government's scheme had assistance package of ₹ 35 lakh. It was observed that these facts were known to the authority and these should have been considered *ab initio* at the time of formulating the scheme for these two States.

1.3.3.2 Scheme for development of potential farming area

A financial assistance scheme for development of new shrimp and scampi farms in the under-developed potential farming areas was operative since 1985-86. Physical and financial targets and achievement there against during the reporting period is given in table-7.

Table-7

(₹ in lakh)

Year	Number of Farmers/Farms					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2005-06	200	80.00	123	126.80	(+) 77	(-) 46.80
2006-07	150	75.00	135	74.02	(+) 15	(+) 0.98
2007-08	200	100.00	64	46.42	(+) 136	(+) 53.58
2008-09	150	75.00	49	20.20	(+) 101	(+) 54.80
2009-10	30	15.00	27	14.19	(+) 3	(+) 0.81
Total	730	345.00	398	281.63	(+) 332	(+) 63.37

It may be seen that though a sum of ₹ 3.45 crore was released for providing financial assistance to 730 beneficiaries' under the scheme during the period of report but subsidy to the extent of ₹ 2.82 crore was disbursed to 398 beneficiaries only leaving a total unutilized grant of ₹ 63.37 lakh. It has further been observed that in the year 2005-06 though the physical achievement was lower by 77 beneficiaries but achievement in financial terms exceeded by ₹ 46.80 lakh over the targets. Reasons for non-incurring the targeted amount and the poor performance of the scheme were improper assessment of potential area for aquaculture farming and non-processing of available applications from the beneficiaries as has been discussed in the subsequent paragraphs.

(A) Improper assessment of the area for setting up aquaculture farms

During a survey carried out in 1989-90 an area of 56620 hectare was identified as potential area for aquaculture farming in Tamil Nadu out of which 4994.58 ha was developed as water spread area⁷. It was, however, observed that of the total watershed area available, an area of 3644.32 ha, 2421.32 ha, 1819.84 ha, 1759.09 ha and 1445.89 ha was brought under aquaculture during the years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 respectively. Accordingly,

⁷ Where cultivation of shrimp can be done.

production was also reduced from 7026.97 MT in the year 2005-06 to 2702.38 MT in the year 2009-10.

Regarding non development of potential area the authority replied (May 2011) that out of 56620 ha (1989-90 survey), 40 *per cent* area was not approved for setting up farms as this land was under Coastal Regulatory Zone; 30 *per cent* belonged to the State Government and any further progress in shrimp farming was possible only if the land was allotted by the State Government. The reply indicates improper assessment of the area for setting up of aqua farms.

(B) Non-processing of applications

Of 240 applications received (Tamil Nadu) for a cultivable area of 588.54 ha during 2008-09 and 2009-10, 100 applications with a cultivable area of 330.52 ha were not processed resulting in non development of new farms to that extent.

The Authority replied (May 2011) that the applications could not be processed due to non availability of technical officer for conducting physical survey of the farms. The reply is an admittance of failure on the part of the management.

Both the above audit observations were later on noted for taking necessary measures by the authority in their reply of July 2011.

1.3.3.3 Scheme to develop Organic Aquaculture

In order to meet the growing demand for safe aquaculture products, certified to be free from residue, the authority introduced a scheme 'India Organic Aquaculture Project' (IOAP) in April 2007 with the technical assistance from the consultancy Swiss Import Promotion Programme (SIPPO) at organic culturing of Black tiger shrimp and scampi, as the scientific shrimp farming continued to raise controversies over environmental and social impacts, food safety issues etc. As per guidelines, a beneficiary can avail subsidy for a maximum of six ha at the rate of ₹ 25000 per ha (upper limit). For the purpose of implementation of the scheme, the authority entered into a Memorandum of Understanding (MOU) in January 2007 with the SIPPO stipulating the following objectives:

- Evaluate an applicable production system, search for suitable production areas and guarantee successful implementation of this production method on hatchery, farm, feed mill and processing level, including the support for the set up of demonstration farms.
- Support the Indian Aquaculture and Marine product industry in developing new export opportunities with special focus on premium seafood markets in Switzerland and the European Union.
- Promote the idea of Organic Aquaculture in India to support the development into an ecological friendly, social responsible and strong economical production sector.

- Within three years 1500 aqua farms were to be organically certified, in addition, at least one feed mill and one processing plant. The total volume of organic shrimp was to exceed 1000 tons.

It was observed that for technical consultancy of the project, an amount of ₹ 1.05 crore was allocated out of which ₹ 65.62 lakh was incurred towards consultancy from SIPPO during 2007-08 to 2009-10.

Targets and achievements of the scheme during the last three years ending March 2010 are given in table-8.

Table-8

(₹ in lakh)

Year	Number of Organic Farmers/Farms						
	Targets		Achievements		Savings(+)/Excess (-)		
	Physical	Financial	Physical	Financial	Physical	Financial	
2007-08 to 2009-10	Within three years 1500 beneficiaries	95 lakh allotted from 2007-08 to 2012	2008-09-2 2009-10-2	4 nos (0.27%)	2008-09 - 0.92 2009-10- 4.47		
Total	1500	95	4 beneficiaries		5.39	(+)1496	(+)89.61

A critical analysis of performance of the scheme *vis-a-vis* objectives of the MOU, revealed that against the targets of 1500 beneficiaries envisaged in the MOU, only four beneficiaries were provided with ₹ 5.39 lakh during the three years 2007-08 to 2009-10. This indicated that the objectives of the MOU were not achieved despite incurring an expenditure of ₹ 65.62 lakh on consultancy alone.

The authority accepted the observation and stated (July 2011) that it had made only a small beginning with the introduction of IOAP and with the experience gained an action plan has been formulated to plan the future development of organic farming in India.

1.3.3.4 Scheme for promotion of Aquaculture Societies

The authority introduced a scheme in 2006-07 for promotion of 'aquaculture societies' with the objective to encourage group of shrimp farmers for the formation of societies enabling aquaculture sector to adopt Good Aquaculture Practices (GAP) to ensure long term sustainability. Under this scheme 50 *per cent* of the total cost subject to a maximum of ₹ 5 lakh was to be paid to each society in seven installments. The scheme, however, did not prescribe the items of expenditure eligible for subsidy. Targets and achievements of the scheme during the last four years ending March 2010 are given in table-9.

Table-9

(*₹ in lakh*)

Year	Number of Aqua culture societies					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2006-07	28	No target Fixed	4	2.00	(+) 24	-
2007-08	74		4	2.00	(+) 70	-
2008-09	63		76	38.00	(-) 13	-
2009-10	110		70 + 3*	35.00 + 2.05	(+) 40	-
Total	275		154 + 3	77.00 + 2.05	(+)121	-

*(Second installment in italics)

It may be seen that 154 societies obtained assistance of ₹ 50 thousand each without indicating the items of expenditure as an initial start up during the period 2006-07 to 2009-10 upon provisional registration with the authority. There was no assurance whether the total disbursed amount of ₹ 77 lakh was utilized by the beneficiaries for the intended purpose. The second and subsequent releases of subsidy were to be given on the basis of passing the Code of Practices (CoP) audit and grant of permanent registration by the authority. It was observed that out of 154 Societies provisionally registered, only three turned up for second installment (₹ 50 thousand for setting up offices/ warehouses/ auction hall/ common facility). It was, further, noticed that against the maximum of ₹ 1.50 lakh (at the rate of maximum of ₹ 50 thousand each), the authority disbursed an amount of ₹ 2.05 lakh in deviation of scheme guidelines.

The authority, while accepting the audit observation, stated (May 2011) that there was some delay in adopting the necessary technical steps by all farmers in their farming practices to pass CoP audit resulting in delay in registration and release of second and subsequent installments. The required procedures for carrying out CoP Audit have since been formulated and there was an increase of 17.36 *per cent* in production during the year 2009-10.

1.3.3.5 Preparation of digital database on aquaculture farms

The Authority felt the need for digitalized data of shrimp and scampi aqua farms in the eight maritime States of India for traceability of the products by the importing countries and to plan its own schemes. The authority proposed to complete the mapping of three Regions (Andhra Pradesh, Gujarat & Maharashtra) during 2007-08 and the remaining five regions (Karnataka including Goa, Kerala, Tamil Nadu, Orissa and West Bengal) during 2008-09 with the assistance from the respective State Remote Sensing Application Centre (SRSAC). The data from various States was to be incorporated in a centralized Geographical Information System (GIS) at Head Office to be used for various applications like estimates of production, ensuring traceability of products etc using MIS.

It was seen that out of the total financial outlay of ₹ 4.20 crore, the work of onscreen mapping, cadastral maps from survey and land records, output generation etc. was awarded to the State Remote Sensing Agencies of six States at total consultancy charges of ₹ 2.61 crore. It was observed that even after spending ₹ 2.09 crore, on this work during the years 2007-08 to 2009-10 the data collection was yet to be completed in all the States. The relevance of digitalized data to promote export was not clear.

The Authority stated (May/July 2011) that in Geographical Information System (GIS) the sourcing of data, digitalization and ensuring accuracy of the data is time consuming; the time frames for completion of the works were fixed without having prior experience in developing digitalized database. The authority also stated that the data developed has no direct implication on exports and are not meant for verifying exports directly. The reply is not in consonance with the objectives of the scheme.

1.3.3.6 Subsidy for Ornamental Fish Breeding Units

India's share in ornamental fish trade is negligible. It is confined to wild caught species. The Authority launched (January 2008) a scheme for providing subsidy for establishment of Ornamental Fish Breeding Units (OFBU) and marketing societies to generate export oriented employment and to provide infrastructure facilities for rearing ornamental fish. This scheme was aimed at promoting breeding exotic species and targets vis-à-vis achievement thereof in physical and financial terms is given in table-10.

Table-10

(₹ in crore)

Year	Number of ornamental units					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial allocation	Physical	Financial	Physical	Financial
2007-08	--	1.12	84	1.24		(-)0.12
2008-09	--	3.00	132	3.60		(-)0.60
2009-10	--	3.20	120	4.14		(-)0.94
Total	--	7.32	336	8.98		(-)1.66

Subsidy amounting to ₹ 8.98 crore was released to 336 beneficiaries against the target of ₹ 7.32 crore during 2007-08 to 2009-10. It was observed in 81 out of 336 cases that none of these beneficiaries were engaged in rearing and export of exotic species of ornamental fishes but culturing common species in the breeding units for sale in the local market.

The authority stated (May/July 2011) that lack of bulk supply of high quality fishes was the main reason for the poor performance of India in the international trade of ornamental fishes. As it was not capturing export data separately for captured and cultured ornamental fishes, the impact of setting up of OFBUs with the authority's assistance could not be ascertained.

However, steps would be initiated for capturing separate data for wild caught and cultured varieties soon.

The reply is not acceptable. There is no assurance that the massive amount of ₹ 8.98 crore released was effectively utilized for breeding of ornamental fish. Further, there was no mechanism in place other than legal route to ensure that the money would be collected back from the beneficiaries who did not utilize the money for rearing and export of ornamental fishes.

1.3.3.7 Impact of Culture fisheries on export of shrimps

Despite incurring huge amount on Culture Fisheries, it was seen that frozen shrimp was the single largest item of export, constituting 59 *per cent* in the total export value in 2005-06, had gradually decreased to 41.62 *per cent* in 2009-10. The decline in export was in spite of an increase in productivity from 69.90 MT per Ha during 2008-09 to 93.80 MT per Ha during 2009-10 of shrimp per hectare.

It was also observed that even after spending an amount of ₹ 37.70 crore towards subsidy for promotion of Aquaculture/shrimp production and exports during the first three years of the 11th Five Year plan, the export actually decreased to 62 *per cent* during 2009-10 from 76 *per cent* during 2006-07 rendering the subsidy scheme ineffective in contributing to exports.

While accepting the decrease in percentage value of exports, the authority stated (May 2011) that the decrease was likely due to combination of multiple factors like stiff competition from the Pacific white shrimp *L.Vennamei* available in lower prices, increasing cost of production, enforcing of stringent stipulation on the quality of the imported seafood by major countries, lack of financial support and insurance coverage to the small and marginal farmers against natural calamities, demand in the domestic market at reasonable prices and economic recession in major importing countries. It was also stated that reasons for the decrease are identified and efforts are being taken to improve the aquaculture production.

1.3.4 Processing Infrastructure & Value addition

1.3.4.1 Subsidy for Acquisition of Processing Machinery

The scheme for subsidy for Acquisition of Processing Machinery with the objective to assist sea food processors to acquire 'Individually Quick Frozen', machinery for production of value added sea food and thereby increase the exports by the beneficiary was introduced in January 1998. However there was no stipulation with regard to quantum of exports to be achieved during the bond period of three years. A detail of targets and achievements under the scheme is given in table-11.

Table-11

(*₹ in crore*)

Year	Number of A.P.M Beneficiaries					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2006-07	19	2.20	29	3.24	(-) 10	(-)1.04
2007-08	41	5.83	35	3.74	(+) 6	(+)2.09
2008-09	60	7.11	63	6.59	(+) 17	(+)0.52
2009-10	--	--	07	1.05	(-) 7	(-)1.05
Total	120	15.14	134	14.62	(+) 6	(+)0.52

Though, under this scheme the achievement was quite satisfactory, the authority should have devised a mechanism to ascertain the increase in export of value added sea food products by the beneficiaries under the scheme.

1.3.4.2 Technology up gradation Scheme for Marine Products (TUSMP)

Export of value added products requires state-of-art technology in production/processing/ packaging, warehousing and transportation. In order to address these issues, the Authority introduced 'Technology Up-gradation Scheme for Marine Products' (TUSMP) in April 2008 to increase the export of value added products from existing five *per cent* (2008-09) to 75 *per cent* in 2012 by providing subsidy to exporters for setting up new units, to expand the existing production capacity and to diversify to value added products.

The scheme provided interest subsidy (five *per cent* subject to a maximum of ₹ 1.50 crore) or a capital subsidy (@ 25 *per cent* of the capital cost subject to a maximum of ₹ one crore). Capital subsidy is further subject to production of bank guarantee for 50 *per cent* of eligible subsidy valid for a period of seven years and an annual export obligation ranging from ₹ 8 crore to ₹ 20 crore per beneficiary. Details of targets and achievements in physical and financial terms are given in table-12.

Table-12

(*₹ in crore*)

Year	Number of Beneficiaries					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2007-08	2	1.50	--	--	(+)2	(+)1.50
2008-09	16	3.71	--	--	(+)16	(+)3.71
2009-10	16	6.56	3	1.48	(+)13	(+)5.08
Total	34	11.77	3	1.48	(+)31	(+)10.29

Although there was a budget allotment of ₹ 11.77 crore during the three years ending 2009-10, subsidy was not released during 2007-08 and 2008-09 as there were no applicants and in 2009-10 three beneficiaries were provided subsidy of ₹ 1.48 crore leaving the balance of ₹ 10.29 crore unutilized. The main reason for the poor performance of the scheme as attributed by the Management was the high export obligation and high percentage of bank guarantee required under the scheme.

The Authority stated (May/July 2011) that after revising the export obligation and the bank guarantee limits during the year 2010-11, the scheme has not only picked up but also became reasonable and practicable enough to exercise the necessary controls on the scheme to fulfill its objective.

Recommendation

- *The Authority should fix achievable realistic targets while formulating the schemes.*

1.3.4.3 Scheme to create basic facilities for Chilled Fish/Tuna

In order to boost the export of chilled fish items and to earn valuable foreign exchange, the authority introduced (August 2008) a scheme of financial assistance for creation of new basic facilities for chilled fish/chilled tuna for export of chilled fish handling and packing (tuna and others). The subsidy was fixed at one third of the capital cost subject to a maximum of ₹ 35 lakh. Targets and achievements of the scheme during the period since inception to March 2010 are given in table-13.

Table-13

(₹ in lakh)

Year	Number of Beneficiaries					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical as per scheme outlay	Financial	Physical	Financial	Physical	Financial
2008-09	4	40.00	1	18.02	(+)3	(+)21.98
2009-10	4	100.00	-	0.74	(+)4	(+)99.26
Total	8	140.00	1	18.76	(+)7	(+)121.24

It was observed that while formulating the scheme the authority has not conducted any survey among the targeted beneficiaries to ascertain their requirement for creation of exclusive chilled fish handling and packing facility and their investment potential. As a result, the authority could provide subsidy to only one beneficiary during the aforesaid period against the target of eight beneficiaries.

The authority replied (May 2011) that most of the fresh/chilled fish exporters were from small scale sector; due to high investment on land and other establishment expenditure, they were not able to set up an exclusive facility for Chilled Fish Handling Centre and preferred to pack at existing Handling/freezing plants. This indicated that modalities of the scheme were finalized without ascertaining the viability among the intended beneficiaries.

1.3.5 Quality Control

1.3.5.1 Installation of Effluent Treatment Plants in Pre Processing Centers

In order to adhere to the quality assurance system of European Union and United States – to handle seafood in hygienic condition at every stage, and to upgrade the facilities of the Pre Processing Centres (PPC) on par with Hazard Analysis and Critical Control Point (HACCP)/EU regulations a subsidy

scheme for establishment of Effluent Treatment Plant (ETP) and Water Purification System (WPS) in the PPC was implemented by authority. Targets and achievements in physical and financial terms are given in table-14.

Table-14

(₹ in crore)

Year	Number of units					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2005-06	No target	3.78	60	9.31		(-) 5.53
2006-07		6.64	53	6.78		(-) 0.14
2007-08		3.66	52	5.95		(-) 2.29
2008-09		4.86	67	5.08		(-) 0.22
2009-10		1.33	19	1.77		(-) 0.44
Total		20.27	251	28.89		(-) 8.62

(2005-06 & 2006-07 separate schemes, from 2007-08 coming under sub heading Quality up-gradation)

In 44 out of 251 test-checked cases it was found that none of them installed ETP and WPS in their PPC. This resulted in usage of unpurified water for processing and not adhering to the quality assurance parameters.

The authority stated (May 2011) that the eligibility for subsidy is only registration with the authority and if the PPC is registered with the authority it implied that the water used in the PPC is potable; and the owners were to submit water test reports indicating that water was suitable for peeling activities. The reply indicated that the authority had diluted the standards by accepting usage of unpurified water instead of insisting on establishing WPS as per HACCP/EU regulations.

Further, the bond executed by the beneficiary stipulated that if the unit kept idle regularly for more than 45 days the beneficiary should repay the entire amount of subsidy along with interest.

It was seen that (Regional Office, Chennai) one unit to whom subsidy amounting to ₹ 14.95 lakh was paid for captive PPC stopped production in October 2008. Similarly in Maharashtra one unit to whom subsidy of ₹ 2.65 lakh was granted for up-gradation of cold storage went out of production since 2008. Further, subsidy amounting to ₹ 9.10 lakh paid to one firm (The Regional Office, Veraval) for installation of captive PPC has not been recovered even though the Export Inspection Agency approval given to the firm was withdrawn with effect from May 2003.

When non-recovery of subsidy was brought to the notice of the authority in December 2010, it was replied that the party had suddenly vanished from the business from the said premises, all office correspondence has been returned and moreover during physical verifications the owner could not be traced out.

The reply is not acceptable. The pre-disbursement verification to weed out non bonafide parties was not done properly. Further adequate safe guards like

hypothecation/pledge of the facility should have been put in place to prevent sale of assets.

1.3.5.2 Establishing Effluent Treatment System in commercial hatchery

To adhere to the EU norms for export of marine products especially shrimps, the authority realized the necessity for establishment of Effluent Treatment System (ETS) in hatcheries and aqua farms. The Coastal Aquaculture Authority (CAA) stipulated that grant of permanent registration by the authority to the aqua farms with water spread area above five ha should be subject to establishment of ETS to control environmental pollution.

Accordingly, the Authority stipulated that provisional registration to aqua farms would be given for one year and permanent registration would be given only after ensuring establishment of ETS facilities. It was seen that the authority could assist establishment of only 37 ETS during the period 2005-06 to 2009-10 as against a target of 106 as indicated in table-15.

Table-15

(₹ in lakh)

Year	Number of units					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2005-06	39 units	60.00	15 units	18.48	(+) 24	(+)41.52
2006-07	34 units	51.00	5 units	6.71	(+) 29	(+)44.29
2007-08	10 units	15.00	Nil	Nil	(+) 10	(+)15.00
2008-09	1 unit	1.50	1 unit	1.34	--	(+)0.16
2009-10	22 units	32.89	16 units	21.33	(+) 6	(+)11.56
Total	106 units	160.39	37 units	47.86	(+)69 units	(+)112.53

It was observed that the shortfall in achievement of target was due to delay by the authority in finalizing the design and capacity of the ETS.

During a survey connected with GIS Mapping of Aqua farms in Andhra Pradesh the authority found that 1,20,000 aqua farms approximately were practicing shrimp and scampi farming and more than 99 *per cent* of the aqua farms were not having any ETS and are directly releasing the waste water from the ponds into the Canal/drain.

The Authority replied (May2011) that grant of permanent registration to aqua farms was under its consideration and it had approached the Indian Council of Agricultural Research to get suitable design of ETS. Moreover, efforts were being taken to create awareness among the hatchery operators also to establish ETS units.

It was further observed that the delay in taking decision regarding issue of permanent registration certificate and firming up the design of ETS before

implementation of the scheme adversely affected production as well as exports.

1.3.5.3 Establishment and operation of labs for quality certification

To contain the presence of banned antibiotics in the farmed shrimp and export rejection, all the processors were required to source aquaculture shrimp only after the same is subjected to screening tests. In order to facilitate pre harvest screening, the authority has set up (November 2007) six ELISA labs in Andhra Pradesh which is the major centre producing aquaculture shrimp. With the approval of GOI with a total outlay of ₹ 1.50 crore out of which ₹ 50 lakh was to be shared by Sea Food Export Association of India (SEAI). Details of physical and financial achievement against the targets are indicated in table-16.

Table-16

(₹ in lakh)

Year	Number of Elisa laboratories					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2007-08	6 labs	100				
2008-09			6	300	--	(-200)
2009-10	52000 samples to be tested annually by 6 labs		4/09 to 3/2010 reported 15304 samples only			

It was observed that since SEAI backed out of the scheme, the Authority established the six ELISA labs on its own incurring ₹ 3 crore against the initial budget of ₹ 1 crore. The operation and management of the labs was entrusted (January 2009) to M/s Sea lab, a private operator. The entrustment of testing to private operator was fraught with the risk since no budget is given for running costs towards staff, office expenses, chemicals etc, the operator may not use qualified staff and issue certificate without rigorous lab tests. No mechanism was put in place to address this risk.

The following were further observed:

- Blank Test certificates with the authority's hologram were provided by the authority for issue of test certificates by the private operator under his signature without verification by the authority.
- The agreement with Sea lab did not prescribe the required qualifications for the sea lab technicians for issue of test certificate rendering the tests to errors.
- The farmers were required to bring the samples to the lab along with proof of farm registration to obtain the test certificate instead of the lab staff were collecting the samples from the field. Thus neither the lab officials nor the officials of the authority verified the source of the samples before issue of test certificates.

- Technical accreditation was not obtained for these labs.

All the six ELISA labs together could analyze only 15304 samples against their capacity of 52000 samples during 2009-10. The Authority replied (May 2011) the utilization of capacity depended upon the number of registered farms which may vary.

Though the authority denied this in its reply, the facts remained that the Authority has not taken effective action in respect of said discrepancies on the ELISA labs. Resultantly the EU decided to scrutinize 20 *per cent* of the exports at random with effect from April 2010 due to repeated rejections of cultured scampi exported to the EU. Having outsourced the certification activity, the authority should have strengthened its monitoring mechanism of the labs to ensure the credibility of the tests as it has direct bearing on exports.

It was also seen that frozen shrimp was the single largest item of export constituting 59 *per cent* in the total export value in 2005-06. It had gradually decreased to 41.62 *per cent* during 2009-10. The export rejections due to contamination by antibiotic residues and farmers giving up shrimp farming due to occurrence of disease were the major reasons for the decline in export of shrimps.

1.3.5.4 Development of landing centres (fishing harbours)

The Government of India approved (September 2008) a scheme of up gradation of 19 identified fishing harbours (landing centres) spread over six maritime States⁸ for setting up of ice making machines and chill rooms for preservation of fish and fishery products at a total cost of ₹ 7.60 crore @ ₹ 40 lakh per harbour (₹ 30 lakh for equipments and ₹10 lakh for civil structure). The concerned State Governments were to provide basic infrastructure facilities like covered auction hall, uninterrupted power supply and sufficient potable water for producing ice.

It was observed that out of 19 harbours in six maritime States, the up gradation programme was completed only in two harbours in Karnataka. Work is in progress in three harbours in Kerala and the work has not commenced in the remaining 14 harbours located in four maritime states (Tamil Nadu, Andhra Pradesh, Gujarat and Goa). Further in Kerala the authority ordered for supply of equipment even before the infrastructure was in place, rendering the equipments valued at ₹ 79.65 lakh lying idle till date (May 2011).

The Authority replied (May/July 2011) that the matter is being pursued with the respective State Governments to expedite completion of the projects.

The reply is not acceptable as purchase of equipment should have been deferred in the absence of infrastructure.

⁸ Andhra Pradesh, Goa, Gujarat, Karnataka, Kerala and Tamil Nadu

1.3.5.5 Establishment of Polymerase Chain Reaction (PCR) labs.

The authority identified that screening of brood stocks (black tiger shrimp) and Post Larvae (PL) in hatcheries and adoption of proper managerial measures at the farm level as short term measures for tackling disease problem. Long term solution for tackling disease problems was to develop domesticated Specific Pathogen Free (SPF) and Specific pathogen Resistant (SPR) brood stock. The authority promoted setting up of PCR labs to help hatcheries to acquire the most advanced facilities for disease diagnosis. Details of physical and financial targets and achievement their against is indicated in table-17.

Table-17

(₹ in lakh)

Year	Number of Laboratories					
	Targets		Achievements		Savings(+)/Excess (-)	
	Physical	Financial	Physical	Financial	Physical	Financial
2005-06	10	50.00	6	25.23	(+)4	(+)24.77
2006-07	10	50.00	2	9.88	(+)8	(+)40.12
2007-08	10	50.00	8	31.99	(+)2	(+)18.01
2008-09	4	15.00	6	22.09	(-)2	(-)7.09
2009-10	18	87.65	9	40.68	(+)9	(+)46.97
Total	52	252.65	31	129.87	(+)21	(+)122.78

It was seen that in 31 PCR labs established with subsidy of ₹ 1.30 crore from the authority during the period 2005-06 to 2009-10, no details relating to impact of the subsidy like quantity of disease free seed supplied, and increase in productivity of farmers who have utilized these seeds was collected.

The Authority stated (May 2011) that due to high cost and decrease in demand for seeds there was delay in establishment of PCR labs by hatcheries thereby delaying award of permanent registration.

Recommendations

- *The authority should ensure quality of marine products as per the standards of importing countries*
- *Monitoring mechanism of the performance of outsourced quality certification laboratories needs strengthening.*

1.3.6 Research and Development

1.3.6.1 Transfer of Technology to Farmers, Entrepreneurs

Rajiv Gandhi Center for Aquaculture (RGCA) is the Research & Development wing of the Authority striving to develop new aquaculture technologies in India particularly those of export oriented species and disseminate it to the industry. For the purpose, it had undertaken 11 projects during June 2000 to April 2008.

The authority felt the need to develop hatchery and farming technology for sea bass (variety of fish) as no fool proof technology for scientific breeding and farming of sea bass was available in India. The Sea bass Hatchery, Sea bass demonstration farm, initiated in June 2000 and Mud crab hatchery & farm initiated in April 2004 were completed but the technology dissemination to the industry was yet to take place except in case of sea bass hatchery where the technology has been developed and streamlined and the sea bass seed in sufficient quantities is readily available for the requirement of farmers. The remaining eight projects were only at initial stages of implementation (May 2011).

The authority replied (May 2011) that during the past ten years the tasks assigned to RGCA on development of hatchery and farming technology for Sea bass have been achieved; however, updating and fine tuning of certain areas of technology were left which are now being pursued. The Authority further replied (July 2011) that the amount spent on Sea bass project has helped creation of necessary environment for large scale aqua culture of these species. The Authority, however, did not produce data in support of their reply.

1.3.7 Regulatory Functions

1.3.7.1 Registration

The objective of registration of hatcheries and fishing vessels was to certify that they meet certain desired specifications stipulated by importing countries like EU, Japan and the US. Registration helps to promote good operating practices for the hatcheries and in case of vessels to validate that the fishes exported are from a legal, regulated and reported fishing activity. The registered parties get the benefit of subsidy and better marketability for their products. There was very poor progress in registration of hatcheries and vessels.

The key to achievement of this objective of ensuring that large number of hatcheries and vessels got registered was to initially convince a few parties about benefits of registration and demonstrate its utility for emulation by other parties, who would be convinced of the merits of registration. Such an approach was lacking.

It was observed that, most of the hatcheries and fishing vessels do not get registered with the authority other than for the purpose of availing subsidy from the authority.

1.3.7.2 Inspection of vessels, processing plants, etc.

As per Section 9 (2) (e), the Authority has to carry out inspection of marine products in fishing vessel, processing plants, storage premises etc, for ensuring the quality of marine products. It was observed that such inspection was not carried out by the authority.

The authority replied (May 2011) that the field staff verifies the same for compliance and also at the time of renewal of approval/registration.

It was further observed that verification of facilities at the time of approval/registration alone would not ensure quality of marine products for exports. The authority should make comprehensive plan for inspection to cover all registered vessels periodically and initiate follow up action on the deficiencies noticed during inspection. The authority further stated (July 2011) that the field offices would be requested to inspect all registered fishing vessels periodically and initiate follow up action on the deficiencies noticed during the inspection.

1.3.7.3 Meetings of Executive Committee

As per requirement of the Act the Authority appointed an Executive Committee for the efficient discharge of its duties and performance of its functions. The Act, however, did not prescribe the minimum number of meetings to be held during any particular period. It was observed that the Executive Committee did not meet after July 2008.

The authority replied (May 2011) that the Executive Committee did not meet as there was no specific Agenda for the Executive Committee. However, the schemes of the authority and problems and issues relating to seafood exports etc are discussed with the industry, vessels operators, farmers and officials in the Ministry, at frequent intervals and therefore, the effective implementation of the schemes were not affected.

Recommendation

- *The Ministry/Authority may consider replacing the periodical assessment of progress with periodic visits to the premises of the beneficiary to assess the beneficiary-wise impact of schemes.*

1.4 Conclusion

The various schemes operated by the authority were basically confined to disbursement of financial assistance. The post disbursement mechanism to avoid misuse of financial assistance was ineffective. It relied on submission of reports by the beneficiaries instead of periodical visits to the premises/vessels of beneficiaries covered under the various schemes.

There was no assurance that money spent has actually been utilised by the beneficiary for the intended purpose. Given the stringent norms of importing countries there was an absolute necessity that the operators perceived the benefits of quality processing. Further, against the target of 45 hatcheries, only 21 hatcheries had come up during the period of report due to which grant to the extent of ₹ one crore remained un-utilized. The objectives of the MoU signed with Swiss Import Promotion Programme to develop Organic Aquaculture were also not achieved despite incurring an expenditure of ₹ 65.62 lakh on consultancy alone.

1.5 Acknowledgement

Audit acknowledges the co-operation and assistance by the authority during the course of this performance audit.

The matter was reported to the Ministry in April 2011; their reply was awaited as of July 2011.

Chapter II : Functioning of Assam University (Ministry of Human Resource Development)

Highlights

- Infrastructure of the University remained underutilized to the extent of ₹ 14.30 crore due to unfilled seats to the extent of 17-39 per cent in 28 PG courses, 26-59 per cent in four UG courses and 17-87 per cent in M. Phil. courses.

(Paragraph 2.3.2.1)

- The average success rate in 22 PG courses ranged between 58 to 87 per cent during the period of 2005-10.

{Paragraph 2.3.2.2(a)}

- Two new courses (B. Tech Agriculture Engineering and B. Tech. Information Technology) were introduced without assessing the requirement of dissemination of knowledge in these streams due to which 63-95 per cent seats remained vacant in B. Tech Agriculture during 2006-10 and 45 to 87 per cent seats in B. Tech. Information Technology remained vacant during 2009-10.

(Paragraph 2.3.2.3)

- Out of total 46 Research Projects, only 12 projects were completed as of June 2010; of which five projects were delayed by two to 20 months. Out of the remaining 34 projects, 13 have crossed their scheduled date of completion as of March 2011.

(Paragraph 2.3.2.4)

- The unutilized Plan grants increased from ₹ 29.10 crore in the year 2005-06 to ₹ 34.80 crore in the year 2009-10.

(Paragraph 2.3.4.1)

- The University had not established any Internal Audit Wing since its inception.

(Paragraph 2.4.1)

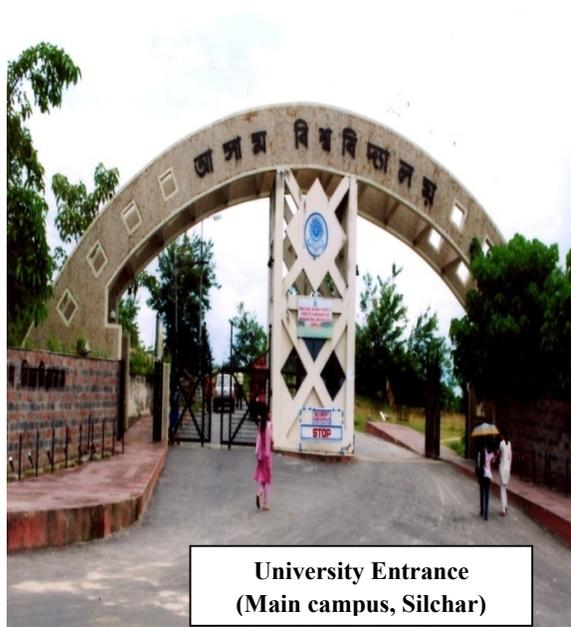
Summary of recommendations

- *The meeting of the various authorities should be held as per norms fixed by the Act and Statute of the University so that core issues may not be left unattended.*

- *The factors causing low intake of students needs to be analysed and addressed suitably.*
- *New courses may be introduced only after proper assessment of the need of dissemination of knowledge in the concerned fields.*
- *University should take appropriate measures to ensure completion of network connectivity in other academic departments.*
- *The University needs to strengthen its internal control mechanism and institutional weaknesses pointed out by NAAC needs to be addressed suitably.*

2.1 Introduction

The Assam University was established in 1989 under “Assam University (AU) Act, 1989 (Act Number XIII). The University has been functioning in two campuses at Silchar and Diphu. The Silchar campus started functioning from January 1994 whereas Diphu campus. started functioning from July 2007. The jurisdiction of the University is spread over in five districts¹ of Assam. As on 31/03/2010, the University has 56 Affiliated Colleges and 9 School of Studies² with 38 Departments and three Study Centres. It also offers different Post Graduate



University Entrance
(Main campus, Silchar)

courses and research facilities. The University has been accredited with B grade with a Cumulative Grade Point Average (CGPA) of 2.85 in September 2008 by National Assessment and Accreditation Council.

2.1.1 Objectives of the University

The objectives of the university are:

- to make provisions for integrated courses in humanities, natural and physical sciences and social sciences in the educational programme;
- to disseminate and advance knowledge by providing instructional and research facilities in various branches;

¹ Cachar, Hailakandi, Karimganj, Karbi Anglong and N C Hills.

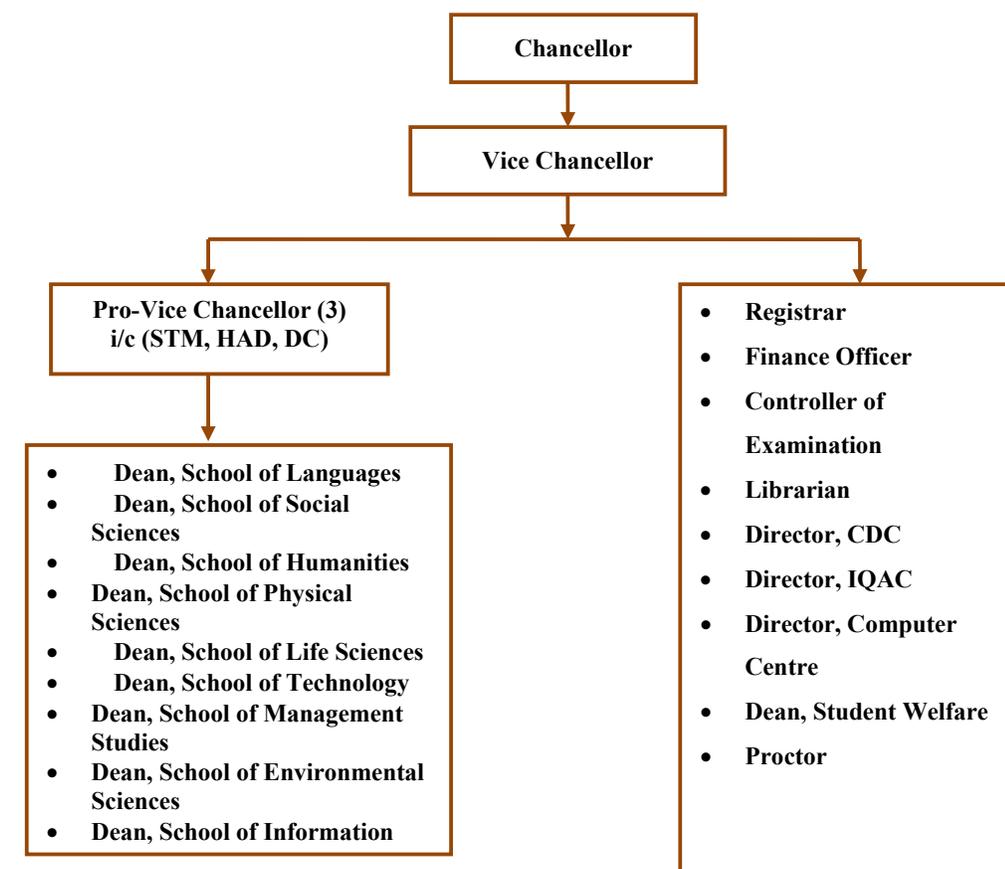
² Social Sciences, Humanities, Languages, Life Sciences, Physical Sciences, Environmental Sciences, Information Sciences, Management Studies and Technology.

- to affiliate, recognize, institute, take over and maintain colleges and institutions to pay special attention to the improvement of the social and economic conditions and welfare of the people of the State, their intellectual, academic and cultural development; and
- to provide educational facilities through Distance Education.

2.1.2 Organizational set-up

The University is headed by the Chancellor and the Vice Chancellor assisted by three pro-vice chancellors, Registrar, Finance Officer and other functionaries. The Schools are headed by Deans. The functionary bodies of the University are the University Court, the Executive Council, the Academic Council, the Planning Board, the Boards of Schools and the Finance Committee. Organisational setup is depicted in the chart 1 below:

Chart-I



STM – Science, Technology and Management
HAD – Humanities and Allied Discipline
DC – Diphu Campus.

2.2 Audit Approach

The audit of the university is conducted under section 19(2) of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971.

2.2.1 Audit Scope

The performance audit of functioning of the Assam University was undertaken from November 2010 under Section-19(2) of the C&AG's (Duties, Powers and Condition of Service) Act, 1971 covering the period from 2005-06 to 2009-10.

2.2.2 Audit Objectives

The main objectives of the performance audit were to assess whether:

- academic activities were planned and executed efficiently and effectively;
- management of financial resources were efficient and effective;
- infrastructural facilities and human resource management available were adequate and utilised efficiently and effectively;
- there existed a sound and effective control system.

2.2.3 Audit criteria

The following criteria were adopted while conducting performance audit:

- i) Assam University Act, 1989; Guidelines of UGC and AICTE; Minutes/resolutions of Financial Committee, the Court, the Executive Council, the Administrative Council and the Planning Board etc.;
- ii) Evaluation Reports, if any. Periodical Reports/returns furnished to UGC/Central Government etc;
- iii) Terms and conditions attached to various Grants released;
- iv) Budget Estimates, Annual Audited Accounts, SOEs, University investments; and
- v) CPW Code, Works Manuals with reference to constructional activities.

2.2.4 Audit Methodology

The performance audit of the University was commenced with an entry conference with the authorities of the university in November 2010 in which audit objective, audit criteria and scope of audit were discussed. An exit conference with the University Authorities was held on 7 June 2011 wherein the audit findings and recommendations were discussed. The replies of the University have been suitably incorporated.

2.3 Audit Findings

2.3.1 General Management

The University exercises its powers to fulfil the objectives through various Authorities constituted under the provisions of the Act. Functions of each Authority as per Statute are discussed below:

a) Court

The court is the highest authority of the University which makes broad policies and programmes of the University and suggest measures for the overall improvement and development of the University and discharges its functions through various authorities viz. (i) Executive Council, (ii) Academic Council, (iii) Planning Board, (iv) Finance Committee and (v) Board of Schools. Details indicating strength of the court, number of meetings held viz-a-viz norms etc. are given in table-1.

Administrative Building



Table-1

Year	Prescribed strength of the court	Actual strength of the court	Prescribed number of meetings to be held during a year	Meeting actually held	Number of representatives to be present in each meeting (Quorum)	Actual number of representatives present in the meeting	Whether agenda was prepared & circulated before meeting	Whether minutes prepared	Whether perspective plan prepared & submitted to the Court
2005-06	119	82 (69%)	1	1	30	45 (55%)	Yes	Yes	Yes
2006-07	119	95 (80%)	1	1	30	45 (47%)	Yes	Yes	Yes
2007-08	133	86 (65%)	1	1	30	47 (55%)	Yes	Yes	Yes
2008-09	130	85 (65%)	1	1	30	44 (52%)	Yes	Yes	Yes
2009-10	136	107 (79%)	1	1	30	49 (46%)	Yes	Yes	Yes

It may be seen that members of the court remained less than the prescribed strength throughout the period of report. Although the required quorum was fulfilled but the percentage of attendance of members during the meeting was poor as the presence of members reduced from 55 per cent in 2005-06 to 46 per cent in 2009-10.

b) Executive Council (EC)

The EC is the Principal executive body of the University and have the powers of management and administration of the revenue and property of the University and to run all administrative affairs of the University. Details indicating strength of the Council, number of meetings held viz-a-viz norms etc. are given in table-2.

Table-2

Year	Prescribed strength	Actual strength	Number of meetings to be held during a year	Meeting actually held	Number of representatives present in each meeting		Whether agenda prepared & circulated	Whether minutes prepared	Whether Perspective plan prepared & submitted to the Court
					To be present (Quorum)	Actual present (average)			
2005-06	18	15	3	3	7	10	Yes	Yes	Yes
2006-07	18	14	6	6	7	10	Yes	Yes	Yes
2007-08	19	17	5	5	7	10	Yes	Yes	Yes
2008-09	20	17	8	8	7	10	Yes	Yes	Yes
2009-10	18	18	9	9	7	10	Yes	Yes	Yes

The strength of Council remained less than the norms throughout the period of report except in the year 2009-10. Although the required quorum was fulfilled in each meeting, but full strength of Council were not present in any of the meetings.

c) Academic Council (AC)

Principal academic body of the University and responsible for maintaining standards of education and to from academic policies and issue instruction/directions with respect to new courses, examinations, evaluation of research etc. Details indicating strength of the Council, number of meetings held *viz-a-viz* norms etc. are given in table-3.

Table-3

Year	Prescribed strength	Actual strength	Number of meetings to be held during a year	Meeting actually held	To be present (Quorum)	Number of representatives present in each meeting on average	Whether agenda prepared & circulated	Whether minutes prepared	Whether Perspective plan prepared & submitted to the Court
2005-06	74	60(81%)	3	3	30	41(68%)	Yes	Yes	Yes
2006-07	74	66(89%)	4	4	33	46(70%)	Yes	Yes	Yes
2007-08	86	67(78%)	5	5	34	49(73%)	Yes	Yes	Yes
2008-09	83	63(80%)	4	4	32	48(77%)	Yes	Yes	Yes
2009-10	89	77(87%)	5	5	39	55(72%)	Yes	Yes	Yes

The strength of Council remained less than the prescribed strength throughout the period of report. Although the required quorum was fulfilled in each meeting, but full strength of Council were not present in any of the meetings.

d) Finance Committee (FC)

The FC looks after overall financial management of the University and to prepare budgets and annual accounts. Details indicating strength of the Committee, number of meetings held *viz-a-viz* norms etc. are given in table-4.

Table-4

Year	Prescribed strength of the committee	Actual strength	Number of meetings to be held	Meeting actually held	Whether the budget was discussed before approval of recommendation considered by the Court	Whether Annual A/cs were discussed and considered by EC	Whether Audit Report discussed in EC and approved by the court
2005-06	7	7	3	Nil	No	No	No
2006-07	7	7	3	2	Yes	Yes	Yes
2007-08	10	10	3	2	Yes	Yes	Yes
2008-09	10	10	3	3	Yes	Yes	Yes
2009-10	10	10	3	2	Yes	Yes	Yes

During the year 2005-06, no meeting of FC was held and number of meetings held fell short by one in the years 2006-07, 2007-08 and 2009-10.

e) Planning Board (PB)

The Planning Board is responsible for reviewing educational programmes offered by the University, organising structure at education to create value oriented education and to develop new teaching and learning process. Details indicating strength of the Board, number of meetings held *viz-a-viz* norms etc. are given in table-5.

Table-5

Year	Prescribed strength	Actual strength	Number of meetings to be held	Meeting actually held	Number of members actually present (Quorum)	Whether agenda prepared & circulated	Whether minutes prepared
2005-06	21	21	1	1	10 (9)	Yes	Yes
2006-07	21	21	1	Nil	Nil(9)	N/A	N/A
2007-08	23	23	1	1	14(9)	Yes	Yes
2008-09	23	23	1	1	13(9)	Yes	Yes
2009-10	24	24	1	1	15(9)	Yes	Yes

During the year 2006-07, no meeting was held. Although required quorum was fulfilled in each meeting, but full strength of Council were not present in any of the meetings.

No records relating to review of educational programmes offered by the university were produced to audit.

f) Board of School

There are nine schools of studies and each school has a School Board and would discharge its functions as per the university ordinances from time to time. No records were produced in support of holding annual meetings by Board of School.

Thus, due to the deficiencies and shortfalls in general functioning of various authorities as stated above, the purpose of formation of such bodies remained largely unfruitful.

The University in its reply (June 2011), attributed the reasons for shortfall in attendance in meetings of various bodies to the remoteness of the University.

g) College Development Council (CDC)

The University had set up a CDC with the objective to provide leadership role and extend all help, guidance and advice to the colleges affiliated to the University. The strength of CDC and periodicity of holding its meetings during 2005-10 are shown in table-6.

Table-6

Year	Prescribed strength	Actual strength	Meetings to be held during a year	Meetings actually held	Members to set Quorum	No. of representative actually present in each meeting
2005-06	25	25	2	1	7	11
2006-07	25	25	2	NIL	7	--
2007-08	25	25	2	1	7	16
2008-09	25	25	2	1	7	17
2009-10	25	25	2	1	7	19

The position tabled above showed that:

- (i) No meeting was held during 2006-07 and only fifty *per cent* of the prescribed meetings were held during 2005-06, 2007-08, 2008-09 and 2009-10.
- (ii) Although the quorum was fulfilled, members who participated in the meetings were only 11 to 19 as against the actual strength of 25 members.

Records further revealed that the CDC meetings were not adequately represented by members from 'core' group i.e. affiliated colleges. Absence of members representing State Government was also noticed.

Further, the important measures resolved to be adopted forthwith, in the meetings of CDC, to improve the academic performance of the affiliated colleges by early introduction of Semester System as emphasized by National Assessment and Accreditation Council Peer Team in UG level, introduction of academic audit; E-learning process and research works at UG level in collaboration with the University, setting up of Internal Assessment Cell and exchange of faculties from University to college and vice-versa to make the teaching meaning full were yet to be implemented.

Holding of inadequate number of annual meetings coupled with absence of adequate members and non-adherence to the important suggestion of CDC to uplift the academic quality in affiliated colleges resulted in poor performance of few affiliated colleges. The facts were accepted (June 2011) by the University authorities.

Recommendations

- *The meeting of the various authorities should be held as per norms fixed by the Act and Statute of the University so that core issues may not be left unattended.*
- *The measures suggested in the meetings of CDC for betterment of academic activities may be considered for implementation.*

2.3.2 Academic Activities

In order to achieve its goal the university, as of March 2010, established 38 Departments and three Centres and introduced 28 Post Graduate (PG), four Under Graduate (UG) and three Five Years Integrated Courses in addition to M. Phil, Ph. D courses in various disciplines. The per capita education cost during 2005-10 ranged between ₹ 74000 (2005-06) and ₹ 1.53 lakh (2009-10) detailed in **Annexe-1**.

Short comings noticed in achieving its academic goals are discussed below;

2.3.2.1 Intake capacity vis-a-vis vacant seats

Scrutiny of records revealed that first year enrolment of students in the University as a whole were lower in comparison with the intake capacity of various courses. The overall position of unfilled seats during 2005-06 to 2009-10 is indicated in the table-7.

Table-7

Course level & No. of courses		Total annual intake capacity		Vacant seats (Per cent to capacity)				
		2005-08	2008-10	2005-06	2006-07	2007-08	2008-09	2009-10
A. 1) Post Graduate	Main campus-22	646	1045	137 (21)	176 (27)	120(19)	392 (38)	145 (14)
	Diphu campus ³ - 6	150	150	-	-	86(57)	73(48)	58(38)
	Total - 28	796	1195	137 (21)	176 (27)	206(26)	465(39)	203(17)
2) Under Graduate (UG) course - 4 ⁴		107	138	(-) 5 (Nil)	28(26)	41(38)	70(51)	81 (59)
3) Five years Integrated course- 3		104	150	(-) 7 (Nil)	1 (--)	(-) 11 (Nil)	(-) 10 (Nil)	(-) 32 (Nil)
Total 35 Main campus Main campus + Diphu		857 1007	1483	125 (14.58)	205 (23.92)	236 (17.50) (23.44)	525 (33.90) (35.40)	252 (14.55) (17.00)
B.M. Phil (under 20 Deptt.)		202	293	176 (87)	42 (21)	34 (17)	116 (40)	231 (79)

³ Established in 2007-08

⁴ Two UG courses started from 2006-07.

The above table indicates poor intake of students in different level of courses which resulted in vacant seats ranging from 17 per cent to 39 per cent in 28 PG courses during 2005-06 to 2009-10; 26 per cent to 59 per cent in four UG courses during 2006-07 to 2009-10 whereas excess students were admitted in three Five-year Integrated courses almost in all the years of report. Seats in the range of 17 - 87 per cent also remained vacant during 2005-06 to 2009-10 in M. Phil courses. Thus, the infrastructure of the University to the extent of ₹ 14.30 crore⁵ remained underutilised due to low admissions in PG and UG courses alone.

While accepting the observations, the University stated (June 2011) that it had constraints to deny admission to some aspirants because of their poor performance in three years degree course (TDC) level exams and also attributed the reasons for increase in intake on account of implementation of OBC reservation policy since 2008-09.

Recommendation

- The factors causing low intake of students needs to be analysed and addressed suitably.

2.3.2.2 Success Rate and Placements

(a) PG Courses

The year wise and school wise position of eligible students for appearing in final examinations and numbers passed out there against in respect of eight schools having 22 PG departments of the main campus is furnished in table-8.

Table-8

Sl. No.	School of	2005-06			2006-07			2007-08			2008-09			2009-10			Average Percentage
		E	P	Percentage	E	P	Percentage	E	P	Percentage	E	P	Percentage	E	P	Percentage	
1.	Languages (7 Deptt.)	115	87	76	134	80	60	129	99	77	137	114	83	159	129	81	75%
2.	Social Science (4 Deptt.)	132	66	50	128	69	54	87	69	79	118	63	53	122	105	86	64%
3.	Humanities (2 Deptt.)	43	19	44	30	22	73	43	24	56	44	23	52	31	20	65	58%
4.	Information Science (1 Deptt.)	29	28	97	29	25	86	30	24	80	31	26	84	41	27	66	83%
5.	Mgt. Studies (2 Deptt.)	50	49	98	54	38	70	48	41	85	77	41	53	122	67	55	72%

⁵ 2005-06 - ₹ 92.50 lakh; 2006-07 - ₹ 188.60 lakh; 2007-08 - ₹ 195.88 lakh; 2008-09 - ₹ 567.00 lakh; 2009-10 - ₹ 385.56 lakh

6	Env. Science (1 Deptt.)	19	14	74	21	13	62	21	13	62	25	15	60	17	17	100	72%
7	Life Science (2 Deptt.)	50	27	54	54	40	74	38	37	97	39	36	92	50	44	88	81%
8	Physical Science (3 Deptt.)	59	38	64	57	30	53	64	26	41	55	40	73	88	46	52	87%
Total (22 Deptt.)		497	328	66	507	317	63	460	333	72	526	358	68	630	455	72	

E – Eligible candidate, P – Pass out students.

The overall pass *percentage* of students during 2005-06 to 2009-10 in PG courses ranged between 63 *per cent* (2006-07) and 72 *per cent* (2009-10). In three departments (Information Science and Management Studies) success rate had fallen as compared to the success rate of the year 2005-06.

Further, it was also seen that average 87 *per cent* students being the highest passed out from the School of Physical Science (three departments) and 58 *per cent*, being the lowest, came out successfully from the School of Humanities (two departments).

Keeping in view the average low pass percentage in Social Sciences and Humanities, the University needs to take appropriate measures to bring the performance at par to the other departments.

(b) UG Courses and 5 year Integrated Courses

The position and percentage of pass out students in respect of the remaining one UG course and one "5year Integrated course" of the School of Social Sciences is given in table-9.

Table-9

Name of the course	2005-06			2006-07			2007-08			2008-09			2009-10		
	E	P	Percentage	E	P	Percentage	E	P	Percentage	E	P	Percentage	E	P	Percentage
(LLB)	194	95	49	300	165	55	244	117	48	227	142	63	241	135	56
(BSW/MSW)	25	17	68	45	27	60	46	36	78	56	40	71	59	49	83

Of the four UG courses, two courses were started in the year 2006-07 and thus, first batch would pass out in the year 2010-11 and information in respect of one course (School of Languages) was not provided. For the remaining one course the success rate showed variable performance as it increased from 49 *per cent* in the year 2005-06 to 56 *per cent* in the year 2009-10.

Similarly in three "5 years Integrated Courses", complete data was not made available in respect of two courses whereas success rate in the third course

(Bachelor and Master of Social works) increased from 68 *per cent* in the year 2005-06 to 83 *per cent* in 2009-10.

(c) Drop out students

Scrutiny of records pertaining to number of students eligible for appearing in final examination and drop out students revealed that in 11 PG courses a total number of 265 students dropped out during 2005-10 with highest number in 2009-10 (77) and lowest in 2005-06 (44). The course wise dropped out students ranged from 13 in MA. Philosophy to 47 in M.Com during 2005-10 as indicated in table-10.

Table-10

Name of courses/Exam (PG)	Students Dropped out (Final Exam)										Total drop out
	2005-06		2006-07		2007-08		2008-09		2009-10		
	Number of final year students	No. of dropped out student	Number of final year students	No. of dropped out student	Number of final year students	No. of dropped out student	Number of final year students	No. of dropped out student	Number of final year students	No. of dropped out student	
1. M.A. English	-	-	-	-	22	8	30	12	-	-	20
2. M.A. Sanskrit	-	-	16	10	-	-	-	-	22	7	17
3. M.A. Philosophy	-	-	-	-	19	4	22	7	15	2	13
4. M.A. Manipuri	13	8	-	-	14	9	-	-	-	-	17
5. M.A. Education	22	10	-	-	24	4	-	-	-	-	14
6. M.A. Sociology	27	6	28	5	29	9	40	19	-	-	39
7. M.A. Linguistic	4	4	9	6	-	-	8	2	12	5	17
8. M.Sc. Chemistry	22	4	-	-	27	12	25	2	31	5	23
9. M.Sc. Physics	22	6	22	8	-	-	-	-	33	16	31
10. M.Com.	21	6	-	-	-	-	17	3	44	29	47
11. MMC	-	-	29	3	30	6	31	5	41	13	27
Total:		44		41		53		50		77	265

The reasons for such abstention in the final examinations were never ascertained by the University. Appropriate action to identify the causes of high drop out in final examinations needs to be taken.

(d) Placements

A Career Counselling and Placement Cell (CCPC) is established in the University to cater the dual needs of students in terms of both career counselling for further academic pursuits and job placement through campus interviews for recruitment in the Private/Corporate sector companies. The number of students' secured placement may be one of the criteria to measure the requirement of the courses offered. The courses for which placements of qualified students were arranged by the University during 2005-10 are indicated in table-11.

Table-11

Sl. No.	Department	Courses	2008 ⁶			2009 & 2010 ⁷		
			Student appeared before Placement Cell	Placement Secured	percentage of placement	Appeared before Placement Board	Placement Secured	percentage of placement
1.	Computer Science	MSc/MCS	40	22	55	40	15	38
2.	IT	B. Tech	----	----	----	22	04	18
3.	Mass Com	MMC	----	----	----	50	12	24
4.	Business Adm.	MBA	----	----	----	60	21	35
5.	Social Work	BSW/MSW	04	04	100	----	----	----

It may be seen that out of total 40 students eligible for placement, only 22 students (55 *per cent*) could get the placement job in 2008 and the position thereafter, further deteriorated when 38, 18, 24 and 35 *per cent* of eligible students of MSc/MCS, B Tech, MMC and MBA respectively were selected through placement cell of the University during the years 2009 and 2010. This indicated poor performance of the Placement cell.

2.3.2.3 Introduction of New Courses

The University introduced two new UG courses of Information Technology and Agriculture Engineering in 2006-07. The Intake capacity, students' admitted etc. in these courses are shown in table-12.

Table-12

Year	B. Tech. Information Technology (4 semesters)			B. Tech. Agri. Engineering (4 semesters)		
	Intake capacity (No.)	Student admitted	Seat vacant No. (Percentage)	Intake capacity (No.)	Student admitted	Seat vacant No. (Percentage)
2006-07	30	27	3(10)	30	11	19 (63)
2007-08	30	28	2(7)	30	11	19(63)
2008-09	38	21	17 (45)	38	2	36 (95)
2009-10	38	5	33 (87)	38	10	28 (74)

The seats against Agriculture Engineering course remained vacant ranging from 63 to 95 *per cent* during the years 2006-10. Similarly, in respect of B.Tech, Information Technology, seats remained unfilled to the extent of 45 *per cent* in 2008-09 to 87 *per cent* in 2009-10. All the 11 students of Agricultural Engineering were allowed to opt for Information Technology course in the second semester. Hence there was no student in the first batch of Agriculture Engineering.

Thus, the University introduced new courses of study without assessing the need of dissemination of knowledge in the concerned fields.

⁶ Data for 2005, 2006 & 2007 are not available.

⁷ Segregated position in respect of 2009 and 2010 was not furnished to Audit.

The University in their reply stated (June 2011) that these two new UG courses were started at the behest of the Government of India and the feasibility of opening such department in the University must have been analysed by the Government of India.

The reply indicated that neither the University nor the Government of India properly assessed and ascertained the need of dissemination of knowledge in the concerned fields before starting these courses.

2.3.2.4 Research Projects

Research and development activities constitute critical components of an academic institution. The projects were funded by various Ministries and other Government organisations. The University has not developed any mechanism to monitor actual progress and outcome of research activities. However, of late in March 2011, a Planning and Development Unit has been created.

A total 46 research projects at an estimated cost of ₹ 6.99 crore were assigned to the University during the period of report. Details indicating the name of the project, scheduled *viz-a-viz* actual date of completion, name of the funding agency and their present status is given in **Annexe-II**. A scrutiny of these research projects revealed the following:

- As of June 2010 only 12 projects involving expenditure of ₹ 86.15 lakh were completed.
- Of the completed projects, five projects were completed with a delay ranging from two to 20 months.
- As of date, the remaining 34 projects are still in progress of which 13 projects have crossed their scheduled date of completion. Reasons for delay in respect of six projects were attributed to non-receipt of fund, change of Principal Investigator (PI) etc. whereas no reasons for delay of the remaining seven projects were assigned by the management.
- Expenditure on 12 completed projects included capital expenditure of ₹ 45.08 lakh towards procurement of equipments, computer etc. The assets so procured were retained with the PIs of the respective departments without transferring to the books of the University.

In reply (June 2011), the University stated that the authority would take up the matter with all the concerned Principal Investigators.

Recommendations

- *Appropriate measures may be taken to open more avenues for placement of students from various disciplines through campus selection.*
- *New courses may be introduced only after proper assessment of the need of dissemination of knowledge in the concerned field.*

2.3.3 Human Resource Management

In order to maintain academic standards in education institutions, the availability of qualified and experienced faculty is a pre requisite; otherwise shortage on this account may adversely affect the quality of education. The position of sanctioned posts and men-in-position of teaching as well as non-teaching staff as on 31 March 2010 is indicated in table-13.

Table-13

Designation	Sanctioned Posts		Men-in-position		Vacant post and its percentage to sanctioned post	
	Main Campus	Diphu campus	Main Campus	Diphu campus	Main Campus	Diphu campus
Professor	32	6	28	5	4 (12.5)	1(16.6)
Reader	94	9	84	8	10(10.63)	1(11.1)
Lecturer	199	17	183	19	16(8.04)	-
Total	325	32	295	32	30(9.23)	2(6.25)
Non-Teaching staff	274	25	260	15	14(5)	10(40)

It may be seen that there was a shortage of 30 teaching staff (9.23 per cent) against the sanctioned strength of 325 in main campus whereas, though there was a shortage of one Professor and one Reader in Diphu campus but the overall position of teaching staff was as per total sanctioned strength as the vacancy in Professor and Reader cadre has been compensated by excess of two Lecturers over the sanctioned strength.

In case of non-teaching staff, there was a shortage of 14 and 10 persons comprising 5 per cent and 40 per cent over the sanctioned strength of main campus and Diphu campus respectively.

2.3.3.1 Skill up-gradation of Non teaching staff

Against the existing staff strength of 260 (31 March 2010) in main campus training was imparted only to 50 non-teaching personnel during 2005-10 out of which 38 had undertaken training in the field of administration. No training was imparted to staff in the field of Accounts till March 2011. It was further seen that percentage of non teaching trained staff ranged between 1.33 and 5.86 per cent during 2005-10.

Moreover, information relating to evaluation of the effect of training imparted to the trainees and their deployment in respective fields for which they were trained up were not made available to audit due to which impact of training cannot be ascertained.

In reply (June 2011), it was stated that the University was in the process of developing a mechanism for training of non-teaching staff.

2.3.4 Financial Management

2.3.4.1 Budget and expenditure

The University is financed through grants received from UGC and other Central Government Organizations such as Ministry of Environment & Forests, Department of Science & Technology (DST), Indian Council of Historical Research etc. Besides, University generates its own revenue by way of fees from students, sale of publications, interest from investment and saving accounts etc.

The year wise position of grants received and utilisation there against is shown in table-14.

Table-14

(₹ in crore)

Year	Opening Balance	Grants received	Other Income	Total fund available	Total of fund utilised	Un-utilised fund
Plan						
2005-06	15.29	24.50	0.00	39.79	10.69	29.10
2006-07	29.10	8.53	1.40	39.03	18.28	20.75
2007-08	20.75	15.00	1.23	36.98	15.97	21.01
2008-09	21.01	27.66	1.23	49.90	30.30	19.60
2009-10	19.60	43.00	2.31	64.91	30.11	34.80
Total		118.69	6.17	230.61	105.35	
Non-Plan						
2005-06	1.85	4.43	4.03	10.31	9.71	0.60
2006-07	0.60	9.20	1.99	11.79	10.80	0.99
2007-08	0.99	12.51	2.60	16.10	12.64	3.46
2008-09	3.46	21.17	3.81	28.44	21.81	6.63
2009-10	6.63	17.72	4.45	28.80	27.88	0.92
Total		65.03	16.88	95.44	82.84	
Others						
2005-06	0.57	0.74	0.00	1.31	0.54	0.77
2006-07	0.77	0.93	0.00	1.70	0.98	0.72
2007-08	0.72	1.29	0.01	2.02	1.32	0.70
2008-09	0.70	2.74	0.05	3.49	0.71	2.78
2009-10	2.78	3.39	0.00	6.17	2.30	3.87
Total		9.09	0.06	14.69	5.85	

Note: Plan funds include amounts received under Non-lapsable Central Pool Resources (₹22.50 crore) during 2005-06, OBC expansion (₹26.11 crore) during 2008-09 and 2009-10, Diphu Campus (₹15.00 crore) during 2009-10 and School of Technology (₹10.00 crore) during 2009-10.

The University could not utilise the total of the receipts and carried over balance of the previous year under Plan Grants; resultantly the un-utilised grants increased from ₹ 29.10 crore in the year 2005-06 to ₹ 34.80 crore in the year 2009-10.

Receipts and Expenditure under Non-Plan head, which mainly consists of Establishment, Administrative and other Academic expenses have continuously depicted an increasing trend as receipt of grants increased from ₹ 4.43 crore in the year 2005-06 to ₹ 21.17 crore in the year 2008-09 and expenditure also increased from ₹ 9.71 crore in the year 2005-06 to ₹ 27.88 crore in the year 2009-10. Non-utilisation of substantial amount of fund ranging from ₹ 29.10 crore in the year 2005-06 to ₹ 34.80 crore in the year 2009-10 indicated deficient financial management during the period of report.

A detailed scrutiny of un-utilised fund of ₹ 34.80 crore under Plan head at the end of financial year 2009-10 revealed the following irregularities and shortcomings:

- Non-lapsable Central Pool Resources (NLCPR) fund amounting to ₹ 3 crore, received in the year 1999-2000 for setting up Diphu campus was kept unutilised.
- Out of UGC grant of ₹ 7.50 crore received in May 2005 under NLCPR and ₹ 15 crore in November 2009 for development works of Diphu campus, the University did not utilise ₹ 4.06 crore and ₹ 10 crore respectively due to non selection of suitable executing/construction agency.
- Fund amounting to ₹ 10 crore meant for School of Technology was received at the fag end of the year (February 2010) and remained unutilised.

The University accepted the observations as no comments were offered in this regard.

2.3.4.2 Non adjustment of long outstanding advances

Scrutiny revealed that an amount of advance totalling to ₹ 119.73 lakh (including outstanding balance of ₹ 99.26 lakh) was paid to Architect Consultant Pvt. Ltd. (ACPL), Kolkata as of May 2006 for architectural design of buildings. Out of this, an amount of ₹102.66 lakh was adjusted till May 2008 leaving a balance of ₹ 17.07 lakh pending adjustment as of June 2011. No concrete action was taken by the University Authority either to adjust the said outstanding advance or to affect recovery of the same as ACPL was no more involved in any activities of the University since long. In reply the University stated (June 2011) that effective steps would be taken for adjustment of advances.

2.3.4.3 Diversion of unutilized fund under SC Girls Hostel

Against the Government of India, Ministry of Social Justice and Empowerment's sanction and release of fund (1999-2000 to 2003-04) of ₹ 2.14 crore for construction of S C Girls' Hostel, the work was completed by incurring a total expenditure of ₹ 2.13 crore during 2005-06. The balance amount of unutilized fund of ₹ 15.08 lakh (including earned interest of ₹ 13.65

lakh) was transferred to Plan head of Account during 2008-09 without surrendering the same, thereby violating the terms and conditions of the sanction order.

In reply (June 2011), it was stated that the funding agency had not sought for refund of the unutilised fund. The reply is not in consonance with the terms and conditions of the sanction order.

Recommendation

- *The University should take up adequate steps to avoid diversion of funds from other heads of accounts and should obtain necessary approval before untoward payment from the UGC fund.*

2.3.5 Infrastructure Management

2.3.5.1 Works Management

The constructions of academic and administrative buildings, hostels, residential quarters etc. were got executed in 'deposit work' basis through Government agencies. Estimates of works were prepared as per schedule of Rates of CPWD.



As per information furnished to Audit, total 41 building projects (estimated value ₹ 80.47 crore) were taken up for construction during 2005-10, of which 23 projects were completed and remaining 18 works were in progress as of March 2011 out of which nine works costing ₹ 25.62 crore had already lapsed its stipulated period of completion against which University had already released ₹ 16.14 crore as of March 2010. Details indicated in **Annexe-III**.

Scrutiny of records pertaining to award and execution of various works, however, revealed the following irregularities:

(a) Award of works without tender

All civil works were awarded without floating tenders. The executing agencies were selected by the Building Committee of the University. Award of works without competitive bidding process deprived the University to get the works done at more competitive rates. Reasonableness of expenditure incurred on construction works including payment of agency charges⁸ remained unverified/un-assessed.

⁸ For 26 civil works awarded to MGCC, the University paid ₹110.98' lakh as agency charges till March 2010.

In reply (June 2011), it was stated that the local geographical and socio-economic conditions had not permitted a different methodology to build the campus expeditiously. The reply is not acceptable as the National Institute of Technology, Silchar has been following the practice of open tendering.

(b) Wasteful and extra expenditure

Four construction works⁹ under OBC expansion scheme were awarded to National Building Construction Company (NBCC) in September and November 2008 at an estimated cost of ₹ 11.77 crore to be completed within 18 months and 15 months respectively. An amount of ₹ 2.60 crore was paid as advance in September 2008.

The works were awarded according to a memorandum of understanding (MoU) of February 2008 between University and the NBCC. The MoU, though contained clause for levy of liquidated damages for delay in the part of contractor, the important clause of CPWD manual to get the incomplete work done through other contractor at the Risk and cost of NBCC, in case of failure of NBCC was not inserted.

NBCC, without commencing the work, on the plea that their employees were not willing to work in the region, refunded the advance amount in August and November 2009 after deducting ₹ 15.08 lakh being the expenditure towards consultancy fees and agency charges. As the drawings submitted by the contractor were not found useful on proof checking due to some reported defects and absence of records for survey, the entire expenditure of ₹ 15.08 lakh was rendered wasteful.

The University subsequently re-allotted two works¹⁰ to CPWD and two works¹¹ to Meghalaya Government Construction Corporation Limited (MGCC) in November 2009 at revised estimated cost aggregating to ₹ 15.04 crore. The escalation of ₹ 3.27 crore in the cost of work which was due to rise in material cost could not be claimed from earlier contractor due to absence of standard clause relating to completion of work at the 'Risk and cost' of defaulting contractor was not included in the MoU with NBCC.

The University stated (June 2011), that there was no financial loss as the work was subsequently undertaken by other Government agencies. The reply is not acceptable as the fact remained that the university had to incur excess expenditure of ₹ 3.27 crore due to cancellation of work order with NBCC.

⁹ Construction of 10 nos. Teacher's quarter (Estimated cost ₹ 1.62crore); construction of History, Political Science & Sociology Department (Estimated cost ₹ 5.15 crore); construction of Economics & Commerce department building (Estimated cost ₹ 3.62 crore) and Day care & women's facility centre (Estimated cost ₹ 1.38 crore)

¹⁰ Economics & Commerce building (Estimated cost ₹ 4.79 crore); History, Political Science & Sociology building (Estimated cost ₹ 6.55 crore)

¹¹ Day care & Women's facility centre (Estimated cost ₹ 1.62 crore); 10 nos. Teachers quarters (Estimated cost ₹ 2.08 crore)

(c) Non-commencement of building works

Scrutiny revealed that for infrastructure development and other activities at Diphu Campus, UGC released ₹ 15 crore in November 2009. Of which ₹ 10 crore was allocated by the Building Committee for construction of academic building (₹ 5 crore), extension of administrative building (₹ 1.25 crore), 2 hostels (₹ 2 crore) and quarters for teachers and staff (₹ 1.75 crore). The works were, however, not allotted for construction as of March 2011 for reasons stated to be the excess estimated cost worked out by CPWD. Failure on the part of the University in selecting suitable executing agency for so long and retaining huge amount of grant without utilisation had deprived the stake holders from its intended benefit.

In reply (June 2011), the University stated that due evaluation and approval of the Building Committee was awaited.

2.3.5.2 Computerisation of departments

The University Grants Commission, New Delhi, accorded sanction (March 2005) of ₹ 2.00 crore to Assam University for Campus Development and Networking. The sanctioned amount was received by the University through swift transfer in April 2005.

Scrutiny revealed that out of ₹ 2.00 crore, an amount of ₹ 1.51 crore was spent during August 2007 to March 2010 for procurement and installation of Network equipments, computers, batteries etc. Reasons for non utilization of fund for 27 months (May 2005 to July 2007) were neither available on records nor intimated to audit.

Scrutiny revealed that out of 32 departments, one library, three hostels, Examination Centres and Administration, only 14 locations in eight¹² academic departments had been brought under networking connection whereas the remaining departments were still under the process of networking. Thus, the delay in network connectivity mainly in academic departments in spite of availability of fund, deprived the students and faculty members from the intended benefits.



Internet locations in Central Library

¹² Chemistry, Physics, Life Science, Computer Science, Ecology, Environmental Science, Business Administration and School of Technology

During exit conference, University stated that, networking in all the academic departments has been completed as of May 2011; however, no supporting document was produced by the Management in this regard.

Recommendations

- *Concerted efforts should be made for awarding contracts for construction of building works without delay.*
- *Suitable mechanism may be devised to monitor the works to avoid delay in completion.*
- *University should take appropriate measures to ensure completion of network connectivity in other academic departments.*

2.4 Internal Control and Monitoring

Internal control is a process designed to provide reasonable assurance regarding the achievement of the objectives of an organisation with regard to efficiency and effectiveness of operations, compliance of applicable rules and regulations and sound financial reporting.

In this regard, Audit observed the following:

2.4.1 Absence of Internal Audit

Considering the size and volume of transactions, an Internal Audit Wing in the University is required to be set up for conducting proper checks of all financial affairs so as to avoid financial mismanagement/irregularities and ensure checks and balances. The University has not set up any Internal Audit Wing despite pointing out consistently to the University through Separate Audit Reports year after year.

In absence of Internal Audit mechanism, control over financial irregularities and deficiencies in annual accounts etc. cannot be ensured.

The University stated (June 2011) that the creation of Internal Audit Wing was under process.

2.4.2 NAAC recommendations (Peer Report)

The National Assessment and Accreditation Council (NAAC) in its Peer Report (August 2008) observed the following institutional weaknesses:

- Lack of choice based credit system in the University departments/colleges to facilitate innovative curriculum delivery.
- Non existence of University Industry interaction centre to facilitate structured consultancy programme and industry interactions.
- Lack of participatory teaching methods and computer assisted technologies in the teaching-learning process.

- Lack of effective and mechanized feedback system from stake holders and students for quality improvement.

University in pursuance of NAAC recommendation/guidelines established nine schools of studies, Internal Quality Assurance Cell besides partial implementation of networking system as of March 2011. Major areas of institutional weaknesses, however, remained unattended.

2.4.3 Asset register & physical verification

As per Rule 192 of the General Financial Rules, assets acquired by the University are required to be entered in the Asset register and physically verified at least once in a year to ascertain the damage/obsolete/unserviceable assets due to normal wear and tear. The University, however, did not maintain any asset register and thus, no physical verification of assets was ever conducted. In absence of asset register, details of assets acquired and their status could not be ascertained.

Similarly, as per the requirement of Rule 194 of General Financial Rules, physical verification of the library books was also not conducted since 2003-04 despite the fact that (i) Library procured 32,004 books and journals during the period 2005-10 at a total cost of ₹ 5.04 crore. (ii) shortages/damage of books valuing ₹ 20.82 lakh was detected during the last physical verification conducted in the year 2002 and (iii) there was a total 94483 books and journals as of March 2010.

Recommendations

- *The University needs to strengthen its internal control mechanism*
- *Institutional weaknesses pointed out by NAAC needs to be addressed suitably.*

2.5 Conclusion

The performance audit of the University revealed the following deficiencies in its functioning:

- Due to poor intake of students in different courses, the infrastructure of the University to the extent of ₹ 14.30 crore remained underutilised during the period of report.
- A total of 265 students dropped out in 11 (eleven) PG courses during the period 2005-06 to 2009-10.
- Due to poor pursuance of the University's placement cell, only fifty five *per cent* of the total eligible students could get the placement job in 2008, thereafter the position further deteriorated when 38, 18, 24 and 35 *per cent* of eligible students of MSc/MCS, B Tech, MMC, MBA and BSW/MSW respectively were selected during the years 2009 and 2010.

- University introduced new courses of study without assessing the need of dissemination of knowledge in the concerned fields due to which 60 to 95 *per cent* of seats remained vacant in these courses.
- Of the 46 research projects of the total estimated cost of ₹ 6.99 crore only 12 projects involving expenditure of ₹ 86.15 lakh were completed as of June 2010.
- Of the completed research projects, five projects were completed with a delay ranging from one to 22 months.
- Five *per cent* in main campus and 40 *per cent* in Diphu campus of the teaching posts were vacant as of March 2010.

2.6 Acknowledgement

We acknowledge the co-operation and assistance rendered by the University Authority to Audit during the course of Audit.

The matter was referred to the Ministry in July 2011; their reply was awaited.

Annexe-1

(refer to paragraph 2.3.2)

Cost of Education per student per annum (Main campus & Diphu Campus)

(₹ in lakh)

S.No	Expenses	2005-06		2006-07		2007-08		2008-09		2009-10	
		Main campus	Diphu Campus	Main campus	Diphu Campus						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Establishment Expenses	892.45	---	1274.82	---	1115.39	20.61	1840.61	97.80	3000.68	187.27
2	Academic expenses	89.40	---	101.18	---	116.65	2.15	229.65	2.78	385.49	5.32
3	Administrative Expenses	166.49	---	247.87	---	273.97	16.02	357.59	16.11	441.74	20.17
4	Repair & Maintenance expenses	30.91	---	32.69	---	87.10	0.11	84.97	4.75	62.85	6.89
	Total	1179.25	---	1656.56	---	1593.11	38.89	2512.80	121.44	3890.76	219.65
	Total (Main + Diphu)					1632.00		2634.24		4110.41	
1	Total student enrolment (excluding Ph. D student)	1593	---	1798	---	1892	64	2315	121	2549	135
	Total (Main + Diphu)					1956		2436		2684	
2	Cost of Education per student per annum	0.74	---	0.92	---	0.84	0.61	1.09	1.00	1.53	1.63
	Total (Main + Diphu)					0.83		1.08		1.53	

Annexe-II

(refer to paragraph 2.3.2.4)

Statement showing name of the projects, scheduled *viz-a-viz* actual date of completion, and their present status

Sl. No.	Name of the Project	Estimated cost	Schedule date of completion	Actual date of completion	Name of the funding agency	Present status of the project
1	Ecology & Management of bamboos in home gardens of Barak Valley, NE India magnetic, liquid crystals	5.50	April 2008	31.3.2009	G.B. Pant Institute of Himalayan Env. & Development	Completed
2	Design synthesis, characterization and study of rare earth and transition metal-containing magnetic, liquid crystals	14.64	October 2008	23.4.2009	Deptt. Of Science and Technology	Completed
3	Engaging communities in Waste management	0.30	December 2005	25.12.2005	Shastri Applied Research Project(SHARP).	Completed
4	Mapping & Quantitative Assessment of Geographic Distribution & Population Status of Plant Resources of eastern Himalayan Region	13.23	November 2009	-	Department of Biotechnology, GOI.	Ongoing
5	A study on the distorted structure of porphyrin in mettalloporphyrinss	8.04	September 2009	31.8.2009	Department of Science and Technology	Completed
6	Chemistry of ruthenium with some new azoheterocycles: Synthesis, Characterization & electrochemical properties	20.34	December 2009	30.11.2009	Department of Science and Technology	Completed
7	Study of minor bodies of Solar System by stimulating laboratory data to match with spacecraft observation	9.25	2009	-	Department of Space, GOI.	Ongoing
8	Habitat Mapping of Mahseer fishes and development of spatial database for North Eastern aquatic biodiversity	11.09	2009	21.2.2009	Ministry of Environment and Forest (MoEF)	Completed
9	Synthesis & mesogenic properties of mono & binuclear metal complexes derived from salicyldilimine Schiff bases	5.19	April 2009	-	UGC	Ongoing
10	H-bonded effects on bent liquid crystalline supramolecular organizations	14.96	November 2009	-	Department of Atomic Energy (BRNS)	Ongoing
11	Tradition & Trends in the field of Literary, Linguistics & Cultural theotization: Mapping the Non Western space	6.50	June 2009	31.7.08	UGC	Completed

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12	Economic well being under the rural development programme: reality & expectation	2.80	June 2008	3.10.2008	UGC	Completed
13	Feasibility studies for fisheries development in Tipaimukh HE(M)	2.50	August 2008	June 2010	NEEPCO	Completed
14	Habitat Mapping of mashers for river Barak and its tributaries using GIS Tools	2.47	November 2009	18.9.2009	National Bureau of Fish Genetic Resources	Completed
15	Influence of perfluoro, siloxane & carbosiloxane moieties in the ent alkyl chain of W-shaped molecules with reference to chirality & mesomorphic properties	20.40	April 2010	13.4.2010	Department of Science and Technology	Completed
16	Red rust disease in tea plants of Barak Valley (Southern Assam) by Cephaleurus alga: caused Eco biological status, problems and option for effective control measures	7.73	January 2010	-	Department of Science and Technology	Ongoing
17	Investigation on the genotoxic & tumorigenic inorganic potential of two important metabolites of arecoline the major area nut alkaloid	8.88	January 2010	-	Department of Science and Technology	Ongoing
18	Biochemical and Molecular approaches to drought stress tolerance in Tea	9.06	September 2010	-	National Tea Research Foundation, Kolkata.	Ongoing
19	Endangered Ethnomedicinal Plants of Southern Assam with reference to Phytochemical screening & Germplasm conservation through in-vitro propagation & Ex-situ cultivation	7.37	March 2010	31.5.2010	UGC	Completed
20	Design synthesis & physico-chemical characterization studies of isotropic & anisotropic media for enabling high permittivity applications	15.83	June 2011	-	Naval Research Board	Ongoing
21	Studies on the diversity & distribution of soil microarthroped Fauna of grassland, cultivated fields & subtropical ecosystems of Cachar, Assam.	11.35	December 2011	-	Ministry of Environment and Forest	Ongoing
22	Characterisation & utilization of Cyanobacterial bioresource in Southern Assam, North East India	35.43	August 2011	-	Department of Biotechnology	Ongoing
23	Electronic structure calculation of Metal carbides and nitrides using wien 2K code	3.00	June 2011	-	Department of Science and Technology	Ongoing
24	Molecular cloning & Functional analysis of a NA ⁺ /H ⁺ Antiporter gene in Cowpea	44.81	July 2011	-	Department of Biotechnology	Ongoing
25	Development of framework for logging & analysis of Network traffic for securing network infrastructure- Part A	45.50	October 2010	-	Department of Information Technology, Ministry of Communication & IT.	Ongoing
26	Vegetation Carbon Pool Assessment	6.42	March 2011	-	Indian Institute of Remote Sensing, Dehradun.	Ongoing
27	British relations with the Frontier Tribes: A case study of the Anglo-	1.00	2010	-	Indian Council of Historical	Ongoing

	Naga relations between 1832-1878				Research, New Delhi.	
28	A critical review of the British Policy Towards the Frontier Tribes : A case study of the Anglo-Naga Affairs, 1832-1948	4.54	2011	-	UGC	Ongoing
29	A study of the English Teachers' beliefs about and practices in grammar pedagogy in the higher secondary schools and junior colleges of the Cachar District of Assam	1.28	July 2010	-	UGC	Ongoing
30	Impact of radio listening on Socio cultural life of the rural masses: A study of Narsingpur and Nayabil villages in Cachar District of Assam	5.29	January 2011	-	UGC	Ongoing
31	Biochemical characterization and therapeutic potentials of Cleome Gyanandra L (Cleomaceae)	11.11	April 2012	-	UGC	Ongoing
32	Ecological studies on the chatla wetland in Barak Valley, Assam	8.91	April 2012	-	UGC	Ongoing
33	Development of N.E. wordnet: An integrated wordnet for NE languages – Nepali	23.10	May 2011	-	Department of Information Technology, Ministry of Communication & IT	Ongoing
34	Dielectric studies on novel banana & W-shaped molecules exhibiting liquid crystalline behaviour	10.19	May 2012	-	Department of Science and Technology	Ongoing
35	A study of warm inflationary scenario in string cosmology	10.02	December 2012	-	Department of Atomic Energy	Ongoing
36	Programme on strengthening & upgradation of biotechnology teaching, training & research in the Department of Biotechnology of AU in the North-East	128.00	August 2014	-	Department of Biotechnology	Ongoing
37	Development/ upgrading infrastructure in Medical Colleges in North-Eastern States of India	88.94	September 2014	-	Department of Biotechnology	Ongoing
38	Tree diversity and ecology in traditional home gardens of Barak Valley, North East India using Remote Sensing and GIS	15.66	April 2012	-	Department of Science and Technology	Ongoing
39	Amino acid Polymorphisms in the conserved Motifs of HMA Proteins and Heavy Metal Tolerance in Plants	4.17	June 2011	-	Department of Science and Technology	Ongoing
40	Interaction vanadate, molybdate & tungstate with hydrogen peroxide & hydroxylamine: synthesis characterization, reactivity, aqueous & solid state properties	17.66	October 2012	-	Department of Science and Technology	Ongoing
41	Education of the Children of Tea Garden workers of Assam: An Explorative Study	7.00	March 2010	-	NCRI (MHRD), Hyderabad.	Ongoing
42	Restructuring the past: The nineteenth & early twentieth century Assamese historiography	3.05	April 2011	-	UGC	Ongoing
43	Terrorism Problem in North East India, its legal solution for protection of Human rights: A Socio Legal Study of Cachar Region of Assam	4.54	January 2012	-	UGC	Ongoing

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44	An analytical study of Modern Arabic Nobel and Short Story of Nobel Laureate Naguib Mahfouz	1.00	July 2011	-	UGC	Ongoing
45	Acute and chronic toxicity of selected pesticides on fish and amphibian tadpoles in Barak Valley, Assam	9.29	January 2013	-	UGC	Ongoing
46	Development of process technology for production of bamboo shoot based nuggets	11.19	January 2012	-	UGC	Ongoing
		698.53				

Annexe-III

(refer to paragraph 2.3.5.1)

Statement showing the position of Building projects not completed after expiry of stipulated time

(₹ in crore)

Sl. No.	Name of Building/Projects	Estimated value	Executing Agency	Date of commencement	Due date for completion	Percentage of physical progress up to November 2010	Total fund released up to March 2010	Period of delay up to March 2011	Stated reasons
1	Capacity expansion of 3 storied MBA Building	3.39	MGCC	May/09	29.3.10	95%	2.81	12 months	Not stated
2	Capacity expansion of two storied Mathematics Building	3.74	MGCC	January/09	29.3.10	94%	2.91	12 months	Not stated
3	Microbiology Building	3.87	MGCC	August/09	25.9.10	72%	1.79	6 months	Not stated
4	90 Bedded Boys' Hostel	3.10	MGCC	August/09	25.9.10	65%	1.18	6 months	Not stated
5	Library & Information Science Building	3.38	CPWD	June/09	16.9.10	99%	3.03	6 months	Not stated
6	Capacity expansion of English & Foreign Language Building	4.52	MGCC	July/09	16.9.10	72%	1.96	6 months	Not stated
7	Administrative Building Annex-III	1.76	MGCC	January/09	16.9.10	72%	0.96	6 months	Not stated
8	Horizontal Extension of Social Work Building	0.66	MGCC	July/09	16.3.10	97%	0.46	12 months	Not stated
9	8 nos. Non-teaching quarters	1.20	MGCC	July/09	16.3.10	98%	1.04	12 months	Not stated
		25.62		Total			16.14		

Chapter III : Jawaharlal Nehru University (Ministry of Human Resource Development)

Highlights

- Due to defective admission policy of the University, 1016 seats in various courses remained unfilled during the academic years 2005-06 to 2009-10.
(Paragraph 3.3.2.1)
- The University did not utilize 31 per cent of the infrastructure grant during the period of report.
(Paragraph 3.3.4)
- Due to non-implementation of the recommendations of the Punnayya Committee (1992-93) regarding mobilization of internal resources; the University could generate 1.49 to 5.91 per cent only of its total recurring expenditure as against 15-25 per cent recommended by the Punnayya Committee.
(Paragraph 3.3.5.1)
- Non-submission of timely claims for the years 2003-04 to 2009-10 to UGC resulted in non-realisation of matching grant of ₹ 2.50 crore.
(Paragraph 3.3.5.4)
- Due to systemic fault of keeping large sums in saving bank account instead of investing the surplus funds over and above the average requirement of funds in short term deposits, university suffered a loss of interest of ₹ 1.39 crore
(Paragraph 3.3.5.5)
- The University is facing shortage of teaching staff as 33 per cent of the total sanctioned posts in teaching cadres remained vacant as of March 2010.
(Paragraph 3.3.6.1)

Summary of recommendations

- *University may review its admission policy and consider removing the restrictive clause regarding release of second list. Unfilled seats of foreign nationals may be considered for filling by domestic aspirants.*
- *The periodic assessment of different courses needs to be done regularly on the basis of past experience to increase/decrease the intake capacity.*
- *University may take appropriate steps for augmenting its internal resources as per recommendation of Punnayya Committee.*

- *University may take urgent steps to fill up all vacant posts to ensure smooth functioning and quality of education.*
- *University may initiate appropriate measures to ensure proper maintenance of records to monitor status of each project.*

3.1 Introduction

The Jawaharlal Nehru University (University) was established in 1966 under the Jawaharlal Nehru University Act 1966 (Act) and inaugurated on 14 November 1969. The University laid down the following objectives for itself:

Quote

“to disseminate and advance knowledge, by teaching and research; and by the example and influence of its corporate life to promote the study of the principles for which Jawaharlal Nehru worked during his life time, namely national integration, social justice, secularism, a democratic way of life, international understanding and a scientific approach to the problems of society.”

Unquote

Towards this end the University was entrusted with the following main objectives:

- making special provision for integrated courses in humanities as well as science and technology in its educational programmes;
- taking appropriate measures for promoting interdisciplinary studies;
- establishing such departments or institutions as may be necessary for the study of languages, literature and life of foreign countries with a view to inculcating in the students an international understanding and a holistic perspective; and
- providing facilities for students and teachers from various countries to participate in its academic programmes and activities.



The University was envisioned as essentially a post-graduate teaching and research institution. The University has ten schools¹ and three Special Centres². Of these, UGC has granted the status of Centre of Excellence to three schools highlighted in green colour.

3.1.1 Organizational setup

The University is headed by a Chancellor and Vice Chancellor, assisted by two Rectors, Registrar, Finance Officer and other functionaries. The Schools are headed by Deans and the Special Centres are headed by Chairpersons. The regulating bodies responsible for the functioning of the University are the University Court, the Executive Council, the Academic Council and Statutory Committees viz. Finance Committee etc.

3.2 Audit approach

The audit of the University is conducted under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, read with Section 20(1) of the Act.

3.2.1 Audit scope

The performance audit covered the period from 2005-06 to 2009-10 involving test check of records of the university.

3.2.2 Audit objectives

The performance audit was conducted to verify whether:

- ✓ the academic activities were planned and executed efficiently and effectively;
- ✓ the University had utilized the grants received for the development of infrastructure optimally;
- ✓ the University had utilized its resources economically, efficiently and effectively; and
- ✓ the University had completed the sponsored research/consultancy projects as per the conditions for the grant of each project.

¹ (i) School of Arts and Aesthetics, (ii) School of Biotechnology, (iii) School of Computer and System Sciences, (iv) School of Environmental Sciences, (v) School of International Studies, (vi) School of Computational and Integrative Sciences, (vii) School of Language, Literature and Culture Studies, (viii) School of Life Sciences, (ix) School of Physical Sciences and (x) School of Social Sciences.

² (i) Centre for the Study of Law and Governance, (ii) Special Centre for Molecular Medicine and (iii) Special Centre for Sanskrit Studies

3.2.3 Audit criteria

The following audit criteria were adopted:

- Jawaharlal Nehru University Act, 1966. And Ordinances of JNU;
- Academic Rules and Regulations of JNU, Plan and budget documents and orders/sanctions/circulars of UGC;
- Terms and conditions of sanctions/approval of research projects; and
- Report of the Punnayya Committee.

3.2.4 Audit methodology

The performance audit of the University commenced with an entry conference with the Registrar, University in November 2010 in which audit objectives, criteria and scope of audit were discussed. The records of the UGC and University were examined during November 2010 to March 2011. Audit findings were discussed in detail with the Vice Chancellor, Registrar and other officers of the University during exit conference held in March 2011.

3.3 Audit findings

3.3.1 Previous audit findings

C&AG had earlier reviewed the functioning of Jawaharlal Nehru University in its report No. 4 of 2003. Main findings of audit were as under:

- non-observance of norms in the utilisation of maintenance grant;
- insufficient mobilization of internal resources; and
- poor monitoring of research projects.

Action taken notes (ATN) on this report is still pending.

This is the second performance audit of the university which revealed that these deficiencies still persist.

3.3.2 Academic activities

In order to achieve its objective of making special provision for integrated courses in humanities as well as science and technology in its educational programmes, the University was offering doctorate in 64 disciplines, postgraduate courses in 28 disciplines and under graduate courses in nine foreign languages. In addition, it also offered Certificate, Diploma and Advanced Diploma courses in various languages. Further, to inculcate international understanding and a holistic perspective among students, the University had provided a reservation of 15 *per cent* for foreign nationals in each programme of study in its admission policy.

3.3.2.1 Seats lying vacant

The selection of candidates for admission to various programmes of study is based on their performance in the written examination and viva voce (wherever prescribed) and after incorporating Deprivation Points³. In case of foreign nationals, those who are present in India are required to appear in the entrance examination, however, in cases where the foreign nationals happened to be outside India at the time of entrance examination would be considered under the “in-absentia” category.

The figures of enrolment of students vis-à-vis the number of students applied, appeared and offered admission and seats remained vacant during the academic years 2005-06 to 2009-10 is given in table-1.

Table-1

Academic Year	Number of Students					
	Sanctioned seats	Applied	Appeared	Offered	Joined	Number of vacant seats (percentage to available seats)
2005-06	1620	75107	61012	2063	1516	104 (6.42)
2006-07	1659	78132	63139	2142	1580	79(4.76)
2007-08	1704	83491	64507	2237	1574	130(7.63)
2008-09	1963	82226	64144	2268	1619	344(17.52)
2009-10	2175	87393	67105	2467	1816	359(16.51)
Total	9121	406349	319907	11177	8105	1016

As may be seen from the above table that the unfilled seats continued to increase from 79 in the year 2006-07 to 359 in the year 2009-10 despite the fact that the University was not facing any deficiency in the number of aspirants seeking admission every year.

Of the above, the position of seats available, seats offered, number of students joined and seats remained vacant in respect of foreign nationals is given in table-2.

Table-2

Academic year	Seats available of foreign students	Number of foreign students offered admission	Number of foreign students joined	Number of vacant seats (percentage to seats available)
2005-06	211	181	103	108 (51)
2006-07	216	207	109	107 (50)
2007-08	222	253	101	121 (54)
2008-09	256	218	107	149 (58)
2009-10	284	177	110	174 (61)

³ A maximum of 10 points awarded to candidates of certain specific disadvantaged categories like Kashmiri migrants, widows of defence personnel, female candidates and candidates of backward areas etc.

The percentage of vacant seats was higher in respect of admissions of foreign nationals as it remained in the range of 50 to 61 *per cent*.

The main reason for the vacant seats in totality was the admission policy of the University according to which only one single list of selected candidates was to be released with the exception that in case the intake in any programme of study fell short by 50 *per cent* by the prescribed last date, second list will be released. This condition was not met in any of the years and the university did not release the second list resulting in seats remained vacant despite availability of aspirants during all the years. Besides, University could have admitted Indian aspirants against the vacant seats meant for foreign nationals by modifying its admission policy.

In six courses detailed in **Annexe-I**, the number of students joining the courses were either nil or less than/equal to 50 *per cent* of the seats available during any of the academic years 2005-06 to 2009-10. The University neither made any efforts to fill up these seats nor re-assessed the requirement of the concerned courses to increase or decrease the intake capacity.

Audit revealed that significant resources of the University to the tune of ₹ 24.06 crore have gone un-utilised over the years on account of 1016 unfilled seats in various courses which could have been utilised in full but for its admission policy.

The University stated (July 2011) that it follows the intake and offers concept where the offers of admission are more than the intake capacity in each discipline so as to fill up the seats. Similarly, many of the seats under the category of foreign nationals are not filled up due to non-availability of suitable foreign national candidates. However, keeping in view the recommendations of audit, it would take up the matter with the appropriate bodies at the time of review of admission policy next year.

Recommendations

- *University may review its admission policy and consider removing the restrictive clause regarding release of second list. Unfilled seats of foreign nationals may be considered for filling by domestic aspirants.*
- *The periodic assessment of different courses needs to be done regularly on the basis of past experience to increase/decrease the intake capacity.*

3.3.2.2 Failure/dropouts of students

During the academic years 2005-06 to 2009-10, the year-wise data of number of students passed and failed/dropouts vis-à-vis number of students admitted in various courses (excluding Ph.D. and M. Phil courses for which data was unavailable) is given in table-3.

Table-3

Year (In which the course was completed)	BA (Hons.)				MA/M.Sc./MCA			
	Number of students admitted*	Number of students passed out	Number of students dropped out/failed	Percentage of dropped out/failed students to number of students admitted	Number of students admitted*	Number of students passed out	Number of students dropped out/failed	Percentage of dropped out/failed students to number of students admitted
2005-06	256	134	122	48	787	645	142	18
2006-07	273	168	105	38	823	647	176	21
2007-08	256	165	91	36	840	652	188	22
2008-09	263	170	93	35	779	612	167	21
2009-10	260	157	103	40	848	682	166	20

* Number of students admitted shows the number of students admitted for the respective courses in the starting years of the courses.

The percentage of students dropped out/failed in BA (Hons.) courses against the number of students enrolled ranged between 35 to 48 whereas in MA/M.Sc./MCA courses, it ranged between 18 to 22.

Audit scrutiny revealed that in five undergraduate courses⁴, the percentage of students dropout as compared to enrollment during first year was in the range of 19 to 64 *per cent* and in respect of postgraduate course in four centres⁵ it was in the range of 15 to 82 *per cent*. This indicated poor performance of the concerned centres. No analysis of reasons of dropouts/ failure made by the schools was found on record.

The University replied (July 2011) that some students tend to leave the course for jobs or opportunity available within or outside the country. However, it is in the process to take all possible efforts to reduce dropouts of the students.

3.3.3 Implementation of reservation of Other Backward Classes (OBCs) in admissions

The Ministry issued (April 2008) directions to all Universities to implement 27 *per cent* reservation in admissions for Other Backward Classes (OBCs) as per Central Educational Institutions (Reservation in Admission) Act, 2006. The details of number of seats increased and students admitted in pursuance of the above policy are given in table-4.

⁴ BA (Hons) in (i) Arabic and African studies, (ii) Russian studies, (iii) Spanish, Portuguese, Italian and Latin American studies, (iv) Japanese and (v) Chinese and South east Asian studies.

⁵ (i) Centre for German studies, (ii) Centre for Spanish, Portuguese, Italian and Latin American studies – Spanish, (iii) Centre for Japanese, Korean and North east Asian studies – Japanese and (iv) Centre for Japanese, Korean and North east Asian studies – Korean

Table -4

Academic Year	Percentage increase in reservation for OBCs	Number of seats increased for OBC category	Student of OBC category admitted against the seats increased	Percentage of students admitted to total seats available under the category
2008-09	12	256	173	68.58
2009-10	18	397	256	64.48
2010-11	27	687	349	50.80

It may be seen from the above table that admission capacity could not be utilised in full during any of the above years and the percentage of admission gradually decreased from 69 in the year 2008-09 to 51 in the year 2010-11.

Audit scrutiny of records pertaining to the implementation of OBC reservation in the University further revealed that UGC sanctioned (July 2008) 280 teaching posts under OBC reservation scheme, out of which 95 posts were approved for first year. Out of these the University could fill up only five posts as of August 2010.

The University replied (July 2011) that delay in recruitment of teachers had been due to delay in finalization of Regulations on minimum qualifications for appointment of teaching and other academic staff in Universities by UGC. However, the University assured to fill up some of these posts by March 2012.

3.3.4 Infrastructure development

The Government of India allotted 1009.38 acres of land to the University in the year 1970 for development of its campus consisting of university buildings, hostels and residential quarters. Of the above, 635.52 acres of land was earmarked as Institutional area, 96 acres of land was green belt including Play ground under the Master plan whereas rest of the area was under rocks where the development was not possible.

For the purpose of infrastructure development viz. construction of new buildings, campus development, up-gradation of hostels, e-governance, etc., UGC released Plan grant to the University under its X Plan and XI Plan period⁶. The details of grant received and expenditure incurred during 2005-06 to 2009-2010 is given in table-5.

⁶ Xth plan – 2002-07, XIth plan – 2007-12

Table-5

(*₹ in crore*)

Year	Grant received	Expenditure incurred	Savings
2005-06	11.39	4.38	7.01
2006-07	45.69	45.69	0.00
2007-08	26.33	19.02	7.31
2008-09	96.56*	54.99*	41.57
2009-10	123.16*	85.39*	37.77
Total	303.13	209.47	93.66
Percentage of un-utilised grant to total grant			30.89

*includes OBC figures also.

It may be seen from the above table that University did not utilize 31 *per cent* of the infrastructure grant during the period of report. The savings in grants gradually increased from ₹ 7.01 crore in the year 2005-06 to ₹ 41.57 crore during 2008-09.

Deficiencies in the infrastructure development noticed during audit have been discussed in the following paragraphs:

3.3.4.1 Under-utilisation of OBC grant

Out of the total grant of ₹ 88.57 crore received for the implementation of OBC reservation during the years 2008-09 and 2009-10, the University could utilize only ₹ 69.43 crore. Audit observed that the under utilization of grant was due to non recruitment of faculty, delay in development of infrastructural facilities.

3.3.4.2 Blocking of funds amounting to ₹ 2.02 crore

As per the agreement entered into (August 2006) with M/s RITES Ltd., the University was to release 33.33 *per cent* of the estimated cost of work towards 1st installment to the former to enable it to initiate the tendering process and award the works. In respect of the two construction works, audit noted that construction was yet to commence as of September 2010, despite release of funds of 56 *per cent* in one work and 33 *per cent* in the other, more than two to four years back respectively as given in table-6.

Table-6

(*₹ in lakh*)

Sl. No.	Name of work	Cost of work	Funds released	Date of release of funds
1	Student Cultural Centre	134.00	75.00	21 September 2006
2	Construction of USIC Building	383.00	126.65	6 November 2008
Total		517.00	201.65	

Audit observed that the foundation laying ceremony of the new building of USIC was held in June 2009. However, in August 2009, the University issued orders to M/S RITES Ltd. not to take up the said work for the time being. Since then neither any orders were issued to start the work nor any reason for stoppage of work was found on record. In respect of work of construction of

Student Cultural Centre, although the University released 56 *per cent* of the cost of work against agreed 33.33 *per cent*, M/S RITES Ltd. after laying down the foundation stone, requested (October 2007) the university to relocate the site as a valley was coming across the proposed building. However, no further progress was noticed as University is yet to take a decision in the matter. Therefore, indecision on the part of the University in both the works resulted in blockage of funds of ₹ 2.02 crore for two to four years. The University may take immediate decision in respect of both the works.

The University stated (July 2011) that there was no blocking of funds and advances released to M/S RITES Ltd. for the above works were being utilized for other ongoing works. The reply is not convincing as the decision to transfer the advances to other ongoing constructions works was taken in September 2010 i.e. after a delay of two to four years.

3.3.4.3 Allotment of land to various institutions

Of the total available land, the University has allotted 150 acres of land to other institutions on payment of rent basis. A test check of the records relating to allotment of land to other institutions revealed that as per agreements entered into by the University with these agencies/institutions the University had provided land to them at free of cost/₹ 1 per sq. ft. (details in **Annexe-II**) thereby losing commensurate rental income. One of the recommendations of the Punnayya Committee⁷ (1992-93) was that the Universities may generate income by letting out their infrastructural facilities.

The University replied (July 2011) that these institutions are autonomous bodies of Government of India and they incurred the capital cost of land development and cost of construction of buildings on the land provided by the University. However, the University may review its policy of letting out land at nominal/free of cost in view of the above mentioned recommendations for resource augmentation as a step towards self-reliance.

3.3.4.4 Delay in installation of equipments

Examination of records of equipments costing ₹ 10 lakh and above, revealed that 30 equipment valuing ₹ 22.60 crore were installed with a delay ranging from 3 to 23 months (**Annexe-III**). Further, one instrument (UV-VIS-VIR Spectroradiometer) of School of Environmental Sciences costing ₹ 13.94 lakh received in January 2009 was lying uninstalled as of December 2010. The delay in installation of equipments deprived the students/faculty to carry out the educational and research activities. Besides, delay in installation of the equipments would lead to non-availing the full warranty period by the University.

The University replied (July 2011) that Schools would take all precautions to install the equipments within a short time in the future.

⁷ Recommendations of Punnayya Committee has been discussed in detail in para No. 3.4.6.

3.3.5 Financial management

The University is financed mainly by grants from University Grant Commission (UGC) for its 'Plan', 'Non-plan' activities. It also receives earmarked funds for sponsored research projects and grant of fellowship to students from various funding agencies. Besides, it also generates its own receipts by way of fee from students, interest on investments, etc. The details of financial assistance received by the University and utilisation thereof under the heads 'Plan', 'Non-plan', Earmarked Endowment Funds and Sponsored Projects/Fellowships are given in table-7.

Table-7

(*₹ in crore*)

Year	Grant received	Internal receipts	Total	Amount utilized/(percentage to total funds received)	Savings(+)/ Excess (-)
Plan					
2005-06	11.39	-	11.39	4.38(38)	7.01
2006-07	45.69	-	45.69	45.70	(-)0.01
2007-08	26.33	-	26.33	19.02(72)	7.31
2008-09	96.56*	-	96.56	54.99(57)	41.57
2009-10	123.16**	-	123.16	85.39(69)	37.77
Non Plan					
2005-06	95.05	5.50	100.55	93.03(93)	7.52
2006-07	81.05	3.83	84.88	94.43	(-)9.55
2007-08	109.25	4.50	113.75	108.78(96)	4.97
2008-09	117.36	4.09	121.45	118.76(98)	2.69
2009-10	194.83	2.88	197.71	194.03(98)	3.68
Earmarked/Endowment Funds					
2005-06	14.18#	-	14.18	9.36(66)	4.82
2006-07	4.41	3.75	8.16	5.52(68)	2.64
2007-08	23.58	7.94	31.52	17.03(54)	14.49
2008-09	28.99	17.68	46.67	31.50(67)	15.17
2009-10	16.79	6.42	23.21	16.44(71)	6.77
Sponsored Projects/Fellowships					
2005-06	20.18#	-	20.18	18.38(91)	1.80
2006-07	20.55	1.77	22.32	12.42(56)	9.90
2007-08	32.06	2.93	34.99	18.55(53)	16.44
2008-09	35.68	5.10	40.78	26.61(65)	14.17
2009-10	37.48	5.30	42.78	38.28(89)	4.50

including internal receipts

* includes ₹ 48.57 crore as grant for OBC

** includes ₹ 40.00 crore as grant for OBC

Analysis of the above table reveals that University could utilise its entire funds under Plan head only in the year 2006-07 whereas in the remaining years it could utilise only 38 to 72 per cent of the total receipts.

Similarly the University could not fully utilise the Earmarked/Endowment Funds in any of the years under report as the utilisation of these funds

remained in the range of 54 to 71 *per cent* only. There was savings in each year in the Sponsored Projects/Fellowships as the University could utilise only 53 to 91 *per cent* of the receipts during the review period.

3.3.5.1 Insufficient mobilization of internal resources

Punnayya Committee in its report of 1992-93 recommended that Universities/Educational Institutions must generate internal resources in continuation of getting funds from the Government/UGC. The internal resources should be sizeable in course of time and must constitute at least 15 *per cent* of the total recurring expenditure at the end of five years and at least 25 *per cent* at the end of 10 years. Audit scrutiny revealed that against this recommended figure and after a lapse of 15 years, the University was able to generate internal resources varying from 1.49 to 5.91 *per cent* only of its annual recurring expenditure during the period of report. The issue of insufficient generation of internal resources was also pointed out in the previous report of the Comptroller and Auditor General of India-Union Government (Civil) No. 4 of 2003. This low generation of internal resources was on following account:

a) Non-revision of tuition and other fees

The Punnayya Committee recommended that tuition fee may be revised upwards with immediate effect and periodically adjusted, keeping in view the rate of inflation. Similarly, it had also recommended upward revision of fee for library and laboratory.

Audit scrutiny revealed that the University had not revised tuition fees and other types of fee since the report of the Punnayya Committee (1992-93). A comparison between tuition fees currently charged by JNU and those charged by IIT Delhi would show stark difference in the fee structure as shown in table-8.

Table-8

(Amount in Rupees)

Course	Tuition fees of JNU (per student per annum)	Tuition fees of IIT (per student per annum)
M.Sc	216	5000
Ph.D	240	5000

This has led to undue financial burden on the University as above rates have remained static whereas the input cost on these services incurred by the University has increased manifold from ₹ 93.03 crore in the year 2005-06 to ₹ 194.03 crore in the year 2009-10.

(b) Non-revision of hostel fee

Similarly, Punnayya Committee (1992-93) had recommended for revision of hostel fees with immediate effect to meet all the actual recurring cost and in due course of time, a part of capital cost as well. As per the Hostel Manual of

July 2001, the hostel fee per annum was quoted at ₹ 120 for double seat/₹ 240 for single seat which remained the same as of date.

Audit scrutiny revealed that the University was not even recovering recurring cost of hostels leave aside the recovery of capital cost. During the years 2005-06 to 2009-10, the University incurred ₹ 1.23 crore on recurring cost of hostels against which only ₹ 46 lakh was collected as hostel fee which came to 38 *per cent*. This led to undue financial burden on the University. Reasons for not implementing the recommendation of the Punnayya Committee in this regard were not found on record.

The University replied (July 2011) that it had revised fees for issue of migration certificate, duplicate mark sheets, degree, etc. However, regarding revision of tuition fee, hostel fee, the University did not furnish any reply.

(c) Non-observance of norms in the utilization of maintenance grant

One of the recommendations of the Punnayya Committee was that the cost of teaching and research should be in the range of 60-65 *per cent* of the total expenditure whereas cost of administration and auxiliary services should be in the range of 10-12 *per cent* and 20-25 *per cent* of the total expenditure respectively. It was, however, noticed that in contravention of the above recommendation, the University was incurring 35.49 *per cent* of the total expenditure only on teaching and research whereas it incurred the maximum cost i.e. 45.27 *per cent* of the total expenditure on auxiliary services which mainly constituted of miscellaneous expenditure and other staff related expenses.

The low expenditure on teaching and research activities was mainly due to non-filling of 33 *per cent* vacant faculty posts as discussed in subsequent para No. 3.6.1.

The Ministry, of late, in its reply of February 2011 to the earlier audit report intimated that UGC as well as the University had constituted committees to look into the various aspects of mobilization of internal resources. Taking such a belated action defeated the whole purpose of the Punnayya committee's recommendation as internal resources could not be generated to the desired level during the period of last 15 years.

Recommendation

- *The University may take appropriate steps for augmenting its internal resources as per recommendation of Punnayya Committee.*

3.3.5.2 Diversion of OBC grant amounting to ₹ 6.29 crore

Rule 10 (6) (d) of Delegation of Financial Powers relating to restrictions on appropriation and re-appropriation prescribed that without the previous consent of Ministry of Finance, no re-appropriation shall be made from funds

provided under 'Plan' heads to 'Non-plan' heads both under Revenue and Capital heads.

In contravention of the above provisions, the University, however, charged (December 2009) its total electricity and water charges amounting to ₹ 6.29 crore for the period April to December 2009, to OBC recurring grant (released under 'Plan' head), though it was to be charged to 'Non-plan' grant received by the University. This resulted in diversion of funds from Plan grant meant for implementation of OBC scheme for University's expenditure under non-plan head leading to irregular expenditure of ₹ 6.29 crore.

The University replied (July 2011) that in view of severe resource crunch, UGC conveyed (March 2011) that expenditure to the extent of 30 *per cent* non-salary components can be paid out of OBC grant. The reply of the University is not convincing as the University had resorted to this diversion of funds in December 2009 i.e. prior to the receipt of UGC's aforesaid clarification and moreover, such diversion of 'plan' grant to 'non-plan' can only be made with the prior approval of the Ministry of Finance.

3.3.5.3 Short recovery of fee from recognized institutions

The University accorded recognition to 13 research institutions and 7 defence institutions across the country. The University decided (July 1997) to charge one time recognition fee and annual affiliation fee of ₹ 10 lakh and ₹ two lakh respectively from the institutions which offer postgraduate and doctorate programmes and ₹ five lakh and ₹ one lakh respectively from the institutions offering undergraduate courses and one time registration fee of ₹ 5000/ ₹ 3000/ ₹ 2000/ ₹ 1000 per student for the respective courses. In addition, one time admission fee of ₹ 100 and enrolment charges at the rate of ₹ 15/- per student was also to be charged by the University.

Audit scrutiny revealed that an amount of ₹ 73.00 lakh from four⁸ institutions on account of recognition and affiliation fees and an amount of ₹ 46.19 lakh from 10 institutions on account of one-time registration fee (₹ 45.50 lakh from 911 students) and admission fee including enrolment charges (₹ 0.69 lakh from 618 students) pertaining to the period 1997-98 to 2009-10 was still to be recovered by the University. The University replied (July 2011) that letters have been sent to above institutions for payment of outstanding dues.

3.3.5.4 Non-realisation of matching grant of ₹ 2.50 crore under the Scheme of Incentive for Resource Mobilization

During the Xth Five Year Plan, UGC introduced a scheme titled 'Incentive for Resource Mobilisation' with the objective to encourage universities to

⁸ (i) Centre for Cellular & Molecular Biology, Hyderabad - ₹ 8 lakh, (ii) Centre for Developmental Studies, Trivandrum - ₹ 25 lakh, (iii) Nuclear Science Centre - ₹ 36 lakh (iv) National Defence Academy, Pune - ₹ 4 lakh

mobilize resources by participation/contribution of society in their development and to provide incentives to such universities. Under this scheme, UGC would provide contribution to the extent of 25 *per cent* of the revenue⁹ generated by the university, subject to a maximum of ₹ 25 lakh (under Xth plan) and ₹ 50 lakh (under XIth plan) per annum.

In order to avail the matching grant benefit, Universities, for the funds generated from external sources during the last financial year, would make a claim in the prescribed format to the UGC by 30 September of the following year. UGC after scrutiny of the related documents would approve the proposal and release the admissible grant to the University. Audit noticed that the University had generated a fund of ₹ 3.10 crore, ₹ 4.25 crore and ₹ 5.31 crore from its external resources during the years 2003-04, 2004-05 and 2005-06 respectively. It had, however, submitted the claim of late in February/ March 2007. In response, the UGC found a number of discrepancy/deficiency like non-reconciliation of figures under various heads, inadmissible expenditure of corpus funds, non indication of the bank where corpus fund was being managed etc. and requested (November 2007) the University to reconcile the figures and justify the discrepancies noticed in the claims. The University furnished clarifications on the said issue in March 2008. In this regard Audit observed that the university did not pursue the matter with UGC after March 2008 with the result that UGC had not honoured the claims as of date (March 2011). It was further observed that the University had not submitted any claim for the subsequent periods of four years from 2006-07 to 2009-10 as no such claim was found on record. This resulted in non-realisation of matching grant amounting to ₹ 2.50 crore.

The University replied (July 2011) that in view of audit observation; it has requested (March 2011) UGC to release the matching grant.

3.3.5.5 Loss of interest of ₹ 1.39 crore due to parking of huge funds in saving bank account

The University was maintaining three saving bank accounts for Corpus Fund, HBA Fund and Academic Development Fund and invested surplus funds from these accounts into short term deposits. The interest income from these funds was to be utilized for construction and renovation of buildings, purchase of equipment, books and journals, student/staff amenities, supporting extension activities and organization of seminars/workshops, etc. and for House Building Advance to employees. Scrutiny of cash books revealed that large amounts ranging from ₹ 74.78 lakh to ₹ 10.53 crore were kept in these saving bank accounts during April 2005 to March 2010. The average monthly

⁹ From external resources like contribution/consultancy from individuals, Alumni Associations, public and family trusts, industrial/business houses, cooperatives, professional associations, unions/ associations of employees, municipalities/panchayats, MP/MLA/Counselor's funds including donations, monies received towards fellowships/scholarships/chairs, etc.

expenditure out of these accounts was in the range of nil to ₹ 9.6 lakh. Due to this systemic fault of keeping large amounts in savings bank accounts, the University incurred loss of interest of ₹ 1.39 crore due to non-investment of surplus funds over and above the average funds required, in short term deposits at prevailing rate of interest¹⁰.

The University accepted the audit finding and replied (July 2011) that in order to avoid idling of funds in the accounts, it has implemented the scheme of auto sweep with Banks with effect from November 2009.

3.3.6 Human resource management

3.3.6.1 Shortage of teaching staff

For the purpose of maintaining academic standards in educational institutions, the availability of qualified and experienced faculty is a prerequisite; otherwise shortage on this account may adversely affect the quality of education. The position of sanctioned posts and men-in-position of teaching staff as on 31 March 2010 is shown in table-9.

Table-9

Designation	Sanctioned posts	Men-in-position	Vacant posts and its percentage to sanctioned posts
Professor	165	101	64 (39)
Associate Professor	287	195	92 (32)
Assistant Professor	271	189	82 (30)
Total	723	485	238 (33)

It may be seen from the above that, there was a shortage of total 238 teaching staff (33 *per cent*) against the sanctioned strength of 723 posts. This could affect the quality of education. Further, scrutiny of centre wise position revealed that in the seven centres¹¹, the vacancy in the academic posts was 50 *per cent* or more against the sanctioned strength as of March 2010. The UGC directed (February 2010) the University to give top most priority in filling up these vacancies as the Parliamentary Standing Committee, in its 214th Report, had viewed the vacant teaching posts in central universities seriously.

The University assured (July 2011) to advertise and fill up the vacant teaching positions as early as possible.

¹⁰ The rate of interest on short term deposits made by the University - 2005-06 – 5.5 *per cent*, 2006-07- 6.5 *per cent*, 2007-08 – 8.25 *per cent*, 2008-09 – 9.75 *per cent* and 2009-2010 – 7 *per cent*

¹¹ (1) School of Arts and Aesthetics, (2) Centre for African Studies,(3) Centre for International Legal Studies,(4) Women Studies Programme, (5) North East Studies Research Centre, (6) Special Centre for Molecular Medicine and (7) Academic Staff College

Recommendation

- *The University may take urgent steps to fill up all vacant posts to ensure smooth functioning and quality of education.*

3.3.6.2 Unfruitful expenditure of ₹ 1.77 crore on e-governance

The University decided (August 2001) to implement office automation by computerizing its functions relating to Administration, Finance and Examination wings and sought an amount of ₹ 2.83 crore from the UGC for this purpose. UGC released ₹ 2.20 crore (₹ 20.00 lakh in November 2001 and ₹ 2.00 crore in May 2006) for implementation of the project by the Computer School/ Department of University.

Accordingly, University awarded (January 2005) the work of preparation of Request for Proposal (RFP) for e-governance requirements at a cost of ₹ 10.83 lakh to M/S Wipro consulting services. After getting RFP in April 2005, the University awarded (August 2005) the contract of development and implementation of e-governance project, at a cost of ₹ 94.83 lakh to M/S Accel ICIM to be completed by July 2006. In the meanwhile University also purchased (March 2007) computer hardware and software worth ₹ 1.66 crore for implementation of e-governance project. Subsequently, due to unsatisfactory progress of the project¹² noticed (January 2011) by an External Review Committee set up for reviewing the progress, the University terminated the contract and recovered the amount of advance payment of ₹ 46.41 lakh.

Audit scrutiny revealed that despite direction of UGC (September 2001) that work relating to software development should be carried out by the Computer School/ Department of University, the University engaged a private company for the same and the project remained un-developed. Hence on one hand the intended purpose of the project could not be achieved whereas on the other investment of ₹1.77 crore (₹ 10.83 lakh incurred on RFP and ₹ 1.66 crore on purchase of computer hardware/ software) incurred on the e-governance Project remained unfruitful.

The University stated (July 2011) that e-governance project was delayed due to non-performance and delivery of the software component and every attempt would be made to ensure timely delivery of the project.

3.3.7 Research projects

Research projects constitute a very important component of the academic activity of the University. The University receives funds for research projects from various funding agencies comprising Ministries/government institutions/private companies/foreign bodies etc. During the years 2005-06 to

¹² Applications developed in JAVA and Oracle would put up constraints in future applications of JNU and two modules cannot be used in the present shape as it required changes in the fundamental architecture etc.

2009-10, the University received ₹ 106.62 crore from funding agencies for 635 research projects and spent ₹ 94.19 crore during this period. The University had 211 ongoing research projects as on 31 March 2010. Scrutiny of the records relating to research projects revealed the following discrepancies:

3.3.7.1 Short levy of overhead charges

As per the Handbook for Research Projects of the University, research projects also bring in extra overhead charges to the University which can play a crucial role in strengthening the research infrastructure in the University. All faculty members are required to include JNU overhead charges (10-15 *per cent* of the project cost) while applying for a research project. During the years 2005-06 to 2009-10, the University received an amount of ₹ 5.22 crore as overhead charges on research projects.

Scrutiny of the records of Projects section revealed that in 59 projects which were sanctioned during 2005-06 to 2009-10, overhead charges were either not received or received at the rate of five *per cent*. Due to non/less levy of overhead charges by the concerned faculty members, the University incurred loss of ₹ 1.01 crore on account of overhead charges.

The University replied (July 2011) that the rate of overhead charges @ 10-15 *per cent* are only by way of reference and not prescriptive and overhead charges allowed by funding agencies vary from agency to agency. However, with the objective of strengthening of research infrastructure in the University, the University may direct all faculty members to include overhead charges @ 10-15 *per cent* while applying for a research project.

3.3.7.2 Under-utilization of overhead charges

Two-third of the overhead charges once received, will be at the disposal of the Project Director for the purposes of equipment maintenance, project advertisements and up-gradation of the laboratory infrastructure. The remaining one-third of the overhead charges will be at the disposal of the University.

The 'Handbook for running research projects' of the university prescribed guidelines for expenditure to be incurred by the Project Director out of his share of overhead money. However, no guidelines were prescribed regarding utilization of University's share of overhead charges. During the period 2005-06 to 2009-10, the overhead charges of ₹ 5.22 crore were received against which an amount of ₹ 2.40 crore (45.97 *per cent*) only was utilized. This indicates that the University has failed to utilize the available resources and the objective of strengthening the research infrastructure was defeated.

The University replied (July 2011) that efforts would be made for optimal utilization of overhead charges and norms would be laid down for utilization of University's share of overhead charges.

3.3.7.3 Poor monitoring of research projects

In its earlier report No. 4 of 2003, Audit had pointed out that University had no centralized system to monitor the projects executed by different departments as it could not produce information about the number of schemes completed, number of projects/schemes in which final report submitted/not submitted and publishing of research findings. The university did not take any action in this regard and again it could not produce information relating to completed projects, utilisation certificates and final technical report/progress reports in respect of the projects for the period 2005-06 to 2009-10. As such despite pointing out in the earlier audit report, the University did not create any centralized system for monitoring the projects undertaken by different departments.

The University replied (July 2011) that efforts are being made to computerize and capture complete data/information for proper monitoring of all research projects.

Recommendations

- *The University may ensure that the prescribed 10-15 per cent overhead charges be levied in each project in order to strengthen its research infrastructure.*
- *The University may initiate appropriate measures to ensure proper maintenance of records to monitor status of each project.*

3.4 Conclusion

The performance audit of the University revealed the following deficiencies in its functioning:

- Due to defective admission policy, it could not fill up 11 *per cent* of the available seats during the academic years 2005-06 to 2009-10 despite availability of large number of aspirants seeking admission resulting in under utilization of resources of ₹ 24.06 crore.
- The percentage of dropout/failed students in the courses of BA (Hons.) and MA/M.Sc/MCA ranged between 35 to 48 and 18 to 22 respectively.
- There was a shortage of 33 *per cent* of teaching staff as of March 2010.
- Under the OBCs reservation scheme 68, 64 and 51 *per cent* of the available seats could only be filled up in the years 2008-09, 2009-10 and 2010-11 respectively. Against the 95 teaching posts sanctioned for the 1st year of the scheme, only five posts were filled up.
- The University did not utilize 31 *per cent* of the resources meant for development of infrastructure.
- Despite pointing out in the earlier audit report, the University did not take action with regard to:

- adherence to the norms of academic cost recommended by Punnayya Committee in the utilization of maintenance grant.
- monitoring the research projects undertaken by different departments.

3.5 Acknowledgement

We acknowledge the cooperation and assistance rendered by the University during the course of this performance audit.

The performance audit report was issued to the Ministry/University in May 2011. The endorsement of the University's reply to the Ministry received in July 2011 has been incorporated in the report; the reply of the Ministry is awaited as of July 2011.

Annexe-I

(refer to paragraph 3.3.2.1)

Position of enrolment of students *vis-à-vis* seats available in six courses

Sl. No.	Name of the course and School	Academic Year									
		2005		2006		2007		2008		2009	
		S	E	S	E	S	E	S	E	S	E
1.	M.Phil/Ph.D. in Chinese Studies (School of International Studies)	8	5	8	4	8	2	9	4	10	4
2.	M.Phil/Ph.D. in Japanese Studies, School of Language, Literature and Cultural Studies (SLL&CS)	3	Nil	4	5	4	1	5	Nil	5	1
3.	M.Phil/Ph.D. in French (SLL&CS)	10	5	10	8	10	5	12	6	13	7
4.	M.Phil/Ph.D. in German (SLL&CS)	10	2	10	3	10	4	12	2	13	2
5.	M.Phil/Ph.D. in Portuguese (SLL&CS)	2	Nil	2	1	2	1	2	2	3	Nil
6.	MA in German (SLL&CS)	15	12	15	4	15	4	18	5	20	5

S: Seats available E: Number of students enrolled

Annexe-II

(refer to paragraph 3.3.4.3)

List of agencies/institutions to whom University has allotted land

Sl. No.	Name of agency/institution	Area allotted	Rate of rent	Year of allotment
1.	Delhi Library Network (DELNET)	1.00 acre	Nil	NA
2.	Nuclear Science Centre	25.00 acre	Nil	NA
3.	Indian Council of Social Science Research	6.50 acre	1 per year	1986
4.	National Centre for Plant Genome Research	15.00 acre	Nil	NA
5.	National Institute of Immunology	15.00 acre	Nil	NA
6.	Kendriya Vidyalaya Sangathan	17.00 acre	Nil	NA
7.	University Grants Commission	25.00 acre	Nil	1990
8.	International Centre for Genetic Engineering and Biotechnology	25.00 acre	Nil	NA
9.	Indian Institute of Mass Communication	15.00 acre	Nil	NA
10.	DESU (Delhi Vidyut Board)	1.865 acre	₹ 1 per year	1977
11.	Telegraph Office	467.51 sq. ft.	₹ 1 per sq. ft.	1992
12.	UGC Office at 35, Ferozeshah Road, New Delhi	71677.27 sq. ft	Nil	1976
13.	Jamia Hamdard at 35, Ferozeshah Road, New Delhi	96 sq. ft.	₹ 1 per sq. ft.	1992
14.	Indian Council for Historical Research at 35, Ferozeshah Road, New Delhi	10492 sq. ft.	₹ 1 per sq. ft.	NA
15.	UCO Bank at 35, Ferozeshah Road, New Delhi	565.73	₹ 1 per sq. ft.	1996

Annexe-III

(refer to paragraph 3.3.4.4)

Statement showing School-wise delay in installation/Un-installed equipment

Sl. No.	Name of School/ Centre	Name of equipment	Cost of equipment (in lakh)	Date of receipt of equipment	Date of installation	Delay in installation (in months)
1.	School of Life Sciences	Spectromax M2 Microplate Reader Microplate cuvette.	14.79	2/5/2005	12/8/2005	3
2.	-DO-	EMBLA A-10 Brai Wave Analyser	13.12	7/6/2005	13/10/2005	3
3.	-DO-	High Speed Refrigerated Centrifuge Model (CR-22G)	11.64	10/10/2006	16/1/2007	3
4.	-DO-	Centrifuge ultra L-90K Optima with Accessory and Rotors	24.60	18/8/2006	8/2/2007	5
5.	-DO-	P2. Biosafety unit with exhaust Air unit Biosafety cabinet supply of single skin in GSS coustration filter, Air Conditioner, false ceiling, clean room equipment	11.99	20/3/2007	12/7/2007	3 ½
6.	-DO-	(i) Real time PCR System TF7500 with access. (ii) 4000QTRAP System (MS&MS) System with access	188.94	22/12/2006	24/4/2007	4
7.	-DO-	(i) Nano flow liquid chromatography with access (ii) Rapid Miniature Electrophoresis system with access	77.85	23/1/2007	7/5/2007	3
8.	-DO-	Life lizer zone plus 6 liter greezer dry system with access	7.32	13/5/2005	29/8/2005	3 ½
9.	-DO-	NAT steel Horizontal Rectangular stabilizer size 2x2x4 double door Unit Modal 24 sol/EIDO/NAT-8 Sr. No. 1167 & 1168	15.18	28/5/2010	10/11/2010	5
10.	School of Environmental Sciences	Atomic Absorption Spectrophotometer	30.05	19/11/2008	30/6/2009	7
11.	-DO-	Gas Chromatograph System with Accessories	22.17	25/11/2008	7/7/2009	7
12.	-DO-	WDXRF System	65.10	9/3/2010	7/7/2010	4
13.	Special Centre for Molecular Medicine	Liquid Scintillation Counter	10.89	18/1/2007	18/6/2007	5
14.	-DO-	High Resolution Fluorescence Microscope	49.76	3/3/2008	5/8/ 2008	5

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15.	Advance Instrumentation Research Facility	Laser Confocal Microscope	143.20	17/8/2007	6/3/2008	6
16.	-DO-	XRD for Macromolecules and Protein crystallography	311.24	4/11/2007	8/8/2008	9
17.	-DO-	XRD Powder Single Crystal and thin Film	102.89	2/8/2007	21/11/2008	15
18.	-DO-	Transmission Electron Microscope	245.72	1/10/2007	/10/2008	12
19.	-DO-	FTIR Raman	72.20	17/8/2007	17/7/2009	23
20.	-DO-	Scanning Electron Microscope	146.52	8/9/2007	15/12/2008	14
21.	-DO-	EDXRF Spectrometer	56.96	26/6/2007	26/6/2008	11
22.	-DO-	WDXRF Spectrometer* (cost included in cost of equipment at Sl. No. 16)		4/11/2007	8/8/2008	9
23.	-DO-	CD + Stop attachment	132.84	10/9/2007	9/9/2008	12
24.	-DO-	Liquid Nitrogen Plant	95.94	17/10/2007	25/11/2008	12
25.	-DO-	GC Mass Spectrometer	71.66	/11/2007	12/9/2008	9
26.	-DO-	Capillary Electrophoresis	20.91	26/10/2007	2/8/2008	9
27.	-DO-	Cell Sorter & Flow Cytometer	110.76	26/6/2007	25/7/2008	12
28.	-DO-	Surface Plasmon Resonance	81.69	13/8/2007	15/7/2009	23
29.	-DO-	Time Resonance Analytical	88.37	19/10/2007	9/2/2008	3
30.	School of Physical Sciences	Femtosecond Optically Gated Fluorescence Up-conversion Spectrometer	35.83	15/6/2010	11/12/2010	5 ½
Total			2260.18			
Un-installed equipment						
31.	School of Environmental Sciences	UV-VIS-VIR Spectroradiometer	13.94	25/1/2009	still pending	

**Chapter IV : Activities of National Institute for the Orthopaedically Handicapped
(Ministry of Social Justice and Empowerment)**

Highlights

- Only 257 students could pass in undergraduate courses during the period of report. Similarly, only 14 students could pass post graduate courses over a period of four years.
(Paragraph 4.3.1.1)
- During the year 2010, the Institute could admit only 103 students against the intake capacity of 113 students through common entrance test in undergraduate courses.
(Paragraph 4.3.1.2)
- Sixteen faculty posts were vacant for several years which adversely affected the academic activities.
(Paragraph 4.3.1.3)
- Proposed equipment for strengthening the existing Research and Development unit was not procured despite obtaining approval at an estimated cost of ₹ 5.5 crore from the Executive Council.
(Paragraph 4.3.2.1)
- The training of Employment and Placement Officers and Vocational Councilors were not being organized since 2005.
(Paragraph 4.3.3)
- The Institute did not maintain any database on persons suffering from Orthopaedic disabilities.
(Paragraph 4.3.4.1)
- There was no mechanism to verify the eligibility of the beneficiary under ADIP scheme.
(Paragraph 4.3.8.1)

Summary of recommendations

- *The Institute should identify reasons responsible for drop out by the students in mid-way of the course.*
- *The Institute should take effective action to recruit qualified faculties with a view to provide quality education to the students.*
- *The Institute should establish formal links with national and international organizations of repute working in similar areas.*
- *In order to achieve its objective, the Institute should maintain a comprehensive database of the patients to serve as an apex*

documentation and information centre in the area of disability and rehabilitation.

- *The Institute should establish surgical ICU, blood bank and provide ambulance services.*

4.1 Introduction

As a measure of empowerment of persons with disability, Government of India established National Institute for the Orthopaedically Handicapped (Institute) in 1978 by acquiring the assets including building and equipment of Kr. P.N. Roy Group of Hospital, Kolkata. Subsequently, in 1982, the Institute was registered as an autonomous body under the Societies Registration Act, 1980 under the aegis of erstwhile Ministry of Social Welfare (now Ministry of Social Justice and Empowerment), Government of India. It is a premier institution in the area of locomotors¹ disability (Orthopaedically Handicapped).

4.1.1 Organisational Structure

The Governing Council, headed by the Secretary to the Government of India, Ministry of Social Justice and Empowerment, is the apex body for management of the Institute. The Governing Council consists of 14 members including six specialists/representatives of voluntary organisations/social workers in the field nominated by Government of India. The Governing Council is responsible for formulating policies, general control and directions to Executive Council. The Executive Council, headed by the Joint Secretary of the Ministry, looks after management and administration of the Institute as per the Memorandum of Association of the Institute. The Director manages day-to-day administration of the Institute. An Academic Committee was also constituted by the Executive Council to plan academic programs/activities of the Institute. The Director is assisted by Deputy Director (Technical) and Deputy Director (Administration).

4.1.2 Objectives

The major objectives of the Institute are:

- to develop manpower for providing services to the Orthopaedically handicapped population;
- to conduct and sponsor research related to the rehabilitation of the Orthopaedically handicapped;
- to provide services in the area of rehabilitation, restorative surgery, aids and appliances and vocational training to the persons with disability;

¹ Locomotor disability is defined as a person's inability to execute distinctive activities associated with moving both himself/herself and objects.

- to standardise aids and appliances and to promote their manufacture and distribution;
- to serve as an apex documentation and information centre in the area of disability and rehabilitation.

4.1.3 Financial position

The main source of revenue to the Institute is grants-in-aid from Government of India. The position of receipts and payments during the period 2005-06 to 2009-10 is given in table-1.

Table-1

(₹ in crore)

Year	Grants received			Internal receipt	Grants utilized			Unutilised grants		
	Plan	Non-Plan	Specific purpose		Plan	Non-Plan	Specific purpose	Plan	Non-Plan	Specific purpose
2005-06	2.59	3.84	2.60	0.28	2.59	3.84	2.60	0.00	-	-
2006-07	4.00	3.43	4.58	0.46	2.76	3.35	3.16	1.24	0.08	1.42
2007-08	1.95	3.26	0.50	0.32	1.95	3.26	0.17	0.00	-	0.33
2008-09	3.50	4.70	1.48	0.55	3.05	5.06	0.63	0.45	(-)0.36*	0.85
2009-10	5.02	5.60	4.44	0.66	2.10	5.51	0.00	2.92	0.09	4.44
Total	17.06	20.83	13.60	2.27	12.45	21.02	6.56	4.61	(-)0.19	7.04

* Excess utilisation under non-plan was met from the internal receipts of the Institute

Internal Receipts included tuition fee, hostel fee, laboratory fee, bed charges etc. As the internal receipts during 2005-06 to 2009-10 was about 5.7 per cent of total payments there was remote possibility of self-sufficiency to the Institute.

4.2 Scope of Audit

Annual audit of the Institute is conducted under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The performance audit covers activities of the Institute for the period 2005-06 to 2009-10.

4.2.1 Audit objectives

Performance audit of the activities of the Institute was taken up with the objectives of assessing whether:

- the Institute has met its objective of developing human resource by providing quality education;
- mechanism for collection of data and maintenance and dissemination of information was effective and efficient;
- the Institute has efficiently and effectively conducted original and productive researches in the related fields over the years;
- the rehabilitation services extended by the Institute have been able to address the needs of the disabled people efficiently and effectively;

- the Institute has been able to develop, manufacture, promote and distribute aids and appliances to those concerned efficiently and effectively.

4.2.2 Audit criteria

The following audit criteria were adopted:

- Directives and guidelines of the West Bengal University of Health Science, the Rehabilitation Council of India, the West Bengal Nursing Council and the National Board of Examination;
- Memorandum of Association of the Institute;
- Ministry's directives and correspondences;
- Deliberations of the meetings of the Governing Council, Executive Council and the Academic Committee;
- UGC/CSIR guidelines.

4.2.3 Audit methodology

Audit examined records in the different departments of the Institute. Audit also gathered evidence and response through interviews and surveys of patients and students to assess the user satisfaction in respect of the Institute's activities and services.

The audit objectives and methodology was discussed with the Management of the Institute in an entry conference held in May 2010. The audit findings were discussed with the Management in an exit conferences held in January 2011.

4.3 Audit findings

4.3.1 Academic Activities

The Institute conducts the following post-graduate, under-graduate, and diploma courses as detailed in table-2.

Table-2

Name of Course	Year of start	Duration of the course	Sanctioned seats	Affiliated to
Post Graduate Courses				
Master in Physiotherapy (MPT)	2007	2 years	6	WBUHS ²
Master in Occupational Therapy (MOT)	2007	2 years	3	WBUHS
Master in Prosthetics & Orthotics (MPO)	2007	2 years	3	WBUHS
Diploma National Board in Physical Medicine & Rehabilitation (DNB in PMR)	1992	3/2 years	4	National Board of Examination
Post Graduate Diploma in Disability Rehabilitation & Management (PGDDRM)	1999-2000	1 year	15	WBUHS
Degree Level Courses				
Bachelor in Physiotherapy (BPT)	1984-1985	4 years 6 months	43	WBUHS
Bachelor in Occupational Therapy (BOT)	1984	4 years 6 months	42	WBUHS
Bachelor in Prosthetics & Orthotics (BPO)	1984	4 years 6 months	28	WBUHS
Diploma courses				
Diploma in Orthopaedic & Rehab Nursing	2008	1 year	15	Indian Nursing Council and West Bengal Nursing Council
Diploma in Tool & Die Making	2001	4 years	5	In collaboration with CTTC ³ , Kolkata
Diploma in CAD-CAM	2001	6 months	2	In collaboration with CTTC, Kolkata

4.3.1.1 Development of human resource vis-à-vis success rate of students

Though the Institute started undergraduate courses in the streams of Physiotherapy, Occupational Therapy, Prosthetics and Orthotics way back in the year 1984, the Post Graduate courses in those fields were started as late as 2007. The position of sanctioned number of seats, students admitted, passed out etc. was also far from satisfactory as is given in table-3.

² West Bengal University of Health Sciences, Kolkata

³ Central Tool Room & Training Centre

Table-3

Year	Course/ duration	Sanctioned number of seats	Students admitted	Students who passed within the normal time period	Students who passed beyond the normal time period	Student s failed	Students dropped the course in the midst	Still studying
Undergraduate courses								
2000- 2005	BPT/ 4.5year	146	134	75	23	5	15	16
	BOT/ 4.5year	140	132	78	19	3	27	5
	BPO/ 4.5year	69	68	47	15	2	3	1
Total		355	334	200	57	10	45	22
			94 per cent of intake	257				
2006- 2009	BPT/ 4.5 year	149	140	-	-	-	7	133
	BOT/ 4.5 year	147	108	-	-	-	11	97
	BPO/ 4.5year	99	79	-	-	-	6	73
Total		395	327	-	-	-	24	303
			82 per cent of intake					
Grand Total		750	661	200	57	10	69	325
Post graduate courses								
2007- 2010	MPT#/ 2 years	24	21	3	2	-	1	15
2007- 2010	MOT#/ 2 years	14	10	4	-	-	2	4
2007- 2010	MPO#/ 2 years	14	13	3	1	-	1	8
2007- 2010	DNB 3/2 year	16	4	1	-	-	3	00
Total		68	48	11	3	-	7	27
				14				

MPT, MOT and MPO were started from the year 2007

It may be seen from the above table that only 661 (88 per cent) students took admission against the total 750 seats available for undergraduate courses for the period 2000-2009. A critical analysis of the table revealed that the percentage of students admitted against the intake capacity was reduced from 94 during 2000-2005 to 82 during the period 2006-2009.

It was also observed that of the 334 students of UG courses during the period 2000-2005 only 200 (60 per cent) students passed out within the stipulated period and 57 (17 per cent) cleared their courses beyond the course duration whereas 55 (16 per cent) either failed or dropped midway and the remaining

22 (7 per cent) are still pursuing their courses. To sum up, in pursuance of its objective of developing manpower for providing services to the Orthopaedically handicapped population, the Institute produced only 257 persons (72 per cent of the capacity) during the period of report qualified for the purpose. On the front of PG courses, a total 48 students took admission against the availability of 68 seats during the period 2007-2010 of which only 14 students passed out whereas seven dropped midway and the remaining 27 are still pursuing their courses.

Though no specific reasons for the drop out rate and students passing beyond the normal time were found on record, factors such as relaxation in admission criteria, non-availability of adequate qualified faculties and poor infrastructure had an adverse effect on the performance of the Institute, which is discussed in subsequent paragraphs.

Thus, objective of the Institute to develop human resource for providing service to the Orthopaedically handicapped was met partially as only 257 undergraduate degrees were awarded during the period of report.

Recommendation

- *The Institute should identify reasons responsible for drop out by the students in mid-way of the course and address the same.*

4.3.1.2 Admission process

The Institute conducts Common Entrance Test (CET) jointly with NIRTAR⁴ at all India level for admission to its undergraduate courses. The admission criteria were 50 per cent marks in Physics, Chemistry and Mathematic/Biology at Higher Secondary level with minimum age of 17 years and maximum age of 21 years up to 2009. For CET 2010, the Institute waived the condition of minimum marks and age limits. During 2010 about 600 applications were received for 283 seats (113 seats in NIOH and 170 seats in NIRTAR). The Institute could select 103 students against 113 seats even after relaxation of admission criteria. This indicates either lack of demand or lack of awareness among aspirants for the courses offered by the Institute.

Though the exam is pan-Indian, the candidates were mostly from West Bengal and from neighbouring States. Audit observed that about 15 - 80 per cent of the seats in different courses remained vacant between April 2004 and March 2010. The intake in respect of Diploma courses in Tool & Die Making was very poor as against the capacity to admit 25 students only 11 were enrolled in five years (2005-10). In case of Diploma in CAD-CAM not even a single student took admission during 2005-08. Though the Institute was aware of the problem, it took no effective action to popularise the courses.

4.3.1.3 Faculties

⁴ National Institute for Rehabilitation Training & Research, a sister institute near Cuttack, Orissa

The available regular faculties of the Institute as on October 2010 consisted of four Assistant Professors, five Lecturers and 20 others which included non-teaching posts like Senior Physiotherapist, Physiotherapists, Senior Occupational Therapist and Occupational Therapists. The faculties were being utilised both for academic work as well as for medical care of the patients. Audit noted that out of 45 posts carrying teaching responsibilities 16 were vacant as of October 2010. Of this, 13 regular faculty posts sanctioned by the Ministry way back in January 2005 were never filled up. The remaining three posts were vacant since April 2003, June 2007 and April 2009 respectively. In the absence of any specific student-teacher ratio prescribed by the affiliating agencies, audit was not in a position to ascertain the exact requirement of faculties for the academic needs. However, in a survey conducted by audit, it was observed that of the 50 randomly selected (out of 521) students surveyed, 64 *per cent* stated that the number of faculties and demonstrators was not sufficient whereas sixty eight *per cent* stated that the prescribed syllabi could not be completed before examination.

Audit observed that four out of five faculties for the MPO course were working on contract basis as of July 2010. While approving the continuance of the course, the Rehabilitation Council of India (RCI) directed (May 2009) to recruit core faculties at Assistant Professor level but the Institute failed to comply with the directions and recruited Senior Professional Trainees on contract basis. In case of MPT course, all the four faculties were on contract basis as of July 2010. It was also observed that diploma holders were teaching the undergraduate students. Only 14 out of 29 regular faculties could upgrade their academic qualifications since appointment.

Management attributed the reason for non-recruitment of faculties to non-availability of aspirants with required qualification and experience and explained that 10 faculties (Assistant Professors etc.) were deployed on contract basis and services of guest faculties were also taken.

Recommendation

- *The Institute should take effective action to recruit qualified faculties with a view to provide quality education to the students.*

4.3.2 Infrastructure

Availability of well developed infrastructure is a pre-requisite for any educational institution of national stature. The existing building of the Institute consists of three floors accommodating administrative office, class rooms, laboratories as well as hospital wing.



Front view of the NIOH building at B.T. Road, Bonhooghly, Kolkata

There were only nine class rooms available against the requirement of at least 20 class rooms. The West Bengal Nursing Council opined (July 2008) that the classroom for the nursing course was not spacious enough and there were no teaching aids like the Over Head Projector, Portable Computer etc. During the survey conducted by the audit, 78 *per cent* of the students commented about shortage of classrooms. While giving approval for the MPO course, the RCI directed (June 2007) to procure additional computerised designing and manufacturing equipment for strengthening the laboratory. Audit observed that the Institute could not provide hostel accommodation to all the willing students particularly the girl students. Further, the hostel rooms were not adequately equipped with basic amenities.

During the survey of 50 students conducted by audit, 74 *per cent* felt that books, journals and internet facilities available in the library were not adequate, 52 *per cent* students felt that the laboratory and other facilities available in the Institute were not up to the mark and 68 *per cent* students rated the canteen facilities as poor.

Management while accepting the shortage of hostel accommodation stated (September 2010) that proposals for acquiring laboratory equipment were pending with the Ministry since 2008.

4.3.2.1 Non-procurement of proposed equipment

The Executive Council of the Institute approved (December 2008) a proposal for strengthening the existing R&D unit at an estimated cost of ₹ 5.5 crore. But the Institute could not procure the proposed instruments namely CAD CAM System, Material Testing Equipments, Myo-signal Analyser, Modular signal generator, CNC etc. as of November 2010. As a result, the Research workers and the students of the Master and Bachelor degree courses were deprived of latest technology in the concerned field.

As the practical classes on cosmetic restoration of body parts was compulsory for the students of the Master in P&O course and in order to give cosmetic look to Prosthetic aids the Executive Council of the Institute approved (May 2008) a proposal for setting up of a Cosmetic Rehabilitation Laboratory at a cost of ₹ 5 lakh. However, the Management is yet to establish this facility (November 2010).

Recommendation

- *The Institute should ensure availability of basic infrastructure for properly conducting its academic activities in a professional manner.*

4.3.3 Other academic issues

- The Institute was to commence four long-term courses at its Regional Centre, Aizawl (Mizoram) as per the direction (June 2002) of the Ministry. It was, however, observed that only one course titled 'Diploma in Rehabilitation Therapy' could be started so far (January 2011).
- The Regional Centre, Dehradun (Uttarakhand) opened in 2000 had four faculties but no course was being conducted as of January 2011.
- The objective of Human Resource Development also included training of Employment & Placement Officers and Vocational Counsellors. Though, prior to the year 2005, few such training programmes were conducted, no such training programs had been conducted thereafter.
- The Institute had not established any formal links with national and international organizations of repute working in similar areas for brain storming.
- In a student survey it was found that 70 *per cent* did not get sufficient exposure to acute cases, 50 *per cent* felt that practical classes for medical subjects were held less in comparison to departmental subjects and 50 *per cent* rated the quality of courses as average.

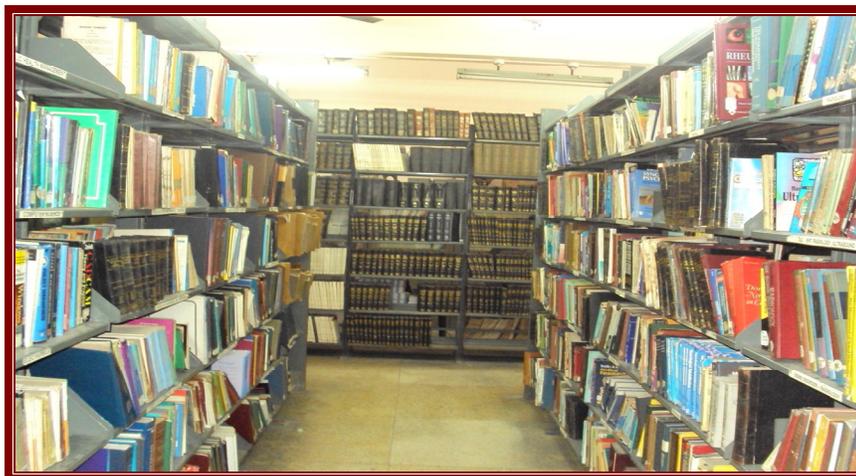
Recommendations

- *The Institute should start more courses at the Regional Centres for development of more human resources.*
- *The Institute should establish formal links with national and international organizations of repute working in similar areas.*

4.3.4 Information and Documentation Services

Information and Documentation aims at retrieving, compiling and disseminating information to meet the need of professionals, researchers, Non-Government Organisations etc. Selective Dissemination of Information Services (SDIS) and Current Awareness Services (CAS) are rendered by the

Library and Information Section of the Institute to fulfil the objective of serving as an apex documentation and information centre in the area of disability and rehabilitation.



Collection of books at NIOH Library

Audit observed that the publication of SDIS was done on monthly basis till May 2007. Thereafter, the publication became erratic with two-five issues coming out in a year. In case of CAS, the Institute could not publish it after June 2007. Further, in a review meeting of the National Institutes working for disabled people under the Ministry held in September 2007, it was decided that e-learning facilities should be provided by the library. The Institute had not initiated any action in this regard so far.

4.3.4.1 Database management

The Institute did not maintain any database on persons suffering from orthopaedic disabilities. A pilot project on ‘Disability Mapping’ though initiated in the year 2006-07 was yet to be completed. The Institute could not provide records relating to present status and expenditure involved in the project to audit.

It was further observed that there was no system for maintaining patients’ assessment records or history sheet or plans for rehabilitation. Only basic information like registration number, name and address of patients’ visiting the outdoor patient department (OPD) were maintained. Since September 2006 only carbon copies of prescriptions in respect of patients visiting the OPD were kept in the store rooms which have very short shelf life. The assessment/diagnosis done by the experts of different rehabilitation wings i.e. Occupational Therapist and Physiotherapist was also handed over to the patient without retaining any copy thereof. As the rehabilitation plans were customised depending on the need of the patient, lack of proper maintenance of records also resulted in loss of trails of lines of treatment.

The Institute stated (November 2010) that a project has been undertaken to keep all records in digital format. It, however, did not provide any document in support of their reply.

The fact remained that the Institute failed to achieve its own objective of serving as an apex documentation and information centre in the area of disability and rehabilitation.

Recommendations

- *The Institute should ensure publication of SDIS and CAS on regular basis besides establishing an e-library.*
- *In order to achieve its objective, the Institute should maintain a comprehensive database of the patients to serve as an apex documentation and information centre in the area of disability and rehabilitation.*

4.3.5 Research Activities

One of the main objectives of Institute is to conduct and sponsor research in all aspects of education and rehabilitation of the Orthopaedically handicapped persons. The expenditure on Research and Development (R&D) incurred by the Institute during 2005-06 to 2009-10 vis-à-vis budgets allotted is given in table-4.

Table-4

(₹ in crore)

Year	Total Plan Grant	Budgeted for R&D	Percentage of budget allotment towards R&D	Actual Expenditure on R&D
2005-2006	2.59	0.14	5.41	0.01
2006-2007	4.00	0.10	2.50	0.03
2007-2008	2.40	0.10	4.08	0.07
2008-2009	3.50	0.30	8.57	0.09
2009-2010	5.02	0.30	5.98	0.04
Total	17.51	0.94	5.31	0.24

The Institute allocated 5.31 *per cent* of the total grants received to R&D but could utilise only 25 *per cent* of the allocation during 2005-06 to 2009-10. This indicated the Institute's lack of focus on research work which was one of its stated aims.

4.3.5.1 Research projects

It was observed that the Institute did not prepare detailed plans for research work. The Institute since inception could not develop any in-house products that could be put to mass use. The Institute took up 15 projects since 2003. Out of these only five projects could be completed and five projects were stated to be under clinical trials. The remaining five projects were still in progress. The Institute had not prescribed any scheduled date for completion

of research projects. There was also no Research Committee to monitor and assess the progress of Research Works. The records relating to cost of the projects, approvals and their progress could not be made available to audit by the Institute.

Recommendations

- *The Institute should make proper planning for research works by identifying specific areas of research, fixing its goals and completion time schedule.*
- *The Institute should constitute a Research Committee for monitoring and assessing the progress of research work on regular basis.*

4.3.6 Medical Rehabilitation Activities

The Institute provides medical treatment to both in-patients and out patients including rehabilitation services to the Orthopaedically handicapped persons. The Indoor Wards included 66 beds distributed amongst 'Restorative Surgery Wing' (RSU) having 21 beds which included five Paediatric Beds, 'Camp ward' having 16 beds, and 'Rehabilitation wing' (RW) having 29 beds.

4.3.6.1 Availability of doctors and nurses

The patients were generally provided five types of basic treatments i.e. medicine, surgery, physiotherapy, occupational therapy and supply of Prosthetics and Orthotics. Combination of treatments may also be provided as per the requirement.

Total number of patients visiting the Institute vis-a-vis number of major surgeries etc. during the last five years is given in table-5.

Table-5

Year	No. of new patients	No. of visits by the patients	No. of major surgeries done	No. of Doctors	No of Nurses
2005-06	13561	16338	134	10	12
2006-07	15207	17492	271	10	12
2007-08	15996	17884	138	10	13
2008-09	19362	20872	172	9	13
2009-10	21015	22401	233	15*	13
Total	85141	94987	948	54	63
*Includes contractual staff and trainees					

There were no specific norms prescribed on the Patient-Doctor ratio available due to which Audit could not form an opinion on the existing work load on Doctors and Nurses. It is, however, evident from the table that number of new patients including number of visits by patients is increasing gradually over the years during the period of report but no corresponding increase in number of doctors was noticed except in the year 2009-10 when the number of doctors increased to 15. Similar was the position with nurses where also no major

increase was noticed when compared to the increase in number of patients. The Institute admitted (November 2010) the audit observation.

4.3.6.2 Patient care amenities

Audit observed the following deficiencies in patient care facilities offered by Medical Rehabilitation unit:

- Some of the staircases, especially the one nearest to the Patient Wards (RSU and RW) was devoid of any hand support/rail which made it difficult for the disabled patients to move.
- Certain routine tests like routine culture and sensitivity of urine, stool, Anti CCP Tests etc. were not being done by the Institute due to lack of infrastructure.
- Institute conducts about 190 major surgeries per year but did not have a blood bank, which was also required in the 'DNB' Course.
- Though the Institute was conducting major and minor operations on regular basis, there was no surgical Intensive Care Unit and the post-operative patients were kept along with the pre-operative patients in the Restorative Surgery Unit.
- The Institute did not have any emergency unit.
- The Institute did not maintain any ambulance facility.

The Institute, while partly agreeing to the audit observations, stated (January 2011) that only planned surgeries were being done and blood could be arranged from authorised blood banks.

Recommendation

- *The Institute should establish surgical ICU, blood bank and provide ambulance services.*

4.3.7 Socio-Economic Rehabilitation (SER)

The Department of Socio-Economic Rehabilitation with three staff viz. i) Research Officer (Social Science), ii) Vocational Counsellor cum Placement Officer and iii) Extension Service Officer is responsible for capacity building of the disabled people visiting the Institute. The following deficiencies were noticed in audit:

- The Research Officer (Social Science) started (1992) longitudinal follow-up work of 26 cerebral palsy children with multiple disabilities and continued till 2010. However, no new cases could be added in the research work due to engagement of the officer in other non research works. It was further observed that the officer developed a project model for reduction of parental mental stress and development of positive attitude for doing mainstreaming work for the cerebral palsy children with multiple disabilities. Though, the project model had

already been published in international journal of Rehabilitation Research in December 2006 but the same was pending approval of competent authority for implementation of the same in OPD since October 2009. Delay in approval of the project resulted in depriving the patients of the intended benefits.

- For the purpose of rehabilitation of disabled people, the Institute had a placement cell where, a manual record of the needy persons are kept and on the basis of requirement received from different organisations; these registered persons are informed of the opportunities. As of November 2010, there were 77 registered persons of which 23 were deployed through placement cell. The survey on beneficiaries conducted by audit disclosed that majority of the patients were ignorant of the existence of the placement cell.

4.3.8 Distribution of aids and appliances

The Prosthetic and Orthotics appliances help to assist/improve functions and/or prevent further complications in the affected parts of the individual. The Institute through its Prosthetics and Orthotics department provides such assistive aids/appliances after designing, fabrication, modification and fitment as per prescription and based on individuals need. The Institute distributes aids and appliances to the needy eligible disabled through outdoor/indoor departments and camps organised by it. The aids/appliances are also distributed through Community Based Rehab Projects (CBR) undertaken by the Institute.

4.3.8.1 ADIP scheme

There is a scheme called ‘Assistance to Disabled Persons for purchase/fitting of aids/appliances’ (ADIP) under the Ministry. The Institute provides durable, sophisticated and scientifically manufactured, modern, standard aids and appliances to the needy persons that can promote their physical, social and psychological rehabilitation, by reducing the effects of disabilities and enhance their economic potential. One of the criteria for selection of beneficiaries under the ADIP Scheme was that the disabled person should not have received any assistance from the other agencies and the Institute during the last three years for the same purpose. For children below 12 years of age this limit was one year.

However, it was observed that the Institute did not maintain any centralised data on beneficiaries receiving aids and appliances in past. Further, there was no mechanism with the Institute to verify that the beneficiary had not availed the benefit from any other agency under the same scheme. Thus, possibility of individuals misusing free aids and appliances received from the Institute cannot be ruled out.

While accepting the audit observation on absence of mechanism to verify the eligibility of the beneficiaries, the Institute stated (June/November 2010) that a

suitable modification would be made in the computerised system after implementation of Unique Identification Number.

As per conditions of the grant in aid under the ADIP scheme, a report on a test check of records of previous beneficiaries indicating the utility of the aid/appliance was to be included. It further stipulated that a test check of 10 *per cent* of beneficiaries, where the total number of beneficiaries is less than 500 was to be carried out. But no documents in support of such test checks were available to audit.

The Institute stated (November 2010) that such test checks were not practically possible.

The reply is not acceptable as such checks could be done in follow-up camps to check the utility of aids/appliances distributed and the functional improvement of beneficiaries was done on a regular basis.

There was a delay ranging from two to 61 months in delivery of aids/appliances to patients under ADIP scheme as given in table-6.

Table-6

Year	Total no. of patients for whom appliances were required to be supplied under ADIP	Total no. of patients for whom there was delay in delivery of appliances under ADIP	Delay in delivery of aids and appliances (in months)
2005-06	483	-	-
2006-07	1295	104	2 to 11
2007-08	543	123	3 to 22
2008-09	635	120	2 to 22
2009-10	472	112	2 to 61

Source: Fabrication Register maintained by Prosthetics and Orthotics department

The main reasons attributed (August 2010) by the Institute was staff shortage, absence of modern equipments and delay in procurement of raw material.

4.3.8.2 Follow up

The post distribution care to the beneficiaries is also required under ADIP scheme. However, the Institute had no mechanism on the follow-up of the beneficiaries and to cater for post fitment care of them.

The Institute stated that follow-up camps were not held to verify usage of aids/appliances due to non-availability of specified manpower for the purpose and stated that collaborating agencies shall be persuaded for follow-up camps.

Recommendations

- *The Institute should develop a mechanism to verify the eligibility of beneficiaries under ADIP scheme.*

- *The Institute should ensure timely delivery of aids and appliances to the beneficiaries.*

4.3.9 District Disability Rehabilitation Centres

District Disability Rehabilitation Centres (DDRC) were to be set up with an aim to provide comprehensive service to the disabled at grass root level in the unserved districts of the country through organising camps to bring awareness. It is a joint venture of Central and State Governments. The Central Government was responsible for initial funding for manpower, contingencies as well as equipment needed and also technical inputs while the State Governments provided infrastructure and coordinates and monitors the activities of the DDRCs. After initial three years of its existence, the DDRC (five years in North-East and Jammu and Kashmir) during which, NIOH the implementing agency provided technical manpower, equipment and training etc. and then hand over the same to the State Government/NGO selected for future maintenance. It was envisaged that DDRCs should be self-sustaining in the long run and hence required to attempt at resource generation through donation and other means as well as by fixing nominal charges for various services. As the scheme did not envisage any permanent posts, the required staff was appointed on contractual basis.



Front view of the closed DDRC, Madhyamgram, N-24 Parganas



Equipments for the CPO Course at Ranchi lying unutilized

So far, 14 DDRCs were established by the Institute during June 2000 to July 2004, of which 12 were handed over to NGO/State Government during April 2004 to April 2009. Out of them, 10 DDRCs were defunct as of October 2010. Even those two which were not handed over had been stated to be functioning partially. The details are placed in the **Annexe-A**.

The Institute attributed (October 2010) the reason for non-functioning of the DDRCs after handover to non-availability of advance fund from the Ministry and low honorarium structure for the rehabilitation professionals. It further stated that with limited trained manpower available locally, only some services could be offered through the DDRCs.

Case Study

The Audit team visited two DDRCs opened by the Institute at Madhyamgram (North 24 Parganas, West Bengal) and Ranchi (Jharkhand) and the following deficiencies were noticed.

- i) **The DDRC Madhyamgram (North 24 Parganas)** was set up in 2003 and handed over to the Indian Red Cross Society (IRCS) in 2006. Facility of the Physiotherapist, Audiologist, Speech Therapist and Prosthetic and Orthotics unit was available at the centre. The centre worked for only six months after its handing over to IRCS and thereafter it was closed. The IRCS stated that DDRC had to be closed for want of funds from the Ministry.
- ii) **The DDRC, Ranchi** was set up in November 2001 in collaboration with IRCS and functioning smoothly till 2006. Facility of Physiotherapy, Occupational Therapy, Prosthetic and Orthotics unit was available at the centre. The Executive Council of the Institute approved (July 2006) to establish a Regional Centre at Ranchi and to start two courses namely (i) Certificate in Prosthetics and Orthotics; and (ii) Diploma in Rehabilitation Therapy. The release of regular funds to DDRC was stopped by the Institute due to non-availability of funds from the Ministry. However, DDRC was yet to be upgraded as a Regional Centre as of January 2011. It was further observed that equipment procured for Certificate in Prosthetics and Orthotics course were lying idle.

Recommendation

- *The Ministry should continue providing the DDRCs with funds so that the DDRCs could continue functioning.*

4.4 Conclusion

Despite its existence for three decades, the Institute could not achieve its objectives to the desired extent. The infrastructural facilities could not be improved to match the increasing number of beneficiaries. There was a need for intensive research and development work. There were considerable delays in delivery of aids/appliances to the disabled persons under ADIP scheme. The Institute also failed to achieve its own objective of serving as apex documentation and information centre in the area of disability and rehabilitation as it did not create any system for maintaining patients' assessment records or history sheet or plans for their rehabilitation. Due to these drawbacks, it could not fully utilize the funds under Plan head.

The Institute needed to take strategic decisions for its modernisation to keep pace with the changing times and to serve as the apex organization in the country in the area of rehabilitation of the Orthopaedically handicapped population.

4.5 Acknowledgement

We acknowledge the co-operation extended to the Audit team by the Institute during the course of audit.

The matter was reported to the Ministry in January 2011; their reply was awaited as of July 2011.

Annexe-A

(refer to paragraph 4.3.9)

Sl. No.	Name of the DDRC	Date of inception of the DDRC	Date of handover of the DDRC and to whom	Its present status
1.	DDRC – North 24-Pgs West Bengal	11-11-2003	21-12-2006 Handed over to IRCS, Barasat	Not functioning
2.	DDRC – Murshidabad West Bengal	NA- Charge taken from NIHH Dec 2001	04-11-2004- Handed over to District Health & Family Welfare Society,	Not functioning
3.	DDRC – Dimapur Nagaland	30-06-2000	08-06-2006 Handed over to IRCS, Dimapur	Not functioning
4.	DDRC – Shillong Meghalaya	16-03-2001	28-06-2006- State Society for the Implementation of Rehabilitation Services for the persons with Disabilities (SSIRPD)	Functioning
5.	DDRC – Darbhanga Bihar	07-04-2001	28-02-2007- Handed over to District Admn. Under DWO, Darbhanga	Not functioning
6.	DDRC – Chapra Bihar	NA- taken from NIRTAR Jul 2004	08-07-2006 Handed over to VARDAN (NGO)	Not functioning
7.	DDRC – Jehanabad Bihar	10-02-2004	27-02-2007 Handed over to IRCS, Jehanabad	Not functioning
8.	DDRC – Samastipur Bihar	14-01-2004	01-03-2007 Handed over to IRCS, Samastipur	Not functioning
9.	DDRC – Gaya Bihar	NA- Charge taken from NIHH Nov 2003	01-04-2004 Handed over to IRCS, Gaya	Not functioning
10.	DDRC – Allahabad U.P	17-10-2000	17-02-2007- Handed over to JRH University, Chitrakoot, U. P.	Not functioning
11.	DDRC-Ambedkarnagar U.P	10-08-2004	10-04-2009- Handed over to NFNDRC under NTPC – Tanda, Ambedkarnagar	Functioning
12.	DDRC – Tezpur Assam	15-08-2002	26-06-2008- Sonitpur Dist. Disability Rehabilitation & Welfare Society	Not functioning
13.	DDRC – Ranchi Jaharkhand	01-11-2001	Not yet handed over	Partially functioning
14.	DDRC – Port Blair ANI	05-02-2003	Not yet handed over	Partially functioning

**Chapter V: Acquisition and development of land by the
Delhi Development Authority
(Ministry of Urban Development)**

Highlights

➤ **Acquisition of land**

- DDA did not prepare short/long term plan to achieve the ultimate phased objectives of implementation of Master Plan of Delhi-2021. High Level committee constituted for this purpose did not meet regularly. Further the data base of progress was not prepared for proper monitoring.

(Paragraph 5.3.3.1)

- Expenditure of ₹ 84.98 crore was incurred on acquisition of land for construction of 100m road. However, road could not be completed due to non-handing over the complete land defeating the very purpose.

(Paragraph 5.3.3.1)

- Lackadaisical approach of DDA resulted in non-recovery of ₹ 8.86 crore as damage charges from land owners and ₹ 25.69 crore on account of excess payment of compensation to the land owners.

(Paragraph 5.3.3.3 & 5.3.3.4)

➤ **Development of land**

- Expenditure of ₹ 24.11 crore remained idle as the projects could not be commissioned for want of coordination between DDA and local bodies.

(Paragraph 5.3.4.1)

- Idle expenditure of ₹ 25.14 crore due to non functioning of Command Tank.

(Paragraph 5.3.4.2)

- Expenditure amounting to ₹ 16.41 crore incurred without obtaining proper approvals of the competent authority.

(Paragraph 5.3.4.3 & 5.3.4.4)

Summary of recommendations

➤ **Acquisition of land**

- DDA should prepare short and long term plans to achieve the ultimate targets set out in MPD 2021.
- High Level Committee should meet periodically on regular basis as decided by the Lieutenant Governor.
- DDA should implement the Monitoring unit immediately which would result in strong database to pin point the deficiencies in implementing the MPD 2021 and taking corrective actions accordingly to achieve the targets efficiently.
- The monitoring of demolition programme should be done by a high level committee.

➤ **Development of land**

- DDA should establish a co-ordination mechanism with other local agencies and public utilities to ensure that hindrances are expeditiously removed.
- Institutional mechanisms should be strengthened to ensure adequate co-ordination at the planning stage itself with other civic planning and public utility agencies before taking up a work and during the execution of work so that creation of public infrastructure and facilities by DDA are in consonance with the plans and projections of the connected civic agencies.
- The periodicity of internal audit of the auditee units should be specified after considering the risk factor and internal audit wing should be strengthened so that maximum units could be covered.

5.1 Introduction

Delhi Development Authority (DDA) Act, 1957 provides that the objects of the DDA shall be to promote and secure the development of Delhi according to Master Plan and for that purpose DDA shall have the power to acquire, hold, manage and dispose of land and other property, to carry out building, engineering, mining and other operations, to execute works in connection with supply of water and electricity, disposal of sewage and other services and amenities and generally to do anything necessary or expedient for purposes of such development and for purpose incident thereto. Thus, DDA is responsible for acquisition and development of land for various developmental schemes as per Master Plan approved by the Central Government. The land is acquired through Delhi Government (Land and Building Department) and placed at the disposal of DDA for development purposes as approved under the various development schemes.

5.1.1 Organisational set-up

DDA is headed by the Lt. Governor of Delhi. Day to day administration of the DDA is vested in the Vice-Chairman who is assisted by the Member (Finance) and Member (Engineering). Land acquisition matters are handled by the Principal Commissioner (Land Management) who is assisted by Commissioner (Land Management) and two Directors. While various developmental schemes are planned by the Commissioner (Planning) assisted by Zone wise Director (Planning), execution of the schemes is done by six zonal Chief Engineers who function under the administrative control of the Member (Engineering). The Chief Engineers are assisted by Superintending Engineers at the circle and Executive Engineers at the divisional levels.

5.2 Audit approach

The audit of Delhi Development Authority is conducted under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, read with Section 25(2) of the Delhi Development Act, 1957.

5.2.1 Audit Scope

This performance audit covered the activities relating to acquisition as well as development of land for the period 2005-10. Six out of twenty development schemes relating to this period were examined.

5.2.2 Audit Objectives

The performance audit was conducted to verify whether:

- (i) **Acquisition of land**
 - *the land was acquired for the various development schemes as per the approved Master Plan of Delhi and was done as per the time schedule prescribed in the Master Plan.*
 - *there were any discrepancies in implementation of enhancement of compensation rates and the redressal of disputes in apportionment of the compensation after full payment was made.*
 - *there was adequate planning and execution of demolition programme for encroachment removal including legal measures.*
- (ii) **Development of land**
 - *the development schemes were properly framed and executed.*
 - *the schemes executed were fruitfully utilized for the ordained purpose and the benefits reached the intended beneficiaries.*
 - *proper monitoring mechanism was in place to ensure that the works were executed in accordance with the terms of the contracts.*

- *there was proper internal control system in existence to ensure the quality of work.*

5.2.3 Audit Criteria

The main sources of audit criteria for the performance audit were:

1. Master Plan of Delhi 2021
2. Delhi Development Act, 1957
3. Central Public Works Department Manual
4. Minutes of the meetings of Works Advisory Board
5. Contract Agreements

5.2.4 Audit Methodology

The performance audit of the authority was scheduled to commence in July 2010. DDA was requested on 27 June 2010 to fix the date of entry conference, preferably in the first week of July 2010, followed by reminder dated 09 August 2010. The meeting scheduled to be held on 24 September 2010 was cancelled by DDA. The conference was ultimately held on 12 October 2010 in which audit objectives and scope of audit were discussed.

The records of the authority were examined during July 2010 to January 2011. The Vice Chairman, of the authority was requested (May 2011) to attend the exit conference to discuss the audit findings. Audit findings were discussed in detail with the Chief Accounts Officer and other officers of the authority during exit conference held in June 2011.

5.3 Audit Findings

5.3.1. Previous audit findings

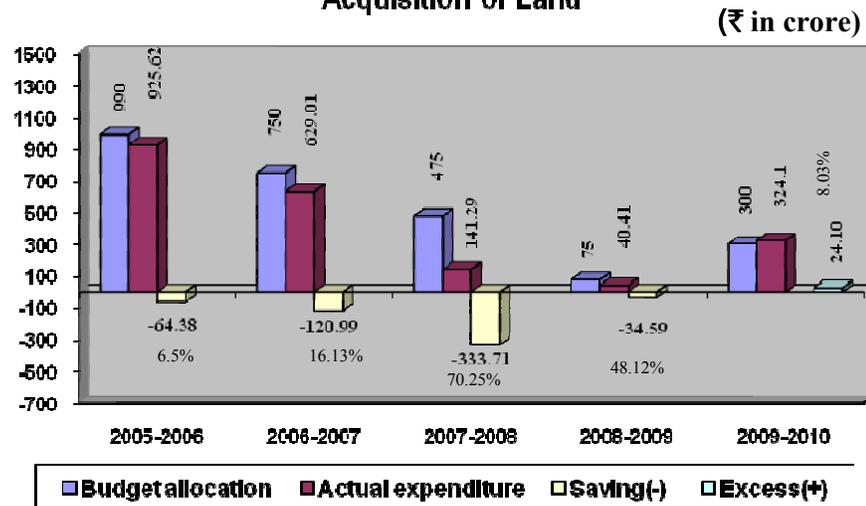
C&AG had earlier reviewed the functioning of development of land by DDA in its report No. 2 of 2006. The Action Taken by Government on the Observations/ Recommendations of the Committee contained in their Fifty fifth Report (Fourteenth Lok Sabha) on “Development of Land by Delhi Development Authority” was examined by the Public Accounts Committee in its twentieth Report (Fifteenth Lok Sabha) and it was recommended that the Ministry of Urban Development should not let the things go a drift in DDA and take proactive and result-oriented steps to set the DDA house in order. If need be, the DDA act should be suitably amended to this effect.

This is the next performance report consisting of results of review of functioning of acquisition as well as development relating to period 2005-2010.

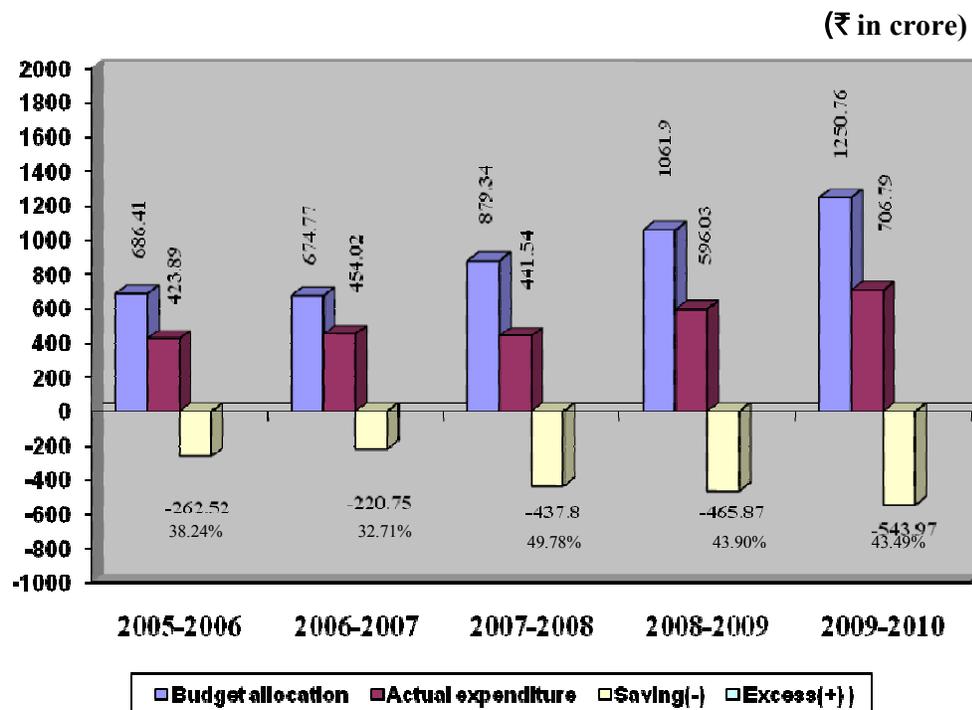
5.3.2 Financial management

Budget allocation and actual expenditure incurred for acquisition and development of land during the years 2005-06 to 2009-10 is depicted in Graph 1 and 2:

**Graph 1
Acquisition of Land**



**Graph 2
Development of Land**



There were abnormal variations (up to 70 per cent in respect of Acquisition of Land and up to 49 per cent in case of Development of Land) which indicate

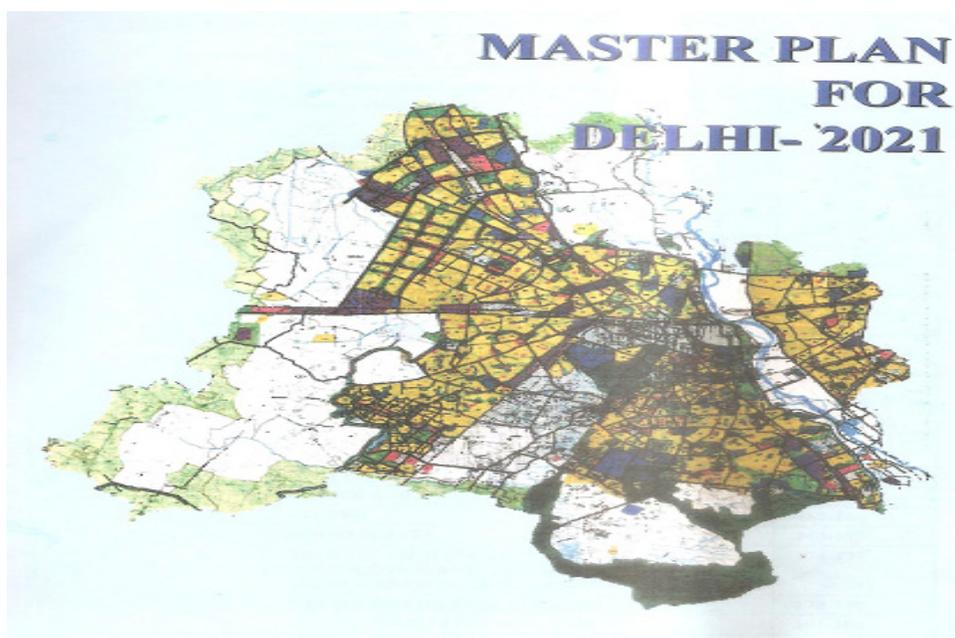
that the budget provisions were not made on realistic basis. The variation were more than permissible limits of 10 *per cent* during the year 2006-07, 2007-08 and 2008-09 in case of acquisition of land and during all these five years in the case of development of land. The management clarified (June 2011) that generally budget is requisitioned based on the land acquired in the previous years and amount of compensation paid, in addition to the land likely to be acquired and amount of compensation to be paid, in the relevant year. However, it should be realized that land acquisition is fraught with litigation at several stages, resulting in issuance of stays by Hon'ble Courts, thereby affecting the projected estimates of land to be acquired and compensation to be paid. The management further assured that efforts shall be made in future to utilize the maximum budget allocation in respect of development of land approved by the competent authority and also prepare budgetary estimates on more realistic basis.

5.3.3 Acquisition of land

During the period 2005-06 to 2009-10, 6046.06 acres of land was transferred to DDA from Land and Building Department, Government of Delhi out of which 5539.94 acres of land was transferred to user departments for development purpose.

The Management clarified (June 2011) that there are certain pockets for which the Planning Department has not prepared a detailed layout plan, which is the primary reason for not transferring land from Land Management Department to user department like Engineering Department. The reply does not touch the concern of audit. Detailed layout planning should pre-date acquisition of land. To date 271.13 acre of land is lying unused/ undeveloped.

5.3.3.1 Implementation of Master Plan



The Master Plan Delhi, 2021 was approved and notified by the Central Government on 7 February 2007. DDA is one of the nodal agencies for implementing the Master Plan. Chapter 18 of the Master Plan provides for achievements to be made in phased manner during 2006-11, 2011-16 and 2016-21 respectively (**Annexe-I**). It also provides for appointing a monitoring committee and management action groups *viz.*, planning indicator, high level group for sub regional plan for Delhi, environment planning and coordination groups, infrastructure development groups, enforcement and plan monitoring group etc.

In the first High Level Committee Meeting under the chairmanship of Lieutenant Governor for Monitoring and Periodic review of Master Plan held on 8 May 2008 it was decided that the Committee would meet at regular intervals of six months and all departments/local bodies should send a status report. However, no action has been taken by the DDA for the last two and half years.

Audit observed:

- Master Plan Delhi (MPD) 2021 was approved in February 2007 and 15 number of zonal plans were sent by DDA for approval to the Ministry in February 2009 and September 2009 i.e. after a period of more than two years which were approved by the Ministry only in June to August 2010 excepting zonal plan 'D' which is still to be approved (**Annexe-II**).

On this being pointed out, DDA stated in May 2011 that to achieve the targets prescribed in the MPD various agencies in NCTD i.e. MCD, NDMC, GNCTD, PWD etc., were involved for its implementation and that the information regarding achievement of targets prescribed in the MPD would be provided by the agencies involved therein. The reply is not acceptable as the MPD provides creation of a Monitoring Unit (MU) in DDA. This unit was to be equipped with the modern data processing facilities and was responsible for collection of primary and secondary data, its analysis and bringing any important change to the notice of the DDA comprehensively once in a year. Later it was decided in May 2008 that the progress of various scheme submitted by the implementing agencies to MU would be compiled and placed before the High Level Committee. Audit noted that although DDA had created a MU but it failed to collect the data on progress made by other agencies involved. In the absence of centralized information on the progress of development of city infrastructure, DDA/Ministry would not be in a position to oversee the development made under Master Plan.

- Land measuring 850.10 acres was acquired by Land and Development Office for construction of 100 meter road under Master Plan Delhi, 2021. However, only 52.58 acres of land was handed over to DDA and balance land measuring 797.52 acres was to be handed over as on January 2011, DDA had paid compensation of ₹ 84.98 crore, which would remain blocked till the complete stretch of land is physically handed over.

DDA clarified (June 2011) that it had acquired 736.38 acres of land and 125.52 acres of land is yet to be handed over by LAC/L&B department to DDA. However, no document substantiating this fact was furnished by DDA.

Recommendations

- *DDA should prepare short and long term plans to achieve the ultimate targets set out in MPD 2021.*
- *High Level Committee should meet periodically on regular basis as decided by the Lieutenant Governor.*
- *DDA should implement the Monitoring unit immediately which would result in strong database to pin point the deficiencies in implementing the MPD 2021 and taking corrective actions accordingly to achieve the targets efficiently.*
- *DDA could establish a co-ordination mechanism with other local agencies to ensure the implementation of the Master Plan.*

5.3.3.2 Land physically handed over to DDA

Land measuring 76533.63 acres was physically handed over by Land Acquisition Collector (LAC) to DDA in pursuance of various awards since 1969 (Nazul-II land). Out of total land, 75225.04 acres of land was transferred to the user departments for various development purposes. 1308.59 acres of balance land valuing ₹ 205.45 crore has still not been transferred by DDA to its user departments on account of unauthorized occupation/encroachment as of March 2010.

The Management clarified (June 2011) that there are certain pockets for which the Planning Department has not prepared a detailed layout plan, which is the primary reason for not transferring land from Land Management Department to user department like Engineering Department. It was also clarified that most of the encroachments existed in the nature of JJ Clusters, unauthorized colonies, which is protected under National Capital Territory Delhi Laws Special Provision Act, 2006.

Audit observed:

- DDA paid 80 to 100 *per cent* of the amount demanded by the Land and Building Department. The reason for this variation, and the authority thereof, was not made available to audit.

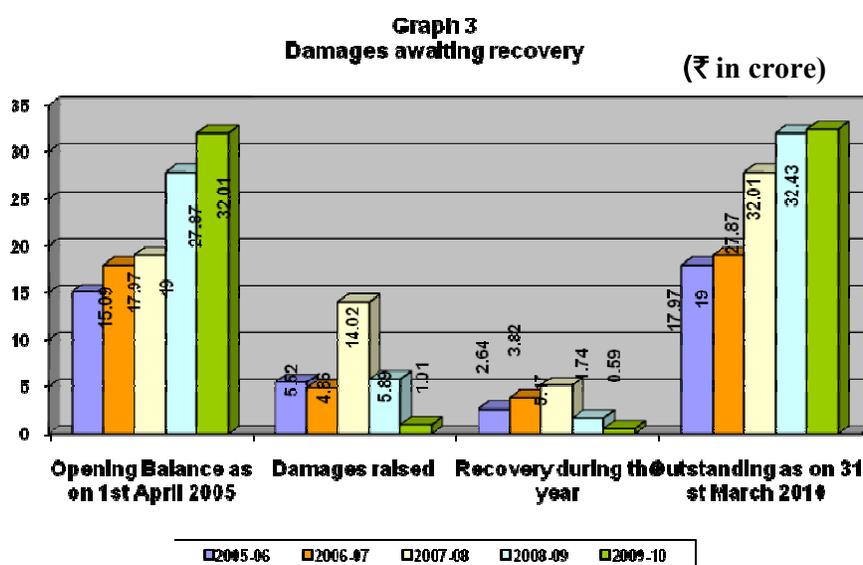
DDA stated (June 2011) that a new system of payment was introduced, whereby on preliminary perusal, an amount of 80 *per cent* was being released initially and remaining amount to be released based on the actual area physically handed over by LAC to LM Department of DDA.

Recommendation

- Court Cases should be monitored in a systematic manner at a higher level and an early action on the decision and implementation of judicial orders should be taken.

5.3.3.3 Damages charges for unauthorized occupation of DDA land

Under Public Premises (Eviction of unauthorized occupants) Act, 1971, DDA imposes damage charges on account of unauthorized occupation of land. It was noticed that as on 31 March 2006 outstanding damage charges were ₹ 17.97 crore which increased to ₹ 32.43 crore as on 31 March 2010. The outstanding amount increased by 80.46 per cent during the period of five years, i.e., 2005-06 to 2009-10 as depicted in Graph 3:



Abnormal increase in outstanding damages over a period of five years establishes the casual approach of the department in recovering the government money.

While accepting the audit observation DDA stated (June 2011) that there was lot of resistance from occupants as such the staff was advised not to visit door to door for collection of damages. However, the reply failed to explain what alternate method has been adopted for speedy recovery of this amount.

Audit observed:

- Land measuring 6129 bigha 10 biswa in village Barwala, Delhi was notified and the physical possession was handed over to the DDA in October 2005. Land measuring 22 bigha 10 biswas was under unauthorized encroachment of Rashtriya Ispat Nigam Ltd. (RINL) at the time of taking over possession of land by DDA. DDA issued notice to RINL in April 2006 to vacate the land and the same was vacated in December 2006. Notice for payment of damage charges of

₹ 6.25 crore for unauthorized occupancy of land was served only in December 2007, i.e., after a period of more than two years. The amount of ₹ 6.25 crore was yet to be recovered from RINL.

- Land measuring 6 bigha 2 biswa at village Lado Sarai, was acquired for the planned development of Delhi in 1980. The LAC could hand over only 4 bighas of land to DDA in July 2002 as the remaining portion of land measuring 2 bigha 2 biswa was in occupation of a Petrol Pump. The land was notified as use for recreational purpose in the Master Plan and the activities of petrol pump were not a permissible activity. DDA issued notice of damage charges amounting to ₹ 1.26 crore in October 2006 for unauthorized use of DDA land. The amount had still not been recovered (January 2011) and the land is still in the possession of the unauthorized occupant.
- Land measuring 659.30 sq. yards was transferred to DDA in 1974. But it was observed that the land was unauthorizedly occupied by a private school at Timarpur since 1959. The fact was confirmed by the school authorities stating that they have been paying damage charges to Land and Development Office regularly. From 1974 onwards the school authorities stopped paying damages charges. DDA served notice for damages charges amounting to ₹ 59.09 lakh in May 2008, for the land which was in the possession of unauthorized occupant, but the amount had still not been recovered as of January 2011.
- Property No. 13, at Kudsia Ghat, Bela Road measuring 1864 sq. yards was allotted on temporary lease basis for one year from January 1966 to January 1967 to a Society for specific purpose of wrestling. The temporary lease was extended upto January 1971 with payment of ground rent of ₹ 1400, which was paid by the Society upto July 1987. Civil writ petition filed by the society for claiming the land was turned down by Hon'ble High Court vide its order of September 2006 stating that the request for possession of land cannot be acceded to. The damage charges of ₹ 48.88 lakh levied by DDA on society for the period from August 1987 till date had not been recovered for the land in the possession of unauthorized occupant.
- Land measuring 153 sq yard at Sidipura, Delhi was under unauthorized occupation and was used as residential as well as commercial purpose. Notice for damage charges for the period from 1 October 1999 to 31 March 2010 for ₹ 11.54 lakh was served but this amount was still not recovered and the land is still in the possession of the unauthorized occupant.
- Land measuring 360 sq.yards in Motia Khan was unauthorizedly used for commercial purpose. Damage charges amounting to ₹ 15.71 lakh upto January 2008 was recoverable and the land is still in the possession of the unauthorized occupant.

While accepting the audit observation (June 2011), DDA clarified that the authority has issued notice of recovery on 24 May 2011.

Recommendations

- *Delay attributable to lapses or inaction on part of estate recovery officers/officials. Damage charges should be recovered from the unauthorised occupants of DDA.*
- *The recovery in respect of Court orders may be pursued vigorously.*

5.3.3.4 Enhancement

Land owners are entitled to compensation for the land acquired by the Land Acquisition Collector and the compensation amount is paid through cheque by DDA to Land and Building Department, Government of National Capital Territory for onward transmission to the land owners. It was noticed that once the land is acquired and compensation amount is awarded all the land owners are not satisfied by the amount of the compensation paid and land owners who are not satisfied move to the court to challenge the award.

Audit observed:

- 5484 bighas of land was acquired by LAC at village Pooth Kalan. Land owners preferred appeal before the civil court. The civil court enhanced the compensation to the rate of ₹ 15700 per bigha in one case and ₹ 18500 per bigha in another case. Not satisfied, the claimants preferred appeal before the High Court, which enhanced this compensation to ₹ 30,000 per bigha. DDA after making payments to the landowners as per the this decision, filed petition in the Hon'ble Supreme Court which set aside the orders passed by the High Court and restricted the compensation to ₹ 18500 per bigha. The orders were passed in November 2002 with the directions to recover the excess amount paid to the land owners. DDA also obtained High Court orders (April 2004) to recover the excess amount with interest @ 15 per cent if the excess amount is not refunded within a period of two months from the date of order. No efforts was made to recover the amount of ₹ 25.69 crore (excess payment of ₹ 12.86 crore plus interest @ 15 per cent upto March 2010 amounting to ₹ 12.83 crore) from the land owners.

While accepting the facts, the Management stated that two Senior Government Counsels have been appointed to pursue the cases of recovery in execution court.

5.3.3.5 Demolition of unauthorized encroachment

Section 30 of the Delhi Development Act, 1957 provides that where any development has been commenced or is being carried on or has been completed in contravention of Master Plan or zonal development plan or without the permission, approval or sanction of any officer of the DDA, the

same would be demolished and the demolition expenses of such removal shall be recovered from the owner or the person at whose instance the development was commenced.

During the period 2005-10, 1661 demolition programmes were carried out by the department as given in table-1.

Table-1 - Demolition programme carried out

Year	Demolition programme fixed	Demolition programme carried out	Demolition programme not carried out	Percentage shortfall in demolition programme
2005-06	758	369	389	51.31
2006-07	738	397	341	46.20
2007-08	658	461	197	29.94
2008-09	352	185	167	47.44
2009-10	377	249	128	33.95

There was shortfall in achieving the targeted demolition programmes ranging from 29.94 *per cent* to 51.31 *per cent*, during the period of five years.

Audit observed that DDA had made payment of ₹ 3.05 crore to the contractor on account of supply of equipments, trucks, labour etc. for demolition programme carried out during the year 2005-06 to 2009-10 but demolition charges were not recovered by the DDA from the unauthorised occupants.

The Management clarified (June 2011) that due to administrative reasons i.e. non availability of police force, stay orders, political interference etc., and demolition could not be carried out. The clarification does not address the concern of audit regarding non achievement of targets fixed by authority itself.

Recommendations

- *Stress should be given to safeguard the acquired land and to prepare an adequate action plan for vacating the encroached land.*
- *The monitoring of demolition programme should be done by a high level committee to expedite the solutions to the administrative problems.*

5.3.4 Development of land

The Development of land is under taken by DDA in different Zones (Dwarka Zone, East Zone, North Zone, Rohini Zone and South Zone etc.) headed by Chief Engineer of each Zone, as per the approved scheme of the zone. The works under a scheme are got executed by the Executive Engineers under the supervision of Superintending Engineers. Development of land mainly includes:

- Survey and Demarcation,
- Leveling and Dressing,
- Construction of Peripheral Storm Water, Drains,
- Construction of Internal Drains,

Water supply lines,
Sewerage
Grill Fencing: and
Under Ground water tanks & Pump houses etc.

20 schemes were executed by DDA during the period of five years i.e. from 1 April 2005 to 31 March 2010, out of these six Land Development Schemes as given in table-2, have been reviewed for detailed audit and result thereof have been included in this report.

Table-2– Name of the scheme

Sl. No	Name of the scheme
1	D/o 400 Hectare of Land acquired recently at Sector 27 and 28, Rohini, Ph. IV and V
2	D/o Land at Sector A-1 to A-4, Narela
3	D/o 1769.88 Hectare of Land at Dwarka (Papankala Project) Ph. 1
4	D/o land at Dwarka Ph. II (224.90 Hect. Of land)
5	D/o work in additional acquired land in Dwarka Ph. II
6	Maintenance of parks/trucks plantation and equipment of Horticulture wing of the North zone

5.3.4.1 Availability of clear site and Coordination between DDA and Local Bodies.

CPWD Works Manual envisage that all the works should be awarded as per codal provisions which inter alia include availability of clear site, funds and approval of local bodies before approval of the Notice Inviting Tenders (NIT). It further, envisages that where CPWD has to depend upon the local municipal and other authorities for the provisions of external services viz, roads, drains, etc., there should be proper co-ordination between the PWD officers connected with the project and local municipal and other authorities. The purpose of the provision is to ensure that works once awarded are executed without any hindrance or delay.

Audit observed:

- The work of ‘construction of Peripheral SW Drain and culverts i/c covering of drains and culverts in sector 27 and 28, Rohini’ was awarded to a firm in March 2006 at tendered amount of ₹ 15.23 crore to be completed by September 2007 and the work was completed in December 2008. The service plan for the drain was approved by the MCD subject to the condition that proper outfall structure shall be provided to the proposed drain. It was observed that the completed work of drain was not functional due to non construction of outfall drain to which it was to be connected. Department stated that SW Drain could not be connected to existing supplementary drain as the outfall drain was to be constructed by the Irrigation and Flood Control Department (IFCD) after taking over the possession of land from DDA. The land on which out fall drain was to be constructed is under

stay order of the Hon'ble Supreme Court which was not vacated (June 2011). Thus, the amount of ₹ 15.22 crore spent on the construction of SW Drain could not be utilized and remained blocked.

The Management statement (June 2011) that it was expected to get the stay vacated during the course of execution of work is contrary to the codal provisions of ensuring availability of clear site before award of work. The management further assured for more realistic assessment in future.

- DDA floated tenders for the development of “400 hectares of land acquired at Sector 27 and 28, Rohini Ph IV & V, SH: P/L internal services like sewer line, water supply line, roads and toe walls in Sector 28, Pkt. 1 & 2 and 3, 4 and 5”. Both the works were awarded to M/s Chaudary Builders at a tendered cost of ₹ 3.06 crore and ₹ 3.16 crore respectively in March 2004. The stipulated dates of start and completion for both the works were April 2004 and April 2005 respectively. The road work was completed in middle of 2005 only to the level of WBM (Water Bound Macadam) by the contractor and an amount of ₹ 1.41 crore was paid to the contractor. Even after a lapse of more than 72 months, the road was not completed. The main problem in completion of road work was that adjoining ground to the WBM was higher and during rainy season the entire area was flooded due to absence of drainage system. It indicated that no proper survey of the site was conducted before inviting tenders. Further, Executive Engineer in his note of October 2007 admitted that prevailing site condition without proper drainage system would result in damage to the road. The layout plan was not approved by MCD. Thus, in absence of proper drainage system, water stagnated converting the entire unfinished road into jungle with plantation to the extent of 4 to 6 feet on both the sides of the site. Thus, poor planning and award of work without proper survey of the site and getting the plan approved from MCD resulted in infructuous expenditure of ₹ 1.41 crore

DDA stated (June 2011) that services like sewerage, water supply and roads are to be laid prior to handing over of plots to allottees, hence the works were awarded. However, as per codal provision layout plan are to be got approved from the local bodies (MCD/DJB) before award of work which was not done.

- Hon'ble Supreme Court of India directed DJB to curb the disposal of sewerage into Yamuna canal to avoid water contamination. DDA submitted a proposal, in 2004 for using effluent from sewerage treatment plant (STP), already constructed by DJB in Dwarka, for greening of about 520 hectares of area. DJB also accorded its approval for releasing the treated effluent from the STP and it was decided that scheme should be implemented in Dwarka in Phase I. Accordingly, DDA constructed four under ground reservoirs (UGRs) in 2006-07 for storing treated water and further supply for horticulture purpose, and one inlet channel (in 2008) for facilitating the treated effluent from STP costing ₹ 4.88 crore. It was noticed that the ‘Sump well’ for storing the treating sewerage from STP and releasing it to UGRs, was

yet to be constructed. DDA awarded the work of construction of sump well in October 2009 at a tendered amount of ₹ 94.05 lakh stipulated to be completed in April 2010. The work has been completed on 31.3.2011 but has not become functional due to non availability of treatment affluent from DJB. Thus, poor planning on the part of DDA and non synchronizing of all the works related to supply of treated effluent (water) to horticulture areas from the STP, resulted in idle expenditure amounting to ₹ 4.88 crore.

DDA reply (June 2011) that concerned electrical division was requested to indicate the level of installation of boosting arrangements and such exercise between two divisions under two different Chief Engineer takes time and there were delays in preparation approval of designs by consultant and the competent authority is not acceptable as before award of work such issues were required to be settled by the departmental authorities.

- The work for 'D/o land for sector A 1 to A 4, Narela, Phase I, SH: 20M R.W road phase I' was awarded in August 2007 at a tendered amount of ₹ 2.62 crore. The work was to be completed within six months with the date of start and completion being August 2007 and February 2008 respectively. An amount of ₹ 2.60 crore was paid by DDA to the contractor without clearing the hindrance. Thus, work remained incomplete even after paying ₹ 2.60 crore defeating the very purpose of the development and connectivity.

DDA stated that the non-completion of a very small portion of the road length, the very purpose of connectivity is not defeated, is not acceptable as work which was supposed to be completed by February 2008, has not been completed till date on account of encroachments existing at the time of award of work which could not be removed even after involvement of the highest authority i.e. Lt. Governor.

Recommendations

- *DDA should ensure adherence to the codal provisions of ensuring clear unhindered site before award of work.*
- *DDA should establish a co-ordination mechanism with other local agencies and public utilities to ensure that hindrances are expeditiously removed.*
- *Institutional mechanisms should be strengthened to ensure adequate co-ordination at the planning stage itself with other civic planning and public utility agencies before taking up a work and during the execution of work so that creation of public infrastructure and facilities by DDA are in consonance with the plans and projections of the connected civic agencies.*

5.3.4.2 Improper planning

The Project Report prepared in July 1992 for the development of Dwarka Phase I envisaged a water requirement of 80 MGD (Million Gallons per Day)

to cater to an anticipated population of about 12 lakh in the sub-city. The report projected a requirement of six command tanks. Based on these projections, DDA awarded the work of construction of five command tanks for the supply of water to the general public, as detailed in table-3:

Table-3– Construction of command tanks

Command tank number	Year & Month of start of work	Year & Month of completion	Cost (₹ in crore)	Capacity of tank MGD
1	October 1999	October 2001	17.13	13
2	October 1996	February 1999	6.22	10
3	September 2001	March 2004	7.61	7
4	November 1997	May 1999	4.40	6
5	March 2006	May 2009	8.01	8.25 (ML)
Total			25.14	

Audit noted that out of 5 command tanks only three command tanks (No 2, 3, and 4) were functional. Two command tanks (No 1 and 5) were not functional although their construction was completed in October 2001 and May 2009 as the Delhi Jal Board failed to supply the water. This has resulted in idle expenditure of ₹ 25.14 crore.

While accepting the audit observations DDA stated that two tanks may become functional by December 2011.

5.3.4.3 Administrative Approval & Expenditure Sanction

In their Action Taken Note on Performance Audit on Development of Land by DDA incorporated in Report No. 2 of 2006, Ministry of Urban Development had stated that guidelines had been issued / reiterated for taking up the work in anticipation of AA&ES on emergent basis.

CPWD Works Manual stipulates the following pre-requisites for execution of work

- i) Administrative Approval,
- ii) Expenditure Sanction,
- iii) Availability of funds and
- iv) Technical Sanction.

CPWD Works Manual 2007 further envisages that expenditure in excess of Administrative Approval and Expenditure Sanction (AA&ES) should not be incurred without the approval of the competent authority, and if the expenditure exceeds by 10 *per cent* of the original sanction, the revised expenditure sanction is necessary. Further, CPWD Manual provides that revised expenditure sanction should be applied for as soon as such excess is foreseen.

Audit observed:

- DDA spent an amount of ₹ 4.33 crore upto March 2010 for development of Resettlement squatters. The expenditure was met by

diverting the funds from the approved AA&ES for 'D/o 400 hectare of Land acquired recently at Sector 27 and 28, Rohini, Ph. IV and V' amounting to ₹ 129.94 crore. The work done by the DDA for resettlement squatters pertained neither to approved scheme nor formed part of the preliminary estimate.

DDA, while accepting the observation, stated that revised PE for the scheme has already been initiated for obtaining the approval of the competent authority.

- DDA awarded seven works for storing the treated sewerage effluent available from the existing Sewerage Treatment Plant (STP) set-up by Delhi Jal Board in Dwarka. This treated sewerage effluent was to be used for horticulture purpose. An expenditure of ₹ 6.13 crore was incurred on these works. The expenditure was to be charged to 'D/o land at Dwarka (Pappankalan) project Phase I & II', but none of the seven works was covered under the scheme. As these works were not covered under the AA&ES of the Scheme, the expenditure of ₹ 6.13 crore incurred on these works was in violation of the provisions of the CPWD Works Manual.

DDA stated (June 2011) that these works were executed under the provision of sub-head unfiltered water supply for horticultural works against the AA&ES development of 1769.88 hect. of land Pappankalan (Dwarka) Ph-I for ₹ 621.01 crore. The reply is not tenable as specific provision for incurring such huge expenditure on capital nature of works did not exist in the approved AA&ES.

Recommendation

- *Efforts should be made not to commence any work without obtaining AA&ES of the competent authority.*

5.3.4.4 Execution of work without approval of competent authority

In modification of Appendix 1 (Sr No 33 and 34) of CPWD Manual, Engineer Member issued circular No. EM1 (10)/2009/Cir.(A/A to E/S)/Deviation/712 dated 2 March 2007. As per provisions of the circular the financial powers to accord sanction for execution of extra/substitute/deviated items was 90 *per cent* of agreement amount restricted to ₹ 1.28 crore upto the Chief Engineer level. Full powers beyond this limit are vested with Chief Engineer with approval of Works Advisory Board (WAB).

Audit observed:

- Work relating to 'C/o 30mt. R/W road in Dwarka, Phase-II' was awarded to M/s. Gaur Construction Co. at a tendered amount of ₹ 1.75 crore against the estimated cost of ₹ 1.52 crore. The stipulated date of start and completion of work were on 27 May 2005 and 26 November 2005 respectively. The work was actually completed on 30 July 2007. The payment of ₹ 5.78 crore was paid to agency in November 2008. It was seen that the work valuing ₹ 4.03 crore, i.e., 230.28 *per cent* above the tendered amount was got executed as extra items/deviation from

the contractor. It indicates defective estimates of work and lack of planning. Further no revised technical sanction of the competent authority was obtained. The bill of the agency was finalized without obtaining the approval of WAB for execution of extra item/deviation beyond the power of Chief Engineer.

DDA, while admitting the fact stated that the then Chief Engineer might have taken the solace in the provision contained in para 25.1 (c) of CPWD Works Manual Vol-II. The reply is not acceptable as these powers were revised vide circular dated 2 March 2007 which restricted the power of Chief Engineer to ₹ 1.28 crore only and accordingly approval of Work Advisory Board should have been obtained within a period of three months from the date of issue of revised guidelines as the work was in progress at the time of issue of this circular.

- The work relating to “Development of main land at DWK (PPK) Project Ph. II. SH: making connection of drain from Sector 16 to Nazafgarh drain” was awarded (August 2005) at a tendered cost of ₹ 4.44 lakh. The Chief Engineer during inspection observed urgency of work relating to construction of road to the main entrance of the Metro station at sector 15 at Dwarka and BSES sub station and issued directions to execute the work through this contract. The department has paid final bill of ₹ 1.96 crore in September 2008. It was noticed that this additional work was got executed under this agreement at an alternate site. The power of Chief Engineer to award the separate work without call of tenders is ₹ 10 lakh only. Thus, inclusion of new work as deviation resulted in irregular expenditure of ₹ 1.92 crore.

The reply of DDA (June 2011) that extra items were executed on account of urgency as per site conditions is not acceptable as huge work was executed at different place and was of different nature which can only be treated as new work.

Recommendation

- *No work should be awarded or commenced without approval of the competent authority.*

5.3.5 Other topic of interest

5.3.5.1 Avoidable extra expenditure due to delay in award of work

Section 19.3.1(1) of CPWD Works Manual provides that top priority should be given to decide the award of work on receipt of tenders. In order to minimize chance of delay, timetable as given in appendix-23 of the Manual should be observed for dealing with tenders by different authorities.

DDA awarded a work relating to ‘construction of bridge No.2 (A) in R/W of 30 M road on Palam drain linking sector-11 with sector-12(B) and onwards at Dwarka Phase-II’ in 6th call to M/s Sushil Kumar & Co. in March 2009 at the

negotiated cost of ₹ 3.33 crore with stipulated dates of start and completion 27-3-2009 and 26-6-2010 respectively.

During scrutiny of records it was observed that before award of work, the tenders were called and rejected by the DDA five times as per details given in table-4:

Table-4- Avoidable extra expenditure

No of tender calls	Date of opening of tenders	Rates quoted by lowest agency (₹ in crore)	Reasons for rejecting the tenders.
1 st	10-04-2006	2.78	Rejected by WAB on 3-7-2006
2 nd	15-01-2007	2.75	Rejected by WAB on 9-3-2007 on the recommendation of CE (DWK) as the main partner of the firm had suddenly expired.
3 rd	28-05-2007	2.93	Tender could not be forwarded to WAB as the agency was not ready to extend the validity of tender.
4 th	01-11-2007	--	No tender were found received at the time of opening.
5 th	27-12-2007	3.11	Rejected by CE (DWK) on 11-03-2008 due to wrong condition incorporated in the tender.
6 th	06-11-2008	3.33	Fresh NIT & TS were prepared based on DSR 2007 and awarded the work.

The rejection of tenders of 1st and 2nd call were beyond the control of department. It was observed that in the 3rd call, tenders were opened on 28 May 2007. As per Section 19.3.1 of CPWD Manual, 2007 the work should be awarded within 42 days from the date of opening of tenders. However, it was observed that in third call the validity period of the tender expired on 25 August 2007 and the department could not decide the award of work within the validity period. The agency (L-1) did not agree to extend the validity period and the tenders were, therefore, rejected by the department. The reasons for delay were not found available in the record. In the 4th call no tender was found received at the time of opening. In the 5th call the tender were rejected by Chief Engineer (Dwarka) due to the reasons that wrong condition were incorporated in the tenders. This shows that defective NIT was prepared and these conditions were also part of NIT during previous 4th call. Finally, the work was awarded in 6th call at a tendered cost of ₹ 3.33 crore. Audit is of the view that the work could have been awarded in the 3rd call at a tender cost of ₹ 2.93 crore. But due to failure of the department to award the work within validity period the work could not be awarded to the agency in the 3rd call and finally was awarded at 6th call at a tendered cost of ₹ 3.33 crore, which was ₹ 40 lakh higher than from L-1 of 3rd call. Rejection of the tender in 3rd call resulted in avoidable extra expenditure of ₹ 40 lakh as well as delay in execution of the work.

DDA stated that in the 3rd call the main reason for delay to decide the tender was attributable to the lowest agency who had taken more than a fortnight to respond only to refuse negotiation of rates. The reply is not acceptable as the negotiations are not mandatory as per the manual.

Recommendation

- *Work should be awarded within validity period and lapse or inaction on the part of divisional officials and extra payments to agencies to be investigated.*

5.3.6 Internal Audit

DDA has an internal audit cell headed by the Member (Finance) who is assisted by the Chief Accounts Officer along with the other staff. DDA has a total of 150 auditable units in its field formations. The internal inspection manual of the DDA did not specify the frequency or periodicity of the audit to be conducted by the internal audit wing.

An appraisal of the functioning of the internal audit wing with special reference to the checks exercised in respect of the developmental schemes indicated that while the coverage of units had steadily improved over the last three years, the coverage was still just about 50 *per cent* of the total number of auditable units as detailed in table-5:

Table-5 - Internal Audit

Sl. No.	Financial year	Total no. of auditable units	No. of units audited	Percentage of units audited
1.	2005-2006	150	59	39.33
2.	2006-2007	150	60	40.00
3.	2007-2008	150	77	51.33
4.	2008-2009	150	80	53.33
5.	2009-2010	150	60 and (100 <i>per cent</i> audit of pay fixation cases on implementation of 6 th pay commission)	40.00

While accepting the audit observation, DDA stated that efforts are being made to strengthen the Internal Inspection Cell by increasing the number of audit parties.

Recommendation

- *The periodicity of internal audit of the auditee units should be specified after considering the risk factor and internal audit wing should be strengthened so that maximum units could be covered.*

5.4 Conclusion

The performance audit of the authority revealed the following deficiencies in its functioning:

- The authority did not bifurcate the targets set out in the Master Plan of Delhi, 2021 in short/ long period plan synchronizing with the plan.

- High Level Committee under the chairmanship of Lieutenant Governor decided that the committee would meet at regular interval of six months to review the progress did not hold any meeting from 8 May,2008.
- The road on which DDA has already incurred an expenditure of ₹ 84.98 crore could not be completed as land was not clear.
- DDA was not able to achieve its demolition targets.
- There was lack of coordination with local authorities which resulted in delay of project/ idling of expenditure.
- In certain cases works were executed beyond the authorized limits of expenditure.

5.5 Acknowledgement

Audit acknowledges the cooperation and assistance rendered by DDA during the course of this performance audit.

This performance audit report was issued to the Ministry in May 2011. The reply of the Ministry was awaited as of July 2011.

New Delhi

Dated:

(ROY MATHRANI)

**Director General of Audit
Central Expenditure**

Countersigned

New Delhi

Dated:

(VINOD RAI)

Comptroller and Auditor General of India

Annexe-I

(refer to paragraph 5.3.3.1)

Frame work for development

Components	Unit	Period of monitoring	Phase I upto 2011		Phase II 2011-16		Phase III 2016-21		Target upto 2021	
I. Population (for infrastructure provision)	Lakh		138-182		182-199		199-230		230	
II. New Housing	No. in lakh Dwelling Units		7		9		8		24	
			R*	N**	R	N	R	N	R	N
			3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
a. Housing for Urban poor through slum and JJ approaches	-Do-	2 years	0.7	1.0	0.7	1.6	0.6	1.4	2.0	4.0
b. Houses as independent plots and redevelopment	-Do-	2 years	0.35	0.2	0.35	0.3	0.3	0.3	1.0	0.8
c. Group Housing (35% of total Dwelling Units mandatory non to exceed 2 room or less)	-Do-	2 years	0.84	1.9	0.84	3.0	0.72	2.7	2.4	7.6
d. Employer Housing	-Do-	1 years	0.14	0.15	0.14	0.25	0.12	0.2	0.4	0.6
e. Unauthorised Regularized colonies	-Do-	1 years	1.05	0.15	1.05	0.25	0.9	0.2	3.0	0.6
f. Other Housing areas up gradation of old areas traditional/villages includes backlog housing stock and replacement	-Do-	4 years	0.42	0.1	0.42	0.16	0.36	0.14	1.2	0.4
III. Physical infrastructure										
a. Augmentation of power distribution	MW	2 years	3744		1447		2639		7830	
b. Municipal solid waste	Tones	1 year	4900		1939		3368		10207	

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IV. Social infrastructure						
a. Health						
(i) Hospital A (501 beds & above)	No.	2 years	9	3	6	18
(ii) Hospital B (201 beds to 500 beds)	No.	1 year	18	6	12	36
(iii) Hospital C (101 beds to 200 beds)	No.	1 year	43	17	30	90
(iv) Hospital D (upto 100 beds)	No.	1 year	43	17	30	90
(v) Veterinary Hospitals	No.	1 year	6	6	6	18
b. Education						
(i) School for physically handicapped	No.	2 years	4	2	3	9
(ii) School for mentally handicapped	No.	2 years	4	2	3	9
(iii) Vocational training centre	No.	1 year	9	3	6	18

*** Redevelopment ** New Housing**

Annexe-II

(refer to paragraph 5.3.3.1)

Details of Zonal development Plan 2021

S. No.	Zonal development Plan 2021	Date of approval of Master Plan	File NO & Date of forwarding zonal plan to the Ministry	Date of Notification in Gazette of India
1	Zone A & C	2/2007	F.4 (3)/2008/MP/43G dt. 16.2.09 F.4 (53)/2006/MP Part 2/39G dt. 13.2.09	18.06.2010 & 29.07.2010
2	Zone B	2/2007	F.4 (2)/2008/MP /42G dt. 16.2.09	
3	Zone E	2/2007	F.4 (01)/2006/MP /P 35G dt. 13.2.09	
4	Zone F	2/2007	F.3 (44)/2005/MP Part //34G dt. 13.2.09	
5	Zone G	2/2007	F.4 (2)/2007/MP /PT/32G dt. 13.2.09	
6	Zone H	2/2007	F.4 (4)/2006/MP Part /33G dt. 13.2.09	
7	Zone J	2/2007	F.4 (1)98/MP /PT/37G dt. 13.2.09	
8	Zone K I	2/2007	F.4 (14)/2007/MP Part /37G dt. 13.2.09	
9	Zone K II	2/2007	F.4 (5)/98/MP/ PT /38G dt. 13.2.09	
10	Zone L	2/2007	F.4 (6)/98/MP/ PT /36G dt. 13.2.09	
11	Zone M	2/2007	F.4 (11)/2007/MP Part /40G dt. 13.2.09	
12	Zone N	2/2007	F.4 (3)/98/MP /44G dt. 16.2.09	
13	Zone P I	2/2007	F.4 (1)/98/MP /44G dt. 16.2.09	
14	Zone O	2/2007	F.4 (10)/2007/MP /604 dt. 17.8.09	
15	Zone D	2/2007	Yet to be approved	