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Report of the Comptroller and Auditor General of India for the year ended March 2016

Union Government (Civil)
Compliance Audit Observations
No. 12 of 2017

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PREFACE

This Report for the year ended March 2016 has been prepared for submission to the President under Article 151 of the Constitution of India.

The Report contains significant results of the compliance audit of financial transactions of the Ministries/Departments of the Union Government and their autonomous bodies under the Economic/General and Social Services.

The instances mentioned in this Report are those which came to notice in the course of test audit for the period 2015-16 as well those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2015-16 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

This Report contains significant audit findings which arose from the compliance audit of financial transactions of Civil Ministries/Departments and Autonomous Bodies. It contains 62 audit paragraphs involving a money value of ₹ 676.72 crore relating to overpayment, avoidable payment, unfruitful expenditure, blocking of funds and poor planning etc.

Some of the important findings included in this Report are given below:

Utilisation Certificates

42314 utilisation certificates involving an amount of ₹ 31153.13 crore in respect of grants released up to March 2015 which were due by March 2016 from 33 Ministries/Department (after 12 months of the financial year in which the grants were released) were outstanding.

(Paragraph No. 1.3)

Action Taken Notes (ATNs)

Despite instructions/recommendations of the Public Accounts Committee, various Ministries/Departments did not submit remedial/corrective Action Taken Notes on 51 audit paragraphs even after the lapse of the time limit prescribed by the Public Accounts Committee.

(Paragraph No. 1.7)

National Institute of Homoeopathy, Kolkata (NIH)

In contravention of guidelines of World Health Organisation and Indian Public Health Standards of DGHS, the amenities provided by NIH to patients in Out Patient Departments (OPDs) were deficient in terms of seepage of toilet water in three OPDs, inadequate ventilation, inadequate sitting capacity and water filters. NIH failed to maintain sufficient stock of drugs and conducted only one general surgery during 2015-16, as against 158 surgeries done during 2013-15. The Paediatric ward was not functioning during 2013-16 due to damage of ceiling and 10 children were admitted in Female ward. There were instances of non-utilisation/under-utilisation of various laboratory equipment.

(Paragraph No. 3.2)

Ministry of Chemicals and Fertilizers

Interest of ₹ 25.78 crore was not recovered on overpaid subsidy due to downward revision of concession rate.

(Paragraph No. 4.1)

Ministry of Civil Aviation

Ministry failed to ensure that Bangalore International Airport Limited (BIAL) fulfill its fiduciary duty to promptly realise the security fees from the airlines and remit the same in escrow account. As a result, outstanding dues against airlines accumulated and recovery of ₹ 9.19 crore from Kingfisher Airlines was rendered doubtful.

(Paragraph No. 5.1)

Ministry of Coal

Coal Mines Provident Fund Organisation

Non-implementation of recommendations of the actuary led to acute deficit in Pension Fund, incorrect diversion of funds from Provident Fund Account to Pension Fund Account, non-adherence to Ministry's guidelines for investment of Provident Fund of own employees, incorrect payment of interest, excess payment of pension, untraced balance of ₹ 1.71 crore for more than seven years, non-linking of Current Accounts with Corporate Liquid Term Deposit Scheme and non-review of rate of administrative charges adversely affected financial interests of the members of the Coal Mines Provident Fund Organisation.

(Paragraph No. 6.1)

Ministry of Culture

National Gallery of Modern Art

Failure of Ministry of Culture to fill up key posts in the National Gallery of Modern Art for over a decade resulted in failure to relocate 16,582 works of art to a new state of the art storage system, leading to idling of investment of ₹ 3.81 crore since March 2014.

(Paragraph No. 8.1)

Tagore Cultural Complexes Scheme

Failure of Ministry of Culture to monitor a project and incorporate suitable clause as stipulated in the financial rules, resulted in blocking of ₹ 2.14 core and loss of interest of ₹ 0.86 crore on unutilised grant in aid released to Government of Goa under the Scheme for Tagore Cultural Complexes.

(Paragraph No. 8.2)

Ministry of External Affairs

Three instances of fraud were detected in Consulate General of India, San Francisco that arose due to absence of internal controls. These relate to fraudulent claim against servicing of the official staff car (₹ 3.37 lakh), widespread and recurring reimbursement of fictitious conveyance charges (₹ 55.21 lakh) to employees, and presumptive fraud on payment to local repair firm.

(Paragraph No. 9.2)

Embassy of India, Tokyo violated the General Financial Rules and the Receipt and Payments Rules by keeping receipt and expenditure out of embassy account during the conduct of the Sakura festival 2015.

(Paragraph No. 9.3)

Nalanda University, Rajgir, Bihar

Regular Governing Board was not constituted by the Ministry as provided in the Act. The Endowment committee, though formed was ineffective. The University failed to frame rules and regulations for appointment of academic staff and there were irregularities in appointment of Vice Chancellor and OSD (University Planning). The Vice Chancellor and OSD (University Planning) were given undue reimbursement of income tax amounting to ₹ 57.40 lakh. The University failed to establish schools in time and could not start the construction of University campus work.

(Paragraph No. 9.4)

Ministry of Health and Family Welfare

National AIDS Control Organisation

Failure of National AIDS Control Organisation (NACO) to follow the financial rules in the procurement of ZLN tablets led to extra expenditure of ₹ 2.06 crore.

(Paragraph No. 11.2)

Central Government Health Scheme (HQ)

Hindustan Latex Limited (HLL) provides diagnostic services to government and private patients in a building owned by the Central Government Health Scheme (CGHS) in RK Puram New Delhi. Apart from an inadequate discount of 10 *per cent* to CGHS beneficiaries, HLL did not pay rent in terms of extant orders resulting in loss of ₹ 1.72 crore during 2008-09 to December 2016.

(Paragraph No. 11.3)

Jawaharlal Institute of Postgraduate Medical Education and Research (JIPMER), Puducherry

Despite engagement of specialised consultant, there was delay in installation of equipment and non-commissioning of laboratories. Tertiary health care services at JIPMER were lacking in infrastructure, human resources and services provided. Overcrowded OPDs, absence of screening in OPD, declining doctor-patient ratio in super speciality services, inadequate availability of nursing personnel, absence of specialised interventional pain management centre, inadequacies in OT, post-operative recovery unit, inadequacies of advanced imaging & lab services, dependence on private laboratories and scan centres were noticed.

(Paragraph No. 11.4)

Ministry of Home Affairs

Directorate of Coordination Police Wireless

CPWD failed to ensure feasibility of water supply, prevent unauthorised occupation of premises and theft of electrical fittings in an office cum residential complex constructed for the Directorate of Coordination Police Wireless at Kohima. Consequently, the-premises completed in July 2011 had not been handed over, rendering the expenditure of ₹ 2.98 crore infructuous.

(Paragraph No. 12.2)

Ministry of Human Resource Development

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

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

(Paragraph No. 13.1)

Kendriya Vidyalaya Sangthan (KVS)

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

(Paragraph No. 13.3)

Malaviya National Institute of Technology (MNIT), Jaipur

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

(Paragraph No. 13.4)

Indian Institute of Information Technology, Allahabad

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

(Paragraph No. 13.5)

Four institutes under the Ministry of Human Resource Development (Indian Institute of Technology, Roorkee; Babasaheb Bhimrao Ambedkar University, Lucknow, Indian Institute of Management, Ranchi and Indian Institute of Technology, Patna) and one institute under the Ministry of Statistics and Programme Implementation (Indian Statistical Institute, Kolkata) made payment of service tax amounting to ₹ 12.42 crore on the outsourced services, although these services were exempted from payment of such tax.

(Paragraph No. 13.7)

Gujarat Vidyapith

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

(Paragraph No. 13.11)

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

(Paragraph No. 13.15)

Ministry of Information and Broadcasting

Film and Television Institute of India, Pune

Students are not completing their respective courses within the prescribed time schedule. This resulted in students occupying hostels beyond scheduled completion of course. The admissions were held up during academic year 2010-11, 2014-15 and 2015-16. The students continued to be on academic roll and in hostels without any payment of fees/hostel charges after the prescribed tenure of their courses, resulting in revenue loss of ₹ 11.83 crore. The cases of irregular payment of Service Tax, excess release of advance payment and unfruitful expenditure on consultancy fees without any commensurate benefits were also noticed.

(Paragraph No. 14.1)

Ministry of Micro, Small and Medium Enterprises

Prime Minister's Employment Generation Programme (PMEGP)

The success of PMEGP was hampered by various structural gaps in the implementation of the Programme. Funds released for implementation of the scheme remained idle with several agencies. Monitoring and control of the programme activities was poor. There were backlogs in physical verification. Even where physical verifications were done, the results were not followed up.

(Paragraph No. 16.1)

Ministry of Shipping

Mumbai Port Trust

Failure of Mumbai Port Trust to revise parking charges resulted in loss of revenue of ₹ 23.10 crore over the past six years on night parking charges alone.

(Paragaph No. 19.1)

Ministry of Textiles

National Jute Board

Subsidy of ₹ 3.80 crore to 16 jute units by National Jute Board was in violation of Acquisition of Plants and Machineries (Capital subsidy) scheme guidelines.

(Paragaph No. 20.1)

Ministry of Tribal Affairs

Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED)

Lack of due diligence by the Ministry of Tribal Affairs and failure of TRIFED to act in accordance with the terms of application for office premises, resulted in premature payment of third instalment (₹ 5.20 crore), overall loss of interest (₹ 3.15 crore) and un-necessary payment of cancellation charges (₹ 0.54 crore).

(Paragaph No. 21.1)

Ministry of Youth Affairs and Sports

Nehru Yuva Kendra Sangathan (NYKS)

An unspent balance of ₹ 46.73 crore from the year 2007-08 to 2014-15 was lying unadjusted in general purpose grants which was required to be adjusted by Ministry of Youth Affairs and Sports from future grants. Cases of poor utilisation of earmarked funds were noticed in NYKS, leading to idling of funds. NYKS finalised annual accounts for the years 2012-13 to 2014-15 with a delay of 12 to 19 months. Tally software purchased with objective of reducing the time involved in finalising the accounts was not used optimally by NYKS. There was acute shortage of District Youth Co-ordinators and Accounts Clerk-cum-Typists at 338 districts. Instances of idling of funds amounting to ₹ 1.66 crore for 13 months to 9 years were also noticed at Pay and Accounts Office of Alipur and Bhubaneswar.

(Paragraph No. 23.1)

CHAPTER I: INTRODUCTION

1.1 About this Report

Compliance audit refers to examination of transactions relating to expenditure, receipts, assets and liabilities of audited entities to ascertain whether the provisions of the Constitution of India, other applicable laws, rules, regulations and various orders and instructions issued by competent authorities are being complied with. Compliance audit also includes an examination of the rules, regulations, orders and instructions for their legality, adequacy, transparency, propriety and prudence. Audits are conducted on behalf of the Comptroller and Auditor General (C&AG) as per the Auditing Standards approved by him. These standards prescribe the norms which the auditors are expected to follow in conduct of audit and require reporting on individual cases of non-compliance and abuse, as well as on weakness that exist in systems of financial management and internal control of the entities audited. The findings of audit are expected to enable the Executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations, thus, contributing to better governance.

As of March 2016, the gross provision and expenditure of all civil ministries/departments covering 102[1] civil grants during the last two years is given in Table-1 below:

Table 1: Gross Provision and Expenditure

(₹ In crore)

	2014-15			2015-16		
	Gross Provision	Gross Expenditure	Savings	Gross Provision	Gross Expenditure	Savings
Revenue (Charged)	5,19,519	4,91,298	28,221	5,70,014	5,46,699	23,315
Revenue (Voted)	10,81,137	9,64,415	1,16,722	10,55,700	9,92,772	62,928
Capital (Charged)	40,77,324	37,19,863	3,57,461	42,46,002	37,50,287	4,95,714

[1] This includes Defence Civil Grants (2), Telecommunications and Electronics & Information Technology Grants (2), Union Territories (without Legislature) Grants (5), Scientific Department (10) and Central Receipts (3).

Capital (Voted)	1,47,595	1,14,108	33,487	2,56,908	2,39,715	17,194
Total	**58,25,575**	**52,89,684**	**5,35,891***	**61,28,624**	**55,29,473**	**5,99,151***

* In 2014-15, the net savings of ₹ 5,35,891 crore was due to gross savings of ₹ 5,51,532 crore and excess of ₹ 15,641 crore. In 2015-16, the net savings of ₹ 5,99,151 crore was due to gross savings of ₹ 5,99,361 crore and excess of ₹ 210 crore.

In this Report, the observations relating to Civil Ministries/Departments falling under the sectors of General, Social and Economic Services and their autonomous bodies (excluding Ministries/Departments under Defence, Scientific & Environmental, Telecommunications, Electronics and Information Technology, Posts, Union Territories (without Legislature), Department of Revenue and Railways) covering 80 civil grants arising as a result of audit of transactions up to 2015-16 have been included. The gross expenditure incurred by these Ministries/Departments during the last three years are shown in Table 2 below:

Table 2: Gross Expenditure

(₹In crore)

Sl. No.	Name of Ministry	2013-14	2014-15	2015-16
1.	Agriculture	26056.69	26572.32	22778.34
2.	Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy	731.55	685.19	1112.14
3.	Chemicals and Fertilizers	72625.25	75411.37	77966.79
4.	Civil Aviation	6954.59	6626.28	4168.10
5.	Coal	1329.45	1572.50	1669.72
6.	Commerce and Industry	6606.51	7438.02	7400.47
7.	Consumer Affairs, Food and Public Distribution	104038.31	129663.57	162384.89
8.	Corporate Affairs	229.22	226.23	404.48
9.	Culture	1991.73	2069.19	2011.83
10.	Development of North Eastern Region	1878.63	1761.01	2036.68
11.	Drinking Water and Sanitation	11941.03	12201.46	13481.18
12.	External Affairs	11807.35	12148.82	14472.95
13.	Finance	4125322.51	4340806.54	4487273.80
14.	Food Processing Industries	541.93	596.74	504.44
15.	Health and Family Welfare	31162.47	33046.65	35390.48
16.	Heavy Industries and Public Enterprises	1392.57	1621.43	944.46
17.	Home Affairs (excluding UTs without Legislature)	55724.67	61573.53	70006.68
18.	Housing and Urban Poverty Alleviation	1086.24	2735.40	1766.16
19.	Human Resource Development	91509.98	91249.07	86657.36
20.	Information and Broadcasting	2828.22	3158.53	14681.30
21.	Labour and Employment	4415.68	4320.66	4832.02

22.	Law and Justice	1993.35	1932.84	3127.96
23.	Micro, Small and Medium Enterprises	2626.12	2767.82	2834.41
24.	Mines	1037.41	868.16	993.80
25.	Minority Affairs	3026.74	3090.51	3654.85
26.	Overseas Indian Affairs	84.80	64.09	68.34
27.	Panchayati Raj	3462.08	3390.56	208.67
28.	Parliamentary Affairs	11.36	13.79	15.09
29.	Personnel, Public Grievances and Pensions	947.83	1041.80	1127.29
30.	Petroleum and Natural Gas	85418.39	60310.18	31286.74
31.	Planning	1733.38	1808.33	1781.03
32.	Power	5513.69	13817.43	9216.23
33.	The President, Lok Sabha, Rajya Sabha, Union Public Service Commission, the Secretariat of the Vice President and Election Commission	1069.21	1057.98	1189.81
34.	Road Transport and Highways	46011.63	54493.73	84986.39
35.	Rural Development	99983.54	111136.62	121366.19
36.	Shipping	1870.20	1340.21	1689.47
37.	Skill Development and Entrepreneurship	--	--	1007.47
38.	Social Justice and Empowerment	5519.90	5802.88	6309.64
39.	Statistics and Programme Implementation	4843.37	4068.78	4178.40
40.	Steel	78.02	71.31	31.90
41.	Textiles	3954.98	3987.87	4145.98
42.	Tourism	1029.20	987.03	903.94
43.	Tribal Affairs	3839.35	3852.68	4495.18
44.	Urban Development	9533.55	13409.64	18752.54
45.	Women and Child Development	18038.59	18541.14	17260.28
46.	Youth Affairs and Sports	1143.78	1144.14	1460.90
Total		**4862945.08**	**5124484.00**	**5334036.79**

1.2 Authority for Audit

The authority for audit by the C&AG and reporting to the Parliament is derived from Articles 149 and 151 of the Constitution of India respectively and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. C&AG conducts audit of expenditure of Ministries/Departments of the Government of India under Sections 13[2] and 17[3] of the C&AG's (DPC) Act[4]. Bodies established by or under law made by

[2] Audit of (i) all expenditure from the Consolidated Fund of India, (ii) all transactions relating to Contingency Funds and Public Accounts and (iii) all trading, manufacturing, profit & loss accounts, balance sheets and other subsidiary accounts.

[3] Audit and report on the accounts of stores and stock kept in any office or department of the Union or of a State.

[4] Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

the Parliament and containing specific provisions for audit by the C&AG are statutorily taken up for audit under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (the Act). Audit of other organisations (Corporations or Societies) is entrusted to the C&AG in public interest under Section 20(1) of the Act. Besides, Central Autonomous Bodies (CABs), which are substantially financed by grants/loans from the Consolidated Fund of India, are audited by the C&AG under the provisions of Section 14(1) of the Act.

1.3 Utilisation Certificates

As per General Financial Rules, certificates of utilisation in respect of grants released to statutory bodies/organisations are required to be furnished within 12 months from the closure of the financial year by the bodies/organisations concerned. Ministry/Department wise details indicating the position of the total number of 42314 outstanding utilisation certificates involving an amount of ₹ 31153.13 crore in respect of grants released up to March 2015 due by March 2016 from 33 Ministries/Departments (after 12 months of the financial year in which the grants were released) are given in **Appendix–I**.

The position of outstanding utilisation certificates with significant money value relating to 10 Ministries/Departments as on March 2016 is given below:

Utilisation Certificates Outstanding as on 31 March 2016

(₹ in crore)

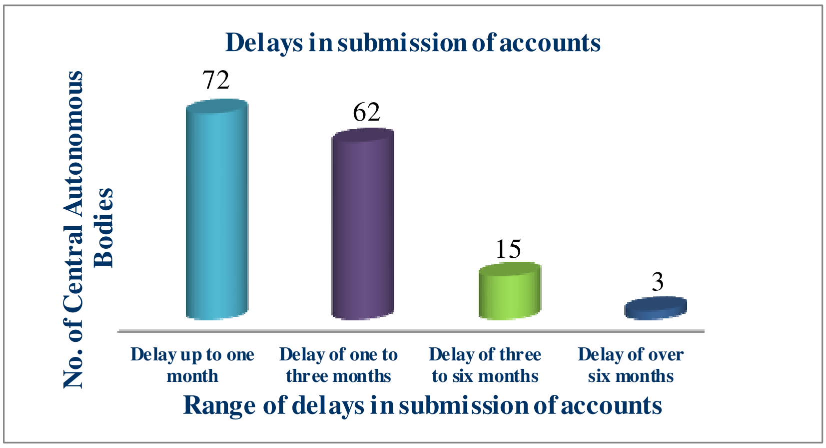
Sl. No.	Ministry/Department	For the period ending March 2015	
		Number	Amount
1.	Ministry of Agriculture & Farmer Welfare[5]	832	1942.98
2.	Department of School Education & Literacy	1671	8855.02
3.	Department of Higher Education	2444	1318.25
4.	Ministry of Urban Development	304	3113.66
5.	Ministry of Tribal Affairs	368	1301.83
6.	Ministry of Housing & Urban Poverty Alleviation	543	3091.59
7.	Department of Heavy Industry	15	1301.92
8.	Ministry of Electronics and Information Technology	439	1133.52
9.	Ministry of Law and Justice	7	3125.00
10.	Ministry of Textiles	4829	1862.53
	Total	**11452**	**27046.30**

[5] Includes figures of Department of Agriculture & Cooperation and Department of Animal Husbandry, Dairying and Fisheries only

1.4 Delays in submission of accounts by central autonomous bodies

The Committee on Papers Laid on the Table of the House recommended in its First Report (5th Lok Sabha) 1975-76 that after the close of the accounting year, every autonomous body should complete its accounts within a period of three months and make them available for audit. The audit reports and the audited accounts should be laid before the Parliament within nine months of the close of the accounting year.

For the year 2014-15, audit of accounts of 364 CABs was to be conducted by the C&AG. Out of these, the accounts of 152 CABs were furnished after the due date, as indicated in the following chart:



The details of CABs whose accounts were delayed beyond three months as of December 2015 are given in **Appendix – II**.

1.5 Delay in presentation of audited accounts of central autonomous bodies before both the Houses of Parliament

The Committee on Papers Laid on the table of the House, in its First Report (1975-76), had recommended that the audited accounts of the autonomous bodies be laid before Parliament within nine months of the close of the accounting year i.e. by 31 December of the following financial year.

Status of laying of the audited accounts before the Parliament as on 31 October 2016 was as under:

Year of account	Total number of bodies for which audited accounts were issued but not presented to Parliament	Total number of audited accounts presented after due date
2012-13	11	Nil
2013-14	09	03
2014-15	13	40

It would, thus, be seen that a large number of audited accounts had not been placed before the Parliament within the prescribed time.

The particulars of CABs, whose audited accounts had not been laid or laid after due dates before Parliament, are given in **Appendix–III** and **Appendix–IV**.

1.6 Results of certification of audit

Separate Audit Reports for each of the autonomous bodies audited under Sections 19 (2) and 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are appended to the certified final accounts required to be tabled by respective Ministries in the Parliament.

Significant observations on the annual accounts of central autonomous bodies for the year 2015-16 are given in **Appendix-V**.

Some of the important deficiencies noticed in the annual accounts of the central autonomous bodies for the year 2015-16 are as below:

(a) Internal audit of 104 autonomous bodies was not conducted **(Appendix-VI)**.

(b) Physical verification of the Fixed Assets of 91 autonomous bodies was not conducted **(Appendix-VII)**.

(c) Physical verification of the inventories of 73 autonomous bodies was not conducted **(Appendix-VIII)**.

(d) 41 autonomous bodies were accounting for the grants on realisation/cash basis which was inconsistent with the common format of accounts prescribed by the Ministry of Finance **(Appendix-IX)**.

(e) 139 autonomous bodies has not accounted for gratuity and other retirement benefits on actuarial valuation basis **(Appendix-X)**.

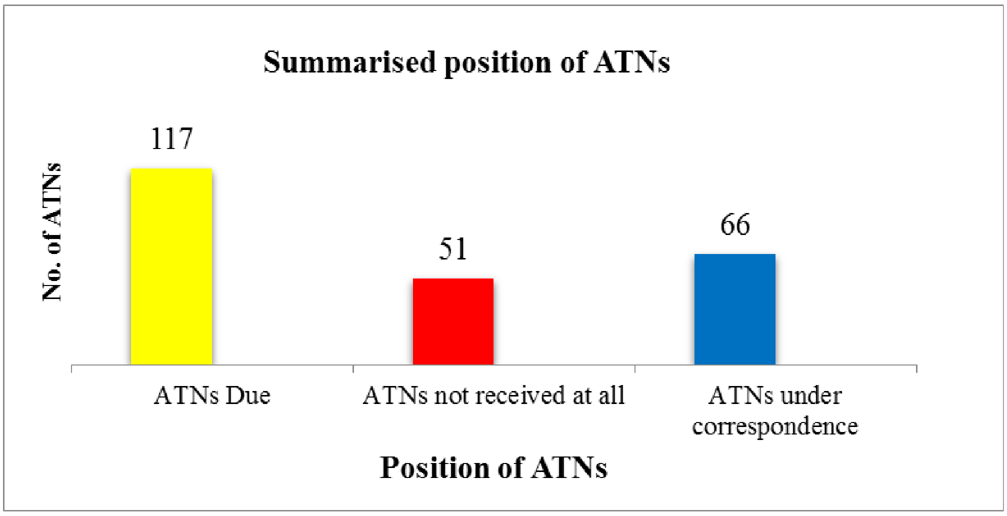
(f) No Depreciation on fixed Assets was provided by **six** autonomous bodies **(Appendix-XI)**.

(g) **28** autonomous bodies revised their accounts as a result of audit **(Appendix-XII)**. The impact of result of audit was net increase in Assets/Liabilities by ₹ 38.85 crore, and net increase in Surplus by ₹ 4.32 crore.

1.7 Status of pending ATNs

In its 105th Report (10th Lok Sabha – 1995-96) presented to the Parliament on 17 August 1995, the Public Accounts Committee had recommended that Action Taken Notes (ATNs) on all paragraphs of the Reports of the C&AG should be furnished to the Committee through the Ministry of Finance (Department of Expenditure) within a period of 4 months from the date of laying of Audit Reports on the Table of the House starting from 31 March 1996 onwards. Subsequently, a Monitoring Cell has been created under the Department of Expenditure who is entrusted with the task of coordination and collection of the remedial/corrective ATNs on the various Audit Paragraphs from all the Ministries/Departments concerned duly vetted by Audit and send the same to the Public Accounts Committee within the stipulated period of four months from the date of presentation of Audit Report to the Parliament.

A review of the position of receipt of ATNs on paragraphs included in Audit Reports, Union Government (Civil) up to the period ended March 2015 disclosed the following position as of December 2016.



As can be seen out of 117 paragraphs on which ATNs were required to be sent, ATNs in respect of 51 paragraphs were not received at all, while the remaining 66 which were under correspondence were pending at various stages. Year wise details are indicated in **Appendix-XIII**.

1.8 Response of the Ministries/Departments to draft paragraphs

On the recommendation of the Public Accounts Committee (PAC), Ministry of Finance issued directions to all Ministries in June 1960 to send their responses to the draft paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks of receipt of the paragraphs. Accordingly, the draft paragraphs are forwarded to Secretaries of the Ministries/Departments concerned drawing their attention to the audit findings and requesting then to send their response within six weeks.

In the following cases the Ministries/Departments have taken action and ordered recoveries as detailed below:

(₹ in crore)

Sl. No.	Name of the unit	Ministry/ Department	Nature of overpayment/ under recovery/ inadmissible payment	Amount of overpayment/ under payment/ inadmissible payment as pointed out by audit	Amount recovered	Audit Observation and Action taken by Ministry/ Department
1.	CGHS Headquarters	Health and Family Welfare	Non-collection of service fees from Autonomous Bodies availing CGHS benefits	2.43	13.96	Audit pointed out failure of CGHS to link the collection of service fees with availing of benefits by ABs. After the issue was raised by audit in five test checked cases, CGHS reconciled the position and recovered outstanding of ₹ 13.96 crore from 41 ABs for the period 2012-16.
2.	Department of Agricultural Research and Education	Agriculture and Farmers' Welfare	Short refund of interest amount earned on corpus	7.49	8.92	ICAR failed to refund interest earned on the corpus released to it for the scheme on scaling up of water productivity in Agriculture for livelihoods. Though it had refunded the corpus it failed to reckon the entire period for calculation of interest. After the issue was pointed out it reworked the total period and refunded ₹ 8.92 crore earned by it on the corpus.

Sl. No.	Name of the unit	Ministry/ Department	Nature of overpayment/ under recovery/ inadmissible payment	Amount of overpayment/ under payment/ inadmissible payment as pointed out by audit	Amount recovered	Audit Observation and Action taken by Ministry/ Department
3.	Visakhapatnam Port Trust	Shipping	Short collection of cost of damages, advance berth reservation charges, vessel related charges and non-levy and collection of penal charges	4.94	4.94	At the instance of Audit entire amount of ₹ 4.94 crore was recovered as under: Short collection of cost of damages (₹ 1.74 crore), Advance berth reservation charges (₹ 0.70 crore) Vessel related charges (₹ 1.34 crore) Non-levy and collection of penal charges (₹ 1.16 crore)
4.	Urban Development(National Building Construction Corporation)	Urban Development	Funds released to NBCC for construction of two projects were not refunded by NBCC	7.87 (including interest of ₹ 3.13 crore)	4.91	MOUD allotted two construction projects to NBCC (Assam and Meghalaya) in 2003 and 2008 respectively. In the first case the work was transferred to Government of Assam but NBCC did not refund the amount of ₹ 1.88 crore released to it. In the second case the balance amount of ₹ 2.86 crore was not refunded by NBCC after completion of work. After the issue was raised by Audit, NBCC refunded ₹ 4.91 crore including interest of ₹ 17 lakh
5.	Central Public Works Division, Vadodra	Urban Development	Non remittance of Building and Other Construction Workers' Cess	1.82	1.20	Between April 2011 and March 2016, CPWD, Vadodara collected Labour Welfare Cess of ₹ 1.20 crore but did not remit the same to Building and other Construction Workers Welfare Board. This amount was remitted at the instance of audit. However penal interest of ₹ 62 lakh

Sl. No.	Name of the unit	Ministry/ Department	Nature of overpayment/ under recovery/ inadmissible payment	Amount of overpayment/ under payment/ inadmissible payment as pointed out by audit	Amount recovered	Audit Observation and Action taken by Ministry/ Department
						was not remitted as stipulated under Rules.
Total					**33.93**	

This report of the Comptroller and Auditor General of India for the year ended March 2016 containing 62 paragraphs pertaining to various Ministries/ Departments and their Autonomous Bodies involving a money value of ₹ 676.72 crore. Replies to the 59 Audit Paragraphs were received and have been suitably incorporated in the report.

CHAPTER II : MINISTRY OF AGRICULTURE AND FARMERS WELFARE

Indian Agricultural Research Institute

2.1 Reimbursement of fraudulent Leave Travel Concession claims

Employees of the Indian Agricultural Research Institute submitted fabricated Leave Travel Concession claims leading to irregular reimbursement of ₹ 7.06 lakh.

The Office Memorandum dated 26 September 2014 issued by the Ministry of Personnel, Public Grievances and Pensions (Ministry) stipulates that "all eligible government servants may avail Leave Travel Concession (LTC) to visit any place in North East Region/Andaman & Nicobar Islands/Jammu & Kashmir against conversion of one block of their Home Town LTC. The Government servants entitled to travel by air can avail this LTC from their Headquarters in Economy Class. Air travel is to be performed only by Air India in Economy Class and at LTC-80 fare or less. Air tickets should be purchased directly from the airlines (Booking counters, website of airlines) or by utilising the services of authorised travel agents *viz.* M/s Balmer Lawrie & Company, M/s Ashok Travels & Tours and Indian Railway Catering and Tourism Corporation".

Test-check of LTC records of the employees of Indian Agricultural Research Institute (IARI) for 2014-15 and 2015-16 disclosed fudging of claims by four of its employees[1] who performed air journeys to Andaman & Nicobar Islands by Air India. Audit compared the claims submitted by the employees with the details made available by the airline and found that the bills furnished with the claims were fabricated. The fares claimed by the employees were higher than the amount actually paid to the airline. Further, the air tickets in these cases were booked through private agents in violation of extant rules/instructions. This resulted in irregular reimbursement of claims amounting to ₹ 7.06 lakh.

[1] 2 Chief Technical Officers, 1 Technical Officer and 1 Senior Scientist.

On this being pointed out (June 2016), IARI stated (September 2016) that action for recovery of the lump sum payment made to the employees had been initiated.

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

CHAPTER III : MINISTRY OF AYUSH

Pharmacopoeial Laboratory for Indian Medicine, Ghaziabad

3.1 Non- achievement of intended objective

Failure to provide funds for construction of guest house in time bound manner resulted in guest house remaining non-functional and the intended objective for construction of guest house could not be achieved even after incurring an expenditure of ₹ 1.40 crore.

The Ministry of Health and Family Welfare, New Delhi (MH&FW), accorded (January 2011) administrative approval for ₹ 190.00 lakh (₹ 160.00 lakh for construction of guest house and ₹ 30.00 lakh for furnishing of guest house) for construction of Guest House/Training Hostel at Pharmacopoeial Laboratory for Indian Medicine, Ghaziabad (PLIM).

Audit examination (December 2014) of records of PLIM revealed that CPWD started (April 2011) construction work of Guest House with the stipulated time frame of completion of 12 months. The construction work was completed in April, 2013 except boundary wall, approach road and furnishing works. It was further observed that the PLIM provided ₹ 140.00 lakh in three instalments against sanctioned cost ₹ 190.00 lakh during 2011-12 to 2013-14 for above work. The Director PLIM requested (September 2014) CPWD, Ghaziabad for early completion of construction work including furnishing and assured to provide remaining amount in 2014-15. The CPWD did not complete the work (boundary wall, approach road and furnishing) due to the non-availability of funds even after lapse of three years from the date of completion of construction of building.

PLIM replied (September 2016) that construction work was almost completed except approach road, boundary wall and furnishing works and additional amount of ₹ 19.70 lakh was released on 31 March 2016. It further stated that the estimates submitted by CPWD for approach road and furnishing works have been sent to Ministry for Integrated Finance Division approval. As soon as the approval is received, the funds will be released to CPWD.

Reply of PLIM was not acceptable as PLIM failed to release the sanctioned amount to CPWD and forwarded (August 2016) the estimate of ₹ 28.26 lakh for furnishing work to MH&FW for according approval only after being raised by audit. The Guest House remains unused since last three years as it was not furnished by the CPWD and also not handed over to the PLIM.

Thus, intended objective for construction of guest house could not be achieved even after incurring an expenditure of ₹ 140.00 lakh as PLIM failed to provide funds for the project in time bound manner.

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

National Institute of Homoeopathy, Kolkata (NIH)

3.2 Medical care facilities in National Institute of Homoeopathy, Kolkata

In contravention of guidelines of World Health Organisation and Indian Public Health Standards of DGHS, the amenities provided by NIH to patients in Out Patient Departments (OPDs) were deficient in terms of seepage of toilet water in three OPDs, inadequate ventilation, inadequate sitting capacity and water filters. NIH failed to maintain sufficient stock of drugs and conducted only one general surgery during 2015-16, as against 158 surgeries done during 2013-15. The Paediatric ward was not functioning during 2013-16 due to damage of ceiling and 10 children were admitted in Female ward. There were instances of non-utilisation/under-utilisation of various laboratory equipment.

The National Institute of Homoeopathy, Kolkata (NIH) was established in 1975 as an autonomous body under the Ministry of AYUSH (Ministry), Government of India. NIH conducts undergraduate (UG) and postgraduate (PG) course for award of BHMS[1] and MD[2] degrees respectively. NIH operates hospital of 60 bed capacity since December 1975, subsequently increased to 100 bed capacity in June 2008. The Governing Body is the apex body and the Director is the Chief Executive Officer of the NIH. Audit of NIH covering the period from 2013-14 to 2015-16 was conducted from May 2016 to September 2016 to ascertain whether NIH provided efficient and effective medical care facilities to the patients. The audit was done by scrutiny of records as well as test check of records as made available by NIH. In their reply (December 2016) NIH stated that corrective actions were being taken by them on following audit findings;

1 Bachelor of Homoeopathic Medicine and Surgery
2 Doctor of Medicine (Homoeopathy)

however, no documentary evidence was furnished by them in support of their claim. Important findings are given in following paragraphs.

3.2.2 Functioning of Hospital

The position of patients treated in Outdoor Patient Department (OPD) and Indoor Patient Department (IPD) during 2013-16 is given in Table – 1.

Table - 1

Year	OPD		IPD	
	Total number of patients treated yearly	Number of patients treated daily[3] (Range)	Total number of patients treated yearly	Number of patients treated daily (Range)
2013-14	288051	133-2469	653	08-69
2014-15	303749	174-1956	611	12-53
2015-16	306855	126-2009	654	16-63

3.2.3 Outdoor Patient Department

NIH operated 16 OPDs for six days in a week. NIH provided free medicines from Dispensary and investigation facility[4] at a nominal cost to patients. Following deficiencies in the facilities provided to the patients were noticed:

3.2.3.1 Seepage of toilet water

World Health Organisation (WHO) recommends[5] that persistent dampness[6] and microbial growth on interior surfaces and in building structures should be avoided or minimised, as they may lead to adverse health effects. It was noticed that cracks in the beams and the ceiling led to seepage of toilet water from the first floor of the hospital building into three OPDs at ground floor. The persistent dampness in those OPDs may create adverse health effect on patients. While accepting audit observation NIH stated (December 2016) that the matter regarding repair/renovation had been taken up with CPWD.

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[3] Attendance of patients on days adjacent to festival were not considered; range considered taking usual six days (Monday to Saturday) a week

[4] Pathology, Bio-chemistry, Radiology, Ultrasonography, Lung Function Test, Electrocardiograph

[5] Para 5.3 of WHO Guidelines for indoor air quality, dampness and mould

[6] Includes a history of water damage, leakage or penetration

3.2.3.2 Improper ventilation

WHO advocates that ventilation should be distributed effectively throughout spaces and stagnant air zones should be avoided. Audit noted that OPD rooms and the waiting rooms were stuffy and did not have adequate ventilation. In August 2013, although the OPD-in-charge stressed the need for arranging proper ventilation, no action has been initiated by NIH. NIH accepted the observation and stated (December 2016) that the matter regarding repair/renovation had been taken up with CPWD.

3.2.3.3 Inadequate sitting/drinking water facility

As per Indian Public Health Standards of Director General of Health Services (DGHS), enquiry counter, proper sittings arrangement, drinking water, and ceiling fans are required in hospitals. However, sitting facility for OPD patients and water filters (existing two filters supplying 2400 litre against the demand of 9000-12000 litre per day[7]) were inadequate to meet the requirement of the patients. Moreover, no fan was provided in the registration shed (tin roofing). Further, there was no dedicated information counter also. NIH stated (December 2016) that the matter regarding procurement of chairs/RO machines had been taken up. However, the reply was silent on the issues of non-availability of fan/ dedicated information counter.

3.2.4 Indoor Patient Department

NIH operates IPD for 100 bed capacity. 48 beds were earmarked for male and 52 beds for female patients including four beds for maternity and six beds for paediatric patients. The deficiencies noticed in IPD are discussed in succeeding paragraphs.

3.2.4.1 Bed availability *vis-a-vis* occupancy

The NIH (June 2008) enhanced the bed strength from 60 to 100. However, during 2013-16 only 70 to 72 beds were available and the occupancy of beds was only 32 to 38. The low availability of beds was attributed mainly due to the damaged roof of the hospital and shortage of staff by 56 *per cent* of strength. NIH accepted the audit observation and stated (December 2016) that action had been taken to repair the building by CPWD. However, the reply was silent on the issue of shortage of staff.

[7] As per assessment made by Maintenance-Cum-Store Officer I/C of NIH

3.2.4.2 Under-utilisation of operation theatres

NIH had two Operation Theatres (OT) for three types of surgeries *i.e.,* General, Gynaecological and Eye. Due to absence of regular surgeon[8], only one general surgery was conducted during 2015-16, as against 158 surgeries[9] done during 2013-15. As per the information made available to audit since the duration of engagement per month is 20 hours (as approved by SFC) no surgeon showed willingness to work on contractual basis. NIH accepted the observation and stated (December 2016) that the process had been initiated to recruit surgeon by direct recruitment as well as on call basis for utilising OT.

3.2.4.3 Non functioning of Paediatric Ward

As per para 4.1.3.8 of Indian Standard Guidelines for Nursing Homes, the paediatric clinic should provide medical care for infants and children up to the age of 12 years. Owing to the risk of infection it is essential to isolate the paediatric clinic from other clinics. Audit noted that the Paediatric ward was not functioning during 2013-16 due to damage of ceiling and 10 children were admitted[10] in Female ward. Thus, there was a risk of infection to paediatric patients by keeping them with the adult patients. NIH accepted the observation and stated (December 2016) that action had been taken to repair the building by CPWD.

3.2.5 Deficiencies in functioning of laboratory

Audit reviewed the functioning of laboratory and noticed the following deficiencies:

3.2.5.1 Non-conducting of certain tests

Despite having Clinical Pathology and Clinical Bio-Chemical Department in the Laboratory Wing, NIH directed 23 IPD patients[11] to undergo seven clinical pathology and 16 Biochemistry tests from outside. NIH stated that engagement of Pathologist for limited hours[12]; shortage of qualified staff and absence of required equipment[13] were the reasons for non-conducting of such tests. NIH

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8 The post became vacant due to retirement of surgeon in March 2015.
9 99 in 2013-14 and 59 in 2014-15.
10 On scrutiny of records for March 2014, March 2015 and March 2016.
11 Sample selected for March 2014, March 2015 and March 2016.
12 Pathologist is engaged only for 40 hours in a month.
13 NIH hospital is provided with semi-automated analyser which takes more time to provide report.

accepted the observation and stated (December 2016) that steps had been taken to fill up the single lab technician post at the earliest.

3.2.5.2 Inadequate X-ray facility

The X-ray unit of NIH runs with two analogue X-ray machines. One technician and one contractual Radiologist were engaged only for a limited[14] hours for preparation of X-ray report. Though the demand (March 2008) for the second (new) X-ray machine was for a digital one, NIH purchased (March 2008) an analogue X-ray Machine without any recorded reason. The new machine was installed in July 2010. Further, out of 700 X-ray done at NIH, only in 200 cases, new X-ray machine was used and the hospital took 1 to 5 days to prepare the X-ray reports. Further, in 13 cases, the IPD patients were directed to get their X-ray done from outside as the digital X-ray report was required. NIH stated that time taken for preparation of report was due to engagement of Radiologist for limited hours. NIH also stated (December 2016) that action had been initiated for filling up the vacant post of the X-ray technician.

3.2.6 Non-utilisation/Under-utilisation of equipment

Four equipment were either not utilised since procurement/installation or not properly utilised *viz.* (i) Laparoscopic Machine valuing ₹ 45.68 lakh was not utilised since installation (August 2010) due to non-availability of trained staff and as a result Laparoscopic surgery could not be carried out, (ii) Biometry Machine valuing ₹ 2.29 lakh was not utilised since procurement, (April 2009) due to non-procurement of parts of the machine (Refractometer and Slit lamp) and as a result Ophthalmology test could not be carried out. (iii) Operating Microscope valuing ₹ 3.50 lakh was not utilised since April 2014 due to absence of trained technician and as a result NIH had to refer 10 to 20 surgery cases every month to other hospitals, and (iv) Endoscopic machine valuing ₹ 36.93 lakh could not be utilised since March 2015 due to retirement of concerned Surgeon. Audit scrutiny of records for the month of March 2016 revealed that NIH had to refer three patients for Endoscopic test to other hospitals due to absence of surgeon.

NIH accepted the observations and stated (December 2016) that the process had been initiated to recruit surgeon by direct recruitment as well as on call basis for optimum use of equipment.

[14] 40 hours in a month.

3.2.7 Stock management of drugs

The stock management of drugs was not proper as evident from the following:-

3.2.7.1 Non-dispensing of certain drugs

Based on the list of medicines commonly prescribed by doctors of NIH, Essential Drug List (EDL)[15] and NIH Drug Formulary[16], NIH procured drugs. Audit noted that during 2013-16, 37 medicines of EDL and 57 drugs of NIH formulary were not available in stock for a period ranging from 40 to 434 days and 46 to 619 days respectively. Audit also noted that though the doctors prescribed three medicines of EDL and five medicines of NIH formulary during November 2014 to February 2016 to five and eight IPD patients respectively, the same could not be provided to the patients due to non-availability of these medicines. NIH stated (December 2016) that requisite drugs had been procured and were being provided to the patients.

3.2.7.2 Expired medicine

NIH has not laid down procedure for procurement/inventory management of drugs. Audit noted that 34 drugs of NIH formulary valuing ₹ 10.19 lakh purchased in March 2010 expired during the period from August 2013 to March 2015. While accepting audit observation NIH stated (December 2016) that steps had been taken to maintain maximum and minimum stock of medicines to prevent expiry of drugs.

3.2.8 Absence of quality assurance

Audit examination revealed absence of quality assurance measures as would be evident from the following:-

- Hospital Infection Prevention and Control Guidelines[17] specifies that potable water testing shall be carried out routinely for bacterial cultures in laboratory from all patient care units, hospital kitchen, canteens and hostels – preferably once in a month. However, NIH did not carry out testing of potable water to ensure quality.

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[15] Issued by the Ministry of AYUSH in March 2013.
[16] Prepared by NIH in May 2009.
[17] Issued by National Centre for Disease Control, Govt. of India, Vide Para 3.4.6.

- As per WHO Guidelines[18] on Prevention and Control of Hospital Associated Infections each hospital is to develop its own infection control manual. NIH, however, neither had any infection control manual nor any programme to prevent the risk of hospital associated infections during 2013-16.
- Hospital Manual[19] indicates that electro-mechanical laundry equipment like washing machine, hydro extractor (spin and dry) and dry tumbler should be available in Hospital. In NIH, there was no laundry machine and dhobi carried out washing of linen provided to the IPD patients. Moreover, except cloths pertaining to OT, the linens provided to the IPD patients were not disinfected.
- There were five incidences of rat bites on IPD patients in the months of July 2014, September 2014 and April 2015 and the patients had to be referred to another hospital for treatment. NIH, however, took pest control only for three months (September-November 2014) during 2013-16.

NIH stated (December 2016) that training of hospital staffs and doctors was held in September 2016 but did not offer comments on the issues of quality assurance.

3.2.9 Conclusion

The medical care facilities in National Institute of Homoeopathy suffered from deficiencies *viz.* seepage of toilet water in three Outdoor Patient Departments, improper ventilation and inadequate sitting arrangements/drinking water in Outdoor Patient Departments, non-dispensing of certain drugs, under-utilisation of operation theatres, non-functioning of paediatric ward, non-testing of potable water, absence of infection control manual/programme and inadequate rat control exercise. There were also instances of non-conducting of certain pathological tests and non-utilisation/under-utilisation of various laboratory equipment.

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

[18] Issued by WHO, Regional Office, New Delhi.
[19] Para 8.22 of Hospital Manual issued by DGHS, Government of India

National Research Institute of Ayurvedic Drug Development, Kolkata

3.3 Blockage of funds

National Research Institute of Ayurvedic Drug Development did not ascertain the eligibility of National Project Construction Corporation Limited (NPCCL) under Rule 126 (2) of General Financial Rules 2005 (GFR), before awarding the work as well as releasing the payment. Also, Ministry of AYUSH took more than two years' time to ascertain the eligibility of NPCCL under provision of GFR. This led to blocking of fund of ₹ 14.30 crore with NPCCL and consequent loss of interest of ₹ 1.44 crore during the period from April 2012 to August 2014.

As per Rule 126 (2) of General Financial Rules (GFR), as amended[20] in August 2010, a Ministry or Department may at its discretion, assign repair works estimated to cost above thirty lakh and original works of any value to any Public Sector Undertakings (PSU) set up by the Central or State Government to carry out civil or electrical works or any other Central/State Government organisation/PSU which may be notified by the Ministry of Urban Development (MoUD) after evaluating their financial strength and technical competence.

In October 2009, CCRAS[21] instructed National Research Institute of Ayurvedic Drug Development (NRIADD), Kolkata to invite preliminary estimate from reputed Public Sector Organisations and to award the work to the lowest bidder for construction of a new building at NRIADD campus. Accordingly, NRIADD invited (November 2009) preliminary estimate from Government agencies against which four agencies submitted estimates. After analysing the estimates, NRIADD selected (December 2011) National Project Construction Corporation Limited (NPCCL), a PSU under the Ministry of Water Resource (MoWR). However, fulfilment of eligibility criterion of NPCCL as required under GFR was not ascertained by NRIADD at the time of selection.

In March 2012, NRIADD entered into a Memorandum of Understanding (MoU) with NPCCL for the construction work at a total estimated cost of ₹ 43.26 crore[22]. The work was to be completed in three phases within three years from the date of deposit of the fund. NRIADD placed requisition for work to NPCCL in March 2012 and deposited (March 2012) ₹ 14.30 crore to NPCCL.

[20] Vide OM no. 15(1)/E-II(A)/2010 dated 20 August 2010, Department of Expenditure, Ministry of Finance

[21] Central Council for Research in Ayurveda and Siddha

[22] At price level of 2009

However, in April 2012, the Ministry of Health and Family Welfare, Department of AYUSH[23] circulated observation of Integrated Finance Division (IFD) that NPCCL was not notified by the MoUD for the purpose of carrying out civil or electrical works and hence, consultation with MoUD would be necessary for assigning the work to NPCCL. Consequently, NRIADD, instructed (April 2012) NPCCL to keep the work in abeyance. Thereafter, MoWR requested (July 2012) Department of Expenditure (Ministry of Finance) to confirm that the NPCCL being a Public Works Organisation is not required to be notified by MoUD for the purpose of assigning works by any Ministry/Department. Department of Expenditure replied (August 2012) citing the reference of DoE OM dated 20 August 2010 which, *inter-alia,* stated that 'under rule 126 (2) of GFR, Ministry or Department may at its discretion assign repair works estimated to cost above Rupees thirty lakh and original works of any value to any public sector undertakings set up by the Central or State Government to carry out civil or electrical works'. Subsequently, another clarification was issued by DoE (April 2013) to all the Ministries/Departments which re-iterated the eligibility of a PSU set up by Central or State Government to carry out civil or electrical works, to be treated under GFR 126 (2). Accordingly, based on DOE's clarification dated April 2013, MoWR wrote (April 2013) to Department of AYUSH that NPCCL fulfilled the criteria under GFR 126 (2), hence was not required to be notified as a public works organisation, and requested to treat NPCCL under GFR 126 (2). Based on the DoE's clarification dated April 2013, Department of AYUSH confirmed (May 2013) to MoWR that the work could be awarded to NPCCL under GFR 126 (2) and stated that the matter was under process for seeking concurrence of IFD.

Due to the delay, IFD inquired (March 2014) about the revised cost estimate of the work. NPCCL submitted (May 2014) revised cost estimate[24] of ₹ 52.70 crore for the work. In September 2014, the IFD gave concurrence for execution of the work at the revised cost and in October 2014, NRIADD intimated NPCCL to resume the work. The stipulated date of completion of the work was revised from March 2015 to October 2017. Audit noted that till May 2016, only 15 *per cent* of the work was completed and a total amount of ₹ 14.22 lakh was incurred by NPCCL.

[23] Department of AYUSH was later formed as Ministry of AYUSH from November 2014
[24] At October 2012 price level

Thus, NRIADD failed to ascertain the eligibility criterion of NPCCL in terms of Rule 126 (2) of GFR before awarding the work as well as releasing the payment to them. Ministry of AYUSH also failed to interpret the GFR condition correctly and took more than two years (April 2012 to September 2014) to confirm the eligibility of NPCCL for executing the work under provision of GFR. This led to blocking of fund of ₹ 14.30 crore with NPCCL and consequent loss of interest of ₹ 1.44 crore during the period from April 2012 to August 2014.

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

CHAPTER IV : MINISTRY OF CHEMICALS AND FERTILIZERS

Fertilizer Industry Coordination Committee

4.1 Non-recovery of interest on overpaid subsidy

Interest of ₹ 25.78 crore was not recovered on overpaid subsidy due to downward revision of concession rate.

Fertilizer Industry Coordination Committee (FICC) instituted a revised procedure (26 March 2004) for submission of bills for payments/recoveries in respect of urea units. As per this procedure, in case of any recovery from units arising out of de-escalation in the input prices and consequent downward revision in the group concession rate, the differential amount[1] was required to be deposited by these units within a period of 45 days. Delayed credits attracted interest at the rate of 3 *per cent* above the State Bank of India's prime lending rates.

Test check of records for the years 2013-14 to 2015-16 revealed that consequent upon notification of de-escalation of concession price, the urea units mentioned in the table below were required to deposit the differential amount of ₹ 1506.03 crore to FICC. It was, however, observed that instead, FICCI recovered/ adjusted the amounts from the subsequent subsidy payments to these units, and though delays in such recovery/adjustment ranged from 8 to 142 days, FICC did not recover interest of ₹ 25.78 crore. Details are given below:

Sl. No.	Name of the Unit	Date of notification of de-escalation	Due date by which the differential amount was to be deposited by the unit	Date on which differential amount was recovered by FICC from subsequent bill	Delay in recovery of the differential amount (delay in days)	Amount recovered by FICC on account of annual de-escalation (₹ in crore)	Prime lending rate on the due date	Rate of interest required to be levied (3 *per cent* above SBI prime lending rate)	Non recovery of interest (₹ in crore)[2]
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1.	Chambal Fertilizers and Chemicals Ltd-I	01.10.2013	15.11.2013	02.04.2014	137	15.60	14.75	17.75	1.03
		06.01.2015	20.02.2015	06.04.2015	44	53.14	14.75	17.75	1.14

[1] Difference between net realisation and rate of concession

[2] Calculation of non-recovery of interest = (Col. F x Col. H x Col. E) / (100x365)

2.	Gujarat Narmada Valley Fertilizers Corporation	26.11.2013	10.01.2014	04.04.2014	83	12.22	14.75	17.75	0.49
		09.06.2015	24.07.2015	12.08.2015	18	207.01	14.45	17.45	1.78
3.	Indo Gulf Fertilizers	22.12.2014	05.02.2015	07.04.2015	60	41.44	14.75	17.75	1.20
4.	KRIBHCO	12.09.2013	27.10.2013	22.01.2014	86	119.47	14.55	17.55	4.94
5.	National Fertilizers Ltd. Vijaypur-II	11.12.2012	25.01.2013	16.04.2013	80	116.89	14.50	17.50	4.48
		10.02.2015	27.03.2015	07.04.2015	10	178.55	14.75	17.75	0.86
6.	National Fertilizers Ltd. Bhatinda	24.06.201 5	08.08.2015	17.08.2015	08	515.18	14.45	17.45	1.97
				15.09.2015	37	39.04	14.45	17.45	0.69
7.	Tata Chemicals Ltd.	30.11.2012	14.01.2013	06.06.2013	142	79.33	14.50	17.50	5.40
		22.01.2015	08.03.2015	07.04.2015	29	128.16	14.75	17.75	1.80
					Total	**1506.03**			**25.78**

Thus, non-observance of the prescribed procedure by FICC resulted in non-recovery of interest of ₹ 25.78 crore on delayed credits arising due to de-escalates in concession rate.

Department of Fertilizers (DoF) replied (May 2016) that sometimes, FICC was unable to make timely subsidy payments to the urea units due to non-availability of budget, but no interest was paid to the units. If interest was levied on the units for delayed recovery/adjustment of downward revision of group concession rate, the urea units may resort to litigation, and FICC may not be able to defend their stand.

The reply of DoF is not acceptable. The provision for recovery of interest was instituted by FICC, and it was presumably done with full understanding of ground realities.

CHAPTER V : MINISTRY OF CIVIL AVIATION

Bangalore International Airport Limited, Bangalore (BIAL)

5.1 Doubtful recovery of outstanding dues because of failure of fiduciary duty

Ministry failed to ensure that BIAL fulfill its fiduciary duty to promptly realise the security fees from the airlines and remit the same in escrow account. As a result, outstanding dues against airlines accumulated and recovery of ₹ 9.19 crore from Kingfisher Airlines was rendered doubtful.

Ministry of Civil Aviation (MoCA) signed (5 July 2004) a concession agreement with Bangalore International Airport Limited (BIAL) for the development, construction, operation and maintenance of the Bangalore International Airport. Article 8.5.1 of the agreement provides for levy of security fee in terms of the Aircraft Rules, 1937 from each departing passenger. In terms of the Standard Operating Procedure (SOP) issued (19 January 2009) by MoCA, this security fee, termed as Passenger Services Fee (Security Component) (PSF (SC)), is to be collected by BIAL through the airlines. BIAL in turn is required to bill the respective airlines for PSF (SC) and the payment so received from the airlines is to be deposited immediately in an escrow account with a scheduled nationalised bank in a fiduciary capacity. The SOP requires BIAL to ensure realisation of dues from the airlines regularly. BIAL is also required to furnish MoCA with copies of its audited annual accounts.

BIAL, however, failed to exercise fiduciary responsibility and airlines were allowed to accumulate dues. As of 31 March 2014, the amount outstanding from the Airlines was ₹ 16.77 crore out of which ₹ 9.64 crore was outstanding for a period of more than one year. The outstanding amount further increased and as of 31 March 2016, the same was ₹ 17.44 crore out of which ₹ 10.12 crore was outstanding for a period of more than one year. Out of this, ₹ 9.19 crore was due from Kingfisher Airlines from 2012-13 onwards. Kingfisher Airlines ceased operations in September 2012.

Though, MoCA received periodic accounts from BIAL and Article 13.3 of the agreement provided for the consequences of a 'BIAL Default Event' stipulating payment of dues by BIAL within twenty-one days of a request from Government of India, at no time did MoCA direct BIAL to collect and remit outstanding dues in the escrow account. The SOP also did not provide for levy of penal interest for non-payment of dues by the Airlines on time. In the absence of such a clause, non-recovery of dues constituted an interest free loan to Kingfisher Airlines.

On the matter being raised in audit (February 2014), BIAL sought (March 2014) approval of MoCA to write off the dues recoverable from Kingfisher Airlines. The proposal of BIAL is not tenable as it would be an undue favour to the defaulter and condonation of failure of BIAL to fulfil its fiduciary responsibility.

Thus, Ministry failed to ensure that BIAL fulfilled its fiduciary duty to promptly realise the security fees from the Airlines and deposit the same in escrow account. As a result, outstanding dues against airlines accumulated and recovery of ₹ 9.19 crore from Kingfisher Airlines was rendered doubtful.

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

CHAPTER VI : MINISTRY OF COAL

Coal Mines Provident Fund Organisation

6.1 Management of Funds

Non-implementation of recommendations of the actuary led to acute deficit in Pension Fund, incorrect diversion of funds from Provident Fund Account to Pension Fund Account, non-adherence to Ministry's guidelines for investment of Provident Fund of own employees, incorrect payment of interest, excess payment of pension, untraced balance of ₹ 1.71 crore for more than seven years, non-linking of Current Accounts with Corporate Liquid Term Deposit Scheme and non-review of rate of administrative charges adversely affected financial interests of the members of the Coal Mines Provident Fund Organisation.

Coal Mines Provident Fund Organisation (CMPFO), an autonomous organisation under the Ministry of Coal (MoC), was established under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 to provide social security, inculcate a spirit of savings and to provide for the future of all eligible employees of coal industry (public or private sector) on their retirement or for their dependents. The Act was enacted to make provisions for administering Provident Fund (PF) Scheme, Pension Scheme and Deposit Linked Insurance (DLI) Scheme for persons employed in coal companies, and to provide them with lump sum retirement benefits, monthly pension/family pension, insurance coverage etc.

The Board of Trustees (Board) is the administrative agency for implementing the schemes and consists of representatives of Central/State Government, employers and employees. The Coal Mines Provident Fund Commissioner is the *ex-officio* member of the Board and overall in-charge of the Organisation. At the State level, the schemes are implemented through 24 Regional Offices (RO) located in different states, headed by Regional Commissioners. The Headquarters of CMPFO is located at Dhanbad, in Jharkhand.

The financial activities of CMPFO were reviewed to assess whether CMPFO:

- administered its funds effectively and efficiently to protect the financial interest of its members;
- reviewed the rate of recovery of administrative charge from employers to defray the cost of administration of the Provident Fund;

The audit covered the period from 2013-14 to 2015-16. Records maintained at Headquarters, Dhanbad and 13 ROs located at Jharkhand, West Bengal and Chhattisgarh were test checked.

6.1.2 Audit Findings

Audit observed that funds of different CMPFO schemes were not effectively utilised leading to sub-optimal achievement of organisational objectives which adversely affected financial interests of the members. Audit also observed that internal audit, which is important to ensure monitoring and control, had not been conducted regularly in any of the ROs of CMPFO. The audit findings are discussed in the subsequent paragraphs.

6.1.2.1 Non-implementation of recommendations of the actuary led to acute deficit in Pension Fund

As per Coal Mines Pension Scheme (CMPS), 1998, the Board is required to appoint an actuary every three years to review and value the Pension Fund every third year so that, the rates of contribution payable under the Scheme or the scale of any benefits admissible or the period for which such benefit may be allowed, may be amended if warranted.

Audit, however, observed that:

- Since introduction of CMPS in 1998, actuarial valuation of the Pension Fund was not conducted regularly every three years. So far, actuarial valuation of Pension Fund has been conducted in 2001, 2005, 2012 and 2013 but the recommendations were never implemented. The actuary appointed in October 2015 was required to submit the valuation report (as on 01 April 2015) by January 2016. The actuary, however, submitted the draft report for confirmation of the Management in October 2016, which was yet to be finalised (November 2016).

- The "Committee of Group of Officers" (represented by Ministry of Coal, Coal India Limited, Employees Provident Fund Organisation (EPFO) and CMPFO) constituted for examining the valuation report of actuary as on 31 March, 2012 had recommended (October 2012) re-modeling/ restructuring of CMPS 1998 and fixation of upper and lower ceiling of monthly pension in line with the provisions of Employees Provident Fund Scheme. The Committee also recommended (September 2013) enhancement of the Pension Fund by revising the rate of contribution. These recommendations were yet to be implemented (November 2016).

- The latest available valuation report of Pension Fund highlighted a net deficit of ₹ 19,698.58 crore as on 31 March 2013 after adjusting its value of assets (₹ 14,819.46 crore) and current contribution (₹ 6,643.21 crore) from total liability of ₹ 41,161.25 crore. The actuarial report had opined that if this trend of deficit was allowed to be continued for another 16 years, the balance of the fund would be eroded and those who contributed for the Pension Fund would not receive any pension. The report strongly recommended enhancement of the rate of contribution to 19.46 *per cent* of salary from the existing contribution rate of 4.91 *per cent* (effective since 1998) for sustainability of the Pension Fund. No action had been yet taken on this recommendation.

While accepting the audit contention, Management stated (August 2016) that any review or revision of pension under CMPS 1998 should be as per recommendation of the Board and as approved by the Central Government. Since the Board had not made any recommendation on the reports of the actuary, revision of rate of contribution for Pension Fund had not been done.

Thus due to non-revision of the rate of contribution to the Pension Fund as per the recommendations of the actuary, there was a mounting deficit of ₹ 19,698.58 crore as on 31 March 2013, which may have serious implications on the financial interest of the existing as well as future pensioners. Audit noticed that in order to overcome the deficit in the Pension Fund, CMPFO had to resort to irregular diversion of fund from Provident Fund account, which is discussed in the subsequent paragraph.

6.1.2.2 Incorrect diversion of fund from Provident Fund account to Pension Fund account

As per Coal Mines Provident Fund Scheme 1948, the amount standing in the PF account should not be expensed or diverted for any purpose other than for payment of the sums standing credit to the members of the fund or their nominees or heirs or legal representatives, in accordance to the provisions of the PF Scheme.

During examination of utilisation of fund of PF scheme, Audit observed that:

- CMPFO diverted ₹ 3520.14 crore from PF account to Pension Fund account during 2007-08 to 2014-15[1] to meet the deficit of Pension Fund. Out of this, an amount of ₹ 1737.99 crore had been returned (October 2014) to the PF account, leaving an outstanding liability of ₹ 1782.15 crore which was yet (August 2016) to be returned to PF account.

- PF account did not receive any interest from Pension Fund account on ₹ 613.78 crore diverted during the period from 2007-08 to 2009-10, though CMPFO had to pay interest at the rate of 8 *per cent* on an average to its members during the same period. Later, CMPFO started paying interest at the rate of 6 to 8.75 *per cent* (2010-11 to 2014-15) to the PF account on the diverted fund. This interest rate was lower compared to the interest rate of 6.92 to 8.55 *per cent* earned by PF account during 2010-11 and 2011-12. Thus, PF account received lower interest of ₹ 75.30 crore during the period, 2007-08 to 2014-15.

The Management stated (August 2016) that the amount of excess withdrawal of ₹ 1782.15 crore from PF account would be fully adjusted from Pension account in the coming year. There was no loss of interest because the money diverted from PF account was earning interest by investment under Pension head. Investment under Pension head also followed the same pattern as applicable for PF investment.

The reply is not acceptable as the diverted fund was returned to PF account without any interest for the period from 2007-08 to 2009-10 and at lower rate of interest for the period from 2010-11 to 2011-12. Further, the diversion of fund from PF account to Pension Fund account was itself a violation of provisions of Coal Mines Provident Fund (CMPF) Scheme.

6.1.2.3 Non-adherence to Ministry's guidelines for investment of Provident Fund of own employees

Ministry of Finance (MoF), Department of Economic Affairs prescribed (August 2008) ceilings for investment of Non-Government Provident Funds, Superannuation Funds and Gratuity Funds in Government Securities (55 *per cent*), Debt Securities/Term Deposits (40 *per cent*), Money Market instruments (5 *per cent*), shares of companies (15 *per cent*). It was also provided that at no time, investments in any category would exceed 10 *per cent* of the prescribed limit.

[1] There was no diversion of fund in 2015-16.

It was however observed in Audit that:

- Violating the prescribed pattern for investment, CMPFO invested the entire amount of General Provident Fund (GPF) contribution of its own employees for the period under audit (2011-16) in short term deposits of State Bank of India against the allowed 44 *per cent*[2] of the total amount of investment.

- CMPFO paid interest at the rate of eight *per cent* to its employees on their GPF contribution during 2008-09 to 2010-11. However, CMPFO earned interest at lower rates (5.25 *per cent* and 7.75 *per cent*) through term deposit during the same period. Payment of interest at higher rate resulted in erosion of PF and loss of ₹ 1.56 crore during the period from 2008-09 to 2010-11.

While accepting the audit contention, the Management stated (August 2016) that Board had approved the investment of fund under GPF through appointed portfolio manager. Life Insurance Corporation of India (LIC) had been appointed as fund manager for managing the GPF as per the investment guidelines issued by the Government of India and transfer of fund to LIC was under process.

6.1.2.4 Incorrect payment of interest

CMPF scheme provides for payment of interest on the balance available in the PF accounts of the members at such rate as determined by MoC in consultation with CMPFO Board. Audit observed that for the year 2013-14, CMPFO Board recommended (January 2014) interest at the rate of 8.75 *per cent* to their members. MoC however communicated (October 2015) approval of interest at the rate of 8.5 *per cent* only for the year 2013-14. CMPFO had already credited excess interest of 0.25 *per cent* (8.75 *per cent* – 8.50 *per cent*) to the PF accounts of its employees.

While accepting the facts, Management stated (August 2016) that interest is credited to the accounts before final settlement, at the rate recommended by Board. As per previous practice, the Government declared the same rate as recommended by Board. However, when the rate of interest of 8.75 *per cent* recommended by Board for 2013-14 was reduced to 8.50 *per cent* by the

[2] Prescribed limit of 40 *per cent* + 10 *per cent* of 40 *per cent* = 44 *per cent*.

Government, immediate action was taken as soon as the reduced rate was communicated to CMPFO.

The reply of Management is not tenable in view of the fact that there was inordinate delay in communicating the recommendation of Board to MoC (for more than ten months) and further delay (of nine months) in getting approval of MoC which led to excess credit of interest to the members. Though, Management had taken action for reduction of interest based on the communication of the Ministry, the excess payment of interest amounting to ₹ 0.51 crore to 575 retired/deceased members could not be recovered.

6.1.2.5 Excess payment of Pension

CMPFO entered into an agreement (December 2004) with IDBI bank, Mumbai for disbursing pension under CMPS. Audit observed that pensioners of Godavarikhani Region under Regional Office, Hyderabad received excess arrears in the month of February 2006 on account of double payment to the pensioners by IDBI bank. IDBI stated (April 2006) that such excess payment of ₹ 18.11 crore to 10340 pension holders was made based on the data supplied by CMPFO, Dhanbad office. Till February 2016, IDBI bank could recover an amount of ₹ 14.19 crore and the balance of ₹ 3.92 crore was yet to be recovered (August 2016).

While accepting the facts, the Management stated (August 2016) that possible measures had been taken to recover the balance unrecovered amount. For disbursement of pension, IDBI bank was replaced by 14 nationalised banks.

6.1.2.6 Untraced balances of ₹ 1.71 crore for more than seven years

Headquarters of CMPFO at Dhanbad maintained 16 bank accounts with State Bank of India for running its day to day operation. Audit observed that CMPFO detected a shortage of ₹ 1.71 crore[3] in 2008 and since then, the above amount remained un-recovered. The issue was repeatedly highlighted by Audit in the Separate Audit Reports but no fruitful action had been taken to reconcile the shortage with the bank and recover the same till date (August 2016).

3 ₹ 0.95 crore in Account No. III (Administrative Account), ₹ 0.73 crore in Account No. V (GPF Account of the employees of CMPFO and ₹ 0.02 crore in Account No.VI (Pension cum Gratuity Fund for employees of CMPFO).

While accepting the facts, Management stated (August 2016) that the untraceable balances pertained to the year 2008 and earlier. Attempt was made to trace the amount but was not fruitful. It was also assured that CMPFO was now trying to coordinate with the banker to trace the amount.

The reply did not address the basic issue as to how such shortage remained un-reconciled and why no action was taken. Thus, due to absence of proper financial control, the amount of ₹ 1.71 crore has remained untraced for more than seven years.

6.1.2.7 Non-linking of Current Accounts with Corporate Liquid Term Deposit Scheme

Out of the sixteen current accounts maintained by CMPFO at Headquarters, Dhanbad, Account No. 1 was the main account for receipt and disbursement of funds. Since balance in the current account did not earn interest, it was beneficial for the organisation to link the current accounts with the Corporate Liquid Term Deposit (CLTD) scheme of the bank for automatic transfer of unutilised balance and earning interest thereon.

Audit examined the balances lying in the Account No.1 of CMPFO, Dhanbad and observed that substantial balances were lying unutilised for significant periods without earning any interest. Test check of balances lying un-utilised for more than seven days in 2014-15 and 2015-16 revealed that CMPFO lost the opportunity to earn interest of ₹ 1.66 crore (computed at the rate of 7 *per cent per annum* on term deposits offered by SBI w.e.f. October 2014).

While accepting the audit contention, Management stated (August 2016) that linking of all current accounts with CLTD scheme would be completed by October 2016. Subsequently, CMPFO stated (December 2016) that all the current accounts of the organisation had been converted into CLTD.

6.1.2.8 Non review of rate of administrative charges

CMPFO collects administrative charges at the prescribed rate on the contribution for Provident Fund made by members and employers to defray the cost of administering the fund. This rate was to be reviewed from time to time by Central Government in consultation with the Board. The last review was undertaken in 1981 when the rate of administrative charges was fixed at 3 *per cent*.

Audit observed from the Income and Expenditure Statements of the Administration Fund of CMPFO that there were consistent surplus, of ₹ 238.37 crore, ₹ 357.63 crore and ₹ 266.19 crore at the end of the financial years 2012-13, 2013-14 and 2014-15 respectively, after meeting all the regular expenditures related to administration of Provident Fund. The surplus was available to CMPFO even after incurring irregular expenditure on electricity charges (of ₹ 2.16 crore for electricity consumed by employees of CMPFO during 2010-11 to 2014-15 in violation of the instructions issued by MoC as pointed out in para no. 4.1 of C&AG's Civil Report No. 11 of 2016) and capital expenditure (of ₹ 0.88 crore for procurement of fixed assets during 2012-13 to 2014-15) which was not permissible as per CMPF scheme. Despite such persistent surpluses, CMPFO did not review the rate of administrative charges recovered during the last 35 years.

Management stated (August 2016) that CMPFO was a self-funded autonomous organisation for managing the schemes run by it through staff and officers having pay structure of Central Government including the benefits of pension, leave encashment and gratuity payable to them. Considering the administrative charges levied by CMPFO on the employer (coal companies) and lump sum grant received by CMPFO from Central Government on account of CMPS 1998, the percentages of expenditure over income during 2012-13 to 2014-15 were 53.74, 66.08 and 63.26 respectively. The yearly expenditure was expected to go up in 2015-16 by ₹ 120 crore and it would further increase due to impact of Seventh Pay Commission. Since yearly expenditure was more than 60 *per cent* of the collection which did not include the liability on account of pension, leave encashment and gratuity payable to its employees and no funding was received from Government on these account, CMPFO created a corpus from yearly savings, to meet all future liability including for the above. CMPFO appointed LIC for conducting actuarial valuation for pension, leave encashment and gratuity and as per preliminary evaluation, the valuation of which could go up to ₹ 800 – ₹ 900 crore.

The reply of Management is not tenable in view of the consistent surplus of income over expenditure, which ranged between 34 *per cent* and 46 *per cent* during 2012-13 to 2014-15. Further, collection of administrative charges, being a percentage of contributions, will also increase as and when contribution increases on account of revision of salaries. The Administration Account as on 31 March 2015 reflected current liabilities and provisions of ₹ 124.33 crore only against the assets of ₹ 2497.76 crore (liabilities being ~ five *per cent* of its assets).

6.1.3 Conclusion

The intended purpose of setting up of CMPFO would be seriously affected due to inadequacies in the management of funds earmarked for the benefit of the members. CMPFO failed to implement the recommendations of the actuary for revision of contribution to the Pension Fund which remained static for the last 17 years, leading to acute deficit of ₹ 19,699 crore as on 31 March 2013. To overcome the deficit in the Pension Fund, CMPFO resorted to irregular diversion of funds from the Provident Fund account of the members. CMPFO did not adhere to the guidelines of the Ministry of Finance regarding investments of PF of its employees and earned lower interest on its investments. Instances of excess payment of pension, irregular payment of interest and untraced balances were also noticed indicating poor monitoring and control. CMPFO did not review the appropriateness of the rate of administrative charges collected from the coal companies fixed 35 years ago resulting in accumulation of large volume of assets.

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

CHAPTER VII : MINISTRY OF COMMERCE AND INDUSTRY

Agricultural and Processed Food Products Export Development Authority (APEDA)

7.1 Ineffective monitoring by APEDA

Ineffective monitoring by APEDA resulted in non-utilisation of grant for the intended purpose. APEDA sustained a loss of ₹ 1.77 crore towards interest payable on funds received from Ministry of Commerce & Industry, as an identical clause for levy of interest was not inserted in the MoU signed with Spices Board.

Agricultural and Processed Food Products Export Development Authority (APEDA) established in 1986 is engaged in development of industries relating to scheduled products for export, registration of persons as exporters, fixing of standards and specifications of scheduled products, improving packaging and its marketing apart from providing financial assistance to exporters under various schemes *viz.* transport assistance, market development, infrastructure development, quality development etc.

Ministry of Commerce & Industry (MoCI) approved a proposal (August 2010) submitted by Spices Board (SB) for setting up Spices Park[1] in Guna, Madhya Pradesh under the scheme 'Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE)'. The total cost of the project was ₹ 45.19 crore in which the contribution of Government of India was ₹ 19.00 crore. As per funding pattern issued by MoCI in May 2011, APEDA was to contribute ₹ 6.12 crore (₹ 3.06 crore in two phases) towards construction of cold storage of 3000 MT capacity. The project was to be completed by 31 March, 2013. In compliance with the above directions of MoCI, APEDA approved in its 71st meeting held on 24-06-2011, financial assistance of ₹ 6.12 crore to be released to Spices Board for setting up of cold storage of 3000 MT (six modules–three modules in each phase and each module of size 675 sqm having 500 MT capacity) at Spices Park, Guna, M.P. under the scheme for Infrastructure Development. The Memorandum of Understanding (MoU) was executed between APEDA and SB on 5 January 2012.

1 Spices Parks are defined as industrial parks for processing and value addition of spices and spice products which offers the processing facilities at par with international standards.

Consequently, APEDA released total amount of ₹ 5.79 crore to Spices Board, i.e. first instalment of ₹ 3.06 crore in February 2012 and second instalment of ₹ 2.73 crore in March 2013 (including an amount of ₹ 0.29 crore towards processing fee). Spices Board informed APEDA (July, 2016) that a cold storage of 374 MT capacity has been created (instead of 3000 MT capacity envisaged as per approval). Considering pro-rata cost of the capacity so created as ₹ 0.80 crore only, APEDA requested (August and October 2016) Spices Board to refund the balance amount of ₹ 4.99 crore (i.e. total amount released by APEDA ₹ 5.79 crore less the pro-rata cost of ₹ 0.80 crore of cold storage constructed). Spices Board refunded (November 2016) the unutilised amount of ₹ 3.84 crore to APEDA.

Audit observed as under:

(i) As per Para 2(b) of the MoU with SB, second installment was to be released by APEDA in the financial year 2012-13, only after obtaining utilisation certificate (UC) in the format GFR 19A, for Ist installment of ₹ 3.06 crore. However, APEDA released the second installment of ₹ 2.73 crore (31 March 2013) against a UC received from Spices Board which certified that the grant received earlier has been utilised for the purpose of establishment of warehouse/cold storage.

APEDA ignored the fact that the grant was approved only for cold storage and released second installment against the above mentioned UC, in contravention of the provisions of Para 4 of the MoU which stipulated that the funds or facility shall not be diverted or utilised for the purpose other than for which it was sanctioned. APEDA also did not monitor effectively the progress of the project on monthly /quarterly basis. Moreover, a clause for furnishing of such periodical progress reports by SB was also not included in the MoU. APEDA came to know only in August 2013, when it conducted physical verification of project, that the infrastructure created at project was not in accordance with the MoU as instead of constructing cold storage, warehouses were constructed at the project.

(ii) A monitoring committee comprising representatives of Spices Board, APEDA, State Agriculture/Horticulture Department and APEDA Registered exporters was to be constituted in terms of Para 7 of MoU, to oversee the efficient functioning of the facility and to play advisory role. Accordingly, Spices Board nominated their representative to the committee on 6 February 2012 itself, i.e. before release of 1st installment of ₹ 3.06 crore by APEDA and, subsequently, constituted the committee in January 2013 wherein name of representative of APEDA was also given. First meeting of the Committee was also held on 28 February, 2013, however, APEDA was unaware of these developments till May 2013.

(iii) While releasing (September 2010) 1st installment of GoI contribution for the project, MoCI had directed to include necessary penal clause in the contract with the implementing agency, so that the project is not delayed. The same was, however, not included in MoU (January 2012) between APEDA and SB. APEDA, however did not insist for inclusion of such a clause in the MoU entered with SB, though, in some of MoUs entered by APEDA with other implementing agencies, during the same period, contained specific penalty clause. Thus in absence of a penal clause in MoU, there was no urgency on SB to get the project completed in a time bound manner.

(iv) MoCI order for release of grant for creation of capital assets (February 2012 and January 2013) clearly stated at Clause (xvii) that 'in the event of APEDA failing to comply with terms and conditions of the sanction, it shall be liable to refund the whole or part of the grant with interest @ 10 *per cent per annum* thereon'. APEDA, however, did not include an identical clause in the MoU signed with Spices Board.

Thus, despite release of grant of ₹ 5.79 crore to Spices Board, the intended objective of constructing cold storage of 3000 MT capacity could not be achieved even after a delay of more than three years. Further, due to non-inclusion of a penal clause in MoU (so that project is not delayed), APEDA was unable to recover penalty of ₹ 0.87 crore (₹ 5.79 crore x 5 *per cent* x 3 years from April 2013) from SB.

Management in its reply (September 2014) stated that APEDA followed the directions of MoCI and released the financial assistance (Grant) amounting to ₹ 5.79 crore to Spices Board. Management admitted that there were communication gaps in correspondence with Spices Board on constitution of the Monitoring Committee. Management further informed (November, 2016) that Spices Board has refunded (November 2016) ₹ 3.84 crore.

Management's reply was not acceptable as APEDA did not adhere to Ministry's directions (May 2011) for inserting a clause for payment of penalty in MoU to incentivise timely completion of project. The grant was diverted by SB for other purposes and remained unutilised for intended purpose for more than four years and the cold storage of 3000 MT capacity could not be constructed till date (November 2016). Further, APEDA has to pay interest of ₹ 1.77[2] crore as per terms mentioned in the sanction of grant received from MoCI. However, in the absence of identical clause in the MoU with SB for levying interest @10 *per cent* on the unutilised grant, APEDA may not be able to recover the same from SB.

Thus, ineffective monitoring by APEDA resulted in non-utilisation of grant of ₹ 5.79 crore for intended purpose as the cold storage of reduced capacity was constructed after delay of more than three years. Moreover, APEDA sustained a loss of ₹ 1.77 crore due to non-inclusion of a clause in the MoU regarding levying of interest @ 10 *per cent per annum* on the unutilised grant refunded by Spices Board.

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

[2] Interest @ 10 *per cent* p.a. of ₹ 3.06 crore paid in February 2012 remained unutilised for 4 years	=	₹ 1.22 crore
Interest @10 *per cent* p.a. of ₹ 2.73 crore paid in March 2013 remained unutilized for 2 years	=	₹ 0.55 crore
	Total	**₹ 1.77 crore**

CHAPTER VIII : MINISTRY OF CULTURE

National Gallery of Modern Art

8.1 Idle investment on storage system

Failure of Ministry of Culture to fill up key posts in the National Gallery of Modern Art for over a decade resulted in failure to relocate 16,582 works of art to a new state of the art storage system, leading to idling of investment of ₹ 3.81 crore since March 2014.

As the existing arrangements for handling, storage and retrieval of art works in its collection were inadequate, the National Gallery of Modern Art (NGMA) proposed (October 2011) to set up[1] a State of the Art Storage System in a building constructed in 2009. The Ministry of Culture approved (July 2013) the proposal, and the work was completed (March 2014) for ₹ 3.81 crore. Till date (December 2016), NGMA has not shifted the 16,582 works of art in its collection to the new storage system.

NGMA attributed (February 2016) the failure to shift the collections to the fact that the posts of Deputy Curator and Curator of the art collection were lying vacant for the past ten years. NGMA further informed (August 2016) that the Central Industrial Security Force (CISF) had inspected (May 2016) the security arrangements and its report was awaited.

Audit further observed however, that though NGMA had filled up the posts of Curator and Deputy Curator in August/September 2016, and the CISF security report has also been received (August 2016), NGMA/Ministry has taken no decision on the security report and the art collection has not been shifted to the new storage system till date (December 2016).

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

[1] At the dedicated area in the basement of new wing of Jaipur House.

Tagore Cultural Complexes Scheme

8.2 Blockage of funds and loss of interest due to non-adherence to financial rules

Failure of Ministry of Culture to monitor a project and incorporate suitable clause as stipulated in the financial rules, resulted in blocking of ₹ 2.14 core and loss of interest of ₹ 0.86 crore on unutilised grant in aid released to Government of Goa under the Scheme for Tagore Cultural Complexes.

Rule 209 (6) (xi) of the General Financial Rules (GFR) stipulates that the clause regarding refund of the amount of grant in aid, with interest thereon, should be brought out clearly in the letter sanctioning the grant.

Ministry of Culture released grant in aid (March 2012) of ₹ 2.14 crore to Government of Goa towards a project to beautify the Rabindra Bhawan Complex at Margao under the Scheme for Tagore Cultural Complexes, with the requirement that the project was to be completed in six months. Ministry, however, failed to monitor the project. The State Government finally informed (September 2014) that due to technical difficulties, it could not utilise the fund and refunded the grant (March 2016). Since Ministry had failed to incorporate the interest clause in the grant sanction letter, interest of ₹ 0.86 crore could not be levied.

Thus, failure of Ministry to monitor the project and to incorporate interest clause in the sanction order as stipulated by the GFRs resulted in blockage of ₹ 2.14 crore for four years and loss of interest of ₹ 0.86 crore.

Ministry informed (July and September 2016) Audit that necessary provisions regarding interest would henceforth be incorporated. Ministry is however required to put a system in place for better monitoring of projects for which grants have been released, so that funds are not unnecessarily blocked.

CHAPTER IX : MINISTRY OF EXTERNAL AFFAIRS

9.1 Avoidable expenditure on rent for Ambassador's residence

Ministry delayed decision on alternative use of Embassy Residence in Brasilia, resulting in avoidable expenditure on continued payment of rent on Ambassador's residence (₹ 0.60 crore).

The Ministry of External Affairs (Ministry) sanctioned[1] the construction of Chancery-cum-Residential complex for India based officers and staff in Brasilia (on a plot owned by Government of India) at an estimated cost of R$ 34,751,780.32 (₹ 96.53 crore)[2]. A local Architect cum Consultant was also appointed with a consultancy fee of 7 *per cent* of project cost and a project management fee of 3 *per cent*. The Embassy of India, Brazil (Mission) informed Ministry (June-July 2013) that primarily in view of the increase in staff strength from 21 in June 2008 to 26 in June 2013, lack of adequate space for storage etc., and Ministry's recent decision to establish a Commerce Wing headed by a First Secretary in Brasilia, the existing official premises would be insufficient. The Mission therefore proposed that the new Embassy Residence building be converted as part of the Chancery and the Ambassador be allowed to continue in the existing private residence (rented at R$ 28,184 or ₹ 7.68 lakh per month).

A property team deputed by the Ministry (August 2013) agreed with the above proposal of the Mission, but also recommended that the Mission should obtain the opinion of the Architect cum Consultant in this regard. The premises were completed in November 2013 and the remaining premises (except Embassy Residence) were occupied in January 2014. Without communicating a decision on the recommendation of the property team, the Ministry deputed (April 2014) a second property team for the same purpose. The second property team consulted the Architect cum Consultant who opined that the additional space requirement of the Mission and the privacy issue raised by the then Ambassador could be met by modification in the existing chancery and suitable changes in architectural/landscape scheme respectively, and reversed the recommendation of the earlier property team. Accepting the recommendation of the second team, Ministry directed (July 2014) the Mission to furnish and occupy the Embassy Residence without further delay. Accordingly, the Ambassador occupied the newly constructed embassy residence on 30 September 2014.

1 Letter no. Q/Proj./862/22/2011, dated 27 December 2011
2 Official rate of exchange for October 2011: ₹ 1.00 = R$ 0.036.

Audit observed that the needless deputing of two property teams and delay in finalising a decision resulted in avoidable expenditure of R$ 224,060 (₹ 0.60 crore) from January 2014 to August 2014 on rent of private premises by the Ambassador till the end of his tenure in August 2014 even though the Embassy Residence was completed and ready for occupation.

In reply, the Ministry explained the delay by stating (July 2016) that the decision making process was complex in view of the new requirements and had to be referred to various divisions.

The reply is not acceptable. The Ministry should not have unduly delayed in rejecting the proposal of the Mission due to the following reasons:

(i) The proposal of the Mission to use the Embassy Residence as part of Chancery and for housing its other staff including security staff was *ab-initio* untenable as the Embassy Residence is built to far superior specifications than the other premises since it is the official residence of the Ambassador of India to Brazil.

(ii) The proposal to establish the new Commerce Wing was only tentative. In fact it has not been established till date (December 2016). Further, though the sanctioned strength had increased from 21 to 26 in June 2013, the men in position has at no stage exceeded 18. It was therefore, premature, if not unnecessary, to have unduly delayed the occupation of the Embassy Residence on grounds of possible expansion in functions and staff that were not anticipated at the time of according project approval, and eventually did not occur.

(iii) Mission's requirement of additional space should have been provided for at the planning stage itself and not after the construction was nearing completion. In any case, even if all the additional requirements projected by the Mission had been met by redesigning the Embassy Residence as proposed, it would result in additional requirement of only 337 sq.m., against the built up area of 1035.40 sq.m., of the Embassy Residence. Thus, the Mission's proposal was inherently flawed and should have been rejected outright.

(iv) The recommendation of the second property team not to change the Embassy Residence for Chancery offices hinged on the confirmation of Architect cum Consultant to the Mission's proposal, could be met by modifications in the existing chancery. Had the Mission consulted the Architect cum Consultant as advised by the first property team in August 2013, the Ministry could have rejected the Mission's proposal before the completion of the premises in November 2013, and the wasteful expenditure in continuing the hiring of the Ambassador's official residence could have been avoided.

Thus, inadequate monitoring and delayed action by the Ministry resulted in avoidable expenditure of ₹ 0.60 crore towards rent of the private residence of the Ambassador.

9.2 Fraud in Consulate General of India, San Francisco due to absence of internal controls

Three instances of fraud by the Head of Chancery and others were detected in Consulate General of India, San Francisco that arose due to absence of internal controls. These relate to fraudulent claim against servicing of the official staff car (₹ 3.37 lakh), widespread and recurring reimbursement of fictitious conveyance charges (₹ 55.21 lakh) to employees, and presumptive fraud on payment to local repair firm.

Internal control is broadly defined as a process, effected by an entity's management, designed to provide reasonable assurance regarding the achievement of objectives of effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. A strong internal control mechanism acts as deterrence and mitigates the chances of fraudulent activities and aids in achieving all the above objectives. Test check of records during the audit (March 2016) of Consulate General of India, San Francisco, revealed an overall lack of effective internal control systems which resulted in instances of fraud, misappropriation and overpayments as below:

A. Fraudulent expenditure of ₹ 3.37 lakh on servicing of personal car

It was observed from records that the Consulate claimed to have serviced the official staff car for USD 5,326.31 (₹ 3.37 lakh). Detailed audit scrutiny of the invoice revealed tampering of details of the license plate, year, make and colour of the vehicle (servicing of the personal car of the Head of Chancery: Honda Accord with license number CDL-0216 was shown as servicing of the official staff car: Honda Odyssey with license number CDL-0206). Audit requisition of copy of original invoice from the car service centre confirmed the tampering.

The fraud had been made possible by the Clerk (local staff) directly submitting the note for sanction of expenditure to the Head of Chancery, bypassing other superiors, including the Vice Consul (Administration). Further, the delegated powers of the Chancery that were limited to USD 5,000 per annum on repairs and maintenance of the staff car, were also bypassed by the Head of Chancery.

The Ministry of External Affairs informed (July 2016) that it had taken serious cognizance to the audit observations, and taken the following actions:

a. The irregular payment had been recovered from the Head of Chancery and deposited in Government account;

b. The Head of Chancery who had since been posted as Head of Chancery at the Embassy of India in Bogota, Columbia had been relieved of his charge and vigilance action had been initiated against him;

c. The Consulate in San Francisco had been advised to strengthen its internal financial control mechanism to avoid such lapses in future.

The Ministry's reply is silent on the action taken on the acts of omission and commission of the other Consulate officers/officials who were entrusted with the responsibility of processing such bills and monitoring expenditure.

B. Irregular reimbursement of conveyance charges based on fake and self-generated receipts

Rule 21 of the General Financial Rules (GFR) stipulates that every officer incurring or authorising expenditure from public moneys should be guided by high standards of financial propriety and should enforce financial order and strict economy. It also states that the amount of allowances granted to meet expenditure should be so regulated that the allowances are not on the whole a source of profit to the recipients.

The Principal Chief Controller of Accounts (PCCA), Ministry of External Affairs observed (January 2016) during post check of cash accounts, serious irregularities in reimbursement of conveyance charges to staff members of the Consulate General of India, San Francisco. PCCA observed that the taxi receipts enclosed with vouchers were generated by the staff themselves and did not seem to be genuine. PCCA instructed the Consulate to check the genuineness of claims/taxi receipts. Test check of accounts by Audit in March 2016, however, did not indicate any action by the Consulate to implement the orders of the PCCA.

Further scrutiny in Audit (March 2016) revealed that, between March 2015 and February 2016 alone, the Consulate had reimbursed ₹ 76.58 lakh towards conveyance charges to its employees, out of which, ₹ 55.21 lakh was based on fake and self-generated receipts. The reimbursement of conveyance charges was the highest in October 2015 (₹ 19.49 lakh), of which, one employee was reimbursed ₹ 2.37 lakh, which amounted to 166 *per cent* of his monthly salary. 17 officials were each reimbursed conveyance charges of USD 500 (₹ 0.32 lakh) or more in October 2015. In most of these cases, the taxi claims were attached with manually filled in taxi receipts.

Audit contacted some of the cab agencies against whose purported receipts Consulate employees had been reimbursed claims, and they confirmed that these taxies were equipped with machines to generate receipts. In fact, one of the cab agencies informed that the cab numbers noted in the taxi receipts purportedly issued by their firm and submitted by the Consulate employees did not belong to that firm. Audit requested the Consulate to verify each of the taxi receipts from the respective cab agencies, but the Consulate has taken no action in this regard.

It was also observed that the Consulate routinely reimbursed conveyance charges in excess of the delegated powers available under Rule 5 of the Financial Powers of Government of India's Representatives Abroad, which is limited to USD 1,680 (₹ 1.1 lakh) *per annum* to each non-gazetted employee. Between March 2015 and February 2016 alone, the Consulate reimbursed ₹ 37.99 lakh to 13 local employees in excess of delegated powers.

In the above cases also, the concerned dealing hands directly submitted the reimbursement claims to the Head of Chancery, bypassing other superiors, including the Vice Consul (Administration).

The Ministry informed Audit (October 2016) that the matter had been taken seriously and orders to recover the excess had been issued. Where recoveries were not possible in respect of local employees, no longer with the Chancery, responsibility was being fixed on their superiors who authorised the payment without scrutiny/authority. The Consulate had also been instructed to exercise due care in future.

C. Presumptive fraud in payments to local repair firm

Rule 132 of the General Financial Rules (GFR) stipulate that final payment shall be made only on the personal certificate of the officer-in-charge of execution of the work that the work has been executed as per the specifications laid down in the contract agreement and the workmanship is up to standard. Rule 146 *ibid* further stipulates that on each occasion of purchase of goods or services costing above ₹ 15,000 (USD 240) and up to ₹ one lakh (USD 1,597), a duly constituted local purchase committee consisting of three members will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Schedule 1 of the Financial Powers of Government of India's Representatives Abroad, prescribes the general monetary limit of powers to Category I and II officials[3] for each case of recurring expenditure at USD 700 (₹ 0.44 lakh) and USD 350 (₹ 0.22 lakh) *per annum*, respectively.

The Principal Chief Controller of Accounts (PCCA), Ministry of External Affairs observed (January 2016) during post check of cash accounts, that the Consulate had being paying a local firm[4] large amounts for petty works and the payments were being split to bypass higher authorities. Test check of accounts by Audit in March 2016, however, did not indicate any action by the Consulate on the observations of the PCCA.

Further scrutiny in Audit (March 2016) revealed that between March 2015 and February 2016[5] alone, the Consulate had paid the local firm USD 92,928.73 (₹ 60.09 lakh). Between March 2015 and November 2015[6], the firm was paid a flat sum of USD 300 on 236 occasions (amounting to ₹ 47.11 lakh) for various petty works[7]. In November 2015 alone, the firm had been paid a flat sum of USD 300 on 57 occasions. All these bills had been directly submitted to the Head of Chancery without routing them through the proper channel, including Vice Consul (Administration). In all 57 cases, the name and designation of the

[3] Category I officials: Ambassadors, High Commissioners, Charge d' Affairs of Grade IV of IFS and above; Category II officials: All other officers in charge of Indian Missions/Posts abroad, all officers of the Missions not below the rank of Second Secretary and who are declared as Head of Chancery (Source: Financial powers of GoI's representative abroad).

[4] M/s Joao Mendonca Home Repair and Remodelling.

[5] Present audit period.

[6] Head of Chancery transferred in November 2015.

[7] Removal and disposal of old furniture, replacing door bell and kitchen strainer at Chancery, replacing of bulbs at CG's residence, trimming of trees in the backyard of Chancery, repairing of vacuum cleaner and heater at CG's residence, shredding of documents, cleaning of drains in the roof of Chancery, pest control, repairing of air conditioner in the roof of OCI room, etc.

official who initiated the note was not found on record. There was no certificate of competent authority that the work had been completed satisfactorily. There was no indication on record of the date on which the works were purportedly done. The name of the person who had generated the vouchers in IMAS[8] had been indicated as 'A' in some cases; in some other cases, the voucher had been generated by using the overriding privileges of the system Administrator. Therefore, the integrity of the information on the IMAS database is also suspect.

Audit also observed that after the transfer of the Head of Chancery from the Consulate (November 2015), the number of such payments had come down to eight in December 2015, none in January 2016 and two in February 2016. This is to be viewed in light of a certificate, which the firm had furnished the Consulate following the audit observation, where the firm has informed that the repairs had actually been done. Considering the large number of instances of purported repairs that has precipitously dropped after the transfer of the Head of Chancery, the role of the firm and other officials of the Consulate in the presumptive fraud merits investigation.

The Consulate informed (October 2016) that the systems had been reviewed and all due care is since being exercised, and the issues relating to the IMAS have been rectified. Ministry in its reply (January 2017) informed that in view of the serious administrative issues regarding internal financial control mechanism, the Post has been directed to get all the bills under question, certified from the concerned officers/official on request of whom, the firm was asked to undertake the work. The Post has also been advised to strengthen its financial control mechanism and in case, the work as mentioned in voucher could not be confirmed, individually responsibility would be fixed in all such cases.

9.3 Receipt and expenditure outside Government accounts

Embassy of India, Tokyo violated the General Financial Rules and the Receipt and Payments Rules by keeping receipt and expenditure out of embassy account during the conduct of the Sakura festival 2015.

Embassy of India, Tokyo (Mission) organises an annual ‘Sakura festival’ at the chancery premises, where food, handicrafts and garment stalls are set up by outside vendors. Participating vendors are required to pay fees to the Mission at different rates. For the Sakura festival held in March-April 2015, the Mission

[8] Integrated Management and Accounting System of the Ministry of External Affairs.

deposited the equivalent of JPY 3,073,719 (₹ 16.29 lakh[9]) into Embassy Account representing the balance of receipt of JPY 6,673,500 (₹ 35.37 lakh) and expenditure JPY 3,599,781 (₹ 19.08 lakh).

Audit scrutiny of the accounts revealed the following:

❖ Out of the stated receipts of ₹ 35.37 lakh, only ₹ 10.12 lakh was taken immediately into Embassy account, and ₹ 6.17 lakh was deposited one to six months after the festival. The balance of ₹ 19.08 lakh was kept out of Government account and stated to have been spent. By this practice, the Mission violated Rule 7 of the General Financial Rules 2005 (GFR) which stipulates that all moneys received by or on behalf of the Government shall be brought into Government Account without delay, and Rule 13 of the R&P Rules[10] which prescribes that all monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the Office in token of check. There is also no assurance that the amounts claimed to have been received and spent by the Mission represented the actual amounts received and spent.

❖ The Mission did not issue any receipts to vendors for stated revenues totaling ₹ 35.37 lakh. The Mission thereby violated Rule 21 of R&P Rules which stipulates that the Head of an Office, where money is received on behalf of the Government, must give the payer a receipt duly signed by him after he has satisfied himself that the amount has been properly entered in the cash book.

❖ The Mission diverted JPY 472,108 (₹ 25.02 lakh) out of the receipts of the Sakura festival for activities like contributions to Indian Food festival, 2 October reception and artists resident programmes, for which separate budget is provided annually to the Mission by the Ministry of External Affairs or the Indian Council of Cultural Relations. Also, the Mission paid embassy staff (including India based staff) on duty an honorarium of JPY 124,000 (equivalent to ₹ 0.66 lakh) out of the receipts. At no stage did the Mission intimate the Ministry that such diversion of funds would be taking place.

❖ Audit requisitioned the records relating to the Sakura festivals held in 2012-13 and 2013-2014. The Mission informed that it is trying to locate the records.

[9] Official ROE for March 2015 of 1 JPY = ₹ 0.53

[10] Central Government Account (Receipt and Payments) Rules 1983

In their replies (June 2016, September 2016 and October 2016) the Mission, while confirming the facts and figures stated that in light of the audit observations, a revised framework has been devised for the Sakura festival 2016.

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

Nalanda University, Rajgir, Bihar

9.4 Establishment and Functioning of Nalanda University, Rajgir, Bihar

Regular Governing Board was not constituted by the Ministry as provided in the Act. The Endowment committee, though formed was ineffective. The University failed to frame rules and regulations for appointment of academic staff and there were irregularities in appointment of Vice Chancellor and OSD (University Planning). The Vice Chancellor and OSD (University Planning) were given undue reimbursement of income tax amounting to ₹ 57.40 lakh. The University failed to establish schools in time and could not start the construction of University campus work.

The fourth East Asia Summit at Thailand (October 2009) proposed the establishment of the Nalanda University (University) in the State of Bihar as an International institution for pursuit of intellectual, philosophical, historical and spiritual studies and for the matters connected therewith or incidental thereto. Pursuant to the above, the Government of India enacted the Nalanda University Act 2010 (Act), which came into effect from 25 November 2010.

The records of the University since creation (November 2010) to March 2016 and records of Ministry of External Affairs (MEA) from 2007 to March 2016 were examined in audit during January 2016 to July 2016. Important findings are as under:

9.4.2 Constitution of Nalanda Mentor Group

The Government of India (GoI) constituted (28 June 2007) a Nalanda Mentor Group (NMG) comprising eminent persons for revival of Nalanda University as a Centre for Cultural Exchange between East Asia and South Asia, framework and structure of international cooperation and partnership, governance structure of the University. Professor Amartya Sen was appointed as Chairman of NMG.

Audit examination of records of the MEA revealed that though NMG was required to submit final recommendations in a Report to the Government of India within a period of nine months from its constitution, the report was not submitted even after three years (2007 to 2010) of its constitution.

The Ministry stated (January 2017) that NMG was set up for the purpose of making broad proposals for the revival of Nalanda University and many recommendations of the NMG have been incorporated in the Act. Further, NMG carried out the vital and seminal work for the establishment of Nalanda University and hence its activities got extended under Section 8 of the Act.

The reply of the Ministry is not acceptable as the terms of reference for constitution of NMG clearly stipulated submission of final recommendations in a report to the Government of India within a period of nine months which NMG failed to do.

9.4.3 Implementation of the Act

9.4.3.1 Non-constitution of Governing Board

Section 7 of the Act, provides constitution of a Governing Board (GB) consisting of Chancellor, Vice-Chancellor, five members from Member States, one member not below the rank of Secretary from Ministry of External Affairs (MEA), two members to be nominated by the State Government of Bihar, one member (not below the rank of Additional Secretary) from Ministry of Human Resource Development (MHRD) and three renowned academicians or educationists, to be nominated by the Central Government.

Section 8 (1) of the Act provides that the GB will be responsible for all the policies and directions of the University and management of its affairs. Section 8 (2) of the Act, provided that NMG will exercise the powers and discharge the functions of the GB for a period of one year or till such time the members referred to in clauses (c) to (g) of sub-section (1) of section 7 were nominated, whichever is earlier.

Audit examination of records revealed that the GB has not been constituted (March 2016). It was noticed that MEA invoked (November 2011) the provision of Section 41 of the Act relating to removal of difficulties in giving effect to the provisions of the Act and gave extensions to NMG for a year each time by substituting “one year” with “two years” and “three years” in November 2011 and November 2012 respectively. The last amendment in November 2013 to extend the NMG indefinitely was done to overcome the proviso to section 41 of the Act, which stated that no orders shall be made after expiry of period of three years from the commencement of the Act (November 2010) by deleting the provision wherein the timeframe of NMG was given.

It was observed that in absence of regular GB, all major decisions i.e. formation of Statutes, Rules & Regulation, creation of post in the Nalanda University etc. were taken by the NMG during September 2010 to March 2016. However, NMG did not have participation of Bihar State Government and MHRD as provided under the Act.

Ministry stated (January 2017) that due to non-receipt of financial contributions from Member States, their membership in GB as defined in Section 7 of the Act[11] could not be finalised and hence GB could not be constituted. GoI has constituted the GB (November 2016) in terms of Section 7 of the Act contains members from Bihar State Government and MHRD.

The reply of the Ministry is not acceptable as India, Indonesia, China, Australia, Laos and Thailand had already contributed funds during 2011-12 to 2014-15 and the GB could have been formed earlier. Further, the NMG was intended to be stop gap arrangement only.

9.4.4 Functioning of the University

Irregularities noticed in non-finalisation of terms and conditions of appointment of academic personnel, Vice-Chancellor, Officer on Special Duty, and establishment of schools are discussed in succeeding paragraphs.

9.4.4.1 Non finalisation of terms & conditions of service for the posts of academic staff

Section 18, 19 and 20 of the Act, provides that the Controller of Examination, Librarian and other officers of the University will be appointed in such manner and on such terms and conditions of service as may be prescribed by the Statutes. Further, Section 27 (e) of the Act provides that the Statues shall provide service regulation, term and conditions of the service for the appointment of teachers and other employees.

Though Statues for terms and conditions of services for Controller of Examination, Librarian, Teachers and other academic staff have not been framed (March 2016), University appointed one Dean, three Founding Professors, three Associate

[11] Five members from amongst the Members States which provide maximum financial assistance during a period of three years to be nominated by the Member States [Section 7(1)(c)]

Professor, eight Assistant Professors as Academic staff (May 2014 to January 2016) on adhoc basis. Further, the pay was fixed at different levels in the pay structure.

University stated (October 2016) that the University framed terms & conditions of service of all academic staff at the time of advertising the positions. The Ministry endorsed (January 2017) the reply of the University

The reply is not acceptable as the Statues defining these should have been framed before proceeding for appointments.

9.4.5 Irregularities in appointments

Audit examination of records of the University and Ministry of External Affairs revealed irregularities in appointment of various post as discussed below:

9.4.5.1 Irregular consideration for the name of Rector

The terms of reference under which the NMG was constituted (June 2007) did not include recommendations for appointment of Rector.

However, Chairman of the NMG, recommended (6 February 2009) three names (Dr. Gopa Sabharwal, Dr. Ramachandra Guha and Dr. Pratap Bhanu Mehta) on behalf of NMG to the MEA for appointment as first Rector of the University.

Based on the above recommendations, MEA intimated (March 2009) Dr. Gopa Sabharwal, that she has been selected for the post of inaugural Rector of the Nalanda University. Hence, consideration of the names recommended by NMG was in violation of their terms of reference.

In reply, the Ministry accepted (January 2017) that initial TOR of the NMG did not have reference for selection/recommendation but it was suggested by NMG itself.

9.4.5.2 Irregular appointment and arbitrary fixation of pay of Vice-Chancellor

As per Section 15 (1) of the Act, the Vice-Chancellor will be appointed by the Visitor[12] in such manner, for such term on such emoluments and other condition of service, as may be prescribed by the Statutes. Section 12 (1) of the Statutes provides (March 2012) that the Vice-Chancellor will be appointed by the Visitor from a panel of not less than three persons recommended by the Governing Board.

[12] President of India

Audit examination of records of the MEA revealed that although the terms of reference of NMG did not include recommendations for any appointment, NMG in its 6th meeting recommended (August 2010) single name of Dr. Gopa Sabharwal as Vice-Chancellor-designate for Nalanda University. The NMG also proposed salary of ₹ 3.50 lakh per month *plus* other allowances.

MEA, based on this recommendation, informed (9 September 2010) Dr. Gopa Sabharwal that the competent authorities have accorded approval for appointment as Vice Chancellor-designate with salary of ₹ 2.00 lakh per month *plus* other allowances. She joined as Vice Chancellor designate of Nalanda University on 8 October 2010. However, the Visitor confirmed (March 2012) her appointment as Vice Chancellor with retrospective effect from 8 October 2010. Subsequently MEA (September 2012) informed Dr. Gopa Sabharwal that her confirmation date has been changed to 25 November 2010 i.e. from the date on which Nalanda University Act came into force.

Further, GB[13] in its first meeting (February 2011) enhanced the VC's salary from ₹ 2.00 lakh to ₹ 3.50 lakh per month from March 2011 without any recorded reasons which was subsequently reduced by Dr. Gopa Sabharwal herself to ₹ 2.50 lakh per month from October 2011. Thus, arbitrary enhancement of approved salary resulted in excess payment of ₹ 37.00[14] lakh to the VC during March 2011 to February 2016.

Ministry stated (January 2017) that NMG was converted (25 November 2010) into GB and hence it was empowered to recommend names for the post of VC and confirmed that her salary was fixed at ₹ 2.00 lakh per month along with other terms and conditions.

The reply of the Ministry is not acceptable as the NMG recommended (August 2010) single name for the post of VC well before the NMG was given the powers of GB (25 November 2010).

9.4.5.3 Irregular appointment of Dr. Anjana Sharma as OSD (University Development)

The Act did not provide any post of Officer on Special Duty (University Development) and Dean (Academic Planning). Audit examination of records of the University revealed that Dr. Anjana Sharma was appointed (14 January 2011) as

[13] NMG was to discharge the function of GB w.e.f 25 November, 2010
[14] Difference of pay fixed by MEA (₹ 129.55 lakhs) and pay actually drawn (₹ 166.55 lakh)

Officer on Special Duty (University Development) on fixed monthly salary of ₹ 2.00 lakh along with other allowances as prevailing in SAU[15] for the post of Registrar/Director Finance. Subsequently, Dr. Anjana Sharma was re-designated (30 July 2012) as Dean (Academic Planning) by the sub-committee of the GB on the same scale of pay.

Thus, appointment of Dr. Anjana Sharma as OSD (University Development) and Dean (Academic Planning) was irregular, as the Act did not provide for any such post.

The University stated (October 2016) that Governing Board drawing powers from section 3 (m) and (n) of Statue 2012 created such posts. The Ministry endorsed (January 2017) the reply of the University.

Reply is not acceptable as Dr. Anjana Sharma was appointed as Officer on Special Duty (University Development) during January 2011 whereas Statues were notified during March 2012 hence it was not to be linked with Statues.

9.4.6 Undue reimbursement of income tax liability

As per Section 21 of the Act, the members of academic staff will enjoy such privileges and immunities as the Central Government may after entering into an agreement with the University, notify under Section 3 of the United Nation (Privileges and Immunities) Act 1947. The MEA notified (January 2014) the agreement with the University, which provided that the academic staff of the University shall be entitled to exemption from taxation in respect of salaries and emoluments paid to them by the University.

Audit observed that University extended the benefit of reimbursement of income tax liability to Dr. Gopa Sabharwal, VC and Dr. Anjana Sharma, Officer on Special Duty (re-designated as Dean, Academic Planning) from November 2010 and February 2011 respectively although the GoI notification was issued in January 2014. Consequently, University gave undue benefit to above officers and reimbursed ₹ 57.40 lakh of income tax liability by enhancing their salary.

University stated (June 2016) that in the interim period of notification issued by GoI, the GB took decision (February 2011) to compensate the tax paid by the

[15] ₹ 2.17 lakh @ US$ 40,000 *per annum* in the pay scale of US$ 30,000-45,000 *per annum*.

Academic staff by proportionately enhancing the salary to cover the tax liability. The Ministry endorsed (January 2017) the reply of the University.

The reply of the University is not acceptable as the benefit given by the University was not consonance with the Section 21 of the Act, which provide that benefit of tax holiday was to be given only after notification issued by GoI.

9.4.7 Establishment of schools

As per Section 24 (2) of Act, six schools and any other school as may be prescribed by the statutes, were to be established by the University.

GB approved (July 2012) the Project Report submitted by the Ed.CIL India Limited which, inter-alia prescribed that the first school will begin in the 2014-15 (summer of 2014).

University commenced (2014-15) the academic program by launching two schools viz. School of Historical studies and School of Ecology and Environment Studies. It was observed that the above two schools were having 12 and 50 students for two batches i.e. 2014-16 and 2015-17 as against 220 and 440 as per project report.

As per Project Report, the School of Language and Literature was to be operationalised during 2015-16, but as of date (March 2016), School of Language and Literature was not established.

In reply, the University stated (October 2016) that the Detailed Project Report (DPR) is an indicative document. The roll out plan of the Schools and the intake of students cannot be determined by the time lines set in the DPR. The Ministry endorsed (January 2017) the reply of the University.

The reply is not acceptable as DPR provides the milestones for complete planning of the project.

9.4.8 Finances and Construction activities

The financial performance of the University is discussed in the succeeding paragraphs:

9.4.8.1 Utilisation of Grants

Audit examination of records revealed that the University, against the grants of ₹ 81.21 crore[16], could utilise ₹ 76.37 crore during 2010-11 to 2015-16 leaving a balance of ₹ 4.84 crore.

The University accepted the audit observation and stated (October 2016) that delay in finalisation of phase-I construction of the University and vacancy in certain posts due to remoteness of area were, the reasons for non utilisation of grant.

The Ministry endorsed (January 2017) the reply of the University.

9.4.8.2 In-effective External Endowment Committee

The GB constituted[17] an External Endowment Committee (EEC) to raise resources for the Endowments Fund of the University, which was notified (March 2014) by the MEA in Statutes. As per notification EEC was constituted to raise resources for the University and assist the GB in furtherance of Public Private Partnership for achieving the objectives of the University.

Audit examination of records of the University revealed that after constitution of EEC, no meeting of EEC was held (March 2016). Thus, EEC failed to raise contribution from external sources and fulfil its objective for which it was constituted.

The University accepted the audit observation and stated (October 2016) that non-finalisation of methodologies for seeking External Endowments and not having bi-lateral agreements with some countries were the main reasons for in-effective Endowment Committee.

The Ministry endorsed (January 2017) the reply of the University.

9.4.9 Construction activities

Government of Bihar handed over (February 2011) the possession of 450 acres of land to the University in Rajgir for Nalanda University campus. The Cabinet Committee on Economic Affairs, Government of India approved (January 2014) the budgetary support of ₹ 2727.10 crore to the University project during the period

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[16] Including internal receipts of ₹ 2.77 crore.

[17] Item No. 3 of the Governing Board (GB) Meeting, held at Patna during 19-20 July 2012.

2010-11 to 2021-22. Till March 2016, the University constructed boundary wall and called tenders for construction of Phase-I campus of the University.

Irregularity noticed in construction of boundary wall and tenders for construction of Phase-I campus are discussed in succeeding paragraphs.

9.4.9.1 Blocking of funds in construction of Boundary Wall

An agreement for construction of boundary wall at new campus of Nalanda University on deposit work basis was executed (3 November 2011) with Bihar Rajya Pul Nirman Nigam Limited (BRPNNL) having estimated cost of ₹ 1019.70 lakh. As per clause 3 of the agreement, the two members Joint Member Committee (JMC) would be constituted (one member of Nalanda University and one member of BRPNNL) to monitor the progress of the project every 15 days and payment would be made in instalments after checking of progress of work.

The University was required to pay 30 *per cent* as advance to the BRPNNL of the sanctioned/approved amount (Clause 4 of the agreement). Further, as per clause 6.8 of the agreement, the BRPNNL would be responsible for intimating the physical and financial progress at periodical interval.

In the third Meeting (14-15 October 2011) of the GB, the Member-Secretary mentioned that ₹ 300.00 lakh was being released specifically for starting construction work of the boundary wall with the stipulation that it would not be used for any other activity.

Audit examination of records of the University revealed that the University had paid (28 November 2011) ₹ 300.00 lakh as advance to BRPNNL. It was further observed that the University had further released (29 March 2012) ₹ 100.00 lakh without getting the physical and financial progress as well as progress report of the JMC. After several requests, BRPNNL submitted (22 November 2012) its first bill of ₹ 551.007 lakh and requested for release of balance amount. Consequently, the University had released ₹ 500.00 lakh (₹ 400.00 lakh on 7 December 2012 and ₹ 100.00 lakh on 21.03.2013) without taking care of the clause of the agreement as mentioned *supra*. After protracted correspondence BRPNNL submitted (18 March 2013) second bill of ₹ 62.91 lakh. Thus, against the total advance of ₹ 900.00 lakh, the BRPNNL had submitted bills of ₹ 613.91 lakh (₹ 551.007 lakh + ₹ 62.91 lakh) till 31 March 2013.

Further, the Assistant Finance Officer of the University instructed (20 October 2014) BRPNNL to utilise the un-spent amount for renovation of the temporary campus of the Nalanda University.

Thus, the University had not adhered to the provisions of the agreement, diverted funds for renovation work which was specifically prohibited by the GB, released the amount without getting the physical and financial progress as well as progress report from the JMC, which resulted into the blockage of fund to the tune of ₹ 286.09 lakh with BRPNNL, the University deprived of interest.

The University intimated (October 2016) that against the advance release of ₹ 900.00 lakh, the BPRRN submitted (April 2016) final bill amounting to ₹ 756.06 lakh leaving a balance of ₹ 143.94 lakh.

The Ministry endorsed (January 2017) the reply of the University.

9.4.9.2 Construction of Nalanda University campus

The University issued (17 February 2015) E-Tender for construction of Phase-I of campus. The single bid received of ₹ 65.71 crore against an estimated cost of ₹ 60.50 crore was rejected and fresh consolidated tender with an estimated cost of ₹ 614.00 crore was invited (6 July 2015). Out of the five bid received, only two bids were declared technically qualified. The financial bids of two successful bidders (after obtaining the approval from MEA) was opened on 14 December 2015 and M/s L&T emerged as L1 with a bid of ₹ 774.10 crore.

As the entire process from opening of financial bids had flaws in terms of by-passing of required channels of approval, not following the provisions of CPWD Manual and going for negotiation without obtaining approval of BWC, the MEA's representative recommended for fresh tender in the 9th BWC meeting (12 February 2016). Accordingly, University decided to go for fresh tender. Hence even after a lapse of more than one year, University was unable to award the work (March 2016) of campus development.

In reply, the Ministry intimated (January 2017) that work of internal road and water bodies excavation package was awarded (September 2016) and also floated (September 2016) tender for non-residential pocket.

9.4.10 Conclusion

Ministry did not constitute the regular GB as provided in the Act. The rules and regulation for appointment of academic staff have not been notified even after a lapse of more than five years. The Endowment Committee of the University was non-functional. There were irregularities in appointment and payment of salary and emoluments to VC and OSD (University Planning) and OSD (Finance). The enrollment of students were far below the projection and one school as per project report has not been opened. The University authorities could not start construction of University campus work.

CHAPTER X : MINISTRY OF FINANCE

10.1 Irregular payment of Tribal Area Allowance in Jharkhand

Central Government offices in Jharkhand irregularly paid ₹ 4.38 crore as Tribal Area Allowance (TAA) to it employees

Ministry of Finance, Government of India had stipulated[1] that Tribal Area Allowance (TAA) is not admissible in those States where it has been dis-continued for State Government employees. Since TAA is not admissible to State Government employees in Jharkhand, employees of Central Government offices located in that State are also not entitled to TAA. Audit examination revealed that the employees of the following Central Government offices located in Jharkhand, drew TAA amounting to ₹ 4.38 crore as under:

(₹ in lakh)

Sl. No.	Ministry	Office	TAA paid
1.	Ministry of Health & Family Welfare	CGHS, Ranchi	4.99
		Central Institute of Psychiatry, Ranchi	105.61
2.	Ministry of Home Affairs	CBI, Ranchi	12.25
		CTC (T&IT) CRPF, Ranchi	47.64
3.	Ministry of Human Resource Development	IGNOU, Ranchi	4.03
		JNV[2], Ranchi	12.72
		JNV, Jamtara	4.08
		JNV, Simdega	3.66
		JNV, Lohardaga	10.58
		JNV, Gumla	8.96
		JNV, Latehar	7.85
		JNV, Dumka	9.97
		JNV, Pakur	4.39
		JNV- II, Pakur	1. 38
		JNV, Saraikela	9.34
		JNV, Sahibganj	8.68

[1] Department of Expenditure OM No. 17 (1)/ 98-EII (B) dated 17 July1998
[2] Jawahar Navodaya Vidyalaya

		JNV, East Singhbhum	6.13
4.		JNV, West Singhbhum	6.20
		NIFFT, Ranchi	12.03
		NIT, Jamshedpur	86. 97
5.	Ministry of Information & Broadcasting	All India Radio, Ranchi	27.56
		All India Radio, Jamshedpur	16.55
		Doordarshan Kendra, Ranchi	4.96
6.	Ministry of Labour & Employment	ESIC Hospital, Jamshedpur	14.39
7.	Ministry of Urban Development	CPWD, Project Division, Ranchi	0.69
		CPWD, Hinoo, Ranchi	6.01
		Total	**437.62**

Ministry of Finance accepted (March 2016) the audit observation and issued directions[3] to Financial Advisers of all Ministries and Departments to take appropriate action immediately.

[3] Department of Expenditure OM No. 17 (1)/ 2008-E II (B) dated 21 December 2016

CHAPTER XI : MINISTRY OF HEALTH AND FAMILY WELFARE

Family Welfare Training & Research Centre, Mumbai

11.1 Avoidable time and cost over run due to poor fund management

Failure of Ministry to release funds in timely manner for the construction of Family Welfare Training and Research Centre, Mumbai, contributed to avoidable cost escalation of ₹ 12.44 crore, non-completion of works even after eleven years and avoidable additional payments of ₹ 30.91 lakh and increase in lease premium.

The Family Welfare Training and Research Centre, (FWTRC) Mumbai, a premier Central Training Institute under the Ministry of Health and Family Welfare (Ministry), purchased on lease from CIDCO[1], in January and December 2005, three plots of land together measuring 6749.80 sq. m., for ₹ 1.04 crore for construction of institutional complex (office and hostel) and residential quarters.

Ministry issued administrative approval of ₹ 9.69 crore for the institutional complex only in February 2007 (more than one year after purchase of land), but did not release any funds. The project was scheduled to be completed by March 2009. Though the Central Public Works Department (CPWD), which was the implementing agency, raised demand for funds in April 2007, Ministry released ₹ One crore only one year later, on 25 March 2008, which lapsed as it was received at the fag end of the financial year. Again, after one more year, the Ministry released ₹ 2.50 crore on 25 March 2009, which also lapsed. Thereafter, the Ministry released ₹ 3.00 crore in July 2009. By this time, the validity of the tenders raised by CPWD in July 2007 (in anticipation of release of funds by Ministry) for an estimated cost of ₹ 3.39 crore also lapsed, and CPWD called for fresh tenders, which were awarded in August 2009 for ₹ 7.39 crore (an increased cost of ₹ 4.00 crore arising on account of Ministry's delay of more than three years in releasing funds).

Since the Ministry had released funds by the second quarter of the financial year (July 2009), the contractor finished work amounting to ₹ 1.59 crore between August 2009 and March 2010, and the balance of ₹ 1.41 crore was surrendered at the end of the financial year. Thereafter, Ministry failed to release funds during the entire financial year 2010-11, and released ₹ 1.1 crore

[1] The City and Industrial Development Corporation of Maharashtra is a city planning organization created by the Government of Maharashtra.

only in August 2011, followed by a further release of ₹ One crore on 31 March 2012 (i.e., on the last day of the financial year), of which, ₹ 0.91 crore was immediately surrendered after payment of pending bills. By the time the Ministry again released ₹ 0.91 crore in September 2012, the contractor, who had begun slowing down work since May 2011 due to continued delayed release of funds, requested the contract be foreclosed. The contract was foreclosed (30 November 2012) and ₹ 0.79 crore was surrendered after paying pending bills.

Though the foreclosure of the contract necessitated immediate submission of fresh estimates, the CPWD took more than one year to furnish (November 2013), fresh estimates for ₹ 13.72 crore in terms of DPAR[2] 2012 submitted to Ministry. During the process of examination in the Ministry, the Planning Commission and the Department of Expenditure, it was observed (May 2014) that the estimates needed to be updated in light of DPAR 2014, since notified. CPWD sent the revised estimates in January 2015. The Ministry finally sanctioned the revised estimates of ₹ 22.13 crore in February 2016, and released ₹ 0.99 crore on 28 March 2016, which also lapsed with the closing of the financial year.

Thus, persistent inaction of the Ministry in releasing funds has delayed and rendered incomplete a project scheduled to be completed in March 2009, and resulted in escalation of estimated costs for the institutional complex from ₹ 9.69 crore to ₹ 22.13 crore. The work on construction of residential quarters has not yet been conceived, and the land acquired for this purpose remains unutilised. Apart from this, CIDCO has been paid additional lease premium of ₹ 30.91 lakh (₹ 22.51 lakh for institutional complex + ₹ 8.40 lakh) for extension of construction period up to January 2018. Such additional lease premiums are likely to be paid in future also, in view of non-completion of construction.

Audit noted that though the Integrated Finance Division (IFD) had observed (December 2012) that despite orders to ensure signing of MoU/agreement with CPWD prior to release of funds by the Training Division which was to be done timely, these orders were not followed, for which responsibility was to be fixed. In their response, Training Division absolved themselves of all responsibility, and instead blamed CPWD for not signing the MOU, IFD for not concurring with release of funds for want of clarifications, and FWTRC for not submitting audited UCs and for weak monitoring. Against this background, no action was taken to fix responsibility. Audit is of the view that non-signing of MOU may not be a primary contributor for delay, since even in

[2] Department Plinth Area Rates

the absence of MOU funds continued to be released and work continued (although sporadically) and DPAR 2014 was approved. It is the responsibility of the Training Division to offer clarifications to IFD as warranted and to pursue non submission of audited UCs and ensure effective monitoring. It would further appear that the Ministry failed to learn any lessons from this futile exercise to fix responsibility, since even consequent to its approval based on revised DPAR 2016, an amount of ₹ 0.99 crore was released on 28 March 2016 when there was no possibility of its being utilised before the end of the financial year, and no further releases have been made till date (November 2016).

The draft paragraph was issued to the Ministry in October 2015 and September 2016. In their reply (February 2016), the Ministry continued to blame the CPWD and assumed no responsibility themselves. The Ministry further stated (October 2016) that the payment of additional lease premium of ₹ 22.51 lakh for extension of construction period up to January 2018 have been paid in September 2016. The reply is not acceptable since Training Division had not conducted the exercise of signing MoU with CPWD and fixing responsibility for delays, despite orders of IFD.

Thus, failure of Ministry in ensuring timely release of funds and non-fixing of responsibility has delayed the project by more than eleven years, resulted in escalation of estimated costs for the institutional complex from ₹ 9.69 crore to ₹ 22.13 crore, apart from unnecessary payment of lease premium totalling to Rs. 30.91 lakh (₹. 8.40 lakh + ₹ 22.51 lakh) which is likely to further increase. In addition, the work on construction of residential quarters has not even reached the design stage.

National AIDS Control Organisation (NACO)

11.2 Extra expenditure on purchase of ZLN tablets

Failure of National AIDS Control Organisation (NACO) to follow the financial rules in the procurement of ZLN tablets led to extra expenditure of ₹ 2.06 crore.

Rules[3] stipulate that all government purchases should be made in a transparent, competitive and fair manner so as to secure best value for money. Further, each schedule of requirement incorporated in the tender enquiry document is to be covered on the lowest responsive tenderer for that schedule without dividing the same. However, there may be special occasions of

[3] Rule 160 of GFR 2005 and Para 11.7.5 of Manual of Policies and Procedures for purchase of goods (issued by Ministry of Finance in 2006)

purchase of very large quantities of goods which are beyond the capacity of a single tenderer and the lowest responsive tenderer is unable to undertake the supply of the entire tendered quantity. In such cases, the remaining quantity may be ordered on the second lowest responsive tenderer (L2) at the rates offered by the lowest responsive tenders (L1), as far as feasible and for this purpose negotiation may be held with the above tenderer (*viz*., L2). In such cases, it may also become necessary to divide the requirement under a schedule by placing multiple contracts for part quantities on more than two responsive tenderers. Such eventuality should normally be foreseen and provided for in the notice inviting tenders.

The National AIDS Control Organisation (NACO) invited tenders (June 2013)[4] for procurement of ZLN tablets[5] in two equal schedules (i.e., Schedule-I and Schedule-II) of 16,84,80,900 tablets each. After evaluation of tender, supply orders of ZLN tablets for both schedules were issued (September 2013) to respective L1s as per details below:

Schedule	Agency declared L1	Quantity	Unit Price[6] (₹)	Total value (₹ in crore)
Schedule-I	M/s Mylan Labs Ltd.	16,84,80,900	7.90	133.10
Schedule-II	M/s Hetero Labs Ltd	16,84,80,900	8.01	134.95

Audit observed that since all the processes for both the procurement orders, including floating of bid, recommendation of the Bid Evaluation Committee (BEC) and award of the contract occurred in the same time frame, there was no requirement to split the order into two schedules. By doing so, and by not negotiating with M/s Hetero Labs to bring their prices down in tune with the prices of M/s Mylan Labs, NACO unnecessarily incurred extra expenditure of ₹ 1.86 crore.

On the other hand, on a subsequent occasion in 2014-15, even while NACO continued to split the required quantity of the same drug (ZLN tablets) into two schedules, they negotiated with L1 under the second schedule to reduce the prices. NACO however, thereafter failed to negotiate with L1 under the first schedule to reduce their prices to match the new price quoted by L1 under the second schedule. Consequently, NACO incurred extra expenditure of ₹ 20.38 lakh on the procurement under Schedule I, as per details below:

4 Through RITES, a Public Sector Undertaking under the Ministry of Railways, primarily engaged in consultancy in the fields of transport, infrastructure and related technologies
5 Zidovudine +Lamivudine +Nevirapine (300+150+200) mg
6 All prices are exclusive of Central Sales Tax

Schedule	Agency declared L1	Quantity	Unit price quoted (₹)	Unit price after negotiation (₹)
Schedule-I	M/s Mylan Labs Ltd.	20,37,91,860	8.25	8.25
Schedule-II	M/s Hetero Labs Ltd	20,37,91,860	8.42	8.24

Ministry replied (November 2016) to Audit as under:

a. The procurements were governed by the World Bank guidelines;

b. Expenditure was not met from domestic funds;

c. The World Bank had informed in 2010 that negotiations can be allowed only if the conditions in the guidelines are met (*sic*, should be not met), *viz*., either the scope is reduced or risk and responsibility reallocated;

d. CVC had confirmed that their guidelines would not be applicable in projects funded by international agencies, if found in conflict with the applicable procurement rules of the funding agencies;

e. The World Bank guidelines on rejection of all bids are applicable only in certain situations that are not applicable here;

f. The checklist comparing national competitive bidding procedure and World Bank Policy forbid price negotiations except in certain situations that are not applicable here.

Ministry's replies are misleading and/or irrelevant for the following reasons:

a. World Bank guidelines do not contradict the GFR ; consequently, the CVC guidelines are also not in conflict;

b. Clause 1.2 of the World Bank guidelines stipulate the responsibility for the implementation of the project, and therefore the award and administration of contracts under the project, rests with the Borrower. One of the considerations guiding the World Bank's requirements is the need for economy and efficiency in the implementation of the project, including the procurement of the goods;

c. It is immaterial whether the expenditure is met out of World Bank funds/borrowings or from the Consolidated Fund of India. The Ministry has a fiduciary duty to ensure that funds entrusted to it are not wasted or misspent;

d. The World Bank clarification of 2010 was with reference to a specific situation arising at that time out of procurement relating to ELISA kits and does not apply in this case;

e. Similarly, Ministry's reference to the guidelines relating to the rejection of bids are not relevant to the present case which refers not to rejection of bids, but to negotiation with the lowest bidder;

f. The checklist cited by the Ministry relates to the banning of post tender negotiations with L1, who by definition is the lowest responsive tenderer to a bid offer. This ban is in tune with the CVC guidelines of March 2007. It is Audit's contention that Ministry should not have split the requirement of the same drug into separate schedules within the same bid, as a result of which, the determination of L1 itself becomes questionable.

g. The separate schedules splitting the total quantity are contrary to the spirit of World Bank guidelines and checklist, which *inter alia*, refer to attracting the interest of both small firms and encouraging competition. Considering the large size of the requirement (33.70 crore ZLN tablets), had Ministry invited eligible manufacturers to bid as per their individual capacity within the total quantity, both smaller and larger firms would have submitted bid, resulting in better prices.

h. As mentioned in the second case referred above, NACO had negotiated with the L1 under the second schedule. Hence the argument that negotiation is not permissible, it not valid.

Thus, by failing to negotiate with L1 (in respect of Schedule-II in the first case and in respect of Schedule-I in the second case), NACO incurred extra expenditure amounting to ₹ 2.06 crore.

Central Government Health Scheme (HQ)

11.3 Rent free accommodation to a commercial undertaking in violation of rules

Hindustan Latex Limited (HLL) provides diagnostic services to government and private patients in a building owned by the Central Government Health Scheme (CGHS) in RK Puram New Delhi. Apart from an inadequate discount of 10 *per cent* to CGHS beneficiaries, HLL does not pay rent in terms of extant orders resulting in loss of ₹ 1.72 crore during 2008-09 to December 2016.

Central Government Health Scheme (CGHS) executed (December 2007) a Memorandum of Understanding (MoU) with Hindustan Latex Limited (HLL) to set up a modern diagnostic centre (carpet area: 280.81 square metres) at CGHS Dispensary, RK Puram, New Delhi. In terms of the MoU, HLL provided diagnostic services to CGHS beneficiaries at CGHS rates (with a 10 *per cent* discount from April 2012), and was at liberty to serve private patients (non CGHS beneficiaries) at charges fixed by HLL.

Director of Estates under the Ministry of Urban Development (MoUD) is responsible for the administration and management of office buildings for various organisations of the Government of India. Directorate of Estates had fixed[7] the market rate of licence fee for allotting general pool office accommodation in Delhi to various non-entitled bodies (including non-eligible commercial organisations) at ₹ 65 per square metre of carpet area per month. Subsequently, the Director of Estates informed[8] that in cases where such accommodation is to be provided, the market rate is to be fixed in terms of the guidelines of 13 June 1985[9] according to which licence fee was to be revised every three years with escalation of 8 *per cent per annum* compounded on yearly basis. Though the orders dated 13 June 1985 deal with the leasing of private accommodation, they contain the inherent principles applicable to the leasing of government accommodation to non-entitled categories including the requirement of certificate of reasonableness of rent to be issued by the concerned Central Public Works Department (CPWD) officers/hiring committee in terms of reasonableness of rent based on factors like, prevailing market rate for comparable premises in the locality, etc.

CGHS did not follow the procedure enunciated by the CPWD/Director of Estates and assess the fair rent for the premises (in terms of the orders of 13 June 1985 and 16 March 1999), and it has not been possible in audit to assess the same. Despite this, Audit has assessed the license fee at ₹ 1.72 crore (in terms of the earlier orders of 29 January 1982 fixing it at ₹ 65 per square metre and orders of 1999 for increasing the rent at 8 *per cent* compounded annually). By giving HLL rent-free accommodation in a prime location, CGHS incurred a loss of ₹ 1.72 crore in license fees from 2008-09 till date (December 2016).

CGHS replied (June 2016) that HLL was a Government organisation and the MoU signed in December 2007 did not have any provision of rent. Further, HLL was extending 10 *per cent* discount on CGHS rates since April 2012, and the same arrangements of discount in lieu of rent was proposed to be continued in the new MoU which was under consideration.

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[7] Directorate of Estates O.M. no. 18015(1)/80-Pol.IV dated 29th January 1982

[8] Director of Estates O.M. no.18015/1/92-Pol-III dated 16th March 1999

[9] CPWD O.M. no. 21/8/85-WI (DG) dated 13th June 1985

The reply is not acceptable. In terms of extant orders, CGHS is required to follow guidelines of the MoUD when allotting general pool office accommodation. The HLL centre at RK Puram, being located in a prime location in Delhi, enjoys considerable revenues from both CGHS beneficiaries (which is an assured business) and private patients. In any case, the suggestion to set off the amount of rent receivable from discount allowed by HLL is not valid in the absence of required provisions in the MoU and approval of MoUD.

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

Jawaharlal Institute of Post Graduate Medical Education and Research, (JIPMER) Puducherry

11.4 Adequacy of Procurement Practices and Tertiary Health Care services in JIPMER

Despite engagement of specialised consultant, there was delay in installation of equipment and non-commissioning of laboratories. Tertiary health care services at JIPMER were lacking in infrastructure, human resources and services provided. Overcrowded OPDs, absence of screening in OPD, declining doctor-patient ratio in super speciality services, inadequate availability of nursing personnel, absence of specialised interventional pain management centre, inadequacies in OT, post-operative recovery unit, inadequacies of advanced imaging & lab services, dependence on private laboratories and scan centres were noticed.

Jawaharlal Institute of Postgraduate Medical Education and Research (JIPMER) originated as Ecole de Medicine de Pondicherry established by the French Government in the 1823, which was later converted into Dhanvantari Medical College[10]. Upgraded as JIPMER during 1964 and later declared to be an Institution of National Importance by an Act of Parliament on 14 July 2008, the Institute conducts undergraduate, post graduate and super specialty medical courses in addition to research in selected areas. There are 45[11] Departments in the Institute providing Inpatient and Outpatient services.

Audit was conducted (July 2016) covering the period 2012-13 to 2015-16 to examine the adequacy of procurement practices and tertiary health care

[10] At the time of de facto, transfer of Pondicherry to Government of India

[11] 2013-14 – 43 departments, 2014-15 and 2015-16 – 45 departments

services provided by JIPMER. The important findings are given in the following paragraphs:

11.4.2 Audit findings

11.4.2.1 Procurement, installation and utilisation of medical equipment

Ministry of Health and Family Welfare instructed (March 2009) JIPMER to engage HLL Life care Limited (HLL) as in-house consultant for construction of Women and Children Hospital (WCH), Academic Centre, New Hostel Complex and for timely procurement, installation and commissioning of medical equipment under Phase II development project[12].

M/s Larsen & Toubro Limited (L&T) was awarded the contract for both construction and 'procurement, supply, installation and commissioning' of 622 items of medical equipment at a cost of ₹ 334 crore[13] with completion period of 24 months from the date of Letter of Acceptance (LOA) (March 2010) on turnkey basis. JIPMER would finalise specifications within a period of 9 months (December 2010) from LOA[14]and JIPMER retained the right to vary the detailed specifications of medical equipment. Power supply/space for installation[15]were to be given to the M/s L&T by March 2012 by JIPMER.

Audit observed (July 2016) that though the buildings were handed over by April 2013, the equipment were installed within JIPMER premises in the new /old buildings with delay ranging from 1 to 59 months in several instances. Some cases noticed in audit are as under:

- Non provision of required space on the part of JIPMER resulted in delayed installation of 15 equipment supplied costing ₹ 9.49 crore. Delay ranged between 15 and 34 months.
- Delay in completion of civil renovation/electrical modification work by JIPMER resulted in delayed installation of 5 computed radiography equipment costing ₹ 2.28 crore[16] for the period between 12 and 37

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[12] The project proposal consisted of setting up of Teaching Block, 400 bedded Women and Children Hospital, Hostel Complex and Doctors' Quarters. According to the contract agreement, HLL was responsible, *inter-alia*, for commissioning of all medical equipment and handing over to the entire satisfaction of the Client within the due date through EPC developer.

[13] Construction cost ₹ 208.75 crore and medical equipment cost ₹ 125.25 crore under Phase II project

[14] JIPMER approved the specification finally in January 2011 except equipment for Departments of Radio Diagnosis, Anaesthesiology and Psychiatry.

[15] Other than in WCH and Academic Centre

[16] Cost of each unit was ₹ 45.50 lakh.

months. The Ministry's reply (November 2016) also cited the delay of renovation work as affecting the installation of equipment.

- 199 medical equipment valuing ₹ 38.91 crore received during May 2010 to January 2013 were installed in Women and Children Hospital and Academic Centre between July 2012 and October 2015 with delay ranging between 4 and 39 months though the building for installation were ready in June 2012. Ministry's reply (November 2016) that the delay was due to delay in getting power supply is not acceptable as there was further delay in installation of equipment by 1 to 30 months even after the power supply was obtained in March 2013.
- Two equipment[17] purchased at a cost of ₹ 1.10 crore are still to be installed due to space constraint. Ministry accepted the audit observation.
- 17 equipment supplied from July 2011 to January 2013 at a cost of ₹ 2.74 crore remained uninstalled (November 2016) as the equipment were not of approved specification though 90 *per cent* cost i.e. ₹ 2.46 crore was paid. Though Ministry's reply (November 2016) indicates that the equipment were put to use, the departments informed that the equipment were yet to be installed (November 2016).
- Picture Archiving and Communication System (PACS) with Tele radiology software supplied to Radio Diagnostic Department in July 2012 at a cost of ₹ 5.69 crore could not be used for its intended purpose of patient care and digitalisation of hospital data management system owing to non-fulfilment of specifications and supply of lower version of software. Ministry's reply (November 2016) that state-of-the-art PACS has been established is silent about the intended purpose (including digitalisation of hospital management system) having been achieved even as on date.

Hence due to delay/non installation of equipment, the patient care services suffered.

[17] ENT Diagnostic cum Therapy Unit with Microscope amounting to ₹ 64.71 lakh supplied in December 2011 and Digital Panoramic & Cephalometric X-Ray Imaging unit amounting to ₹ 45.07 lakh supplied in January 2014.

11.4.2.2 Unwarranted procurement

Unwarranted procurement of L&T make anaesthesia monitors resulted in an unavoidable expenditure of ₹ 0.60 crore[18] as GE health care anaesthesia machine and L&T make anaesthesia monitor are not compatible for safe anaesthesia. Ministry stated (November 2016) that L&T make monitors were put into use with L&T machines procured in Phase I project. The reply supports the audit contention.

11.4.2.3 Non-functional laboratory services

Audit noted that Immunotherapy/Cytotherapy unit lab installed at a cost of ₹ 55.74 lakh[19] for treating patients using cell based therapy protocol was not functional due to fungus formation and water leakage. The Ministry replied (November 2016) that the unit is now functional after addressing the water leakage and fungus formation. However, the Department stated (November 2016) that the unit remains closed for repairs and renovation works.

In another case, infrastructure created at a cost of ₹ 1.03 crore[20] for the IVF laboratory remained idle as civil work was not done as per guidelines prescribed for establishing IVF laboratory. Ministry replied (November 2016) that the laboratory would be established shortly.

11.4.3 Patient care at Tertiary level

The Institute, with 45 departments provides medical care to patients through OPD and in private/general wards. The Institute also manages a 2131 bedded hospital as Super Specialty Tertiary Health Care besides its Rural Health Centre, Urban Health Centre and Outreach centres. Audit findings are as under:

11.4.4 Operation Theatre services

11.4.4.1 Inadequate OT schedule

Operation Theatre (OT) schedule allotted to each surgical department remained unchanged since 2014 due to shortage of nursing staff and post-operative recovery unit despite department's frequent requests to increase OT services/time to clear waiting time of patients. Ministry's reply (November

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[18] Cost of 12 additional monitors purchased at the rate of ₹ 5.04 lakh.
[19] Equipment cost- cryo freezer ₹ 18.26 lakh and stem cell separator ₹ 37.48 lakh.
[20] Civil works ₹ 27.60 lakh plus equipment cost ₹ 75.84 lakh.

2016) that all OT are utilised six days in a week from 8.00 am to 6.00 pm is not tenable since no order was issued allotting additional OT days and OT time.

Fully equipped Laparoscopic OT established (April 2013) in WCH Block and one Trauma OT (October 2014) in EMS Block were non-functional due to shortage of Anaesthetist. The Ministry's reply (November 2016) that 14 faculty posts could not be filled despite attempts to fill up the vacancies indicates the urgent need for renewed efforts to ensure that the infrastructure of available facilities is utilised at the earliest for the benefit of the patients.

Non-functional Laparoscopic OT

Medical Council of India (MCI) norms of one Minor OT for each surgical department in casualty/emergency unit was not available in Trauma critical care OT in Emergency Medical Service (EMS) block and in WCH block. The Ministry's reply (November 2016) that out of two OT tables available in each OT unit, one is being used as Minor OT is not acceptable since the infrastructures created was for major operations.

MCI norm that an OT Unit should have Post-Operative Recovery Unit with minimum of 10 beds was not complied with. Patients after surgery are directly transferred to the ward/ICU (other than in WCH-OG department which was provided with 5 bedded post-operative recovery unit). Ministry replied (November 2016) that post-operative recovery room would function after appointment of nursing personnel which is under process.

11.4.4.2 Deployment of Nursing Personnel

As per the Staff Inspection Unit (SIU)[21] norms of the Ministry of Health & Family Welfare, the requirement of nursing personnel[22] for 2131 bedded[23]

[21] SIU prescribes a bed to nurse ratio of 1:1.1.
[22] Nursing personnel consists of staff nurse, nursing sister, Assistant Nursing Superintendent, Deputy Nursing Superintendent, Nursing Superintendent and Chief Nursing Officer.

hospital works is 2344[24] whereas the present sanctioned strength and persons-in-position were 1450 and 1320 respectively. Consequently, JIPMER had a shortage of 1024 (2344-1320) as on June 2016. JIPMER recommended[25] creation of 815[26] additional nursing personnel posts. Closure of newly constructed/fully equipped Wards and ICUs were attributable to such shortage were observed as discussed below:

- Three wards (270, 271, 272) in paediatric ICU complex with 18 general beds, 6 isolation beds and 10 ICU beds and delivery room with 2 VIP suite established (April 2013) in WCH block with construction cost of ₹ 1.61 crore were not opened for patient care services since April 2013 resulting in creation of floor beds[27] and accommodating of new born infants on that floor beds.

New born infants accommodated in floor beds

Closed ward in PICU complex

- Two wards in SSB constructed at a cost of ₹ 23.75 lakh (approx.) were non-functional since 2009.

The Ministry stated (November 2016) that despite terrible shortage of nurses, ICU recovery rooms are opened with available staff. It further stated that all efforts are being made to operationalise the ward by January 2017.

11.4.4.3 Non-establishment of Interventional pain management centre

Standing Finance Committee (SFC) approved (November 2013) a proposal to establish an Interventional Pain Management Centre [28] but the same is yet to

[23] Bed strength during 2012-13 and 2013-14 is 2059, 2014-15 is 2114 and 2015-16 is 2131
[24] Bed strength 2131 * 1.1 = 2344.
[25] Cadre restructuring report (2014-15) sent to Ministry, considering strength of 2059.
[26] Sanctioned bed strength (2059) multiplied by SIU norm (1:1.1) ie 2059*1.1 = 2265, 2265-1450 = 815.
[27] One hundred floor beds available.
[28] Estimated cost of ₹ 2.79 crore.

be established (July 2016). The patients suffering from terminal cancer, debilitating orthopaedic pain etc. require continuous multimodal approach of pain management but are currently given interventional blocks only once a week and not admitted in the Dept. of Anaesthesiology and Critical Care. The Ministry accepted (November 2016) the audit observation.

11.4.5 OPD Services

11.4.5.1 Establishment of specialised screening OPD

Around 7500 patients approach JIPMER daily including general/common, speciality and super speciality treatment. Screening OPD[29] approved in 2012[30] for patients to ensure the availability of services of specialties/super specialties to the most needy patients is yet to be made operational and OPDs remain overcrowded (November 2016). Ministry stated that the work would be completed during November 2016. However, JIPMER had informed that due to paucity of fund, the work would be completed only by September 2017.

11.4.5.2 Non-availability of amenities in OPD

Audit observed non-compliance of various norms prescribed under Indian Public Health Standards for patients in OPD services such as non-availability of X-ray view box, non-availability of complaint box, non-availability of patient calling system, non-availability of potable drinking water & toilets, inadequate seating arrangements, etc. in different department**.** Thus, JIPMER, a tertiary care hospital, was lacking in amenities for patients in OPD.

Ministry stated (November 2016) that the issues are being taken care of during modernisation programme. The facts remained that JIPMER failed to provide the required facilities as per the norms.

Overcrowded waiting area without seating arrangement in Nephrology OPD

[29] Screening OPD will provide consultations for surgery, medicine, ENT, ophthalmology, orthopaedics and dentistry along with laboratories and radiological services (X-ray, ECG, ECHO and Ultrasound etc.).

[30] The work to be completed within 24 months from the date of LOA. LOA was issued on 30 October 2013.

11.4.5.3 Decline in doctor- patient ratio in super speciality OPDs

Adequate manpower in medical services is a critical component having a direct bearing on patient care. Audit observed that number of patients attended per specialist was on an increasing trend (6 *per cent* to 585 *per cent*) every year in different super speciality departments during the period from 2013-14 to 2015-16 **(Annex-I)**. It was observed that the increase was more than 100 *per cent* in five[31] departments and more than 200 *per cent* in two[32] departments. While the patient attendance was increasing every year, the super specialist doctors' strength was decreasing. The doctor patient ratio which was 1:5998 in 2013-14 worsened to 1:12094 in 2015-16. Four super speciality departments *viz*. Endocrinology, Medical Oncology, Nephrology and Medical Gastroenterology were functioning without a regular professor from 2013-14 onwards. The only patient satisfaction survey conducted (cardiology department in 2015-16) so far by the Institute revealed that the patients were unable to get enough time from the doctors in the OPDs due to huge patient load. Further, JIPMER is yet to conduct the study on Maximum Handling Capacity of any of the OPD to ascertain the quality of care received by the patients in the OPDs.

In reply, the Ministry stated (November 2016) that there is a proposal to create 100 more faculty posts but repeated attempts to fill up even sanctioned post have proved futile because of corporate sector hospitals. The reply support the audit contention of shortage of doctors in super specialties.

11.4.6 IPD services

11.4.6.1 Functional beds not optimally utilised

Details of sanctioned beds and functional beds[33] for the period from 2012-13 to 2015-16 indicates that though the number of functional bed strength[34] increased every year, it did not reach the sanctioned bed strength (2059) for the year 2012-13. Further 285020 bed days were unutilised **(Annex-II)** resulting in referring patients waiting for surgery, to other health centres. Acknowledging that some beds are non-functional, the Ministry informed that

[31] Cardiology, CTVS, Neurosurgery, Endocrinology and Medical Oncology.
[32] Surgical Gastroenterology and Surgical Oncology.
[33] A bed is considered to be functional bed if the bed is actually setup, staffed, equipped and available for patient care.
[34] 1618 in 2012- 13 to 2044 in 2015-16.

however, number of inpatients far exceeds the sanctioned bed strength. The reply is silent about the reasons for functional beds remaining unutilised.

11.4.6.2 Patients awaiting surgery

OTs are scheduled for half day generally in JIPMER. The waiting time for patients awaiting surgery ranged between 2 weeks to 36 months **(Annex-III)** excluding the likely waiting time for taking Ultra Sound Scan (upto two months), C.T. Scan (upto 20 days), MRI Scan (upto 5 months) etc. The Cardiothoracic & Vascular Surgery (CTVS) department stated that the waiting period had direct bearing on the patient's condition and would have impact on the overall outcome of the treatment and around 200 patients in the waiting list die every year for want of timely treatment. Departments stated that the waiting list was due to non-availability of OTs beds and increased hours would be possible only if staff strength is doubled. Ministry stated (November 2016) that intense efforts are being made to bring down the waiting period.

11.4.7 Multi organ transplant programme in JIPMER

Organ transplant is recognised as an effective method to save the lives of persons suffering from end stage organ failure.

11.4.7.1 Non-availability of transplant coordinator

Section 11 of the Transplantation of Human Organ (Amendment) Act (THOA) 2011 stipulates the appointment of Transplant coordinator[35] by hospitals involved in organ transplant. National Organ Transplant Programme (NOTP) which promotes deceased organ transplantation to protect vulnerable poor from organ trafficking provides financial assistance to the hospitals to appoint transplant coordinators.

Audit observed that JIPMER, without appointing a dedicated transplant co-ordinator, started the deceased (cadaver) donor organ harvesting programme in December 2013 and harvested only 20 cadavers out of 559 deaths during 2013-14 to 2015-16 in EMS/Trauma care centre. The nodal officer, appointed on 06.11.2015 for the purpose of interacting and organising all aspects of organ/tissue transplantation activities, stated that out of 559 death cases, 56 to 84 (10 *per cent* to 15 *per cent*) cases could be potential

[35] Transplant Coordinator (section 5 of THOA 2011) - a person appointed by the hospital for co-ordinating all matters relating to removal or transplantation of human organs or tissues or both and for assisting/coordinating between treating team and transplant team, handle medico-legal formalities, counsel family members of diseased donor.

deceased donors for harvesting organs. Thus, the non-availability of dedicated transplant coordinator contributed to the low harvesting of organs during above period. Ministry accepted the audit observation.(November 2016)

11.4.7.2 Inadequate progress in organ harvesting

A deceased donor can donate organs[36] and tissues[37] provided they are in medically fit condition. As per the guiding principles of NOTP issued by DGHS, all organs should be utilised and wastages avoided as organs are scarce and can save lives. Audit observed that unlike in other institutes of national importance,[38] JIPMER had established facility for transplantation of only three organs *viz*. kidney, liver and cornea and performed average number of 20 kidney transplantation in a year (2012-15) which is significantly lower than the average number of 200 and 150 transplantations performed by PGIMER Chandigarh and AIIMS New Delhi.

Audit observed that number of patients awaiting kidney transplantation as on July 2016 is 82. JIPMER attributed the long wait to severe shortage of faculty and senior residents, lack of beds/space as well as lack of dedicated operation theatre for kidney transplantation.

Further, Audit observed that even though JIPMER had formulated a policy for organ sharing, it had not established any organ sharing arrangement with any hospital. In the absence of such organ sharing arrangement, JIPMER could not ensure optimal harvesting. The Ministry accepted the audit observation (November 2016).

11.4.8 Cancer treatment facility

Cancer has emerged as a major public health challenge in India. It is one of the leading causes of death.

11.4.8.1 Regional Cancer Centre not functioning as a separate unit

Department of Radiotherapy was granted Regional Cancer Centre (RCC) status to provide a comprehensive cancer treatment at tertiary level under one

[36] Organs- kidneys, liver, heart, lungs, intestine, pancreas
[37] Tissues- two corneas, skin, heart valves, cartilage/ligaments, bones/tendons, vessels.
[38] PGIMER, Chandigarh established facility for seven organ transplantation and AIIMS, New Delhi for five organs.

roof[39] and a separate block was constructed during 2008. At present, RCC has three main branches of Oncology, *viz*. Radiation Oncology, Medical Oncology and Surgical Oncology.

JIPMER informed that an ideal cancer centre should have all major modalities such as surgery, radiotherapy, medical oncology, anaesthesia, radio diagnosis, nuclear medicine, palliative care, pathology, psychological support centre etc. under one roof. Audit noticed that even though there is a separate block for RCC, only two of the above sections *viz*. Radio Therapy and Medical Oncology are functioning there and all other sections are functioning in different blocks in different locations leading to hardships for the patients.

Further, for running RCC as a separate Institute and also to achieve the objectives of RCC such as treatment, early diagnosis and prevention of cancer, JIPMER had created the post of Director, RCC. However, RCC is functioning without a Director for the last two years (2014-15 and 2015-16). Although the Ministry stated (November 2016) that the unit is part of JIPMER and not a regional cancer centre but Audit noted that the Government of India had already decided (January 2002) to develop JIPMER's Department of Radiotherapy as a Regional Cancer Centre.

11.4.8.2 Comprehensive cancer treatment facility

As per guidelines of NPCDCS[40], a tertiary cancer centre shall provide comprehensive cancer care which includes cancer prevention, early detection, diagnosis, provision of therapy, after care, palliative care and rehabilitation. Such comprehensive cancer treatment facilities were not available as detailed below:

- **Preventive Oncology**

Preventive Oncology, which paves the way for prevention and early detection of cancer, is not available in JIPMER although 65 to 75 *per cent* of patients coming to RCC are in the advanced stage (III and IV) patients.

Ministry stated (November 2016) that proposal has been submitted to establish comprehensive preventive oncology unit in the Phase-3 expansion of RCC.

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[39] JIPMER's website

[40] National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases & Stroke.

➢ Absence of Comprehensive Palliative Care Centre

Nearly 70 *per cent* of the cancer patients attending RCC are in advanced stage of disease, for whom palliative care would be the predominant form of treatment. Audit observed that such a comprehensive palliative care centre is not available in JIPMER. Ministry replied (November 2016) that the same has been envisaged in Phase 3 expansion of RCC.

➢ Absence of therapeutic nuclear medicine procedures in cancer treatment.

Therapeutic nuclear medicine plays a vital role in cancer treatment by affording different type of therapies.[41]It was seen that these therapies are not being done due to non-availability of isolation ward though specialised faculties are available from March 2010. Ministry stated (November 2016) that action is being taken to convert the existing ward into an isolation ward.

11.4.8.3 Non-availability of leukaemia isolation ward

Leukaemia patients/febrile neutropenia patients require isolation as they are at high risk of developing fatal infection. Due to non-availability of leukaemia induction isolation ward, these patients are being treated in open general wards leading to risk of high induction mortality among such patients. Ministry stated (November 2016) that it is being considered in Phase 3 expansion of RCC.

11.4.9 Advanced investigations and imaging services

Tertiary care is a specialised consultative health care, usually provided for inpatients following referral from primary or secondary health professionals to an institution that has personnel and facilities for advanced laboratory and imaging investigations as well as for highly skilled clinical management.[42]

11.4.9.1 Non-availability of advanced lab investigations

Audit observed that many advanced laboratory investigations in Biochemistry, Clinical, Immunology, Microbiology, Pathology and Anatomy Departments were not available due to shortage of consumables and technicians. “Non-availability” certificates are being issued despite availability of well-equipped

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[41] 1311 therapy,1311 MIBG therapy, 177Lu DOTA therapy, 177 Lu EDTMP therapy.

[42] Report of Planning Commission’s Working Group on Tertiary Care Institutions for 12th Five Year Plan.

departments and laboratories. Hence, the patients are compelled to approach private labs. Ministry's response (November 2016) that the fund position has since improved and advanced investigations are being done was not in line with the response of departmental heads (November 2016) that these investigations were currently not being done.

11.4.9.2 Absence of advanced imaging services

(i) PET/CT scan

While X-ray and Ultra Sound Scanners are essential diagnostic equipment for providing quality medical care to patients, a PET/CT scan is more advanced and more accurate in evaluating cancer patients. Unlike in other Institutes of National Importance,[43] JIPMER did not have PET/CT scan despite sanction of ₹ 16.53 crore for its establishment in January 2012. Hence, JIPMER was referring patients to private lab centres for taking PET/CT scan where the patients had to pay different rates for similar scans[44]. Audit noted that this goes against JIPMER's Vision and Mission to be a model for health care systems in India and to provide service of the highest order. The Ministry attributed the absence to difficulties experienced in complying with tender requirements.

(ii) OPG X-ray

The facility was not provided due to non-commissioning of the newly purchased equipment. Ministry attributed delay in installation to modernisation of the ground floor.

(iii) Tesla MRI

Equipment essential for performing imaging and interventional procedures was not available although it was available in other institutes of national importance.[45] Ministry informed that the same would be installed before April 2017.

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[43] AIIMS New Delhi and PGIMER Chandigarh.

[44] In one case one of the private lab charged ₹ 9,000. In another case another private lab charged ₹ 25,000 and subsequently allowed a rebate of ₹ 9000 and the same lab charged ₹ 15,000 from another patient.

[45] AIIMS, PGIMER, NIMHANS and six newly established AIIMS.

11.4.10 Support Services

11.4.10.1 Preparation of diet in unhealthy condition

The Department of Dietetics established in 1966 provides diet[46] to all inpatients as per dietary requirements. The main kitchen was built in 1964 to meet the need of 860 patients per meal. Now, due to increase of bed strength, the number of diets to be supplied also has increased to 1750 diet per meal. The department reported that the space for kitchen, and other facilities are inadequate to meet the present condition. Further, the Institute had no testing facilities for food items before supply to patients. Since the kitchen was not found to be suitable for remodelling, the department submitted a proposal (October 2013) for modernisation. But, no action has been taken (July 2016) either to construct a new modular kitchen or to renovate the existing one. Thus, the kitchen continues to operate with outmoded, unhealthy and unhygienic working conditions.


View of kitchen premises

Ministry stated (November 2016) that the work for modernisation of the kitchen is already underway and would be completed by December 2017.

11.4.11 Conclusion

Health care services at tertiary level in JIPMER were lacking in infrastructure, human resources and services being provided. There were delays in installation of equipment. Overcrowded OPDs, absence of screening OPD, declining doctor-patient ratio in super speciality services, inadequate availability of nursing personnel, absence of specialised interventional pain management centre, inadequacies in OT, minor OT, post-operative recovery unit, inadequacies of advanced imaging & lab services, dependence on private laboratories and scan centres were noticed.

[46] The diet covers normal diet for adult and children, liquid diet, high protein diet, high protein fluid diet, light diet (milk & bread), low protein diet, diabetic diet, bland diet (low residue diet) and high carbohydrate diet.

Indian Council of Medical Research

11.5 Irregular grant of benefits to the scientists

Irregular grant of promotions under Flexible Complementing Scheme to the scientists with retrospective effect led to irregular payment of arrear amounting to ₹ 2.35 crore in 101 cases.

Department of Personnel and Training (DoPT) issued (November 1998) instructions on modification of the existing Flexible Complementing Scheme (FCS) for in-situ promotion of scientists working in various scientific departments of Government of India. These instructions, issued consequent to Fifth Pay Commission recommendations, prescribed minimum residency period and assessment procedure for in-situ promotion of scientists and technical staff. FCS was applicable to all Scientific and Technological departments.

Further, DoPT, in response to references seeking clarification on the date from which such promotions were to be given, communicated (July 2002) that in-situ promotions under FCS should be effective from a prospective date after the competent authority approved the same. Subsequently, based on recommendations of Sixth Pay Commission, DoPT further modified (September 2010) FCS and introduced revised pay scales and assessment procedures. DoPT reiterated (September 2012) its earlier position regarding date of grant of promotion under FCS, clarifying that promotion cannot be made with retrospective effect. Thus, no promotions can be granted with retrospective effect under FCS.

Indian Council of Medical Research (ICMR), an autonomous body under Ministry of Health and Family Welfare, substantially financed from GoI grants, formulated its Health Research Scientists Cadre Rules, 2007 and made provision for promotion of scientists on the basis of FCS in accordance with the criteria prescribed for such promotions by Government vide DoPT OM dated 9 November, 1998 and as amended from time to time.

Out of 33 Institutes/Centres of ICMR including ICMR Hqrs., Audit test checked the cases of promotions of scientists under FCS in ICMR (Headquarters) and its three centres[47] located in Delhi/NCR and observed that

[47] National Institute of Medical Statistics(NIMS) Delhi, National Institute of Malaria Research (NIMR), Delhi, and Institute of Cytology and Preventive Oncology (ICPO), Noida, U.P.

in 466 cases, promotions in higher grade were granted to the Scientists posted in all the centres, by ICMR Headquarters during June 2013 to February 2016, by ante-dating the effective date of promotion by six months to 41 months from the date of promotion orders. Hence salaries and arrears were paid in contravention of extent policy circulars. The financial implication in 101 such cases pertaining to Scientists posted in ICMR Headquarters and three centres amounted to ₹ 2.35 crore.

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

Regional Medical Research Centre, Dibrugarh

11.6 Poor fund management

Failure of Regional Medical Research Centre, Dibrugarh to adhere to the investment procedure of Indian Council of Medical Research in investing the surplus funds resulted in loss of opportunity to earn extra interest of ₹ 1.04 crore during 2011-15.

Regional Medical Research Centre (RMRC), Dibrugarh is one of the regional centres of Indian Council of Medical Research (ICMR) for carrying out Biomedical Research in eight states of the north-eastern region of India and is entirely funded by ICMR.

Handbook on Finance and Accounts (Handbook) of the ICMR provides that the RMRC may, based on assessment of the immediate requirement of funds, place the surplus funds in Short Term Deposits (STD) of 91 days/31 days with accredited bank. Further, the funds equal to the average monthly expenditure during the period from April to November of the previous year plus 10 *per cent* must be kept in the current account.

RMRC, Dibrugarh kept the fund received from ICMR in a current account (account) and made payment for day-to-day expenditure apart from investing money in STD from time to time. Audit noted (March 2016) that RMRC, Dibrugarh had not followed the investment procedure as stipulated in the Handbook after taking into consideration the necessity of fund. There were surplus funds ranging between ₹ 0.46 crore and ₹ 13.58 crore available for further investment after setting aside the minimum fund[48]. Had RMRC, Dibrugarh worked out the surplus fund in each month keeping in view the

[48] Ranging between ₹ 2.15 crore and ₹ 7.36

investment procedure stipulated in the Handbook and invested the surplus funds at least for 31 days, they could have earned additional interest of ₹ 1.04 crore during 2011-15.

Thus, failure of RMRC, Dibrugarh to adhere to the investment procedure of ICMR in investing the surplus funds resulted in loss of opportunity to earn extra interest of ₹ 1.04 crore during 2011-15.

RMRC, Dibrugarh stated (August 2016) that from September 2016 onwards the system for investment would be adopted as pointed out by audit.

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

CHAPTER XII : MINISTRY OF HOME AFFAIRS

Frontier Headquarters, Sashastra Seema Bal (SSB), Patna

12.1 Blocking of funds for over six years and loss of interest

Failure of Sashastra Seema Bal (SSB) Patna to act on Ministry's orders on acquisition of land has resulted in blockage of ₹ 37.28 crore for over six years and loss of interest of ₹ 17.75 crore

Based on proposal (April 2007) of the Sashastra Seema Bal (SSB), Patna, the Ministry of Home Affairs approved (March- August 2010) the purchase of 73 acres of land from the Government of Bihar for ₹ 37.28 crore to establish the SSB's Frontier and Reserve Battalion Headquarters. When the SSB deposited (August 2010) ₹ 37.28 crore, the Bihar Government informed that the original estimates of land price fixed in 2007 (on which SSB had obtained the Ministry's approval) had been revised and requested SSB to deposit the balance ₹ 69.13 crore (based on the revised costs). Ministry however, refused to agree to the revised proposal and advised (July 2012) SSB to send a fresh proposal for alternative location/lesser land. Till date (December 2016), SSB has not sent a fresh proposal to the Ministry and the deposit of ₹ 37.28 crore is lying with the State Government.

Ministry, in its Action Taken Note to the Public Accounts Committee (PAC)[1] relating *inter-alia* to the slow progress of land acquisition, had promised (June 2016) that in future all efforts would be made to complete the process in minimum time. Despite this, the SSB, in this specific case, has made no efforts to purchase alternative land from the State Government and the amount of ₹ 37.28 crore remains blocked.

Thus, inaction of the SSB Patna has resulted in blockage of ₹ 37.28 crore for more than six years, and consequent loss of interest of ₹ 17.75 crore[2].

SSB Patna has confirmed the facts. The matter was reported to the Ministry in August 2016; their reply was awaited as of January 2017.

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1 Audit Report No. 35 of 2015 'Performance Audit of Construction Activities in Central Armed Police Forces' (Para No. 3.1 – Deviations in Land Acquisition)

2 Estimated at the Government borrowing cost ranging at 10.19 *per cent* to 7.61 *per cent* between 2011-12 and November 2016

Directorate of Coordination Police Wireless

12.2 CPWD and DCPW failed to transfer possession of premises completed in 2011 rendering expenditure incurred thereon infructuous

CPWD failed to ensure feasibility of water supply, prevent unauthorised occupation of premises and theft of electrical fittings in an office cum residential complex constructed for the Directorate of Coordination Police Wireless at Kohima. Consequently, the-premises completed in July 2011 had not been handed over, rendering the expenditure of ₹ 2.98 crore infructuous.

Ministry of Home Affairs accorded (November 2005) administrative approval and expenditure sanction for the construction of the Inter State Police Wireless Station office cum residential complex of the Directorate of Coordination Police Wireless (DCPW) at Kohima on land leased from the Government of Nagaland in 1998. The Central Public Works Department (CPWD) completed the construction in July 2011. DCPW, however, refused to take over possession since CPWD had not made arrangements for supply of drinking water, though this had been provided for in the estimates.

In terms of paragraph 2.7 of the CPWD Manual, the CPWD is required to ensure feasibility of water supply in the pre-construction stage itself. It was observed however, that even as early as 2008, the ground water survey conducted by the CPWD revealed that there was no underground water up to several meters depth, and therefore, the CPWD dropped the proposal for bore-well. The Nagaland Public Health Engineering Department (PHED) also informed that piped water was not feasible, and agreed (May 2011) to supply water through tankers on payment basis. DCPW however, failed to act in time and sent a team to inspect the premises only in March 2014, when it was found that some works remained incomplete. Subsequently, when a team from DCPW visited in January 2015 for the process of taking over the premises, it was found that electrical fittings were missing or damaged and that some quarters were under unauthorised occupation. A further visit by a DCPW team in June 2016 found that the unauthorised occupants were drawing power from the 200 KV transformer for which DCPW was paying electricity charges since March 2015 to the electricity department.

Thus, failure of the CPWD to resolve at the pre-construction stage the issue of feasibility of drinking water supply and subsequent failures to ensure safety of the premises against theft and unauthorised occupation has delayed the occupation of premises constructed in July 2011 and resulted in infructuous expenditure of ₹ 2.98 crore on construction and ₹ 6.70 lakh on electricity charge up to July 2016.

DCPW stated (August 2016) that the staff quarters were still occupied by unauthorised occupants and that Director General (CPWD) and Director General of Police, Nagaland had also been approached for remedial action. The Ministry endorsed (November 2016) the same reply of DCPW.

The fact remains that the Ministry and DCPW failed to exercise adequate oversight in the matter leading to inordinate delays in taking possession of the premises.

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

12.3 Avoidable payment of sewerage charges

Avoidable sewerage charges of ₹ 1.48 crore during 2007-08 to 2015-16 was paid by Directorate of Coordination Police Wireless. After the issue was raised by Audit, Delhi Jal Board discontinued levy of sewerage charges from the bills of the Institute.

In terms of Delhi Jal Board (DJB) orders of December 2005, sewerage maintenance charges[3], were not leviable in areas where sewerage system was either not functional or where the sewer lines had not been laid.

The Central Police Radio Training Institute (CPRTI), an Institute under the aegis of Directorate of Coordination Police Wireless (DCPW), Ministry of Home Affairs was operating from Ridge Road, New Delhi. Audit observed that there was no separate sewerage line of DJB for the waste disposal of CPRTI. CPRTI was using septic tank for disposal of sewage, which was periodically cleaned by CPWD as part of its annual repair and maintenance. CPWD was responsible for cleaning of manhole, removal of

[3] Sewerage maintenance charge is levied for the maintenance of sewerage system and is charged according to volumetric consumption of water. The rate of levy was 50 *per cent* of the volumetric charge and was subsequently revised to 60 *per cent* through DJB notification of December 2009.

silt/sewerage, cleaning of septic tank and cleaning of partially or fully blocked sewer line.

Audit observed that DCPW was paying sewerage charges to DJB despite the fact that it was not using sewerage lines of DJB and had in place alternative sewage disposal system. During 2007-08 to 2015-16, DCPW paid sewerage charges of ₹ 1.48 crore which was entirely avoidable.

On this being pointed out, DCPW stated (April 2016) that the matter was taken up with DJB in April and May 2014[4], and in response the DJB had informed that "as per provision of levying miscellaneous charges on water consumption, sewer charges were one of them and it was calculated as 60 *per cent* of periodic water charges." The response of DJB is evidently incorrect in the light of the decision already taken by it in 2005. Audit also independently ascertained that in some areas in Delhi such as Pul Pahlad Pur, Khajoor Road, Budh Vihar (Badar Pur), Jwala Nagar, Shahdara, etc. where there was no sewerage system, the water bills raised by DJB did not include the component of sewerage charges.

Audit simultaneously took up the matter with the DJB regarding its decision to levy sewerage charges on CPRTI despite non- existence of sewer lines. Consequently, DJB discontinued the levy of sewer charges from the bills of CPRTI in December 2016. This also indicated that had DCPW taken up the matter with DJB as early as in 2007-08, the incorrect levy of sewerage charges could have been avoided.

DCPW may pursue with DJB and obtain refund of sewerage charges already paid by it along with interest.

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

[4] Audit had earlier raised the issue in 2014.

Central Industrial Security Force (CISF) and Border Security Force (BSF)

12.4 Avoidable payment of excess and penal charges on electricity

CISF unnecessarily paid excess/penal charges of ₹ 64.15 lakh to Chhattisgarh electricity authorities by routinely drawing more power than contract load.

Failure of Border Security Force (BSF) Battalion, to install shunt capacitors to maintain power factor and contract demand load of electricity, resulted in avoidable payment of ₹ 79.75 lakh.

A. In terms of agreements (latest of November 2002) with the Chhattisgarh State Electricity Board (CSEB)[5], the Third Reserve Battalion, Central Industrial Security Force (CISF), Bhilai, Chhattisgarh was sanctioned electricity load of 150 KVA. For many years, the CISF has been routinely drawing power in excess of this contract demand and paying excess/penal charges, but did not initiate any action to increase the contract load. Finally, CISF requested (June 2012), CSPDCL to increase the load to 300 KVA, and was asked (June 2012) to pay a refundable security deposit of ₹ 4.42 lakh, which had been made mandatory since 14 September 2005 for all Central and State Government departments in Chhattisgarh. Instead of paying the now mandatory security deposit, on the ground that that it had not paid this deposit in terms of the earlier agreements, the CISF initially sought exemption and when refused, sought permission to pay this in three instalments, which was agreed to in February 2015. The power load was increased to 300 KVA in February 2015, and since then, the CISF has paid no excess/penal charges. In contrast, the CISF paid ₹ 22.43 lakh as excess/penal charges in the immediately preceding 12 months.

Thus, as a result of unnecessary correspondence with CSPDCL to get a mandatory refundable deposit of ₹ 4.42 lakh waived and then paid in instalments, CISF incurred avoidable expenditure of ₹ 47.97 lakh between June 2012 and February 2015 alone. Overall, between April 2009 to February 2015 CISF unnecessarily paid ₹ 64.15 lakh on excess power charges. The reply (April 2016) of the Director General CISF to Audit did not dispute the facts. Reply of Ministry of Home Affairs is awaited as of January 2017.

B. The tariff structure of Jodhpur Vidyut Vitran Nigam Limited (JVVNL) requires consumers to maintain average power factor above 90 *per cent* and not

[5] Reorganised in 2009 into various entities including the Chhattisgarh State Power Distribution Company (CSPDCL).

more than 105 *per cent* of their monthly contract demand. Failure to maintain consumption between these ranges entails payment of power factor and demand surcharge at specified rates. To avoid such surcharge, consumers are required to install shunt capacitors.

Audit scrutiny of electricity bills of BSF Battalion X, for the period December 2012 to March 2016 revealed that the Battalion was routinely paying power factor and demand surcharge from December 2012 for failure to maintain average power factor at the specified level, resulting in avoidable payment of ₹ 72.04 lakh for the period 2012-13 to 2015-16. Audit further noted that the Battalion exceeded sanctioned load of 738 KVA in four months during 2015-16, resulting in avoidable payment of demand charges of ₹ 7.71 lakh.

With regard to the failure to install shunt capacitors, the Battalion replied (November 2015) that JVVNL supplied electricity to BSF posts through a dedicated line and it was the responsibility of Jodhpur Discom to repair and maintain the line. The reply is not relevant, since it is the responsibility of the consumer to install shunt capacitor. The Ministry in their reply (August 2016) stated that despite the installation of new meter and 33 MFD capacitors on every BFL pole, the power factor went below 90 *per cent*. This reply is also not relevant since it is shunt capacitors that facilitate the maintenance of average power factor within specified limits and not the 33 MFD capacitors

CHAPTER XIII : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

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

13.1 Financial Management and Infrastructure Development

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

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

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

13.1.2 Financial Management

13.1.2.1 Underutilisation of Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13.1.2.4 Outstanding rent of ₹ 48.38 lakh

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

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

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

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

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

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

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

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

13.1.2.6 Irregular purchase of motor vehicles worth ₹ 69.72 lakh

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

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

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

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

13.1.2.7 Irregular execution of repair works

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

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

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

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

13.1.3 Development of infrastructure

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

13.1.4 Construction Works

13.1.4.1 Non-completion of the works assigned to HSCL

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

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

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

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

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

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

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

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

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

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

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

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

13.1.5 Procurement of equipment for Central Instrumentation Lab

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

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

13.1.5.1 Ignoring the lowest bidder

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13.1.5.4 Irregular purchase of instrument from technically disqualified firm

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

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

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

13.1.6 Conclusion

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

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

Indian Institute of Technology, Jodhpur

13.2 Irregular waiver of overpayment

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

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

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

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

Kendriya Vidyalaya Sangathan

13.3 Irregular expenditure on Project Kendriya Vidyalayas

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

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

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

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

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

Audit examination (July 2015 and July 2016) disclosed that as of March 2016 there were 161 Project Vidyalayas of which dues of ₹ 59.67 crore were recoverable from 34 closed and 47 operating Vidyalayas. Audit observed that in cases where the Sponsoring Authority defaulted in making the required payments, KVS diverted the Government grants to meet the expenditure towards pay & allowance of the staff and other recurring and non-recurring expenditure. Following table captures the amounts recoverable from defaulting Sponsoring Authorities.

(₹ in crore)

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

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

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

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

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

Malaviya National Institute of Technology, Jaipur

13.4 Irregularities in Works Contract and Estate Management

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

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

9 Erstwhile Malaviya Regional Engineering College

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

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

13.4.2 Audit findings

13.4.3 Funding from MHRD

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

(₹ in crore)

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

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

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

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

13.4.4 Estate management

13.4.4.1 Utilisation of land allotted by the State Government

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

(Area in hectare)

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

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

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

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

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

13.4.4.2 Allotment of space for commercial activities

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

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

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

[12] Erstwhile the Bank of Rajasthan Limited.

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

13.4.4.3 Inadequate Hostel accommodation

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

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

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

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

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

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

13.4.5 Deficiencies in planning of works

13.4.5.1 Construction of excess residential quarters

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

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

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

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

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

13.4.5.2 Technical Sanction not accorded

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

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

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

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

13.4.6 Irregularities in award of works

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

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

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

[14] Surface dressing of the ground.

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

13.4.6.2 Irregular award of work through negotiation.

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

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

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

13.4.7 Irregularities in execution of work

13.4.7.1 Undue payment of ₹ 1.47 crore

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

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

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

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

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

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

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

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

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

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

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

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

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

13.4.7.4 Non settlement of advance

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

13.4.8 Conclusion

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

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

Indian Institute of Information Technology, Allahabad

13.5 Construction activities in Indian Institute of Information Technology, Allahabad

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

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

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

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

13.5.2 Irregularity in awarding the works

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

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

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

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

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

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

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

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

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

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

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

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

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[16] M/s Sree Glass Plywood Allahabad, M/s Kohli Enterprises

[17] Civil work ₹ 37.49 crore and Electrical work ₹2.29 crore

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

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

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

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

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

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

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

Indian Institute of Technology, Roorkee

13.6 Idle expenditure

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

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

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

[18] National Building Construction Corporation Limited.

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

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

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

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

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

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

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

13.7 Irregular payment of Service Tax

Four institutes under the Ministry of Human Resource Development (Indian Institute of Technology, Roorkee; Babasaheb Bhimrao Ambedkar University, Lucknow, Indian Institute of Management, Ranchi and Indian Institute of Technology, Patna) and one institute under the Ministry of Statistics and Programme Implementation (Indian Statistical Institute, Kolkata) made payment of service tax amounting to ₹ 12.42 crore on the outsourced services, although these services were exempted from payment of such tax.

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

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

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

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

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

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

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

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

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

Indian Institute of Management, Kozhikode

13.8 Irregular payment of pensionary benefits

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

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

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

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

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

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

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

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

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

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

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

University of Allahabad

13.9 Unfruitful expenditure

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

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

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

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

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

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

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

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

30 As per CPWA – 65 (August 2016).

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

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

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

Sardar Vallabhbhai National Institute of Technology, Surat

13.10 Excess payment due to incorrect fixation of pay

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

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

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

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

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

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

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

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

Gujarat Vidyapith

13.11 Human Resource Management

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

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

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

13.11.2 Audit Findings

13.11.2.1 Non follow up of norms of reservation.

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

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

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

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

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

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

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

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

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

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

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

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

13.11.4 Conclusion

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

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

National Institute of Technology, Uttarakhand

13.12 Infructuous & idle expenditure on construction of boundary wall

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

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

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

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

[33] Village Sumari District Pauri.

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

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

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

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

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

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

Indira Gandhi National Tribal University

13.13 Irregular payment of medical allowance

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

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

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

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

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

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

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

Assam University, Silchar

13.14 Unfruitful expenditure

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

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

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

[36] Having perpetual licenses.

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

[38] Absence management.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41 At Booking counters/Website of Airlines.

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

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

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

Further scrutiny showed the following irregularities:

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

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

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

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

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

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

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

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

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

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

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

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

National Institute of Technology, Jamshedpur

13.16 Excess payment due to irregular implementation of Career Advancement Scheme

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

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

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

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

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

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

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

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

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

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

In reply NIT stated (August 2016) that:

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

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

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

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

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

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

The reply is not tenable since:

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

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

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

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

University Grants Commission

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

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

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

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

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

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

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

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

Indian Institute of Technology, Madras

13.18 Avoidable expenditure towards penal charges on electricity consumption

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

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

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

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

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

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

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

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

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

University of Hyderabad

13.19 Irregular payment of Transport Allowance to teaching faculty

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHAPTER XIV : MINISTRY OF INFORMATION AND BROADCASTING

14.1 Film and Television Institute of India, Pune

Students are not completing their respective courses within the prescribed time schedule. This resulted in students occupying hostels beyond scheduled completion of course. The admissions were held up during academic year 2010-11, 2014-15 and 2015-16. The students continued to be on academic roll and in hostels without any payment of fees/hostel charges after the prescribed tenure of their courses, resulting in revenue loss of ₹ 11.83 crore. The cases of irregular payment of Service Tax, excess release of advance payment and unfruitful expenditure on consultancy fees without any commensurate benefits were also noticed.

The Film Institute of India was established in 1960 on the erstwhile Prabhat Studio premises at Pune. The Institute was renamed 'The Film and Television Institute of India' (FTII) in 1971. The Television Wing at New Delhi was shifted to Pune in the early seventies, bringing together the training in Film and Television under a common roof. The FTII is registered under Societies' Registration Act 1860 and functions as an Autonomous Organisation under the Ministry of Information & Broadcasting. The Governing Council (GC), as the apex body of the FTII, is responsible for making all major policy decisions.

The FTII offers Diploma and Certificate courses of different durations in Film and Television streams. The audit was conducted (June 2016) covering the period 2010-11 to 2015-16. Audit findings are discussed in the subsequent paragraphs.

14.1.2 Audit Findings

The Institute imparts training in both Film and Television Streams. This includes Five 3 years/One 2 years/One 1 year Post Graduate Diploma courses (PGDC) in Film Stream and Four 1 year Post Graduate Certificate courses in TV stream covering various aspects of Film and TV production.

14.1.2.1 Non Completion of Courses in time

Students are not completing courses within the prescribed time schedule. We noted that between 2008 and 2012, out of 352 total seats available for the six long duration Diploma courses i.e. courses with scheduled completion time of two and three years, 315 students were admitted. Of these, 212 students i.e.

67.30 *per cent* of the total students enrolled, were still on roll as on 31 March 2016 due to non-completion of their academic exercises, projects etc. This included 94 students, i.e. 44.34 *per cent (*49 students of 2008 and 45 students of 2009 batch) who were on roll for more than three years beyond the scheduled completion of their courses.

We noted that the Institute neither has any specific rule to extend the tenure of such students nor any approval for such group extensions were taken from the Academic Council or Governing Council. Further, the tuition and hostel fees are not charged after the scheduled completion of courses. Hence, the students continued to be on academic roll and in hostels without payment of fees/ hostel charges beyond the prescribed tenure of their courses. Continuance of a very large percentage of enrolled students creates additional pressure on the academic and other infrastructure of the Institute.

As per the notes below para 10 of the Students Hand Book, a student has to leave the hostel room and campus after completion of the academic tenure of his course. No overstay would be permitted unless and until approved by the Registrar and the Director on payment of ₹ 500 per day in advance. We noted that the 212 students mentioned earlier who had not completed their studies continued to stay in hostels without paying any charges. The Institute incurred a revenue loss of ₹ 11.83 crore as on 31 March 2016 (₹ 2.78 crore due to not charging of fees for the extended duration of the courses and ₹ 9.05 crore due to non-recovery of hostel fee for overstay).

Further though eighteen students did not pay even their regular tuition, hostel and other fees amounting to ₹ 8.21 lakh, they were allowed to pursue the studies by staying in the hostel despite any provision in the rules.

The FTII stated (September 2016) that there was problem with students for not completing their work on time and the Institute was not having a system of coping with such situation. It further stated that by May 2017, most of the backlog would be cleared. In respect of hostel charges it stated that no permission was granted by the competent authority for overstaying in hostels.

14.1.2.2 Break in admission process and denial of opportunity to aspiring candidates

We noted that continuation of substantial percentage of the students of previous batches had a cascading effect during the subsequent batch years. The delayed courses resulted in further delays as the exercises of the delayed students often clashed with those of their juniors resulting in infrastructure availability issues. These also resulted in fresh admissions being skipped by the Institute for batch year 2010, 2014 and 2015 (except four TV courses of one year duration in 2014).

Forgoing the admission process in an academic year defeats the purpose of setting up of such a premier institute besides denying students to secure admission in the country's most prestigious film and television institute and potential revenue loss to the extent of ₹ 4.57 crore in the form of non-realisation of tuition fees from candidates.

The FTII stated (September 2016) that due to non-clearance of backlog and unrest in Campus in 2015, admission were held up during academic year 2010-11, 2014-15 and 2015-16.

14.1.2.3 Rationalisation of Tuition Fees for various courses

Four certificate courses in Television, Acting, Animation & Computer Graphics, Feature Film, Screenplay Writing and Diploma course in Art Direction with varying duration were introduced during 2003 to 2005 batches. The tuition fees to be charged for these courses ranged between ₹ 50,000 and ₹ 120000 on commencement of the courses. The GC in its 120th meeting dated 19 August 2011 decided to reduce the fees for the above courses to ₹ 36,300 to be on par with the fees charged for the Diploma courses, from 2012 batch onwards. However, the fact remained that the courses like Acting were introduced as self-supporting courses. Further, from the year 2012 Animation and Computer Graphic Course (one and the half year) was discontinued without assigning any reason.

In a scenario where the cost of higher and specialised education is steadily increasing, it is imperative for the FTII to frame a consistent policy and rationalise the fixation of tuition fees for the courses offered.

The FTII stated (September 2016) that the proposal to rationalise the fee structure w.e.f. academic year 2017-18 will be discussed in Academic Council and Governing Council in their next meetings.

14.1.2.4 Inadequate functioning of the GC

As per FTII Rules the GC shall hold at least three meetings in a financial year and not more than five months shall elapse between any two meetings. However, the GC did not meet even once in 2014-15 and once during 2015-16. Further there was more than five months gap between the first and second meeting in 2012-13.

The FTII replied (December 2016) that the Government reconstituted the FTII Society with effect from 4 March 2014 only in June 2015. Further, there was no GC between 9 June 2015 and 7 January 2016 and the meetings could not be held in the earlier part of 2015-16 due to student agitations.

However, the fact remained that the number of meetings as provided by the FTII Rules did not take place during 2014-15 and 2015-16.

14.1.2.5 Unfruitful expenditure in respect of Consultants

A) As per Rule 168 and 169 of GFR, selection of consultants for specific tasks should be done after short listing of potential candidates. The Institute in May 2013 appointed Shri Michael Joseph as Consultant (Academics) on contract basis to ensure that the new syllabus is put in place in 2014, with consolidated emoluments of ₹ 70,000 per month. The consultant was paid an amount of ₹ 6.53 lakh during the period June 2013 to June 2014.

Audit noted that no advertisement or short listing of potential candidates was done as per the GFR provisions. Shri Joseph, however did not complete the syllabus work as per the instruction of the Academic Council. Hence, the new syllabus could not be finalised even by November 2015 resulting in non-fulfilment of the set goal. Eventually, the new syllabus was implemented from the 2016 batch on own initiative of FTII. Thus, the expenditure of ₹ 6.53 lakh was unfruitful.

B) The Institute appointed the consultancy firm M/s. Hewitt Associates to prepare a Detailed Project Report (DPR) in April, 2010 to study the up-gradation of the Institute to international standards. The DPR prepared by the consultant was circulated among a number of experts and stake holders in a workshop in September 2010. The consultant's report was rejected as it was considered inappropriate for the FTII by a committee of stakeholders headed by Shri P K Nair, a renowned film archivist, scholar and the former Director of National Film Archives of India. The entire report was thus set aside by the committee who opined that the report lacked vision, was superficial and of inadequate understanding of the subject and its context. A total amount of ₹ 18.87 lakh was paid to the consultant for the above work. This resulted in rejection of the report and unfruitful expenditure to the extent of ₹ 18.87 lakh.

14.1.2.6 Premature disbursement of funds amounting to ₹ 431.36 lakh to Civil Construction Wing of All India Radio (CCW, AIR)

As per the CPWD manual in the case of deposit works of autonomous bodies which are financed entirely from Government grants, 33.33 *per cent* of the estimated cost of the work should be deposited in advance. Thereafter, the expenditure incurred may be got reimbursed through monthly bills simultaneously with rendering of monthly accounts on the progress of work. The deposit of 33.33 *per cent* obtained as the first instalment should be retained for adjustment against the last portion of the estimated expenditure. The manual also required to prepare a Memorandum of Understanding (MoU) between the assigning authority and the concerned Public Work Organisation.

FTII entrusted the Construction of Studio Floor Acting (SFA) and Class Room Theatre (CRT) to the CCW AIR, a Public Work Organisation as per GFR 126, after getting the Administrative approval and Expenditure sanction of an amount of ₹ 4.12 crore and ₹ 3.29 crore respectively on 24 February, 2014. As against the mandated provisions for advance payments of ₹ 1.37 crore and ₹ 1.10 crore, payments of ₹ 3.50 crore and ₹ 3.29 crore were made between February 2014 and October 2015 to CCW, AIR. This resulted in excess release of advance payments amounting to ₹ 2.13 crore and ₹ 2.19 crore respectively. Further, no Memorandum of Understanding was signed with CCW, AIR as required under CPWD Manual.

The FTII stated (December 2016) that the construction work actually commenced only in September 2016 due to delay in getting tree cutting permissions. Thus, almost the entire amount deposited remained blocked as on 31 March 2016.

14.1.2.7 Irregular payment of service tax of ₹ 61.23 lakh

Central Board of Excise and Customs exempted service tax for services provided to or by an educational institution in respect of auxiliary educational services vide Notification No.25/2012, dated 20 June 2012 and subsequent amendment No. 6/2014-ST dated 11 July 2014. During the scrutiny of records it was noticed that FTII, Pune availed various services like security, housekeeping and cleaning from various agencies and had paid a total amount of ₹ 61.23 lakh by way of service tax to above service providers for the period 2012-13 to 2015-16. This resulted in irregular payment of service tax to the extent of ₹ 61.23 lakh.

The FTII stated (September 2016) that service tax will not be paid from August 2016 and demand for refund of service tax already paid is in progress.

14.1.3 Conclusion

FTII failed to ensure that the students enrolled for its prestigious Diploma courses complete their courses within the prescribed duration and hence large percentage of enrolled students continue to be on the rolls of the Institute. This has not only created additional pressure on the limited infrastructure of the Institute but has also indirectly resulted in the opportunity loss for aspirants who were not able to get admission as Institute is already saddled with a very high backlog of existing students. Institute incurred unfruitful expenditure on consultancy fees without any commensurate benefits, excess release of advance payment and made irregular payment of Service Tax.

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

CHAPTER XV : MINISTRY OF LABOUR AND EMPLOYMENT

15.1 Failure to monitor unauthorised occupation of government accommodation

Employees State Insurance Corporation failed to monitor the unauthorised occupation of its residential accommodation resulting in non-recovery of license fee and damages charges of ₹ 0.42 crore.

Ten employees of the Punjab Government, who were on deputation to the Employees State Insurance Corporation (ESIC) hospital, Ludhiana were repatriated to their parent department with effect from 28 February 2010. Under the rules, the repatriated employees were required to vacate the ESIC accommodation which they were occupying, within two months of their relief. Audit observed (May 2016), that five of these employees vacated their accommodation with delays ranging between 56 to 73 months. The remaining five employees had not vacated their accommodation even after more than six years of overstay. Throughout the entire period, ESIC failed to take any action to issue notice or vacate the unauthorised occupants. The unpaid license fee and damage rent amounted to ₹ 0.42 crore (as on November 2016).

In reply, the ESIC hospital, Ludhiana stated (December 2016) that eviction orders were issued (November 2016) to all five unauthorised occupants, and that recovery proceedings will be initiated.

The matter was reported to the Ministry of Labour and Employment, Government of India and Director General, ESIC New Delhi in September 2016; their reply was awaited as of January 2017.

CHAPTER XVI : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES'

16.1 Implementation of Prime Minister's Employment Generation Programme (PMEGP)

The success of PMEGP was hampered by various structural gaps in the implementation of the Programme. Funds released for implementation of the scheme remained idle with several agencies. Monitoring and control of the programme activities was poor. There were backlogs in physical verification. Even where physical verifications were done, the results were not followed up.

The Ministry of Micro, Small and Medium Enterprises (Ministry), Government of India (GoI), launched (August 2008) a credit linked subsidy programme called 'Prime Minister's Employment Generation Programme' (PMEGP) to empower first generation entrepreneurs to setup micro enterprises across the country. PMEGP merged two schemes *viz.*,'Prime Minister's Rojgar Yojna' (PMRY) and 'Rural Employment Generation Programme' (REGP).The Ministry administers PMEGP as a Central Sector Programme, with three categories of Implementing Agencies (IAs), *viz.*, Khadi and Village Industries Commission (KVIC), various State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs), in coordination with banks at the State level. KVIC is the 'National Nodal Agency' and routes funds to other IAs.

PMEGP has the following objectives:

- To generate employment opportunities, in rural as well as urban areas, through setting up of new self-employment projects/ micro enterprises;
- To provide continuous and sustainable employment to a large segment of rural and urban unemployed youth at their place and thereby increase their earning capacity, while contributing to the overall growth of rural and urban employment.

Beneficiaries who get their new project funded through bank loans are provided with a percentage subsidy called Margin Money (MM) towards funding part of their project cost. The funds for facilitating activities of the Programme are provided to the three IAs under the head of Backward and

Forward Linkages (BFL)[1], through KVIC. The salient features of the Programme and its process flow are elaborated in **Annex-VII**.

The Programme was approved by GoI for continuation in the XII plan period (2012-2017). Since inception in August 2008 and upto March 2016, 3,65,168 projects have been funded involving government subsidy of ₹ 7,367.40 crore. Targets *vis-a-vis* achievement of the Programme for the period is indicated at **Annex-VIII**. Till March 2016, PMEGP reported achievement of 67 *per cent* of its target in respect of employment generated, 70 *per cent* in respect of number of projects supported and 95.7 *per cent* in respect of Margin Money released. This performance reporting with regard to employment was, however, worked out as per an approved formulae and does not reflect the actual performance on ground.

The audit objectives were to assess whether the funds provided for the Programme were utilised judiciously, efficiently and transparently, whether gaps exist in the Programme framework and its implementation and whether the intended objectives of the Programme were achieved through creation of continuous and sustainable employment. The audit covered the period from inception of the Programme i.e. from August 2008 to March 2016. The audit was conducted during April-May 2016 and November-December 2016. The records of the 'KVIC-HQ- Programme Directorate' were scrutinised in Audit for policy guidelines, monitoring mechanism and for overall Programme implementation and co-ordination. In addition, two field offices of KVIC - *viz*. the State Office Maharashtra (SOM) and the State Office of Karnataka were selected for detailed field level inspection. The systems prevalent in nodal banks and financing branches were also test checked through visits to two[2] nodal banks and fourteen[3] financing branches.

[1] BFL refers to the facilitating activities of the programme like awareness camps, workshops e-tracking , web management, Publicity, physical verification, EDP training, exhibitions etc.

[2] Bank of Baroda and Bank of India at Mumbai, Maharastra.

[3] Oriental Bank of Commerce-Vasai west, UCO Bank-Kandivili west, Dena Bank-Sapahle, SBI-Dahanu and Palghar, Bank of Maharashtra-Navli and Dahanu, Dena bank-chinchani branches at Maharashtra and Vijaya Bank-Sanjaya Nagar, Canara Bank-Sanjaya Nagar, Krishnarajapuram and DG Halli, UCO bank-Frazer town IOB at H.R.B.R. layout at Bengaluru, Karnataka.

16.1.2 Audit findings

16.1.3 Fund management

16.1.3.1 Utilisation of Margin Money (MM) subsidy and Backward and Forward Linkages (BFL) Fund

Funds were transferred under the Programme from the Ministry to KVIC-HQ, from KVIC-HQ to field offices and from field offices to nodal banks, without corresponding demand for funds or without immediate scope for utilisation of fund which resulted in idling of funds in savings bank accounts. A test check of transfer of funds revealed the following:

- During 2015-16, the budget for the PMEGP was revised as late as February 2016. An amount of ₹ 85.82 crore was released by Ministry on 16 February 2016 and another ₹ 318.46 crore was received between 22 March 2016 to 31 March 2016. Such delayed receipt in the fag end of the year led to parking of funds to the extent of ₹ 481.75 crore in the bank accounts at year end at headquarters and field offices.

- At State Office of Maharashtra (SOM), ₹ 22 crore to ₹ 39 crore, transferred from KVIC-HQ remained idle for over two to six months on four occasions[4] (April 2009 to March 2015) in the PMEGP-Main account. Funds were transferred from the main account to various nodal bank accounts without corresponding demand for allocation of MM funds which then remained idle for long periods and were subsequently called back.

- State Office of Karnataka had sums of ₹ 18 crore to ₹ 26 crore idling in their main account for over 15 days (July 2012 to September 2013). Further, Syndicate Bank had sums of ₹ 5.67 crore idling (July 2012 to September 2012) in the nodal bank accounts of the three IAs in Karnataka for over 40 days without a single disbursement. The nodal bank account of DIC (one of the IAs) at Bank of Baroda had a balance of ₹ 0.91 crore for over 40 days (September 2013 to November 2013).

- At field office of Nagaland, a sum of ₹ 12.65 crore remained unspent for five months (from June 2014 to October 2014), without a single

[4] ₹ 39.19 crore remained idle from 26 July 2013 to 01 January 2014; ₹ 33.26 crore remained idle from 11 November 2008 to 6 May 2009; ₹ 28.33 crore from 13 April 2009 to 06 June 2009; ₹ 22 crore from 14 November 2014 to 16 March 2015

disbursement. The field office of Pondicherry received ₹ 4.84 crore in March 2014 as against a target of ₹ 2.83 crore for the year 2013-14. The target was revised to ₹ one crore in 2014-15. However, the excess funds were retained for over one to two years and were refunded to the extent of ₹ 0.97 crore in March 2015, ₹ 0.73 crore in February 2016 and balance ₹ 1.34 crore during 2016-17, on closure of nodal bank accounts.

- Lakshadweep field office received a sum of ₹ 2.58 crore in November 2014 as per target for the year, though performance of the field office had been poor (less than ₹ 0.50 crore had been spent since inception of PMEGP), which resulted in idling and subsequent refund of funds during March 2015 (₹ 1.08 crore), February 2016 (₹ 0.27 crore) and July 2016 (₹ 0.75 crore).

- BFL funds of ₹ 16.23 crore, received from the Ministry at KVIC-HQ in March 2014 towards publicity campaign of PMEGP, remained deposited in flexi term deposits at KVIC-HQ from time to time without any utilisation. As on January 2016, ₹ 11.47 crore remained unspent with KVIC-HQ.

- Bihar field office of KVIC had an opening balance of ₹ 3.28 crore under BFL in April 2013, which was utilised only to the extent of ₹ 0.49 crore till March 2016 with refunds to HQ being ₹ 1.17 crore in 2013-14 and ₹ 0.50 crore in 2014-15 and ₹ 0.90 crore in 2015-16.

Management in reply (August 2016 and November 2016) stated that the bank sanctions are at a higher pace during the last two quarters of the year; and that the outstanding bank sanctions had led to release of additional funds during 2015-16, which could not be utilised due to delay in MM settlement at nodal bank level. As regards non-utilisation of BFL funds at KVIC-HQ in a timely manner, the Management stated that they could not utilise the same, despite detailed action plan drawn up due to code of conduct imposed preceeding elections policy changes due to the new Commission and the minimum lead time involved in such activities. The fund transfers to Pondicherry, Nagaland and Lakshadweep States had been as per targets and funds were called back (July 2016) with closure of nodal bank accounts.

The Ministry in reply (November 2016) stated first installment of subsidy is released during the first quarter of financial year and second installment is released subsequent to and after utilisation of 60 *per cent* of first installment;

the late receipt of approval of Finance Ministry was the reason for late release and that the funds would be utilised during 2016-17. The new online portal and direct benefit transfer to financing branch introduced (July 2016) would avoid blocking of funds at nodal bank level.

The reply of Management/Ministry indicated structural gaps in fund release process and coordination between the operating units. Funds were released against prescribed targets and not against verified claims which would enable early release and settlement. Such alignment of release of funds to targets instead of actual achievements could result in rush of loan sanctioning without due diligence. The reply of Management that the banks could not utilise funds due to delay in MM settlement at nodal bank level is not tenable, as banks could not have utilised the funds released on the last two working days of March within the same year. It is pertinent to note that funds to the extent of ₹ 276 crore to ₹ 507 crore are also lying with KVIC-HQ in flexi term deposits since July 2016 (i.e. after closure of nodal bank accounts) to October 2016 awaiting utilisation through the single nodal account under the new guidelines.

With regard to BFL funds, the fact remains that unduly long time has been taken for their utilisation/refund.

16.1.3.2 Utilisation of REGP funds

REGP, which was implemented through two IAs *viz.* KVIC and KVIB, ceased to exist with effect from 31 March 2008, as the same was subsumed into PMEGP along with PMRY. KVIC submitted (September 2009) a proposal for release of funds for settlement of pending claims under REGP amounting to ₹ 72.95 crore. The Ministry *inter-alia,* obtained (November 2011) final approval of Expenditure Finance Committee and Cabinet Committee on Economic Affairs (CCEA) for sanction of ₹ 72.95 crore. Of this ₹ 36.82 crore was received by KVIC-HQ during December 2011 to February 2012.

- As against the sum released by the Ministry, funds amounting to ₹ 30.03 crore were disbursed during 2011-12 to 2015-16 to various field offices for settlement of pending claims. The field offices could utilise only ₹ 23.95 crore and ₹ 6.08 crore was refunded during March 2014 to September 2016. The balance amount of ₹ 6.79 crore received by KVIC laid unspent with KVIC-HQ, since receipt (i.e. December 2011 to February 2012). Thus a total sum of ₹ 12.87 crore is still (November

2016) lying unutilised with KVIC, four years after CCEA approval and fund release.

- Besides, of the funds released by KVIC-HQ to field offices, the field offices of KVIC had unspent balances of REGP in their nodal bank accounts to the extent of ₹ 7.69 crore, which were refunded to KVIC-HQ after June 2016, i.e. after a time lag of eight years since closure of the Programme. Thus, the field offices of KVIC and KVIBs of respective states were allowed to retain huge unspent balances for over eight years despite closure of Scheme.

Management stated (August 2016) that the money was released by the Ministry to enable settlement of residual claims with a stipulation that the funds were to be released only after physical verification (PV) to ensure that the unit was working; and that due to the stipulation of the Ministry, MM subsidy could not be utilised fully; there were considerable problems in PV; the balance of funds after final assessment would be refunded or utilised under PMEGP, as per Ministry's direction. The Management further replied in November 2016 that, 17 of their offices have closed REGP accounts and remitted their nodal bank balances while confirmation was awaited in respect of remaining 23 offices. The Ministry (November 2016) reaffirmed the reply of Management.

16.1.4 Programme implementation modalities

16.1.4.1 Programme implementation by financing branches

Audit test checked records of fourteen financing branches having 54 cases of sanctions under PMEGP and observed the following:

(i) Charging of Interest on entire project loan

As per the Programme guidelines, there should be no levy of interest on loan amount to the extent of MM. Audit noticed that in 14 cases, three financing branches of banks had charged interest on the entire project loan amount (i.e. including MM subsidy) which placed additional burden on the beneficiary and changed the nature of subsidy to that of a loan. Management did not respond (December 2016) whether all such cases under the Programme were reviewed and whether any control mechanism was put in place to prevent its recurrence.

(ii) Excess disbursement of MM over and above eligibility:

MM is given as a *per cent* of project cost and thus, when the actual disbursements are short of initial sanctions, only the stipulated *per cent* (as per framework) of actual disbursement, as per eligibility category of the beneficiary under the Programme, needs to be adjusted by the financing branch.

In two cases test checked by Audit, there were lower disbursement of loans as compared to initial sanctions, and therefore MM released (as per initial sanction) was in excess of prescribed eligibility under the Programme. However, the excess amount of MM released initially was not called back. In one of the cases, the MM was handed over to the beneficiary and the loan closed (May 2015) without physical verification having been conducted. In the second case partial amount of loan released became NPA (October 2015) and the MM amount was retained by the bank as term deposit. This led to unintended benefit accruing to the financing branch/beneficiary and steps need to be taken to call back pro-rata excess MM along with interest.

Management stated (August 2016) that the matter has been taken up with the respective banks for reversal of interest debited to the beneficiary and that Director of SOM has been instructed to convene meetings of concerned bank managers for redressal of the issue.

16.1.4.2 Backlog and deficiencies in physical verification (PV) systems

The overall backlog in conduct of PV (as of May 2016), including all three IAs, is of 44509 cases involving MM of ₹ 835 crore approximately (on the basis of average MM per project of respective years) for the years upto 2011-12. The backlog was attributed to disturbed area, change of agency and poor response to tendering at field office levels. The importance of physical verification can be appreciated from the fact that physical verification upto 2011-12 revealed that 22,446 units were non-working/non-traceable out of 1,64,283 units set up under PMEGP constituting 13 *per cent* of units promoted under PMEGP. The MM involved in respect of these non-existing/non-traceable units was ₹ 418.53 crore (approximately, based on the average cost of the respective years). Management failed to ensure timely conduct of PV and issue MM adjustment letters. In fact, Management had no mechanism in place for ensuring and tracking recovery against call back of MM, despite such high proportion of non-functional units. Test check of PVs carried out indicated the following:

- In State Office of Maharashtra, PV has not been held since 2011-12. The delay in submission of report by the PV agency (i.e. M/s Agricultural Finance Corporation Limited) for the year 2008-09 caused delay in conduct of PV for subsequent years.

- State Offices of Maharashtra and Karnataka could not provide agency-wise status of call back and recovery even in respect of the years for which PV exercise was complete. Audit noticed that there was no system of follow-up of call backs at these offices.

- In Tamil Nadu, PV agency had reported 29 beneficiaries as non-traceable in 2010-11. The status of call back and case-wise recovery of MM amounting to ₹ 33.32 lakh from these beneficiaries (DIC - 23 cases and KVIB-Tamil Nadu - 6 cases) were not provided to Audit. Similarly, the status of call back and recovery in respect of 202 cases (2011-12) of PMEGP reported as 'not existing' by PV agency in respect of Tripura State (involving MM of ₹ 3.63 crore) and 6 sanctions (having MM of ₹ 5.40 lakh) of 2012-13 of Jammu and Kashmir which were found to be 'non-working' during PV were not provided to Audit.

- One of the centres of DIC at Maharashtra (Thane centre) issued adjustment/call back letters only on it being pointed out by Audit in November 2016. KVIB-Maharashtra, one of the IAs of the Programme, had issued adjustment letter despite adverse report (i.e. non-working units as per PV report) in respect of four cases test checked by Audit, reasons for which were not made available to audit.

- The key parameters of performance were not recorded in many PV reports checked by Audit which pointed to shortcomings of the PV agencies and lack of their monitoring by KVIC.

The Management (August 2016) stated in reply that M/s Agricultural Finance Corporation delayed in submission of their report for the year 2008-09 causing delay in conduct of PV for subsequent years; agencies appointed at SOM for PV for further years had not done the work in a proper and timely manner and that PV for further years would be expedited. It was further stated that the new online system had provision for unit visits by respective IAs at least once in every six months and there would also be capturing of PV data online. For the purpose of collecting details of MM call back, an online reconciliation portal has been developed by KVIC in house, which is being updated to get latest position. The Ministry replied (November 2016) that, PV being one of the most important aspects and success indicator of the Programme, the Ministry is pressing for conduct of PV in time bound manner and the periodical visit of nodal officers under new guidelines would address the issue.

The action proposed is for prospective implementation and confirms the audit observation regarding the present weaknesses in the system.

16.1.4.3 Effectiveness of e-tracking system and other Control mechanism

The Programme guidelines considered e-governance as a vital requirement for effective monitoring and envisaged e-tracking of applications under PMEGP from submission till adjustment of subsidy, through a package developed in-house by KVIC.

- In initial years, data entry was proposed to be done through outsourced agencies. E-tracking was made mandatory from 2013-14 and all applications had to be forwarded to the financing bank by the respective IAs only after entering the application in the e-tracking system. Banks were required to enter data relating to sanction and disbursement in the system online. No margin money subsidy was to be released by the banks for applications not received through the e-tracking. It was also envisaged that entries of all disbursed cases (2008-09 to 2012-13) would be completed and backlogs cleared expeditiously. However, audit observed that the capturing of disbursements was complete only to the extent of 18, 25, 42 & 21 *per cent* for the years 2009-10 to 2012-13 respectively). For the years 2013-14 to 2015-16, the tracking of actual disbursement was complete only to the extent of 39, 45 and 54 *per cent* respectively (December 2016), notwithstanding the fact that e-tracking was mandatory during these three years.

- The e-tracking system only captured data regarding disbursement of first installment by financing branch. There was no provision for monitoring release of further installments and the total loan actually disbursed.

- It was noticed that the financing branches were not making online entries of sanctions in the e-tracking system and all entries relating to loan sanctions and release were being made through outsourced agency at IAs.

- There was no system of verification of debits to nodal bank accounts periodically in order to ensure that only selected genuine beneficiaries receive loans under PMEGP and MM assistance. Moreover, the disbursements reported in Annual performance reports (APR), Utilisation certificates and nodal bank balances were at variance necessitating reconciliation. Also, there was no case-wise tracking of credits to nodal accounts for refund of call back.

Management (August 2016) stated that the new online system introduced has various inbuilt checks to address the issues. All nodal bank accounts have since been closed and reconciliation of old balances is under process. The Ministry (November 2016) in reply stated that KVIC has been instructed to reconcile the nodal bank accounts upto 15 July 2016.

The reply of Management confirms the fact that there were gaps in the control mechanism in the implementation of PMEGP and Management's efforts to resolve the issues are underway. However the progress on resolving issues is not encouraging as the reconciliation exercise that the Ministry had directed to be completed by 15 July 2016 is still pending (December 2016) in respect of 34 out of 43 field offices.

16.1.5 Lacunae in performance reporting systems

KVIC, in May 2009, approved a formulae based reporting on key parameters of PMEGP performance. Production was to be reported at 150 *per cent* of project cost, sales at 25 *per cent* over and above production, wages/earnings at 55 *per cent* of production and employment at 9-10 persons per project (which was revised to 8 employments per project since 2012-13). Thus, all reported parameters of performance of PMEGP *viz.* production, sales, wages and employment are theoretical and are not reflective of factual position.

Management stated (August 2016) that the thumb rules of performance parameters were based on evaluation study conducted from time to time; and that based on direction of Department Related Parliamentary Standing Committee on Industry (DRPSCI), a new evaluation study is underway, which would serve the purpose of capturing performance and feedback of PMEGP units. Ministry (November 2016), while accepting the audit observation stated that there was no mechanism in place to capture realistic data of performance.

Thus, though the performance parameters highlighted the achievements of the Programme on the basis of thumb rules, the actual achievements made could not be verified accurately.

16.1.6 Conclusion

The success of PMEGP was hampered by various structural gaps in the implementation of the Programme. Funds released for implementation of the scheme remained idle with several agencies. Monitoring and control of the programme activities was poor. There were significant backlogs in physical verification and even where physical verifications were conducted, their results were not followed up.

The Ministry introduced new online systems for implementation of PMEGP with one nodal bank at national level and the same was made effective from August 2016, with signing of MOU with Corporation Bank as single nodal bank. The functional efficiency of the new system remains to be demonstrated. The way forward in implementation should be with absolute clarity, consensus of banks and transparency to ensure efficient and effective implementation of the Programme.

CHAPTER XVII : MINISTRY OF MINES

Geological Survey of India

17.1 Non-recovery of service charges

Failure to evolve a mechanism by Geological Survey of India, Jaipur to recover outstanding dues resulted in non-recovery of service charges of ₹ 1.67 crore.

Geological Survey of India (GSI) is primarily responsible for generation and upkeep of geo-scientific data of the country. In addition to this, GSI provides services to State Government/Central Government offices on the basis of "Schedule of charges" (SOC). SOC was revised from time to time in 1975, 1981, 1992 & 2001. Currently SOC of 2001 is in force since April 2001. On the basis of SOC, a Memorandum of Understanding (MOU) is signed between GSI and concerned department/project and charges are recovered accordingly. In terms of MOU executed between GSI and its clients, actual investigation at the site was to be taken up on receiving 50 *per cent* of total tentative cost of investigation that is termed as advance. After completion of field investigation, the report was to be finalised within 60 days. GSI was to submit the final bill to the client department and after realisation of entire cost as per the final bill, the report of investigation was to be provided to client department. Thus, it was the responsibility of GSI to raise final bill to client department and realise entire cost before delivery of the Report. Further, Rule 12 of General Financial Rules - 2005 *inter-alia* also provides that no Government dues should be kept pending without sufficient reasons.

During audit of Additional Director General, West Zone GSI, Jaipur office for the period 2014-15, scrutiny of records revealed that GSI executed several MOUs for survey work with client departments during the period 1978-79 to 2013-14. However, service charges to the tune of ₹ 1.67 crore were outstanding against survey works conducted as per MOUs.

Audit also observed that neither timely reminders were issued to concerned departments nor was the matter taken up with the higher authorities for recovery of outstanding service charges. Thus, due to slackness of GSI in raising final bills in timely manner and lack of pursuance with higher authorities of the client departments, amounts outstanding to the tune of ₹ 1.67 crore were accumulated (as of 31 March 2016).

Management replied (July/August 2016) that:

- The work was started on receipt of advance and bills were prepared by Budget Section after Technical Wing provided details of work done and copy of MOU of particular project to Budget Section.
- The bills were raised mostly in time and were prepared as per schedule of charges in vogue and final bills were sent only after completion of the project. However, there was delay in certain projects due to administrative reasons.
- One of the reasons of non-recovery was that all the projects were very old and have since been closed.

Reply of the management is not acceptable as:

- Service charges in the reported cases could not be recovered in time due to poor internal control in issuance of bills and their follow up. The department had not evolved any mechanism for collection of fees in advance or for prompt recovery of fees on completion of work.
- There was lack of co-ordination between Technical Wing and Budget Section which resulted in delay in issuance of bills.
- All the clients were Government departments where entrustment of jobs is preceded by approval of competent authorities and there should have been no reason for such non-recovery.

Thus, failure to devise an effective procedure for speedy recovery of dues led to accumulation of arrears of ₹ 1.67 crore as at 31 March 2016.

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

CHAPTER XVIII : MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

18.1 Unfruitful expenditure due to inefficient planning

The Ministry procured (March 2008) eight Weigh-in-Motion cum Automatic Traffic Counter cum Classifiers. While two machines were commissioned after a delay of almost eight years, the remaining machines were still lying uninstalled.

Ministry of Road Transport and Highways (Ministry) procured eight Weigh-in Motion cum Automatic Traffic Counter cum Classifiers (WIM cum ATCC) from M/s International Road Dynamics Inc. Canada (Firm) at a cost of CAD $ 462,659.00 (₹ 1.89 crore including transportation of ₹ 2.16 lakh) vide Ministry's purchase order dated 23 March, 2007 with the objective of assisting the control of overloading of vehicles and collection of electronic data. As per clause 7(b) of Contract Purchase Order (March 2007), it was agreed that the performance warranty for trouble free operation of each of the eight systems would be valid for eighteen calendar months or 1000 hours, whichever is earlier from the date of commissioning of the last system, against manufacturing design defects. As per terms of the contract, initial payment of 70 *per cent* of the price i.e. ₹ 1.30 crore was made to the firm in November 2007. The systems were to be installed in five states *viz*. Assam (01 no.), Chhattisgarh (01 no.), Goa (02 nos.), Karnataka (02 nos.), and Rajasthan (02 nos.). The supplier was responsible for providing technical assistance for installing and commissioning the systems. The Ministry discussed (July 2007) necessary technical description and capabilities of product with the concerned States and requested them to take appropriate action for preparation of the site. All eight systems were received and delivered to the designated consignees by March 2008. The two systems consigned to Goa were transferred to West Bengal vide transfer order dated 13 May 2009.

Scrutiny of the records revealed that only two systems were installed and commissioned (January 2016) at Hassan and Koppal in Karnataka, which were not handed over to the State Transport Department till January 2016. Remaining systems were not installed so far (December 2016). Audit further noticed that after incurring an expenditure of ₹ 0.87 crore on civil works in Pratapgarh, Rajasthan, the system was transferred (September 2014) to Tamil Nadu. Thus due to inefficient planning and ineffective monitoring on the part of the Ministry, six systems were not yet installed even after lapse of eight years from the date of procurement.

Ministry in their reply (December 2016) stated that installation and commissioning of the remaining systems was in progress. As regards wasteful expenditure of ₹ 0.87 crore incurred at Pratapgarh (Rajasthan), Ministry stated they would furnish their reply after receipt of a reply from its Project Zone dealing with the State of Rajasthan.

The reply indicated that due to inefficient planning and ineffective monitoring on the part of the Ministry, six systems were yet to be installed even after a period of eight years from the date of procurement. Thus, while the objective of collecting electronic data of axle load, aimed at preventing overloading, could not be achieved, the expenditure of ₹ 1.85[1] crore also remained unfruitful.

[1] Against the cost of ₹1.89 crore for 8 machines, Ministry released 70 *per cent* of ₹1.89 crore, i.e., ₹1.30 crore. Total unfruitful expenditure equals amount paid for 6 machines - ₹ 0.98 crore ((₹1.30 crore/8)*6) *plus* wasteful expenditure at Pratapgarh, Rajasthan - ₹ 0.87 crore.

CHAPTER XIX : MINISTRY OF SHIPPING

Mumbai Port Trust

19.1 Loss of revenue due to failure to revise parking charges

Failure of Mumbai Port Trust to revise parking charges resulted in loss of revenue of ₹ 23.10 crore over the past six years on night parking charges alone.

Mumbai Port Trust (MbPT) collects night parking charges at Cotton Depot within the Port area. These charges, fixed under the MbPT General Bye-Laws, have not been revised since April 1989, when it was fixed at ₹ 20 per vehicle per night. MbPT, however, does not levy such charges on day parking within the entire port area or night parking in other areas (other than Cotton Depot) within the Port.

In March 2002, MbPT sent a proposal to Ministry of Shipping (MoS) to amend the Bye-Law to earmark parking places for vehicles and to charge accordingly. After protracted correspondence, MoS informed (June 2010) that the Major Port Trusts Act, 1963 did not permit amendment to Bye-Laws and directed MbPT to replace the existing Bye-Laws with fresh regulations urgently. MbPT, however, has not drafted the new regulations so far (December 2016). Consequently, night parking charges continue to be charged at Cotton Depot at the rate fixed in April 1989, and no day parking charges within the Port or night parking charges in other areas of the Port are levied.

Audit observed that Municipal Corporation of Greater Mumbai (MCGM) collects higher parking charges in similar localities and also revises the rates periodically[1]. Therefore, taking the MCGM parking rates as basis, MbPT suffered a revenue loss of ₹ 23.10 crore between 2010-11 and 2015-16 towards night parking charges at Cotton Depot alone.

MbPT stated (October 2016) that comparison with MCGM is not in order as MCGM has earmarked designated areas to 'Pay and Park' and the charges are applicable on hourly and daily basis, whereas, the charges being recovered at Cotton Depot are towards unauthorised night parking of vehicles. MbPT

[1] ₹ 140 per vehicle per day (2010-11), revised to ₹ 145 per vehicle per day (2012-13), further revised to ₹ 150 per vehicle per day (2014-15).

further stated that attempts were being made to replace the Bye-Laws with regulations, but this was a huge exercise.

Ministry of Shipping stated (January 2017) that the Board of Trustees of MbPT have not altered the night parking charges to be recovered at Cotton Depot till date and that MbPT is in the process of framing MbPT (General Management of Port) regulations, where sufficient provision for levy of parking charges is made. Pending finalisation of the same, MbPT continued with the existing rate and that conclusion of revenue loss is hypothetical.

The reply is not acceptable as MbPT had themselves proposed (March 2002) to earmark parking places for vehicles and to charge accordingly. Ministry of Shipping has admitted in its reply that MbPT is in the process of framing MbPT Regulations, where sufficient provision for recovery of parking charges is made. Also, attempts to replace Bye-Laws with regulations should not normally take more than six years.

Thus, failure to revise night parking charges since 1989 resulted in loss of revenue of ₹ 23.10 crore as compared to parking charges levied by MCGM in a similar locality.

Kolkata Port Trust

19.2 Under recovery of guaranteed on-board cum wharfage charges from a private party

Decision of the management to grant credit for the cargo imported by a private party under strategic plan against another agreement relating to lease of land resulted in under-recovery of guaranteed on-board cum wharfage charges to the tune of ₹ 13.36 crore.

The Haldia Dock Complex (HDC) of Kolkata Port Trust (KoPT) entered (February 2006) into a lease agreement with Hooghly Met Coke and Power Company Limited (HMC) for allocation of land admeasuring 6.88 lakh sq. mtrs. to HMC w.e.f. 28 October 2005 on lease for 99 years for setting up of a Coke Oven Plant with the approval (July 2005) of Ministry of Shipping, Government of India. The lease rent payable by HMC included an upfront premium of ₹ 77,170 per 100 sq. mtrs. and a token rent of ₹ 1 per annum for the entire quantum of land. As per the approval of Ministry of Shipping and terms of the lease, HMC was to ensure handling of minimum one million tonne of cargo per annum through HDC for operating their project on the concerned land. It had to furnish a performance guarantee of ₹ 8.5 crore equivalent to annual on-board cum wharfage charges for handling of one million tonne of cargo and the same was to be encashed by KoPT in the event of short realisation of annual on-board cum wharfage charges. The stipulation of minimum cargo handling and recovery of shortfall had to be effective from 28 October 2010 i.e. after completion of five years from the date of commencement of lease.

Meanwhile, in August 2007, KoPT framed a strategic plan for increasing throughput of the major steel manufacturing industries by granting ousting priority to their coking coal, limestone and coke vessels at Berth No. 2 and 8 of HDC subject to the condition that each party would provide minimum guaranteed throughput (MGT) of 1.5 million tonnes of cargo per annum. Tata Steel Limited (TSL) was one of the Companies which availed this facility from 15 March 2008 for one year with subsequent extensions from time to time.

In March 2010, HMC amalgamated with TSL whereby all liabilities and responsibilities of HMC got vested to TSL. Hence, TSL became responsible for fulfillment of performance guarantee in respect of the land leased to HMC in addition to the performance guarantee under the strategic plan.

It was observed in audit that though there were two separate obligations of MGT on the part of TSL, the Board of Trustees of KoPT, subject to the approval of Central Government, decided to grant (November 2014) credit for the cargo imported by TSL under strategic plan and subsequently dispatched by rail to the Coke Oven Plant of erstwhile HMC towards leasehold land related MGT, although such cargo imported by TSL, had already been accounted for towards MGT against priority berthing of their ships. Thus, instead of claiming an amount of ₹ 34 crore[2] towards MGT relating to leasehold land for the period from 28 October 2010 to 27 October 2014, an amount of only ₹ 20.64 crore was claimed (May 2014 and January 2015) and realised from TSL. The approval of the Central Government was sought later in April 2015 which was yet to be received (March 2016). Thus, an undue benefit of ₹ 13.36 crore was granted to TSL compromising with the financial interest of KoPT.

Management stated (December 2015) that there was no specific mention in the lease deed or in the strategic plan disallowing the cargo brought

[2] ₹ 8.5 crore X 4 years = ₹ 34 crore

under strategic plan for Haldia plant of TSL from crediting the same towards land related MGT. Accordingly they allowed credit of the cargo brought by TSL under strategic plan and subsequently dispatched to their Coke Oven Plant towards fulfillment of obligation under land related performance guarantee for the past period. It was also stated that credit towards land related MGT was given as per legal provisions of the lease and KoPT was legally bound to give credit of the cargo dispatched to the Coke Oven Plant of TSL for fulfillment of MGT.

Reply of the management needs to be viewed in the light of the fact that the land was allotted to erstwhile HMC in October 2005, while facilities under strategic plan were given to TSL from March 2008. Thus, these were two separate obligations based on agreements with two distinct legal entities which got amalgamated only in March 2010. Hence management's contention for specific mention of such disallowance in the agreements entered before the amalgamation was not justified. Management's assertion that they were legally bound was also not acceptable since the legal advisor of KoPT opined (May 2013) that the MGT associated with land should be considered as independent of other MGT such as benefits of strategic plan. In spite of such opinion of the legal advisor, the management acted to the contrary compromising with the financial interest of KoPT.

Thus, the decision of the management resulted in under recovery of guaranteed on-board cum wharfage charges to the tune of ₹ 13.36 crore[3].

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

Director General of Shipping, Mumbai

19.3 Non achievement of intended benefits and blockage of funds

Lapses in implementation of e-governance project has resulted in non-achievement of intended benefits, after incurring an expenditure of ₹ 5.10 crore and blockage of funds amounting to ₹ 3.85 crore for nine years.

The Director General of Shipping, Mumbai (DGS) undertook “e-Samudra” project (Project) to integrate the information systems across various departments to provide a single point of contact for electronic delivery of services. The first phase of work was awarded (February 2005) to National

3 Amount to be claimed less amount actually claimed = ₹ 34 crore - ₹ 20.64 crore

Ship Design and Research Centre (NSDRC) Visakhapatnam (now known as Indian Maritime University Visakhapatnam, (IMU (V)) on turnkey basis. It was expected to be completed within 15 months at an estimated cost of ₹ 5 crore. As per the agreement, DGS was to make payments against completion of milestones by IMU (V).

Audit observed that:

- DGS made a payment of ₹ 4.49 crore (89 *per cent* of Phase-I cost) to IMU (V) between April 2004 to April 2006, before completion of all modules/milestones by IMU (V).
- Only 14 out of 36 modules planned to be completed in Phase I could be made operational in 2009. DGS, however, informed Ministry (September 2006) that the first phase of the project was successful and had been completed on time and requested final approval for Phase II of the project. An amount of ₹ 4.96 crore was sanctioned (December 2006) by DGS for Phase II. The agreement for Phase II work was signed between DGS and IMU (V) in March 2007 and an amount of ₹ 4.40 crores was paid to IMU (V) in April 2007. This amount was kept in a term deposit by IMU (V) (June 2008).
- IMU (V) had incurred expenditure of ₹ 5.10 crore under Phase-I (including ₹ 0.56 crore out of Phase II, incurred for annual maintenance contract). Funds sanctioned for Phase II in 2007 were lying unutilised with IMU (V), in term deposits. The amount lying in term deposit (March 2016) was ₹ 7.98 crore including interest of ₹ 4.13 crore. Thus, there was blockage of funds of ₹ 3.85 crore for over nine years. DGS in reply (August/October 2016) admitted that only 14 modules had been developed and made operational since 2009. It was also stated that, due to various reasons including some technical issues with hardware and software, these modules were neither fully utilised by the stakeholders nor by DGS, GoI. As a result, many functions of DGS, GoI were being carried out on part manual and part electronic platform.

DGS also stated that since the last one and half years, newer modules had been developed and that the existing e-governance system was now being used extensively. DGS further informed that Merchant Shipping Act was being revamped due to which development of certain modules got delayed and that all modules incorporated in Phase-I & II would be implemented under a new e-governance project. The new e-governance project, to be developed in 4 phases, would be implemented in 2017. Existing e-governance system was to be replaced by a completely new, updated, state of the art e-governance project. Further, the existing e-governance system, being more than 10 years old, had become obsolete and needed to be revamped.

The reply of DGS needs to be viewed in light of the following:

- Empowered Technical Advisory Committee of DGS had opined as early as August 2007 that it may not be prudent to incur the expenditure in Phase II of the project until the problems and issues of the Phase I including scalability and performance testing were resolved. This substantiates the audit contention that funds for phase II ought not to have been released.
- The project was taken up over a decade earlier (2005). The contention that the delay was on account of revamping of Merchant Shipping Act is not tenable considering the long period involved.

The project taken up under Phase-I in February 2005 to provide end to end solution for a single point of contact for citizens for delivery of services electronically had not achieved the intended objective even after a lapse of 11 years and after incurring an expenditure of ₹ 5.10 crore. The few modules that were developed already need a revamp. The Phase-II of the project sanctioned in March 2007 has not even commenced after 9 years despite release of ₹ 4.41 crore in April 2007.

Thus, lapses in implementation of e-governance project resulted in non-achievement of intended benefits after incurring an expenditure of ₹ 5.10 crore and blockage of funds amounting to ₹ 3.85 crore for nine years (December 2016).

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

Visakhapatnam Port Trust

19.4 Non realisation of outstanding claims

Visakhapatnam Port Trust failed to recover ₹ 4.64 crore from Indian Railways due to absence of provision in agreement.

In terms of standing formal agreements between the Visakhapatnam Port Trust (VPT) and the Indian Railways, inward and outward freight transporting wagons are exchanged at the Receipt and Dispatch (R&D) Yard, with the VPT or the Railways, as the case may be, responsible for further onward transportation. From the year 2010 onwards, and without formal agreement, the VPT and Railways implemented a new procedure, whereby, instead of using the R&D Yard, the wagons are directly dispatched to the loading and unloading points at the VPT and the Railway Yard, Vizag. The VPT and the Railways periodically raise claims against each other for such transportation.

Audit observed (December 2015) that for the period July 2010 to April 2015, there was a net claim of ₹ 4.64 crore outstanding against the Railways. VPT stated (December 2015) that the outstanding claims could not be realised due to the absence of provision in the agreements; however, suitable provisions would be included in the ensuing agreement of 2016. The Ministry endorsed (April 2016) the reply of the Management.

The reply is not tenable as procedures with significant financial implications should not be introduced without formal agreement. Consequently, recovery of ₹ 4.64 crore was doubtful.

19.5 Irregular reimbursement of tuition fees

Visakhapatnam Port Trust overpaid/irregularly paid ₹ 1.47 crore towards tuition fees for college courses contrary to provisions of wage settlement.

The Visakhapatnam Port Trust (VPT) Employees (Educational Assistance) Regulations, 1990, stipulate that an employee is eligible to draw children education allowance when he is compelled to send his child to a school away from the station at which he is posted/and or resides owing to the absence of a school of the requisite standard at that station. The Regulations further prescribe that an employee shall be eligible for reimbursement of tuition fee provided that no children's educational allowance is admissible. Such reimbursement of tuition fee is admissible within limits for education from Class I to Intermediate, Pre-University and for technical, medical, polytechnic or correspondence college courses.

Ministry of Shipping Road Transport and Highways constituted (25 January 2007) a Bipartite Wage Negotiation Committee (BWNC) which included, *inter-alia*, representatives of major federations of Group C and Group D employees[4] and workers of Ports and Docks. In terms of the settlement

[4] Also known as class III and class IV employees

(19 January 2010)[5], the children education allowance and the reimbursement of tuition fee were merged as the 'Children Education Allowance Scheme'. Such reimbursement was admissible for education from classes nursery to twelfth. VPT implemented the wage agreement and wrote to the Ministry (November 2012) for comprehensive amendments to the Regulations in terms of the wage agreement. The amendments specifically proposed deletion of references to reimbursement of tuition fee for the said college courses. The Ministry, however, is yet to approve the amendment (August 2016).

In the meanwhile, VPT continued to reimburse tuition fees for technical, medical, polytechnic and correspondence college courses to its employees. On this being objected to in audit (November 2015), VPT stopped payment with effect from 29 December 2015. However, the recovery of ₹ 1.47 crore[6] (as on August 2016) of payment of inadmissible tuition fees is pending.

VPT replied (28 December 2015) that the issue of reimbursement of tuition fees would be taken up with the Indian Ports Association and Unions after ascertaining the position in other ports. The reply is not tenable in view of the fact that the children education allowance scheme introduced consequent to the wage agreement is far more liberal[7] than the earlier schemes, except in respect of college education. In terms of the wage agreement, the employees are covered under the new scheme and the question of their picking and choosing the uncovered benefits available under the earlier scheme does not arise. In light of this, the VPT is required to recover ₹ 1.47 crore overpaid/ irregularly paid to its employees under children education allowance.

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

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5 Effective 1 January 2007

6 Overpayment (from 1 January 2010 to 28 December 2015)

7 The new scheme contains the following additional provisions not contained in the earlier scheme: (i) It is uniformly applicable to all employees irrespective of the place of study of the children; (ii) It includes education in nursery class; (iii) It has a higher monthly ceiling of ₹ 1,000 per child (₹ 2,000 for children with disabilities) compared to the earlier ceiling ranging from ₹ 40 per month to ₹ 105 per month plus science fee as applicable ranging from ₹ 10 to ₹ 15 per month; (iv) It provides for periodic increases in monthly ceiling; (v) It contains ten categories eligible for reimbursement including five categories specifically excluded under the earlier scheme; (vi) It provides for reimbursement of text books, note books, uniforms and school shoes.

Cochin Port Trust

19.6 Loss of revenue due to lack of due diligence in drafting of lease deed

Cochin Port Trust incurred loss of revenue of ₹ 1.98 crore due to incorporation of contradictory clauses in a lease deed for allotment of land.

Cochin Port Trust (CoPT) allotted (March 2001) land measuring 10,000 sq. metres to M/s Larsen & Toubro Limited for construction of cement handling facility, for a period of 30 years. The terms of allotment provided for a Minimum Guaranteed Throughput (MGT) of 3 lakh tonnes per annum from the date of taking over the land by the allottee. The allotment was terminated in April 2008 due to non-construction and non-fulfillment of the condition regarding MGT as per allotment letter but was restored again in February 2009 when the allottee filed (May 2008) a writ petition with Hon'ble High Court of Kerala. The lease deed was signed by CoPT with M/s Ultra Tech Cement Limited (demerged entity of M/s Larsen & Toubro Limited), in November 2010. In terms of clause 7 (g) of the lease agreement, the lessee was liable to pay shortfall in the wharfage and berth hire charges, if the lessee failed to achieve MGT beginning from the date of commissioning of the project. After restoration of the land, it was agreed (March 2010) by CoPT that the construction of the cement handling facility would be completed by the lessee by February 2011. CoPT again extended (December 2011) the construction period from February 2011 to February 2013 subject to payment of MGT w.e.f. 1 October 2011. Consequently, since the lessee was able to ensure the first shipment only in April 2013, CoPT served (May 2013) notice to the lessee for MGT payment of ₹ 2.21 crore (including service tax of ₹ 0.24 crore) for the period from October 2011 to March 2013. The lessee however, refused (June 2013) to make the payment citing clause 7 (i) of the lease deed which stipulated that MGT was not applicable to the lessee. Consequently, due to inclusion of contradictory clauses in the lease deed, the recovery could not be enforced, even though the lessee did not achieve MGT till March 2014. Thereafter the lease deed was amended (24 February 2016) deleting clause 7 (i), and making the payment of MGT applicable from 1 October 2014. Thus, failure of CoPT to ensure due diligence in the drafting of lease agreement resulted in loss of revenue of ₹ 1.98 crore (excluding service tax) for the period from October 2011 to March 2014. CoPT accepted the facts.

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

CHAPTER XX : MINISTRY OF TEXTILES

National Jute Board

20.1 Failure to implement scheme objectives on disbursement of capital subsidy

Subsidy of ₹ 3.80 crore to 16 jute units by National Jute Board was in violation of Acquisition of Plants and Machineries (Capital subsidy) scheme guidelines.

In terms of the "Acquisition of Plants and Machineries (Capital subsidy) scheme" implemented by Ministry of Textiles through the National Jute Board (NJB), jute mills are eligible for subsidy of 20 *per cent* of the procurement cost of new plant and machinery. NJB disbursed ₹ 104.36 crore as subsidy under the scheme to 120 jute mills between the period 2007-08 and 2013-14. A team comprising of officials from Audit, the office of the Jute Commissioner, Kolkata and NJB conducted (during March-April 2015 and July-August 2016) a joint inspection of 21 jute units which had received ₹ 24.21 crore as subsidy between 2007-08 and 2013-14. Audit found that payment of subsidy of ₹ 3.80 crore to 16 jute units was in violation of scheme guidelines, as elaborated below:

Subsidy paid for old machines

In 10 out of the 21 inspected units, subsidy amounting to ₹ 1.92 crore was released on old machines based on wrong certification by NJB inspectors.

Subsidised machines not found on mill floor

As per the scheme, jute mills would not be allowed to dispose of the machineries on which subsidy had been disbursed, within a period of five years from the date of receipt of subsidy. The joint inspection of 21 units revealed, that 34 machines on which subsidy amounting to ₹ 0.88 crore had been released were not found on the mill premises.

Subsidy disbursed on non-jute producing machines

In one case, it was found that the firm had received capital subsidy amounting to ₹ one crore in March 2008 even though it produced only cotton yarn, and all the machines on the premises were used for production of cotton yarn only.

Despite this, NJB inspectors had certified the machines under the scheme. In another case, it was found that except one machine, all the other machines on which subsidy of ₹ 6.32 lakh was disbursed were synthetic fabric producing machines and not jute producing machines.

NJB replied (June 2015) that the subsidies had been released based on the certificates of the concerned inspectors. The reply is not acceptable, since it is NJB's responsibility to ensure that the conditions of the scheme are implemented properly.

The matter was reported to the Ministry in December 2015; their reply was awaited as of January 2017.

CHAPTER XXI : MINISTRY OF TRIBAL AFFAIRS

Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED)

21.1 Loss on acquisition of office premises

Lack of due diligence by the Ministry of Tribal Affairs and failure of TRIFED to act in accordance with the terms of application for office premises, resulted in premature payment of third instalment (₹ 5.20 crore), overall loss of interest (₹ 3.15 crore) and un-necessary payment of cancellation charges (₹ 0.54 crore).

Tribal Cooperative Marketing Development Federation of India Limited (TRIFED) is a Multi-State cooperative society under the administrative control of the Ministry of Tribal Affairs (Ministry). In March 2013, the Ministry sanctioned ₹ 15 crore to TRIFED as one-time grant- in- aid to partially meet the purchase price (₹ 30 crore) of office space at Laxmi Nagar, New Delhi, with the balance to be met by TRIFED's sale of its two flats in Asiad Games Village Complex, New Delhi. When the purchase deal failed to fructify, the Ministry permitted (August 2013) TRIFED to use the amount to purchase alternative premises at Kidwai Nagar, New Delhi for ₹ 53.70 crore[1]. Though the Ministry was clear in its own files that TRIFED would have to meet the balance of the purchase price entirely from its own resources, it failed to communicate this fact to TRIFED at that time. By the time the Ministry clarified this on 17 December 2013, TRIFED had applied (November 2013) to NBCC (India) Limited (NBCC) for purchase of premises along with the first instalment of ₹ 5.11 crore. Subsequently, TRIFED deposited ₹ 5.63 crore (December 2013) and ₹ 5.20 crore (January 2014) with NBCC towards the second and third instalments.

When TRIFED approached the Ministry (April and July 2014) for funds to pay further instalments to NBCC, the Ministry directed (August 2014) TRIFED to withdraw from the project. On TRIFED informing (August 2014) NBCC of this fact, NBCC deducted cancellation charges (1 *per cent* service charges of total sales value) of ₹ 0.54 crore and refunded (May 2015) ₹ 15.40 crore to TRIFED, who repaid ₹ 15.01 crore[2] (March 2016) to the Ministry.

[1] From NBCC (India) Limited, a Public Sector Undertaking under the Ministry of Urban Development. This amount does not include maintenance charges and service tax.

[2] Including interest earned by it on the unutilised amount retained by it from time to time.

Audit observed the following:

- The Ministry was aware that TRIFED was almost entirely dependent on grants in aid from the Ministry for even its normal functioning[3] and the sale of its two flats in the Asian Games Village[4] would not be sufficient to pay for the NBCC premises. The Ministry was also clear from the outset that it would not provide any further assistance in addition to the ₹ 15 crore already provided. Despite this, the Ministry accorded in principle approval to the purchase of premises at ₹ 53.70 crore, and compounded the problem by not informing TRIFED on time about the funding limit.

- When applying (November 2013) to NBCC for purchase of premises, TRIFED had agreed that the purchase agreement was only provisional and would become final and binding only after the signing of formal agreement. In the absence of formal agreement, the payment of the third instalment of ₹ 5.20 crore by TRIFED was premature. Further, as per the application, the third instalment was to be paid by the scheduled date or within 30 days of start of excavation whichever was later, meaning thereby that TRIFED was to first receive a demand from NBCC for the third instalment. TRIFED, however, paid the third instalment on 20 January 2014 without a demand from NBCC.

- Besides, ₹ 15 crore remained outside the Consolidated Fund of India for more than three years (March 2013 to March 2016) which carried an interest impact of ₹ 3.15 crore[5].

TRIFED informed (June 2016) that it had no option but to withdraw from the project as it could not get a suitable price for its flats and the Ministry did not sanction additional funds. The Ministry informed (October 2016) that it had accorded in principle approval in August 2013 on the condition that additional funds would have to be met by TRIFED from its own resources; further, TRIFED failed to sell its two flats.

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[3] Average annual expenditure of ₹ 35 crore met out of ₹ 32.29 crore grants in aid from Ministry during 2013-14 and 2014-15.

[4] Value initially estimated at ₹ 9.63 crore totally.

[5] Worked out at an average borrowing rate of 7 *per cent* per annum by the Government of India

The replies of TRIFED and the Ministry are not tenable for the reasons already stated. Thus, failure of the Ministry to exercise due diligence while according in-principle approval, and failure of TRIFED to comply with the terms of application for allotment, resulted in loss of ₹ 3.69 crore[6].

[6] ₹ 0.54 crore on unnecessary payment of cancellation charges and ₹ 3.15 crore interest on ₹ 15 crore for remaining outside the CFI for more than three years.

CHAPTER XXII : MINISTRY OF URBAN DEVELOPMENT

22.1 Financial loss due to non-receipt of Completion-cum-Occupancy Certificate

Non-receipt of Completion-cum-Occupancy certificate for staff quarters of Indian Meteorological Department (IMD) at Dwarka, New Delhi, resulted in expenditure of ₹ 2.81 crore incurred on their construction being rendered idle. Further, avoidable additional expenditure of ₹ 0.88 crore on maintenance and watch and ward of the quarters and payment of HRA and non-receipt of Licence Fee amounting to ₹ 1.53 crore was also incurred.

As per clause 7.5.1 of the Building Bye Laws of Union Territory of Delhi, 1983, under jurisdiction of Delhi Development Authority (DDA), no person shall occupy or allow any other person to occupy any building or part of a building for any purpose until such building or part has been granted the occupancy certificate. Further, every owner shall have to submit a notice of completion of the building to DDA regarding completion of the work described in the building permit.

CPWD constructed 57 quarters for the Indian Meteorological Department (IMD) and made a payment of ₹ 2.81 crore for the same to the contractor. The work, scheduled for completion in January 2005, was actually completed in October 2009.

Audit scrutiny of relevant records revealed the following:

- Completion-cum-Occupancy Certificate was yet to be received from DDA (January 2017). This impeded allotment of quarters to the staff of the IMD.
- The IMD had requested CPWD repeatedly (from October 2009 to September 2013) to obtain Completion-cum-Occupancy Certificate from DDA.
- CPWD wrote (January 2010) to DDA for issuance of Completion-cum-Occupancy Certificate stating that it had submitted the application along with relevant documents in December 2009. DDA intimated (March 2010) CPWD that complete set of Carbon Copy drawings and requisite fee may be submitted as per the prescribed procedure.

- CPWD wrote (May 2010 and June 2010) to DDA stating that documents required for issue of Completion-cum-Occupancy Certificate were enclosed. In response, the DDA intimated (April 2011) CPWD that they had forwarded only the service plans to Delhi Jal Board/Municipal Corporation of Delhi and the request for Completion-cum-Occupancy Certificate had not been received in their office.
- CPWD again submitted (December 2011) various documents to DDA for issuance of Completion-cum-Occupancy Certificate. In response, DDA intimated (June 2012) CPWD of the shortcomings in the application submitted which included failure to deposit completion/process fee, submission of incomplete documents like drawings set, Delhi Urban Arts Commission (DUAC) Proforma, External finish certificate, Deviation certificate, Form B-3 etc. and non-submission of documents like model photoset, No Objection Certificate from Chief Fire Officer, approved service schemes, Rain Water Harvest (RWH) photos and the complete set of sanctioned drawings attested by the Architect etc. along with the application.
- On enquiry by Audit, of the status of submission of documents to DDA, CPWD intimated (November 2015) that the requirements as desired by the DDA in June 2012 were yet to be complied with as it was a cumbersome exercise to retrieve the old records pertaining to the project and involvement of the concerned division in other works. These shortcomings were not attended to by the CPWD till April 2016 as they informed Audit that submission of documents to the DDA and other formalities were pending on their part.
- It was noticed further that CPWD had handed over (March 2014) 17 quarters to the IMD without obtaining Completion-cum-Occupancy Certificate from the DDA in violation of provisions of Building Bye Laws 1983. Out of these 17 quarters, 13 quarters were allotted to employees of IMD.

CPWD stated (January 2017) further that they had made every effort with DDA for issue of the Completion-cum-Occupancy certificate but DDA did not issue it. It was also informed by CPWD that till January 2017, 21 quarters were being occupied by staff of IMD and all the documents have been resubmitted to DDA on 3 January 2017.

The reply is not acceptable as CPWD did not forward to DDA all the documents required for obtaining the Completion-cum-Occupancy Certificate promptly as a result of which Completion-cum-Occupancy certificate was still awaited (January 2017) i.e. more than seven years after completion of construction. The lackadaisical handling of this issue by the CPWD led not only in assets constructed at a cost of ₹ 2.81 crore remaining idle, but also non-achievement of objective of providing residential accommodation to the staff of IMD. Besides, from 2009-10 to 2015-16 an expenditure of ₹ 0.88 crore on the maintenance and watch and ward of these quarters had been incurred. This also led to an avoidable expenditure to the tune of ₹ 1.53 crore (calculated on the basis of minimum pay in pay scale) on account of payments of HRA to the staff of the IMD and non-receipt of Licence Fee till 31 March 2016.

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

Central Public Works Department (CPWD)

22.2 Loss due to failure to levy departmental charges

CPWD failed to levy departmental charges on construction works for the Currency Note Press and India Security Press, Nasik resulting in short collection of revenue of ₹ 0.59 crore.

Central Public Works Department (CPWD), Nasik Central Division undertook various construction works valued at ₹ 4.94 crore for the Currency Note Press (CNP) and India Security Press (ISP) Nasik between March 2014 and March 2016. CNP and ISP are part of the Security Printing and Minting Corporation of India Limited (SPMCIL), a Central Public Sector Enterprise. Audit observed that the CPWD failed to levy departmental charges of 12 *per cent* (i.e. ₹ 0.59 crore) that were leviable in terms of paragraph 12.1 of the CPWD Manual.

CPWD replied (September 2016) that ISP had informed that it is wholly owned by Government of India (GOI) and performs no trading or commercial activity except sovereign functions of GOI; while CNP had stated that it had not been formally transferred to SPMCIL and remains part of GOI. The replies are untenable, since, under the rules, only the Central Government or autonomous bodies fully funded by the Central Government are exempt from paying departmental charges, and ISP and CNP, which are part of SPMCIL, a company registered under the Indian Companies Act, are not exempt.

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

22.3 Undue benefit to contractor

In violation of contract conditions, Central Public Works Department extended undue benefit of ₹ 0.56 crore to the contractor.

Central Public Works Department awarded (January 2011) the work of construction of a new building for the Ministry of Environment and Forests at Aliganj, New Delhi to a contractor for ₹ 86.97 crore. The work was completed in November 2013.

In terms of para 1.6.1 of the 'Schedule of Quantities' forming part of the agreement, ₹ 22.96 lakh was agreed to be payable to the contractor for a quantity of 22,960 cubic meters (cum) on account of "in or under water and/or liquid mud, including pumping out water as required". Para 1.4 of the 'Additional Specifications' forming part of the agreement stated, "the contractor should inspect the site and make his own assessment about sub-soil water level likely to be encountered at the time of execution and quote his rates accordingly. Rate of all items are inclusive of pumping out or bailing out water, if required. Nothing extra on this account whatsoever shall be paid to him." Audit, however, observed that during execution of work, ₹ 79.25 lakh was paid to the contractor for dewatering quantity of 1,41,119.88 cum, resulting in undue favour to the contractor to the extent of ₹ 0.56 crore.

In reply, CPWD stated (June 2016) that sub-soil water level prediction was not feasible and was actually known during the excavation of foundation, and dewatering was essentially required for the structural stability of the structure. The factors contributing to the deviations were considered and accordingly the administrative approval and expenditure sanction for the revised estimates was obtained (May 2014) from the Ministry of Environment and Forests.

The reply is not tenable as the contractor was required to quote his rates after assessing the requirements for pumping out water and nothing extra on this account was to be paid to him. By varying these conditions, CPWD failed to ensure competitive conditions in the award of the contract. Further, obtaining administrative approval and expenditure sanction for the revised estimates does not invalidate contractual provisions, which are binding on both the parties.

Thus, due to non-adherence to contract conditions, CPWD incurred additional expenditure and extended undue benefit of ₹ 0.56 crore to the contractor.

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

CHAPTER XXIII : MINISTRY OF YOUTH AFFAIRS & SPORTS

23.1 Financial Management in Nehru Yuva Kendra Sangathan (NYKS)

An unspent balance of ₹ 46.73 crore from the year 2007-08 to 2014-15 was lying unadjusted in general purpose grants which was required to be adjusted by Ministry of Youth Affairs and Sports from future grants. Cases of poor utilisation of earmarked funds were noticed in NYKS, leading to idling of funds. NYKS finalised annual accounts for the years 2012-13 to 2014-15 with a delay of 12 to 19 months. Tally software purchased with the objective of reducing the time involved in finalising the accounts was not used optimally by NYKS. There was acute shortage of District Youth Co-ordinators and Accounts Clerk-cum-Typists at 338 districts. Instances of idling of funds amounting to ₹ 1.66 crore for 13 months to 9 years were also noticed at Pay and Accounts Offices of Alipur and Bhubaneswar.

Nehru Yuva Kendra Sangathan (NYKS), an autonomous body was set up in 1987 under the Government of India, Ministry of Youth Affairs and Sports (MYAS) to develop the skills and values of rural youth so that they become responsible and productive citizens of modern secular and technological nation. In order to fulfil its objectives, NYKS conducts various programmes through its field formations, Youth Clubs, Mahila Mandals and volunteers with the financial assistance from government departments and other agencies.

NYKS is managed by the Board of Governors (BoG) chaired by the Minister of Youth Affairs and Sports. Activities of NYKS are regulated by Memorandum of Association (MoA) and Financial Bye laws. The countrywide network of 623 district level Nehru Yuva Kendras are supervised by 29 State Zonal Offices (ZOs) and six[1] Union Territory offices. Kendras are headed by District Youth Coordinator (DYC) while ZOs and UTs are under supervision of Zonal Directors.

For smooth flow of funds from NYKS to field offices and consolidation of expenditure incurred at district level offices, 29 State Zonal office and six UT offices have further been divided into six PAO zones.

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[1] The office at New Delhi (UT) is included in 29 State Zonal Offices.

The audit of NYKS covered the period 2012-13 to 2015-16 with focus on financial management. Accounts for the year 2015-16 were under finalisation till completion of audit. Audit was conducted at NYKS headquarters at Delhi, three Pay and Accounts Offices (PAOs) of North Zone (at Delhi), East Zone (at Bhubaneshwar) and South Zone (at Bengaluru) and two Zonal Offices (ZOs) at Jaipur and Shimla during April 2016 to September 2016. Important audit findings are as follows:

23.1.2 Allocation of funds and utilization

NYKS receives funds from its (i) Administrative Ministry i.e. MYAS, (ii) other Ministries, Development Departments/Agencies and (iii) ZOs/Kendras also generate funds for various programmes and activities from local resources including State Government.

Audit noted poor utilization of Earmarked Funds, preparation of budget for regular programmes without calling for inputs from Kendras and cases of shortfall in fund mobilization by the Zonal Officers. Details of funds received by NYKS under various heads are discussed as under:

23.1.2.1 General Purpose Grants

NYKS is financed mainly by grants from MYAS for its establishment, salary and regular programmes/activities[2]. The figures of opening balance, grants received, interest received and other income and amount utilized as per annual accounts of NYKS for the years 2012-13, 2013-14 and 2014-15 are as follows:

Table 2: Year-wise grants received and amount utilized

(₹ in crore)

Year	Opening Balance	Grants received	Interest received and Other Income	Total	Amount utilized	Closing Balance
2012-13	26.76	134.67	6.20[3]	167.63	132.32	35.31
2013-14	35.31	149.24	5.19	189.74	143.71	46.03
2014-15	46.03	168.65	6.35	221.03	174.30	46.73

Audit noted that NYKS had unspent funds amounting to ₹ 35.31 crore during 2012-13 which increased to ₹ 46.73 crore as on 31 March, 2015. This was

[2] Regular or Core programmes is a category for which NYKS receives grants from the MYAS and which include various programmes and activities (viz.Youth Club Development Programme, Training on Youth Leadership and Community Development, Theme Based Awareness and Education Programme etc.) which are uniformly conducted in all districts or largely in a particular area with regularity of their conduct over the years. All regular programmes are included in Annual Action Plan of NYKS.

[3] This includes ₹ 1.42 crore transferred to PAO.

required to be adjusted by MYAS while releasing subsequent grants to NYKS but was not done. The failure of NYKS and MYAS in taking cognizance of the actual unspent balances led to accumulation of funds to the extent ₹ 46.73 crore by March 31, 2015.

NYKS accepted the observation and stated (November 2016) that the balance of ₹ 46.73 crore under Earmarked funds from MYAS included ₹ 24.90 crore towards interest and miscellaneous income earned during 2007-08 to 2014-15. It further stated that the approval of the Ministry was sought for utilization of the same during 2016-17. Remaining amount of ₹ 21.83 crore includes bank balance, advances to employees and un-adjusted advances to field offices, which were being reconciled.

23.1.2.2 Special Programmes

NYKS also receives Earmarked funds from MYAS for implementation of its various schemes covered under the head Special programmes[4]. As per terms and conditions, amount of the funds should be utilised only for the purpose for which it was sanctioned and unspent balance of grants in aid should be refunded by the grantee institution immediately after conducting the programme. Details in respect of Special Programmes during 2012-13 to 2014-15 are as under:

Table 3: Year-wise funds received under Special Programme (Earmarked Funds) and expenditure incurred

(₹in crore)

Year	Opening balance	Adjust-ment	Grants received	Interest / other income	Total funds	Amount utilized (percentage utilized)	Amount refunded	Unspent balance
2012-13	36.99	-	51.81	1.22	90.02	25.83 (29)	1.45	62.74
2013-14	62.74	0.53	44.41	1.21	108.89	42.60 (39)	1.71	64.58
2014-15	64.58	0.50	44.39	1.19	110.66	48.43 (44)	0.07	62.16

Above showed poor utilization of funds as only 29 *per cent*, 39 *per cent* and 44 *per cent* of the total funds were utilized during 2012-13, 2013-14 and 2014-15 respectively.

NYKS, while accepting the observation, stated (November 2016) that the opening balance of ₹ 36.99 crore for 2012-13 included ₹ 23.82 crore relating to non-operative schemes of National Service Volunteer/Rashtriya Sadak Yojana/National Reconstruction Corps. No amount could be spent under these schemes during 2012-13 to 2014-15. It further stated that as per terms of the

[4] For special and sponsored programmes funds are received on the basis of project proposals submitted by NYKS to MYAS and other Ministries. These schemes are not considered for preparation of Annual Action Plan and Annual Budget by NYKS.

grant, amount of interest was not available for utilization without the approval of the Ministry. It also stated that 11 to 60 *per cent* of the grants were received in the last quarter during these years.

This indicated that the opening balances of ₹ 23.82 crore should have been refunded to MYAS after non-operation of the schemes and should not be included in opening balances during 2012-13 to 2014-15. Remaining opening balance of ₹ 13.17 crore, ₹ 38.92 crore and ₹ 40.76 crore during the years 2012-13, 2013-14 and 2014-15 respectively were available to be spent on the programmes which were not gainfully utilized by NYKS. Further, Ministry's approval for utilizing the amount of interest could have been obtained by NYKS which was not done.

Audit noted that instead of refund of unspent amount to MYAS, NYKS and its field offices kept the funds in its bank accounts during 2012-13 to 2015-16 which led to idling of funds.

23.1.2.3 Sponsored Programmes

Funds are given to NYKS by other Ministries, Development Departments/Agencies also, which are covered under the category of Sponsored programmes. Amount of grants-in aid should be utilized only for the purpose for which it was sanctioned and unspent balance of grants in aid should be refunded by the grantee institution immediately after conducting the programme. Details of funds received in respect of sponsored programmes during 2012-13 to 2014-15 are as under:

Table 4: Year wise funds available under Sponsored Programme (Earmarked Funds) and expenditure incurred

(₹ in crore)

Year	Opening balance	Adjust -ment	Received during the year	Interest / other income	Total funds	Amount utilized (percentage)	Amount refunded	Unspent balance
2012-13	24.66	-	10.96	0.11	35.73	16.43 (46)	0.85	18.45
2013-14	18.45	6.24	16.69	0.11	41.49	11.42 (28)	Nil	30.07
2014-15	30.07	-0.59	15.98	0.12	45.58	16.86 (37)	3.50	25.22

Audit noted that only 46 *per cent*, 28 *per cent* and 37 *per cent* of the total funds were utilised during 2012-13, 2013-14 and 2014-15 respectively.

NYKS while accepting the observation stated (November 2016) that the opening balance of ₹ 24.66 crore for 2012-13, 2013-14 and 2014-15 included

₹ 19.37 crore relating to six non-operational schemes[5], hence, no amount could be spent under these schemes during the years 2012-13 to 2014-15. The balances in these schemes included the amount of advances against which expenditure had already been incurred but not accounted in previous years' accounts due to non-submission of UCs. They also stated that as per terms of grant, interest was not available for utilisation without Ministry's approval and that major portion of grants were received in year end/last quarter.

This indicated that the opening balances of ₹ 19.37 crore should have been refunded to the funding agencies after non-operation of the schemes and should not be included in opening balances during 2012-13 to 2014-15. Remaining opening balance of ₹ 5.29 crore and ₹ 10.71 crore were available to be spent on the programmes during the years 2012-13 and 2014-15 respectively but the amount was not utilized and remained unspent. As regards 2013-14, the opening balance was ₹ 18.45 crore against the figure of ₹ 19.37 crore, hence, the reply of NYKS was contradictory. Further, the amount of interest could have been utilized after obtaining approval of the Ministry, which was not done, hence, there was poor utilization of funds.

Audit noted that instead of refund of unspent amount to the funding agencies, NYKS and its field offices kept the unspent funds in its bank accounts during 2012-13 to 2015-16. This led to idling of funds.

23.1.2.4 Non-reconciliation of funds

Test check of balances of five special and sponsored schemes/programmes[6] from the annual accounts for 2013-14 and bank passbooks of the respective scheme/programme in NYKS revealed differences in the figures as detailed in **Annex-IX**.

NYKS accepted the fact (November 2016) and stated that the schemes have been discontinued and reconciliation was underway for adjustment. Further, the figures of bank balances were as per accounts maintained at NYKS but balances as per annual accounts included funds lying with PAOs.

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5 Swarn Gram Sadak Yojana (₹ 9.39 crore), Jung-e-Azadi (₹ 1.80 crore), United National Development Programme -TAHA (₹ 0.44 crore), Mahatma Gandhi National Rural Employment Guarantee Act (₹ 6.71 crore), National Literacy Mission (₹ 0.43 crore) and Red Ribbon Express (₹ 0.60 crore).

6 Swarn Gram Sadak Yojana, National Reconstructive Corps, United National Development Programme Trafficking and HIV/AIDS, Cultural Exchange and Kashmiri Rural Youth Cultural Exchange programme

The reply of NYKS confirmed that unutilised amounts were lying with NYKS instead of being returned to the funding agencies.

23.1.2.5 Deficient Budgeting

As per Rule 4(a) of Financial Bye Laws, NYKS was required to ensure that estimates of the Kendras are duly incorporated in the consolidated estimates. Kendras were required to send the estimates to NYKS by 25 August each year.

Audit noted that the budgeting process for regular programmes was concluded at NYKS without calling for estimated expenditure from Kendras.

NYKS replied that before preparation of the Annual Action Plan, feedback from field functionaries is sought during review-cum-planning meeting and video conferences. However, reply is not acceptable because records made available to audit did not indicate any input received from Kendras for budget preparation. Thus, it was evident that the number of programmes was decided on the basis of criteria fixed by NYKS without taking inputs from the Kendras/field offices or assessing the need of conducting the programmes in the districts.

23.1.3 Expenditure Control

Audit noted that monitoring of release of funds by NYKS to its field units was deficient. These cases are discussed in the succeeding paragraphs.

23.1.3.1 Delay in submission of utilization certificates by Kendras to PAOs

As per instructions of NYKS regarding finalization of annual accounts, all UCs[7] duly countersigned by Zonal Director should reach PAO by 15 April of the next financial year. Records of PAOs at Delhi and Bhubaneswar, revealed that in PAO Bhubaneswar, out of 122 Kendras, only 27 *per cent* (33 Kendras) submitted UCs by due date in 2012-13. This percentage reduced to 1 *per cent* (1 Kendra) and 3 *per cent* (4 Kendras) during 2014-15 to 2015-16. In case of PAO Delhi, out of 111 Kendras, only 4 *per cent* Kendras (1 Kendra) submitted UCs by due date, while this percentage was 23 *per cent* (25 Kendras) and 24 *per cent* (27 Kendras) in 2014-15 and 2015-16 respectively.

While accepting the audit observation (November 2016) NYKS attributed the delays to acute shortage of staff.

[7] Utilization certificate are submitted in the form of Receipt & Payment Accounts by Kendras

23.1.3.2 Non verification of Expenditure of Kendras by Zonal offices

The Kendras submit utilization certificates to the respective PAOs through ZOs. The ZO was required to verify the expenditure of Kendras with its books of accounts and budgetary norms.

Audit noted that the verification of expenditure from the basic records of the Kendras was not carried out in Zonal Offices at Delhi, Jaipur and Bhubaneswar. Though, Zonal Office, Delhi intimated that the expenditure is being verified from the basic record, the procedure adopted for verification and examination of supporting documents was not produced to audit.

ZO, Jaipur intimated (October 2016) that the expenditure of all Kendras could not be verified from the basic records owing to paucity of staff. ZO, Bhubaneswar also accepted the fact and stated that only test checks were made by them from the annexures enclosed with UCs, submitted by the Kendras.

Thus, the UCs were submitted to PAOs without verification of the expenditure from the basic record by the Zonal Offices.

23.1.4 Accounting and Documentation

NYKS assigned the work of preparing annual accounts consisting of Receipts and Payments Account, Income and Expenditure Account, and the Balance Sheet (in respect of NYKS Hqrs. and six PAOs) to the Chartered Accountant appointed as Internal Auditor during the period 2012-13 to 2014-15.

23.1.4.1 Delay in finalization of annual accounts

As per Ministry of Finance OM (November 2009[8]), every autonomous body should complete its accounts within a period of three months from the date of closure of the accounting year and make the accounts available for auditing.

All the six PAOs prepare their books of accounts after receiving UCs from Kendras and report of the Internal Auditors. For finalisation of accounts of NYKS, the complete sets of accounts of six PAOs are required. The consolidated accounts of NYKS are submitted to the Finance Committee, and subsequently to the BoG's for approval.

[8] OM No. 8(11)/E.II-A)/09 dated 17 November 2009 issued by Department of Expenditure, Ministry of Finance, Government of India

It was noticed that there were persistent delays in submission of approved accounts to the audit by NYKS as under:

Year-wise delay in annual accounts

Year	Due date of submission	Date of submission	Delay in months
2012-13	30.6.2013	24.2.2015	More than 19 months
2013-14	30.6.2014	24.7.2015	More than 12 months
2014-15	30.6.2015	28.11.2016	More than 16 months
2015-16	30.6.2016	Not submitted as of November 2016	

NYKS accepted (November 2016) and stated that the delays in finalization of annual accounts were attributable to a number of factors such as delay in conduct of internal audit, delay in approval of annual accounts from the Finance Committee and the BoG, large nationwide network and shortage of staff.

23.1.4.2 Non implementation of Tally software

With a view to reduce the time involved in consolidation and preparation of accounts of Kendras/Zonal offices, NYKS purchased Tally software (October 2013) at a cost of ₹ 38.34 lakh and spent another ₹ 2.58 lakh on customization of Utilization Certificate (UC) formats and Balance Sheet, Payroll implementation, training of users etc. Tally software was to be used for preparation of Utilization Certificate in all the Kendras from the year 2015-16. However, the software was installed in only 556 Zonal Offices/Kendras out of 652 as on May 2016.

Test check of records in PAOs at Delhi, Bangaluru and Bhubaneswar, revealed that the Tally software was being used at PAOs only but not in Kendras/Zonal Offices and UCs were being prepared by them manually.

NYKS accepted the observation and intimated (November 2016) that due to shortage of infrastructure including manpower, upgraded computers, internet services, power backup, the software could not be made fully operational at all Kendras. NYKS also admitted that the license of the software was not renewed during 2015-16.

Thus, even after procurement of software in October 2013, the same was not being optimally utilized and the very purpose of reducing the time for consolidation of accounts was not achieved.

23.1.5 Manpower

23.1.5.1 Deficiency in Manpower Management

At Kendra level, District Youth Co-ordinator (DYC) is responsible for the execution and implementation of youth development programs and policies. He is assisted by an Accounts Clerk-cum-Typist (ACT)

Audit noted that posts of DYC and ACT were lying vacant. As against total 623 Kendras, only 293 DYCs[9] and 465 ACTs were working (as of November 2016). Further in five selected zones[10] (viz. Rajasthan, Karnataka, Himachal Pradesh, Odisha and Delhi), the vacancies in DYC posts were in the range of 11 - 67 *per cent*. Similarly vacancies in ACT posts were in the range of 17-70 *per cent*.

As per Ministry of Finance (MoF) OM dated 9 September 2003 '*if a post remains vacant for one year or more, it is deemed as abolished*'. Audit noted that the direct recruitment of DYCs has not been made for past two decades. As the vacancies were not filled for more than a year, 325 posts of DYCs and 204 posts of ACTs were *'deemed to be abolished'* in view of said OM issued by MoF.

Audit noted that DYC's major responsibility was to coordinate programmes. Since most of the DYCs had additional charge of more than one Kendra, it was not possible for them to oversee each and every programme resulting in poor quality of output. Since the posts of DYC and ACT are the arms of NYKS in implementing/supervising the programmes at grass root level, it hampered the core functioning of NYKS and achievement of its objectives. This also affected the work related to accounts keeping and regular reporting.

NYKS accepted the observation and stated (November 2016) that efforts were being made in this regard.

9 Includes 17 DYCs on deputation, 27 DYCs as United Nations Volunteers, 7 Dy. Directors working as DYCs and 2 ACTs working as DYC in-charge.

10 Selected zones include those PAOs/ ZOs (PAOs at Delhi, Bengaluru, Bhubaneswar and ZOs at Jaipur & Shimla) which were visited during course of audit.

23.1.6. Internal Control

Deficiencies noted in internal control are given below:

23.1.6.1 Idling of funds released for construction

Audit scrutiny revealed that inadequate monitoring by NYKS over release of funds for construction of building to Kendra/PAO-cum-Zonal Offices resulted in funds remaining unutilized to the tune of ₹ 1.66 crore which were lying with the Kendras/PAOs from 13 months to nine years. Details are as under:

(a) NYKS had owned a piece of land at Alipur Delhi. PAO, Delhi requested (January 2015) NYKS to accord approval of preliminary estimate amounting to ₹ 2.09 crore for construction of one dining hall, two guest rooms etc., at PAO Alipur, Delhi. NYKS released ₹ 1.46 crore against the estimate to PAO Delhi in March 2015. Administrative approval and expenditure sanction was communicated to Public Works Department, Government of National Capital Territory of Delhi (PWD) in April 2015. However, the funds were not released to PWD. PWD reminded NYKS in January 2016 and March 2016 to deposit the amount for starting the work. After receiving directions from NYKS, PAO released ₹ 62.70 lakh in last week of May, 2016 to PWD. Hence despite availability of funds with NYKS there was delay of 13 months (April 2015 to May 2016) in releasing funds to PWD.

NYKS (PAO, Delhi) accepted the observation and stated (December, 2016) that ₹ 83.30 lakh were lying unutilized.

(b) NYKS gives financial assistance in the form of seed money for construction of buildings on the land provided by State Governments. The amount of financial assistance was ₹ 2 lakh per Kendra and remaining cost of building was to be arranged by the DYC from other sources. In 2002-2003, the seed money was enhanced to ₹ 4 lakh per Kendra.

Audit noted that in five cases, the Kendra buildings were not constructed even after release of ₹ 20 lakh either due to non-availability of land or insufficient funds. The details are given as follows:

(i) NYKS released ₹ 12 lakh to PAO Bhubaneshwar (for Kendras at Samastipur, Sambalpur and Dhenkanal) during 2006-07. Audit noted that neither the buildings were constructed as the land was not transferred in the name of Kendras by the State Governments, nor the amount was refunded to NYKS.

(ii) ₹ 4 lakh were released in March 2007 to Kendra at Una (HP). Audit noted that against the estimate of ₹ 16.64 lakh only ₹ 3.95 lakh was released to PWD. PWD neither started the building work nor refunded ₹ 3.95 lakh till date. NYKS accepted and stated that the case was being pursued to start the construction.

(iii) NYKS released ₹ four lakh in 2007 to Kendra at Hamirpur, Himachal Pradesh for construction of building. The Kendra did not utilize the amount and after keeping the funds unutilized for three years, refunded the same in March 2010. NYKS accepted and stated that the amount was not sufficient for the construction of building as only ₹ four lakh was released against the proposed estimate of ₹ 13.03 lakh and thus, refunded.

Audit also noted that in nine cases[11], plots of land were allotted by State Governments to district Kendras for construction of office buildings during the period 2015-16. However, NYKS did not release financial assistance to any of the Kendras as present financial assistance of ₹ 4 lakh per Kendra was not considered sufficient to meet the construction cost. Thus, due to delay in review of financial assistance, the above Kendras were incurring expenditure on rent.

The reply of NYKS was silent on this issue.

23.1.7 Conclusion

Huge funds were lying unspent under earmarked funds which were required to be refunded to the funding agencies due to non-operation of the schemes/programmes. This also led to idling of funds with NYKS and its field formations. MYAS failed to adjust the surplus funds lying with NYKS from the future grants. Delays were noticed in finalization of annual accounts. Recruitment of DYCs was not

[11] Alappuzha (Kerala), Sanghli (Maharashtra), Mysore (Karnataka) and Dharampuri (Tamil Nadu), Vishakhapatnam and Guntor (Andhra Pradesh), Warangal and Karimnagar (Telengana) and Dang (Gujarat).

made for past two decades despite vacancies in 338 districts. Funds released to field offices for construction of buildings were also not utilised resulting in idling of funds.

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

(MUKESH PRASAD SINGH)
Director General of Audit
Central Expenditure

New Delhi
Dated: 20 March 2017

Countersigned

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

New Delhi
Dated: 24 March 2017

ANNEXES

Annex-I

(Referred to in paragraph no. 11.4.5.3)

Super specialist doctor – patient ratio

Name of Super Specialties	No. of Patients attended per Specialist per annum (Assistant Professor and above rank)			
	2013-14	2014-15	2015-16	Percentage increase w.r.t the year 2013-14
Cardiology	8060	12601	17643	119
Cardio-thoracic and Vascular Surgery(CTVS)	2507	4931	7255	189
Clinical Immunology	14730	17627	23421	59
Medical Gastroenterology	9429	12410	15745	67
Surgical Gastroenterology	1531	2737	5098	233
Plastic Surgery	2009	2649	2873	43
Nephrology	7980	12772	15334	92
Urology	8584	9389	11526	34
Neurology	12097	18371	23843	97
Neurosurgery	2207	3035	5283	139
pediatrics surgery	4819	4879	5106	6
Endocrinology	5522	10974	14416	161
Medical Oncology	12690	25088	28319	123
Surgical Oncology	1038	3438	7111	585

Annex-II

(Referred to paragraph no. 11.4.6.1)

Details of unutilised bed days

Year	No. of functional beds	Total number of bed days[1]	Total number of occupied IP days	Total number of unutilised bed days [(3) - (4)]
(1)	(2)	(3)	(4)	(6)
2012-13	1,618	5,90,570	5,69,035	21,535
2013-14	1,790	6,53,350	5,40,754	1,12,596
2014-15	1,855	6,77,075	6,14,875	62,200
2015-16	2,044	7,46,060	6,57,371	88,689
Total		26,67,055	23,82,035	2,85,020

[1] bed days in an year = (number of functional beds in that year)*365 days

Annex-III

(Referred to paragraph no. 11.4.6.2)

Position of patients awaiting surgery

Name of Department	Number of patients awaiting surgery	Time required to clear backlog.	Reasons stated by department for backlog and action needed to clear backlog.
Neurosurgery	271	3 to 20 months	1. Lack of adequate number of operation theatre. 2. At present only one case per O.T. Table per day is allotted which can be increased to two if Anaesthesiologist and supporting staff are available 3. Non-installation of critical equipment like Neuronavigation, multi parameter evoked potential monitor and advanced operating microscope with fluorescence.
E.N.T	Malignancy cases – 9 Non-malignancy cases - 11	1 month	1. Shortage of OT 2. Non-availability of investigations (Eg. Thyroid function test) 3. Delay in the investigations results
Surgical Gastroenterology	10	1month	1. Restricted O.T. days (5 days a week has been allotted) 2. Restricted O.T. time (only upto 12 noon).
General Surgery	350	2 weeks to 16 weeks	1. Inadequate operating days 2. Restricted OT timing (half day should be increased to full day (8.00 am to 5.00 pm) as in AIIMS and PGIMER
Cardio-thoracic & Vascular Surgery (CTVS)	1404	36 months	1. Lack of Anaesthesiologists, in particular Cardio anaesthesiologists and other para medical staff. 2. Only 6 beds in ICU for CTVS. 2 bedded ICU and 4 bedded pain clinic ICU are not functioning since 2009. 3. Lack of adequate number of nursing staff. 4. Shortage of funds.
Paediatric Surgery	160	6 Months	1. Only 6-7 O.T.S are being used in spite of availability of 12 O.T.S 2. OT timing should be increased (instead of up to 12.30 p.m it should be increased to 4.30 p.m).

Ophthalmology	Penetrating keratoplasty-24 Paediatric opthal squint/Oculoplasty-05 Retina – 25-30	4 to 5 months 1 month 1 to 2 months	1. Restriction of number of OT tables. 2. Non availability of consumables.
Plastic Surgery	200	12 months	1. Limited numbers and time of OT 2. Limited no. of beds

Annex-IV

(Referred to in paragraph no. 13.1.2.1)

Underutilisation of funds

Year	Opening Balance	Grant Received	Internal Receipt	Total fund available	Total fund utilised	Un-utilised fund
2011-12	40.79	135.12	36.65	212.56	103.98	108.58 51.08%
2012-13	108.58	68.52	30.83	207.93	106.54	101.39 48.76%
2013-14	101.39	143.53	37.86	282.78	139.51	143.27 50.66%
2014-15	143.27	88.51	17.01	248.79	122.74	126.05 50.66%
2015-16	126.05	128.35	26.18	280.58	156.16	124.42 44.34%

Annex-V

(Referred to in paragraph no. 13.4.7.3)

Cases of non/short deduction of Royalty

(₹ in lakh)

Sl. No.	Name of work (Name of the contractor)	Bill amount/ Bill No.	Effective rate of Royalty (%)	Royalty to be deducted	Royalty actually deducted	Balance amount of Royalty to be deducted
1.	Renovation of Metallurgical Engineering department (M/s Vardhman Feb Tech)	44.97 (6 RAB)	1.5	0.67	0.34	0.33
2.	Renovation work of staff quarters B-3, B-12, D-32 & H-30 (M/s Shree Ganpati Construction)	12.30 (2 FB)	1.5	0.18	0.12	0.06
3.	Construction of sewage treatment plant (M/s SS engineering corporation)	22.40 (1 RAB)	1.5	0.33	0.22	0.11
4.	Construction of storm water drain & compound wall around tennis court (M/s Vardhman Feb Tech)	10.19 (3 FB)	1.5	0.15	0.05	0.10
5.	Renovation work of Chemistry lab (1&2) and rooms (M/s Vardhman Feb Tech)	10.41 (3 FB)	1.5	0.16	0.09	0.07
6.	Construction of boundary wall near STP & F-block (M/s Riddhi Siddhi Associates)	13.43 (3 FB)	1.5	0.20	0.13	0.07
7.	Design, Supply & Installation of Pre-fabricated steel structures at various places (M/s Chopra Aluminium)	573.59 (8 FB)	1.0	5.73	1.51	4.22
8.	Construction of three new synthetic (acrylic) Tennis court (M/s Syncotts international)	51.93 (3 RAB)	1.5	0.78	0.53	0.25
9.	Construction of 2nd floor on Electronics department (M/s Kishan Sahai Meena)	172.06 (7 RAB)	3.0	5.16	---	5.16
10.	Construction of road from behind the Girl's hostel to new site of 198 flats (M/s Himmat Singh Rathore)	50.16 (3 RAB)	3.0	1.50	---	1.50
11.	Construction of one additional floor & renovation of toilets & kitchen at guest house no.1(M/s Kishan Sahai Meena)	146.09 (5 RAB)	2.0	2.92	---	2.92
12.	Re-carpeting of bituminous road (M/s Kishan Sahai Meena)	242.07 (6 FB)	1.5	3.63	---	3.63
	Total			21.41	2.99	18.42

Annex-VI

(Referred to in paragraph no. 13.4.7.3)

Cases of short deduction of VAT

(₹ in lakh)

Sl. No.	Name of work (Name of the contractor)	Bill amount	Effective rate of VAT (%)	VAT to be deducted	VAT actually deducted	Balance amount of VAT to be deducted
1.	Renovation work of staff quarters B-3, B-12, D-32 & H-30 (M/s Shree Ganpati Construction)	12.49 (2 FB)	6.0	0.75	0.37	0.38
2.	Construction of sewage treatment plant (M/s SS engineering corporation)	72.43 (2 RAB)	6.0	4.35	2.17	2.17
3.	Construction of 2nd floor on Electronics department (M/s Kishan Sahai Meena)	20.50 (7 RAB)	6.0	1.23	0.62	0.61
4.	SITC of RUMS and cabling work near Electronics department (M/s Vinayak electrical)	43.93 (2 FB)	6.0	2.64	1.32	1.32
5.	Construction of road from behind the Girl's hostel to new site of 198 flats (M/s Himmat Singh Rathore)	10.69 (1 RAB)	3.0	0.32	0.11	0.21
		28.85 (2 RAB)	3.0	0.87	0.29	0.58
		10.62 (3 RAB)	6.0	0.64	0.11	0.53
			Total	**10.80**	**5.00**	**5.80**

Annex-VII

(Referred to in paragraph no. 16.1)

Salient features of the implementation modalities of PMEGP

- PMEGP is a credit linked subsidy wherein, the beneficiary i.e. a first generation entrepreneur who gets his new project funded through bank loan (credit) is provided with a percentage subsidy towards funding part of the cost of his project.

- GOI funds would be released under two heads *viz.* 'margin money' (MM) and 'backward and forward linkages' (BFL). The government subsidy to the entrepreneur beneficiary under the Programme is referred to as MM, while the fund for BFL is for facilitating activities of the Programme.

- The government funds (i.e. plan funds for PMEGP), to be provided by the Ministry to the national nodal agency i.e. KVIC HQ. The HQ of KVIC in turn, would place the MM funds with the Main bank account of its (KVIC) offices at the State/District level in accordance with target fixed. The State Director of KVIC to deposit the same in the main account of KVIC (ie. KVIC-S.O. PMEGP main account). The State Director, in consultation with KVIB and DIC will open nodal bank savings accounts in public sector banks associated with implementation and release lump sum deposits for subsequent release of subsidy by them to their respective financing branches.

- The level of funding to the projects of individual entrepreneur beneficiary vary from 15-35 *per cent* of project cost depending on whether the category of beneficiary is 'special' (i.e. Women, SC/ST/OBC) or 'general' and location of project i.e. Whether it is located in rural or urban area.

- Beneficiaries are expected to contribute 5 or 10 *per cent* of project cost, depending on their category i.e. General or special. Thus, the effective bank funding under PMEGP constitutes 60-75 *per cent* of project cost.

- District level task force committee (DLTFC) constituted at each district level would scrutinise the applications based on the experience, technical qualification, viability etc. and shortlist and recommend final list of cases for sanction, which would be communicated to the respective financing bank opted by the beneficiary in his application, by the respective IA.

- On receipt of recommended cases of DLTFC, the respective financing bank would take their own credit decision on the basis of their viability analysis and due diligence.

- Before release of first installment, bank would coordinate mandatory 'Entrepreneur Development Programme (EDP) training in any of the training institutes designated for the purpose.

- On completion of training, the beneficiary will deposit his own contribution with financing branch and thereafter, the first installment of loan would be released, and MM claim papers to be submitted by the beneficiary through the financing bank to their nodal bank with copy to the respective IA. The nodal bank after exercising necessary checks would release MM. The financing branch would place the MM under Time Deposit Receipt (TDR) for a period of three years during which no interest would be paid and no interest charged on the matching amount of loan.

- Physical verification would be done for the units financed under PMEGP before completion of three years; and KVIC would be responsible to conduct PV of projects through outsourced agencies. Though MM at the first instance would be released by the designated nodal bank, the respective IA is the final authority to accept or reject the claim, based on fulfilment of parameters and considering the PV report of the project funded.

- After receipt of PV report, the respective IA to issue the MM adjustment letter to the financing branch, if the unit is fulfilling all the parameters of the Programme, else the financing branch would be advised to remit back the MM which was kept under TDR to the nodal bank account.

- Separate funds are released state-wise for BFL activities by KVIC central office as per receipt of funds from the Ministry.

Annex-VIII

(Referred to in paragraph no. 16.1)

Target & Achievement under PMEGP from 2008-09 to 2015-16

Sl. No.	Year	Target			Achievement		
		No. of Proj.	MM (₹ in lakh)	Emp. (nos. in lakh)	No. of Proj.	MM (₹ in lakh)	Emp. (nos. in lakh)
1.	2008-09	61662	74000.00	6.17	19166	35623.39	2.05
2.	2009-10	46640	55970.00	4.66	40918	76243.75	4.25
3.	2010-11	59714	83600.00	5.97	49064	89118.26	4.81
4.	2011-12	57143	80000.00	5.71	55135	105783.66	4.96
5.	2012-13	53826	123800.00	4.31	57884	108066.4	4.28
6.	2013-14	90672	114500.00	7.25	50493	107644.48	3.79
7.	2014-15	87924	109306.00	7.03	48168	112253.87	3.58
8.	2015-16	64529	128620.30	5.16	44340	102006.33	3.23
Total		**522110**	**769796.3**	**46.26**	**365168**	**736740.14**	**30.95**
Percentage of achievement					**70**	**95.71**	**67**

Annex-IX

(Referred to in paragraph no. 23.1.2.4)

Year-wise bank balance under non-operational schemes

(₹ in lakh)

Sl. No.	Name of Scheme/ Programme	Opening balance as per annual accounts 2013-14 (i.e. 31.3.13)	Bank balance as on (date)	Amount
1.	SGSY[2]	855.01	31.03.2013	250.29
			31.03.2014	260.40
			31.03.2015	270.93
			31.03.2016	281.90
2.	NRC[3]	1120.77	31.03.2013	53.10
			31.03.2014	55.24
			31.03.2015	57.48
			31.03.2016	59.81
3.	UNDP HIV/AIDS[4]	44.49	31.03.2013	4.90
			31.03.2014	5.10
			31.03.2015	5.31
			31.03.2016	5.52
4.	Cultural Exchange	102.67	31.03.2013	0.04
			31.03.2014	0.04
			31.03.2015	0.04
			31.03.2016	0.04
5.	KRYCEP[5]	(29.25)	31.03.2013	0.04
			31.03.2014	0.04
			31.03.2015	0.04
			31.03.2016	0.04

[2] Swarn Gram Sadak Yojana
[3] National Reconstruction Corps
[4] United National Development Programme Trafficking and HIV/AIDS
[5] Kashmiri Rural Youth Cultural Exchange Programme

APPENDICES

APPENDIX-I

(Referred to in paragraph 1.3)

Outstanding Utilisation Certificates

(₹ in lakh)

Ministry/Department	Period to which grants relate(upto March 2015)	Utilisation Certificates outstanding in respect of grants released upto March 2015 which were due by 31 March 2016	
		Number	Amount
Ministry of Agriculture (i) (Department of Agriculture Coop)	1992-08	40	288.00
	2008-14	341	69965.00
	2014-15	305	108174.00
	Total	**686**	**178427.00**
(ii) Department of Animal husbandry and Dairy	1992-08	0	0.00
	2008-14	121	11912.00
	2014-15	25	3959.00
	Total	**146**	**15871.00**
Ministry of HUPA	1992-08	30	3780.04
	2008-14	275	44574.23
	2014-15	238	260805.55
	Total	**543**	**309159.82**
Ministry of Urban development	1985-08	30	1403.91
	2008-13	66	11525.64
	2013-14	208	298437.04
	Total	**304**	**311366.59**
Ministry of Overseas Indian Affairs[1]	1992-08		
	2008-14	6	306.65
	2014-15	1	30.00
	Total	**7**	**336.65**
Ministry of Culture	1990-08	2215	14994.59

[1] Now merged with MEA

Ministry/Department	Period to which grants relate(upto March 2015)	Utilisation Certificates outstanding in respect of grants released upto March 2015 which were due by 31 March 2016	
		Number	Amount
	2008-14	1415	23504.98
	2014-15	34	1519.98
	Total	**3664**	**40019.55**
Ministry of Earth Science	1983-08	402	2826.49
	2008-14	233	2497.9
	2014-15	262	21979.4
	Total	**897**	**27303.79**
Ministry of Youth Affairs and Sports	1987-08	5832	9191.26
	2008-14	389	30267.5
	2014-15	103	1058.52
	Total	**6324**	**40517.28**
Ministry of Women and Child Development	1986-08	4028	23597.91
	2008-14	457	7735.12
	2014-15	128	1703.26
	Total	**4613**	**33036.29**
Ministry of Minority	1992-08	12	51.07
	2008-14	385	3753.83
	2014-15	444	5325.76
	Total	**841**	**9130.66**
Ministry of Social Justice and Empowerment	1987-08	8500	46330.98
	2008-14	1527	19349.63
	2014-15	848	9790.85
	Total	**10875**	**75471.46**
Ministry of HRD(Department of School Education and Literacy)	1982-08	1158	42725.32
	2008-14	433	833139.6
	2014-15	80	9637.78
	Total	**1671**	**885502.70**
Department of Higher Education	1977-08	1737	21570.97
	2008-14	510	16288.77
	2014-15	197	93965.82
	Total	**2444**	**131825.56**

Ministry/Department	Period to which grants relate(upto March 2015)	Utilisation Certificates outstanding in respect of grants released upto March 2015 which were due by 31 March 2016	
		Number	Amount
Ministry of Electronics and Information Technology	1992-08	31	3322.94
	2008-14	102	24342.34
	2014-15	306	85687.33
	Total	**439**	**113352.61**
Ministry of Corporate Affairs	1992-08	2	0.6
	2008-14	6	1.32
	2014-15	-	-
	Total	**8**	**1.92**
Ministry of Shipping	1992-08	-	-
	2008-14	2	40
	2014-15	1	9.24
	Total	**3**	**49.24**
Ministry of Labour and Employment	1979-08	301	1332.27
	2008-14	273	15647.89
	2014-15	198	4912.42
	Total	**772**	**21892.58**
Department of Pharmaceuticals	1992-08	-	-
	2008-14	18	3256.26
	2014-15	40	3729.55
	Total	**58**	**6985.81**
Ministry of MSME	1992-08	2	2.2
	2008-14	184	3185.97
	2014-15	118	12731.52
	Total	**304**	**15919.69**
Ministry of Tourism	2008-14	108	32883.22
	2014-15	76	20858.65
	Total	**184**	**53741.87**
Ministry of Textiles	1978-08	771	3454.87
	2008-14	2439	10478.71

Ministry/Department	Period to which grants relate(upto March 2015)	Utilisation Certificates outstanding in respect of grants released upto March 2015 which were due by 31 March 2016	
		Number	Amount
	2014-15	1619	172320.21
	Total	**4829**	**186253.79**
Department of Commerce	1992-08	10	198.04
	2008-14	38	9541.62
	2014-15	6	4415.67
	Total	**54**	**14155.33**
Department of Consumer Affairs	1992-08	36	31.7
	2008-14	31	514.44
	2014-15	14	851.08
	Total	**81**	**1397.22**
Department of Food and Public Distribution	1992-08	-	-
	2008-14	8	1224.8
	2014-15	8	1474.67
	Total	**16**	**2699.47**
Ministry of Food Processing Industries	1991-08	883	9936.81
	2008-14	956	14972.03
	2014-15	169	12885.82
	Total	**2008**	**37794.66**
Department of Heavy Industries	1992-08	2	8020
	2008-14	6	97485
	2014-15	7	24687.65
	Total	**15**	**130192.65**
Department of Public Enterprises	1992-08		
	2008-14	19	129.72
	2014-15	16	124.36
	Total	**35**	**254.08**
Ministry of Drinking Water and Sanitationj	1992-08	1	45.88
	2008-14	18	17021.73
	2014-15	6	9562.41
	Total	**25**	**26630.02**

Ministry/Department	Period to which grants relate(upto March 2015)	Utilisation Certificates outstanding in respect of grants released upto March 2015 which were due by 31 March 2016	
		Number	Amount
Department of Chemicals and Petrochemicals	2008-14	18	1908.57
	2014-15	13	1003.14
	Total	**31**	**2911.71**
Minisrty of Law and Justice	1992-08		
	2008-14	2	62500
	2014-15	5	250000
	Total	**7**	**312500.00**
Ministry of Tribal Affairs	1992-08	0	0.00
	2008-14	162	33493.58
	2014-15	206	96690.1
	Total	**368**	**130183.68**
Ministry of PPG and Pension	1992-08	1	0.05
	2008-14	23	66.55
	2014-15	27	199.26
	Total	**51**	**265.86**
Ministry of Mines	1992-08	0	0.00
	2008-14	1	3.04
	2014-15	10	159.41
	Total	**11**	**162.45**
Grand Total		**42314**	**3115312.99**

APPENDIX - II

(Referred to in paragraph 1.4)

List of bodies which submitted accounts after delay of over three months

Sl. No.	Name of Autonomous Bodies	Date of submission of Accounts	Delay in months
1.	North-Central Zone Cultural Centre, Allahabad	29.10.2015	3
2.	North-East Zone Cultural Centre, Dimapur	04.11.2015	4
3.	Victoria Memorial Hall, Kolkata	01.12.2015	5
4.	A.B. Vajpayee Indian Institute of Information Technology and Management, Gwalior.	04.12.2015	5
5.	Central University of Jharkhand, Ranchi	6.10.2015/unapproved	3
6.	Centre for Studies in Civilisation, New Delhi	24.11.2015	4
7.	Indian Council of Historical Research, New Delhi	08.10.2015	3
8.	Indian Institute of Technology, Delhi	06.11.2015	4
9.	Indian Institute of Technology,Mumbai	12.10.2015	3
10.	Manipur University, Imphal	01.10.2015	3
11.	University of Delhi, New Delhi	13.10.2015	3
12.	National Institute of Technology Imphal	2.12.2015	5
13.	District Legal Services Authority, Chandigarh	30.11.2015	4
14.	National Institute for Empowerment of Persons with Multiple Disabilities, Chennai	19.10.2015	3
15.	Lakshdweep Building Development Board, Kavaratti	18.12.2015	5
16.	Central Agricultural University, Imphal	15.01.2016	6
17.	National Institute of Technology, Kozhikode (Calicut)	17.03.2016	8
18.	National Council of Teacher Education, New Delhi	8.01.2016	6

APPENDIX -III

(Referred to in paragraph 1.5)

List of Autonomous Bodies in respect of which audited accounts for the year 2012-13, 2013-14 and 2014-15 had not been presented before the Parliament as on 31 October 2016

Sl. No.	Name of Autonomous Body (Ministry wise)
For the year 2012-13	
Ministry of Commerce and Industry	
1.	Madras Special Economic Zone
2.	Export Inspection Agency, Chennai
3.	Export Inspection Agency, Kochi
4.	Export Inspection Agency, Kolkata
5.	Export Inspection Agency, Mumbai
6.	Export Inspection Agency, New Delhi
7.	Export Inspection Council of India, New Delhi
8.	Noida Special Economic Zone Authority
9.	Vishakapatnam Special Economic Zone Authority
Ministry of Ayush	
10.	North Eastern Institute of Folk Medicine
11.	North Eastern Institute of Ayurveda and Homeopathy
For the year 2013-14	
Ministry of Commerce and Industry	
1.	Export Inspection Agency , Chennai
2.	Export Inspection Agency, Kochi
3.	Export Inspection Agency, New Delhi
4.	Export Inspection Agency, Kolkata
5.	Export Inspection Agency, Mumbai.
6.	Export Inspection Council, New Delhi
7.	Visakhapatnam Special Economic Zone Authority, Visakhapatnam
Ministry of Ayush	
8.	North Eastern Institute of Folk Medicine
9.	North Eastern Institute of Ayurveda and Homeopathy

Sl. No.	Name of Autonomous Body (Ministry wise)
For the year 2014-15	
Ministry of Chemical and Fertilizer	
1.	National Institute of Pharmaceutical Education and Research, Kolkata
2.	National Institute of Pharmaceutical Education and Research, Raebareli
Ministry of Commerce and Industry	
3.	Export Inspection Agency, New Delhi
4.	Export Inspection Council, New Delhi
5.	Noida Special Economic Zone Authority (NSEZ)
6.	Visakhapatnam Special Economic Zone Authority, Visakhapatnam
Ministry of Heavy Industries and Public Enterprises	
7.	National Automotive Testing and R&D Infrastructure Project Implementation Society (NATIS)
Ministry of Housing and Urban Poverty Alleviation	
8.	Lakshadweep Building Development Board
Ministry of HRD/ Department of Higher Education	
9.	North-Eastern Hill University, Shillong
10.	Rajiv Gandhi Indian Institute of Management, Shillong
Ministry of Power	
11.	National Power Training Institute Faridabad
Ministry of Culture	
12.	Nav Nalanda Mahavihar Nalanda
13.	West Zone Cultural Center Udaipur

APPENDIX -IV

(Referred to in paragraph 1.5)

Delay in presentation of audited accounts for the years 2014-15 by autonomous bodies to Parliament

Sl. No.	Name of Autonomous Bodies (Ministry wise)	Year of Audited Account	Delay in months
Ministry of Agriculture			
1.	Coastal Aquaculture Authority, Chennai	2014-15	2
2.	National Institute of Plant Health Management, Hyderabad	2014-15	2
Ministry of Ayush			
3.	Central Council of Homoeopathy, New Delhi.	2014-15	3
4.	Morarji Desai National Institute of Yoga, New Delhi.	2014-15	4
5.	Central Council of Indian Medicine	2014-15	3
Ministry of Communication and Information Technology			
6.	Telecom Regulatory Authority of India	2014-15	4
Ministry of Culture			
7.	Khuda Bux Oriental Public Library, Patna	2013-14	4
8.	National Museum Institute, New Delhi.	2013-14	7
9.	Kalakshetra Foundation, Chennai	2014-15	2
10.	Khuda Bux Oriental Public Library, Patna	2014-15	2
11.	Raja Ram Mohan Roy Library Foundation, Kolkata	2014-15	2
12.	Salarjung Museum Board, Hyderabad	2014-15	2
13.	South Zone Cultural Centre, Thanjavur	2014-15	7
Ministry of Health and Family Welfare			
14.	All India Institute of Medical Science, Jodhpur	2014-15	3
15.	Dental Council of India, New Delhi.	2014-15	2
16.	National Board of Examination, New Delhi.	2014-15	4
Ministry of HRD			
17.	Indian Institute of Management, Bangalore	2014-15	2
18.	Indian Institute of Management, Kolkata	2014-15	4
19.	Indian Institute of Science Education and Research, Bhopal	2014-15	4
20.	Indian Institute of Science Education and Research, Pune	2014-15	4
21.	Indian Institute of Technology, Bhubaneshwar	2014-15	2
22.	Indian Institute of Technology, Jodhpur	2014-15	2

23.	Indian Institute of Technology, Kanpur	2014-15	2
24.	Indian Institute of Technology, Patna	2014-15	2
25.	Malviya National Institute of Technology, Jaipur	2014-15	2
26.	National Institute of Foundry and Forge Technology, Dhanbad	2014-15	4
27.	National Institute of Technical Teachers Training and Research, Kolkata	2014-15	4
28.	National Institute of Technology, Durgapur	2014-15	2
29.	National Institute of Technology, Goa	2014-15	2
30.	National Institute of Technology, Silchar	2014-15	2
31.	National Institute of Technology, Surathkal.	2014-15	2
32.	National Institute of Technology, Warangal.	2014-15	2
33.	Sant Longowal Institute of Engineering and Technology, Longowal	2014-15	4
34.	School of Planning and Architecture, Vijayawada.	2014-15	2
35.	Visvesvaraya National Institute of Technology, Nagpur	2014-15	4
36.	Central Tibetan Schools Administration, New Delhi.	2014-15	4
Ministry of Micro, Small and Medium Enterprises			
37.	Khadi and Village Industry Commission	2014-15	2
Ministry of Petroleum and Natural Gas			
38.	Rajiv Gandhi Institute of Petroleum Technology, Rae Bareli	2014-15	2
Ministry of Rural Development			
39.	Council for Advancement of People's Action and Rural Technology, New Delhi.	2014-15	4
Ministry of Social Justice and Empowerment			
40.	National Institute for Mentally Handicapped, Hyderabad	2014-15	2
41.	Rehabilitation Council of India, New Delhi.	2014-15	2
42.	Swami Vivekananda National Institute of Rehabilitation Training and Research, Cuttak	2014-15	2
Ministry of Women and Child Development			
43.	National Commission for Women, New Delhi.	2013-14	12

APPENDIX - V

(Referred to in paragraph 1.6)

Significant observations on the accounts of individual Central Autonomous Bodies

1. Banaras Hindu University, Varanasi

(i) Fixed Assets - ₹ 1186.35crore

This included an advance of ₹ 65.44 crore given to CPWD, Varanasi during 2015-16 for construction activities the entire amount was capitalised under the head 'Building'. This resulted in overstatement of assets under the head Building and understatement of advances under Current Assets of the Balance Sheet by ₹ 65.44 crore each. Depreciation of ₹ 1.31 crore was also overcharged by the University.

(ii) General

As per Bank Reconciliation Statement of March, 2016, 799 time barred cheques amounting to ₹ 11.23 crore were not cancelled and written back in the cash book. This resulted in understatement of receipts and closing balance by ₹ 11.23 crore each.

2. Central Institute of Tibetan Studies, Sarnath, Varanasi

Fixed Assets - ₹ 44.28 crore

An expenditure of ₹ 1.54 crore incurred on renovation work, was treated as revenue expenditure instead of capital. This resulted in understatement of 'surplus' by ₹ 1.54 crore. Consequently 'Fixed Assets' and 'Capital Fund' were also understated to that extent. This was also reported in previous year.

3. Indian Institute of Technology, Kanpur

General

The total lease land amount of ₹ 9.35 crore at NOIDA plots should be amortised on the lease period but the Institute amortised one time lease rent of ₹ 2.57 crore (Annual rent ₹ 2.86 lakh) instead of lease premium of ₹ 9.35 crore in contravention of the aforesaid provisions.

4. All India Institute of Medical Sciences, Rishikesh

Current Liabilities and Provisions – ₹ 16.40 crore

The above head was understated by ₹ 186.72 crore being non-depiction of unutilised grant received from GOI. This also resulted in overstatement of General Reserve by the same amount.

5. Aligarh Muslim University, Aligarh

(i) Tangible Assets - ₹ 2541.73 crore

The University included fixed assets of ₹ 6.49 crore (Books - ₹ 0.70 crore and Equipment - ₹ 5.78 crore) relating to ongoing/running projects in the 'Fixed Assets' of the University. As the fixed assets belonged to the ongoing /running projects, these should have been treated as assets of the projects and not of the University. This resulted in overstatement of fixed assets by ₹ 6.13 crore (Books - ₹ 0.63 crore and Equipment - ₹ 5.49 crore) and overcharging of depreciation by ₹ 0.36 crore (Books - ₹ 0.07 crore and Equipment - ₹ 0.29 crore).

(ii) Receipts and Payments Account

In the opening balance of Receipts and Payments Account for the year 2015-16, University had reflected 10 accounts having balances of ₹ 6.04 crore, which were not shown in the closing balances of the Receipts and Payments Account for the year 2014-15.

6. Assam University, Silchar

(i) Current Liabilities and Provision: ₹ 98.83 crore

The above amount had been arrived at after adjusting negative balances totalling to ₹ 10.65 crore under Hostel Maintenance Fund (₹ 2.69 lakh), SOT grant (₹ 3.93 crore), OBC grant (₹ 6.68 crore) and excess deposit of Income Tax amounting to ₹ 0.02 crore instead of reflecting the amount as receivable/recoverable from respective agencies under Loans, Advances and Deposits. This had resulted in understatement of both, Current Liabilities and Provisions as well as Loans, Advances and Deposits by ₹ 10.65 crore. Despite mention in earlier year's Audit Report, no corrective measures had been taken by the University.

(ii) Loans, Advances and Deposits: ₹ 29.10 crore

Despite completion of four civil works at Diphu Campus valuing ₹ 3.10 crore by CPWD in between November 2008 and October 2009 and completion of Electrical Installations of main campus worth ₹ 0.10 crore by APDCL in January 2013, the advance amount had not been adjusted by transferring the same to Fixed Assets. Despite mention in previous year's Audit Report, the University did not take any corrective action. This had also resulted in understatement of Fixed Assets of ₹ 3.10 crore.

7. Central Institute of Technology, Kokrajhar, Assam

Capital Work in Progress: ₹ 147.00 crore

Despite mention in previous Audit Report, value of Buildings and infrastructure works for ₹ 67.78 crore (including Architecture Fees - ₹ 1.77 crore) which were completed and put to use for last one year to seven years, had not been transferred to Tangible Assets. This had resulted in overstatement of Capital Works in Progress by ₹ 67.78 crore with the corresponding understatement of Fixed Assets by an equal amount.

8. Indian Institute of Information Technology, Guwahati

Current Assets: ₹ 10.39 crore

Negative balance of ₹ 4.32 crore appearing in current Accounts had been adjusted against positive bank balances in other accounts/term deposits instead of showing the amount under Current Liabilities & Provisions (Bank overdraft). This had resulted in understatement of both Current Assets and Current Liabilities & Provisions by ₹ 4.32 crore.

9. National Institute of Technical Teachers' Training and Research, Kolkata

Loans, Advances & Deposits: ₹ 497.08 lakh

Advance amounting to ₹ 3.21 crore paid to CPWD had been capitalised without completion of the job as well as receipt of utilisation certificate instead of showing the same under Loans and Advances. This had resulted in understatement of Loan, Advances & Deposits and overstatement of Fixed Assets by ₹ 3.21 crore (Capital Works-in-Progress).

10. Tezpur University, Napaam, Tezpur (Assam)

Capital Fund: ₹ 370.03 crore

The above amount had been overstated by ₹ 16.06 crore due to considering the unutilised Plan grant amount as utilised. This had also resulted in understatement of Current Liabilities and Provisions by ₹ 16.06 crore.

11. Maulana Azad National Urdu University Hyderabad

Designated/ Earmarked/ Endowment Funds: ₹ 34.62 crore

Negative balance of ₹ 5.23 crore (overspent amount out of the funds) in respect of *'Designated/Earmarked Fund-Others'* and *'ASC',* were transferred to Loans, Advances & Deposits as receivable, without authorisation and confirmation from the funding agency, University Grants Commission (UGC) for reimbursement of the overspent amounts. This has resulted in overstatement of Designated/ Earmarked Funds and Loans, Advances & Deposits by ₹ 5.23 crore each.

12. National Institute of Technology, Warangal

Loans, Advances & Deposits: ₹ 123.44 crore

This includes an amount of ₹ 68.38 crore incurred on Deposit Works, reported as expenditure by CPWD, which was not classified under Capital Works-in-Progress. This resulted in overstatement of Loans, Advances & Deposits and understatement of Capital Works-in-Progress by ₹ 68.38 crore.

13. Rashtriya Sanskrit Vidyapeetha, Tirupati

Loans, Advances & Deposits: ₹ 34.50 crore

This includes expenditure of ₹ 14.51 crore incurred on twenty two (22) Deposit Works, reported as completed by CPWD and final bills paid, but not yet capitalised. This resulted in overstatement of Advances to CPWD under Loans, Advances & Deposits and understatement Fixed Assets by ₹ 14.51 crore.

14. Indian Institute of Technology, Bhubaneswar

Fixed Assets: ₹ 169.18 crore

This does not include expenditure of ₹ 121.14 crore on completed deposit works, put to use since July 2015/January 2016, but not capitalised. This has resulted in understatement of Fixed Assets and overstatement of Capital Works-in-Progress by ₹ 121.14 crore and understatement of depreciation thereon.

15. National Institute of Technology, Patna

Fixed Assets: ₹ 259.64 crore

Depreciation provided on Fixed assets was calculated by the Institute on written down value (WDV) method instead of straight line method (SLM) of calculation as stated in schedule 23(4f) significant accounting policies and schedule 24(4) Notes on account. Thus Institute provided depreciation on

Fixed Assets ₹ 6.84 crore instead of ₹ 10.18 crore for the year, which resulted in overstatement of Fixed Assets by ₹ 3.34 crore and understatement of expenditure in Income and Expenditure Account by the same amount.

16. Indian Institute of Science, Bangalore

Tangible Assets: ₹ 1213.51crore

The assets (scientific equipments) worth ₹ 7.68 crore which have not been installed as at the end of 31 March 2016 were wrongly accounted under Fixed Assets. As a result, the fixed assets were overstated by ₹ 7.68 crore and Loans, Advances & deposits were understated by the same amount.

17. National Institute of Technology, Agartala

Capital Work-in-progress - ₹ 450.72 crore (Plan) & ₹ 5.26 crore (Non-Plan)

The above heads were overstated by ₹ 175.43 crore due to not transferring 13 construction works to Tangible Assets though these were already taken over by NIT, Agartala between January 2011 and May 2015 after completion of construction activities. This has also resulted in understatement of Tangible Assets by ₹ 169.19 crore (Plan: ₹ 168.49 crore and Non-plan: ₹ 0.70 crore) and understatement of accumulated depreciation by ₹ 6.24 crore (Plan: ₹ 6.16 crore and Non-plan: ₹ 0.08 crore).

18. Tripura University

Savings Accounts - ₹ 45.01 crore

The above does not include 289 expired cheques relating to 7 bank accounts with total value of ₹ 2.55 crore which need to be written back due to completion of validity period of three months in term of RBI's direction issued on 4 November 2011. This has resulted in understatement of Current Assets by ₹ 2.55 crore with corresponding understatement of liabilities by ₹ 2.55 crore against which the cheques were originally issued but remained unpaid.

19. North Eastern Hill University, Shillong

The accounting system which had been computerised on the UMS platform could not prepare the accounts completely and properly. We have serious reservations regarding the maintenance of proper books of accounts in so far as it appears from our examination of such books as enumerated below:

(a) Opening and closing balance not being captured properly due to UMS platform the accounting software, still not stabilised.

(b) Incorrect calculation of current liabilities of ₹ 3.27 crore, untraced liabilities of ₹ 54.30 crore shown in accounts, non accountal of expenditure of ₹ 3.01 crore and incorrect calculation of depreciation by ₹ 5.57 lakh

(c) Non reconciliation of Bank balance properly i.e. non cancellation of cheque which was time barred and cheque of ₹ 5.08 crore deposit in bank prior to March 2015 was not credited by Bank.

(d) There are a large number of Cheques deposited into Banks but no credit accorded by the Banks from 1993-94 to 2015-16.

(e) Large number of Cheques being issued from 1985-86 to 2015-16 which have not been en-cashed till date and the same have not been reversed back in the account.

20. North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences (NEIGRIHMS), Shillong

Investments – Others: ₹ 21.26 crore

The above represents balance in Fixed Deposits with Banks. As against this, the actual amount in Fixed Deposits with Banks as on 31 March 2016 was ₹ 23.05 crore. This has resulted in understatement of Investments – Others and Overstatement of "Income Accrued" by ₹ 1.79 crore each.

21. Rajiv Gandhi Indian Institute of Management, Shillong

Depreciation: ₹ 8.48 crore

The above includes ₹ 2.48 crore being depreciation on boundary wall worked out at the rate of 33 *per cent*. As against this, the depreciation to be charged as per the prescribed rate of 2 *per cent* was ₹ 0.15 crore. This resulted in overstatement of Depreciation and understatement of Surplus during the year by ₹ 2.33 crore.

22. North Eastern Regional Institute of Science & Technology (NERIST)

Current Assets, Loans, Advances etc.: ₹ 43.34 Crore

The above does not include Plan and Non-Plan grants amounting to ₹ 49.58 crore under the head "Grant Receivable" received during April 2016 out of total grant amounting to ₹ 132.73 crore sanctioned for the year 2015-16. The non-booking of the grant receivable amount under the head "Grant Receivable" and advance booking of total sanctioned amount of grant in the current years cash book resulted in understatement of "Grant Receivable" and overstatement of "Cash at Bank" in the Balance sheet to the extent of ₹ 49.58 crore.

23. National Institute of Technology, Jote (Arunachal Pradesh)

(i) Fixed Assets: ₹ 41.06 crore

The above includes ₹ 2.98 crore being the depreciation charged on the tangible and intangible assets for the year 2015-16. As per the approved format of accounts, the fixed assets are to be shown net of depreciation. Non-deduction of depreciation from the gross value of the fixed assets resulted in overstatement of "Fixed assets" to the extent of ₹ 2.98 crore.

(ii) Grant Received: ₹ 120 crore

The above includes ₹ 20 crore being grant sanctioned for NIT, Arunachal Pradesh for the year 2015-16 but was received during April 2016. As Receipt & Payment Account is prepared on cash basis, the above receipt of grant amounting to ₹ 20 crore should not have been booked in the Receipts of the current year which overstated the "Grant Receipt" and "Closing balance of Cash at Bank" to the extent of ₹ 20 crore.

24. Indian Institute of Management, Ahmedabad

(i) Income accrued – On investments – ₹ 28.12 crore

The above account is understated by ₹ 1.51 crore due to calculation of accrued interest on fixed deposits as simple interest instead of quarterly cumulative basis, as offered by the banks. This has also resulted in understatement of ₹ 1.10 crore in current year's Income from investments and ₹ 40.27 lakh in prior period income.

Thus understatement of Income from investments and prior period income worked out to ₹ 15.05 lakh and ₹ 5.50 lakh respectively in the Income and Expenditure Statement for the year ended 31, March 2016 and ₹ 1.30 crore in Designated/ Earmarked/Endowment funds of the balance sheet as at March 31, 2016.

(ii) Others – Miscellaneous Receipts (Schedule No.10) – ₹ 2.46 crore

As per Accounting Standard – 5, "Net profit or loss for the period, prior period items and changes in accounting policies" , Prior period items are income or expenses which arises in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. A fire occurred in IIM-Ahmedabad (IIM-A) campus in June 2013. Accordingly, a claim was lodged with insurance company but no entry was passed on in the books of account for insurance claim. During 2015-16, IIM-A received an amount of ₹ 53.04 lakh which was accounted as

Miscellaneous Income under Other Income (Schedule12) instead of accounting it as Prior Period Income. This has resulted in overstatement of Other Income and understatement of prior period income to the extent of ₹ 53.04 lakh.

25. Central University of Gujarat, Gandhinagar

Capital Works-in-Progress (CWIP) – ₹ 2.72 crore

The above amount includes ₹ 1.92 crore advance given to the Central Public Works Department (CPWD), Gandhinagar, the same should be shown as advances to CPWD 'On Capital Account'. This has resulted in overstatement of CWIP and understatement of Loans & Advances (Schedule 8) by ₹ 1.92 crore.

26. Indian Institute of Technology, Jodhpur (IITJ)

Capital Work in Progress ₹ 200.59 crore

It is overstated by ₹ 2.02 crore as "Construction Work of Temporary Porta Cabin Structure at Temporary Academic Campus" amounting to ₹ 2.02 crore which was completed by CPWD and was taken over by the IITJ on 22 Jan 2013. Consequently no depreciation @ 7.5 *per cent* (SLM) for 4 year 2012-13 to 2015-16 i.e. ₹ 60.56 lakh (₹ 15.14 lakh for each year from 2012-13 to 2015-16) could be charged on these Assets.It resulted in understatement of Fixed Asset by ₹ 141.32 Lakh (₹ 201.88 lakh - ₹ 60.56 lakh), Deficit by ₹ 60.56 lakh and overstatement of Work–in- Progress by ₹ 201.88 Lakh.

27. All India Institute of Medical Sciences, Jodhpur

Fixed Assets: ₹ 87.35 crore (Schedules-8)

The above does not include the IPD equipment amounting to ₹ 71.55 lakh purchased in March 2016 vide order dated 09 March 2016 and entered in permanent stock register, however payment was not made. This resulted in understatement of fixed Assets as well as Current liabilities by ₹ 71.55 lakh.

28. Textiles Committee

Earmarked Funds (Schedule-3): ₹ 9.85 crore

The Textiles Committee had received (25 March 2011) a sum of ₹ 4.50 crore from Govt. of India for implementation of Assessment and Grading of Ginning & Pressing Units. Out of this, the Committee reinvested ₹ 50 lakh during the year 2015-16 in Fixed Deposit with SBI, Worli (North), Mumbai. The above amount has been kept out of books of accounts. Hence, Earmarked Fund and Investment from Earmarked fund are understated by ₹ 50 lakh.

29. Mumbai Port Trust (MbPT)

Current Liabilities and Provisions - ₹ 4647.76 crore

(i) MbPT has not provided for the deficit amounting to ₹ 3514.47 crore in retirement benefit. This has resulted in understatement of Current Liabilities and loss by ₹ 3514.47 crore;

(ii) Against the Corpus Fund of ₹ 7436.75 crore as on 31 March 2016, the Investments were only ₹ 7316.83 crore resulting in shortfall in investment of Corpus Fund by ₹ 119.92 crore.

30. Chennai Port Trust (CPT)

Retirement Benefits – ₹ 279.48 crore

As per the actuarial valuation done by LIC on Pension and Gratuity Liability for existing employees and existing Pensioners as on 31 March 2016, the liabilities worked out to ₹ 4646.60 crore for Pension and Gratuity Fund. The Port provided an amount of ₹ 2431.81 crore towards Pension and Gratuity Fund. This resulted in understatement of Current Liabilities and Provision and overstatement of Profit by ₹ 2214.79 crore each.

31. Khadi and Village Industries Commission

Endowment Fund - ₹ 178.86 crore

Endowment Fund and Cash and Bank Balances are understated to the extent of ₹ 584.67 crore being unspent balances with field offices of KVIC. Further, the scheme wise Utilisation Certificates being furnished to the Ministry do not depict these unspent balances available with KVIC field offices as part of unspent balance available with KVIC.

32. Oil Industry Development Board

Expenditure on Grants, Subsidies etc: ₹ 275.23 crore

This is understated by ₹ 320.35 crore being the non-accounting of cash calls raised by ONGC towards the share of expenses reimbursable by OIDB towards National Gas Hydrate Programme (NGHP) R&D Expedition-02 for the year 2015-16. This has resulted in understatement of Expenditure on Grants, Subsidies etc and overstatement of Balance being excess of Income over Expenditure by ₹ 320.35 crore.

33. Delhi Development Authority

(i) Shortfall in investment of earmarked funds

A reference is invited to C&AG's comment no. A 2.4 on the financial statements of DDA for the year 2014-15 depicting shortfall against earmarked funds. In the year 2015-16 also, against the total funds of ₹ 7,405.28 crore available as on 31 March 2015 in General Provident Fund, Urban Development Fund, Leave Encashment fund, Post-Retirement Medical Scheme Fund, Civil work maintenance Fund and Electrical work maintenance Fund, the actual investment made was ₹ 7,030.08 crore only. Thus, during the current financial year i.e. 2015-16, there was total shortfall of ₹ 375.20 crore in investment against above referred Funds.

(ii) Advances to contractors: ₹ 512.99crore

This does not include amount of ₹ 163.80 crore given to contractors as mobilisation advances but booked as expenditure. This also included an amount of ₹ 53.22 crore given to contractors as mobilisation advance which was booked twice. As a result, advance to the extent of ₹ 110.58 crore (₹ 163.80 crore – ₹ 53.22 crore) were understated and expenditure for current year and previous year was overstated to the extent of ₹ 70.89 crore (₹ 110.58 crore – ₹ 39.69 crore) and ₹ 39.69 crore respectively.

34. Jawaharlal Institute of Post Graduate Medical Education and Research (JIPMER), Puducherry.

Transfer from Corpus Fund for expenses incurred – ₹ 42.65 crore

As per generally accepted accounting principles and guidelines given in uniform format of accounts, the excess of expenditure over income should be shown as deficit in the Income and Expenditure Account and the same has to be transferred to Corpus/Capital Fund. However, contrary to this, the Institute has transferred an amount of ₹ 42.65 crore from Corpus Fund to Income and Expenditure account as Income to meet the excess expenditure over Income.

35. Central University of Tamil Nadu

General

The Institute is having bank deposits amounting to ₹ 73.75 crore and ₹ 61.34 crore on 01 April 2015 and 31 March 2016 respectively, the same are not disclosed in R&P account as required by the uniform format.

36. Indian Institute of Science, Education and Research, Thiruvananthapuram

Current Liabilities: ₹ 51.61 crore

The Institute has been accounting the entire grant received during the year in the corpus. Thus, the unutilised grant in aid amounting to ₹ 152.72 crore was shown as part of corpus fund instead of showing the same in current liabilities due to adoption of incorrect accounting practice. This resulted in overstatement of corpus fund and understatement of current liabilities to that extent.

37. National Institute of Technology, Calicut

General

The Current liabilities & provisions includes balance in 14 suspense accounts for ₹ 16.02 crore. These accounts are pending clearance for years. Due to non-reconciliation of balance in 14 suspense accounts in Current Liabilities & Provision, we are unable to verify the correctness of balance shown in current liabilities & provision in books of Accounts of Institute.

38. All India Institute of Medical Sciences, Delhi

i) There were un-reconciled balances in the bank reconciliation statements of various units in the AIIMS which needs to be reconciled.

ii) No depreciation has been charged on Fixed Assets i.e Plant, Machinery and Equipment (₹ 958.87 crore), Vehicles (₹ 3.89 crore), Buildings (₹ 667.97 crore) and Library Books (₹ 73.79 crore) as required under Auditing Standard (AS) - 6 of ICAI.

39. Central Council for Research in Ayurvedic Sciences

General

In the Receipt and Payment Account of Plan (Decentralised units), the opening balances of cash in hand and bank of the year 2015-16 does not tally with that of the closing balance of the year 2014-15 by ₹ 6.57 crore.

40. Sangeet Natak Akademi (SNA)

General

(i) As per annual accounts, there was a balance of ₹ 11.68 crore pertaining to 12 bank accounts maintained by SNA. However, as per the bank certificates, available balance was ₹ 14.25 crore. Bank reconciliation Statements for all bank accounts were not provided to audit.

(ii) SNA opened 10 temporary bank accounts during 2015-16. These bank accounts were not closed as on 31 March 2016. Available balances pertaining to these bank accounts were stated to be reflected in the BRS of main accounts. However, SNA could not provide the bank statements/certificates for all temporary bank accounts. Only four temporary bank accounts were found in the consolidated BRS but the figures could not be matched with the available balances in the bank statements.

41. National Council for Promotion of Sindhi Language

Current Liabilities and Provisions (Schedule 2) - ₹ 1.68 lakh

The above does not include unspent grant-in-aid of ₹ 1.41 crore resulting in understatement of Current Liabilities and Provision and overstatement of Corpus/Capital Fund by ₹ 1.41 crore.

42. Kendriya Vidyalaya Sangathan

Current Assets: ₹ 710.22 crore

Accrued interest of ₹ 4.70 crore on FDRs of ₹ 38.35 crore has not been taken as Income in Income and Expenditure Account resulting in understatement of Income and Current Assets by ₹ 4.70 crore.

43. All India Council for Technical Education

Fixed Assets: ₹ 14.89 crore

The above does not include the value of building of regional office Bhopal completed during the year. The amount of ₹ 4.32 crore released to CPWD during January 2014 to September 2015 has been shown under Loans, Advances and Deposits resulting into understatement of Fixed Assets and depreciation thereon and overstatement of Loans, Advances and Deposits by ₹ 4.32 crore.

44. Central Tibetan Schools Administration

Current Liabilities and Provision: ₹ 102.57 crore

The above does not include unspent balance of grants of ₹ 3.86 crore. This has resulted in understatement of Current Liabilities and overstatement of Capital Fund by ₹ 3.86 crore.

45. Employees' State Insurance Corporation

(i) Current Liabilities and Provision (Schedule 7) - ₹ 2056.80 crore

The above is understated by ₹ 21.17 crore due to non-provision of liability for the expense due but not paid till March 2016. This has also resulted in overstatement of General Reserve (Surplus) by ₹ 21.17 crore.

(ii) Current Assets, Loans and Advances (Schedule 11) – ₹ 6679.77 crore

The above does not include ₹ 6.45 crore being the value of stock of medicine in hand as on 31 March 2016 at various dispensaries. This has resulted in understatement of Current Assets and General Reserve (Surplus) by the same amount.

46. University Grants Commission

Current Liabilities and Provisions (Schedule 6)-₹ 14.50 crore

The above does not include unspent grant-in-aid of ₹ 26.56 crore resulting in understatement of Current Liabilities and Provisions and overstatement of Restricted-Capital Fund by similar amount.

47. Indian Council of Social Science Research (ICSSR), New Delhi

Current Assets, Loan and Advances etc.: ₹ 16.05 crore

ICSSR released Maintenance grant amounting to ₹ 37.14 crore to 25 Research Institutions which was booked in the accounts as expenditure on Grant-in-aid. The unspent grant-in-aid of ₹ 1.77 crore with 10 Research Institutions was not shown in the accounts as assets. This resulted in understatement of Current Assets and overstatement of Expenditure by ₹ 1.77 crore.

48. Shri Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeetha

Current Liabilities and Provision: ₹ 9.54 crore

Liabilities and Assets of New Pension Scheme amounting to ₹ 3.63 crore have neither been shown in the accounts nor separate account of NPS has been prepared. This is being pointed out since 2010-11 but no remedial action has been taken.

49. National Council for Promotion of Urdu Language

General

Ministry of Communication and Information Technology released grants amounting to ₹ 7.51 crore and ₹ 5.81 crore to NCPUL during the years 2013-14 and 2015-16 respectively for implementation of the project "Skill Development in Electronic Hardware". The Council is maintaining only Receipts and Payments accounts of the Project.

During the current year an amount of ₹ 2.10 crore has been shown as capital expenditure (Laboratory set up) in the Receipts and Payments Account. Neither the above amount of ₹ 2.10 crore has been shown as Fixed Assets in the Accounts nor any disclosure was made in the Notes on Accounts. Further, the unutilised grant-in-aid of ₹ 2.12 crore as on 31 March 2016 has not been shown as liability in the accounts.

50. Indian Institute of Science Education and Research, Mohali

Capital Work-in-Progress: ₹ 152.03 crore

Above includes buildings amounting to ₹ 75.73 crore which had been completed and put to use between January 2014 and March 2015. The same should have been capitalised in the accounts. Non-capitalising of completed buildings has resulted in overstatement of Capital Work-in-Progress by ₹ 75.73 crore, understatement of Building by ₹ 60.90 crore (₹ 75.73 crore less ₹ 14.83 crore being depreciation) and understatement of depreciation and overstatement of Corpus Fund by ₹ 14.83 crore.

51. Sant Longowal Institute of Engineering & Tech., Longowal (Punjab)

Building: ₹ 45.58 crore

Above does not include construction/raising of boundary wall of Director's residence and Girls hostel amounting to ₹ 1.49 crore which had been completed on 20 June 2015. This has resulted in overstatement of Loans, Advances and Deposits by ₹ 1.49crore, understatement of depreciation by ₹ 0.03crore and understatement of fixed assets by ₹ 1.46 crore.

52. Indian Institute of Technology, Mandi

Capital Work in Progress: ₹ 145.19 crore

Above includes six buildings valuing ₹ 22.13 crore which had been completed and handed over to the Institute by the executing agency during the months of January to March 2016. Non-capitalising the completed buildings resulted in overstatement of Work in Progress by ₹ 22.13 crore, understatement of Buildings by ₹ 21.58 crore (₹ 22.13 crore less Depreciation ₹ 0.55 crore) and understatement of deficit as well as overstatement of Capital Fund by ₹ 0.55 crore.

53. Central University of Jammu, Jammu

Current liabilities and provisions: ₹ 5.55 crore

Above does not include unutilised balance of Grant-in-Aid on 31 March 2016 of ₹ 86.82 crore. This has resulted in understatement of Current Liabilities as well as overstatement of Corpus/Capital Fund by ₹ 86.82 crore.

54. Indian Institute of Science Education and Research (IISER), Pune

Corpus/Capital Fund: ₹ 506.19 crore

The deficit of ₹ 40.82 crore which represents expenditure over income from Income & Expenditure Account for the year was not transferred to the Corpus as prescribed in the New Format of Accounts for Central Higher Educational Institutions, but transferred to Current Liabilities. This has resulted in overstatement of Corpus by ₹ 4081.91 lakh and understatement of current liabilities by the same extent.

55. National Institute of Industrial Engineering, Mumbai.

Fixed Assets: ₹ 17.63 crore

The Institute has made provisions for purchase of fixed assets amounting to ₹ 1.62 crore during the year which was added to the gross block of fixed assets in the Balance Sheet without procuring the assets. This has led to understatement of income of the Institute by ₹ 1.62 crore with corresponding overstatement of fixed assets as well as sundry creditors.

56. Indian Institute of Technology Bombay (IIT), Mumbai

Capital Work in progress: ₹ 770.65 Crore

The above amount represents expenditure incurred on 57 various major as well as minor works which are within the Institute's premises. Out of 57 works, 30 works costing ₹ 449.89 crore have been completed and the assets have been put to use. The same has however not been capitalised till 31 March 2016 which resulted in understatement of expenditure of ₹ 8.90 Crore on account of depreciation and overstatement of corpus to that extent.

57. Indira Gandhi National Tribal University, Amarkantak

Income from Investments - ₹ 2.49 core

This does not include ₹ 87.19 lakh being interest earned on Fixed Deposits. The same has been credited to Expenses on Medical Allowances by way of an adjustment entry. This resulted in understatement of Income as well as Expenditure by ₹ 87.19 lakh.

APPENDIX - VI

(Referred to in paragraph 1.6(a))

List of autonomous bodies where internal audit was not conducted during the year 2015-16

Sl. No.	Name of Autonomous Body
1.	Maulana Azad National Institute of Technology, Bhopal
2.	Guru GhashidasVishwavidyalaya, Bilaspur
3.	Indian Institute of Technology, Kanpur
4.	Rampur Raza Library, Rampur
5.	Indian Institute of Technology (BHU), Varanasi
6.	National Institute of Technology, Nagaland
7.	Nagaland University
8.	North-East Zone Cultural Centre, Dimapur, Nagaland
9.	Central Institute of Technology, Kokrajhar
10.	Indian Institute of Technology, Guwahati
11.	National Institute of Technology, Silchar
12.	Indian Institute of Information and Technology, Guwahati
13.	Rashtriya Sanskrit Vidyapeetha, Tirupati
14.	University of Hyderabad
15.	National Institute of Technology, Warangal
16.	Indian Institute of Technology, Hyderabad
17.	National Institute of Rural Development & Panchayati Raj, Hyderabad
18.	Indian Institute of Technology, Bhubaneswar
19.	All India Institute of Medical Sciences, Bhubaneswar
20.	Central University of South Bihar, Patna
21.	National Institute of Technology, Patna
22.	All India Institute of Medical Sciences, Patna
23.	Central University of Karnataka, Gulbarga
24.	National Institute of Unani Medicines, Bangalore
25.	National Institute of Mental Health and Neurosciences, Bangalore
26.	National Institute of Technology, Agartala
27.	North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences, Shillong

28.	Rajiv Gandhi Indian Institute of Management, Shillong
29.	North Eastern Regional Institute of Science & Technology, Itanagar
30.	Rajiv Gandhi University, Itanagar
31.	National Institute of Technology, Arunachal Pradesh
32.	Central Institute of Himalayan Culture Studies, Arunachal Pradesh
33.	Jawaharlal Institute of Postgraduate Medical Education and Research, Puducherry
34.	Central Council for Research in Siddha, Chennai
35.	National Institute of Siddha, Chennai
36.	Auroville Foundation, Auroville
37.	Coastal Aqua Culture Authority, Chennai
38.	Rajiv Gandhi National Institute of Youth Development, Sriperumbudur
39.	Coconut Development Board, Kochi
40.	Central University of Kerala, Kasargode
41.	National Institute of Technology, Calicut
42.	Indian Institute of Information Technology, Kottayam
43.	Lakshadweep Building Development Board, Kavratti
44.	Central University of Gujarat, Gandhinagar
45.	All India Institute of Medical Sciences, Jodhpur
46.	National Institute of Ayurveda, Jaipur
47.	Indian Institute of Technology, Jodhpur
48.	Indian Institute of Technology, Mandi
49.	Central University of Himachal Pradesh, Dharamshala
50.	Central University of Haryana, Narnaul
51.	Central University of Jammu, Jammu
52.	National Oil Seeds and Vegetable Oils Development Board, Gurgaon
53.	Central Institute of Buddhist Studies, Choglamsar, Leh-Ladhak
54.	State Legal Services Authority, Chandigarh
55.	Manipur University
56.	National Institute of Technology, Mizoram
57.	Indian Institute of Technology, Bombay
58.	Spices Board, Kochi
59.	Marine Products Export Development Authority, Kochi
60.	Petroleum and Natural Gas Regulatory Board, New Delhi
61.	Bureau of Energy Efficiency, New Delhi

62.	Kolkata Port Trust
63.	Calcutta Dock Labour Board
64.	V.O. Chidambaranar Port Trust, Thoothukudi, Tamil Nadu
65.	Dental Council of India
66.	Indian Nursing Council
67.	Pharmacy Council of India
68.	National Institute of Health and Family Welfare
69.	All India Institute of Medical Sciences
70.	Central Council for Research in Unani Medicine
71.	Central Council for Research in Yoga and Naturopathy
72.	Central Council of Indian Medicine
73.	Central Council for Research in Homeopathy
74.	Moraji Desai National Institute of Yoga
75.	National Board of Examination
76.	Medical Council of India
77.	Food Safety and Standards Authority of India
78.	Indian Council of Medical Research
79.	Indira Gandhi National Centre for the Arts
80.	National Commission for Women
81.	National Human Rights Commission
82.	National Commission for Protection of Child Rights
83.	Land Ports Authority of India
84.	National Commission For Backward Class
85.	Central Waqf Council
86.	Indian Council For Cultural Relations
87.	Indian Center for Migration
88.	Indian Development Foundation of Overseas Indians
89.	National Council for Promotion of Sindhi Language, New Delhi
90.	National Commission for Minority Educational Institutions, New Delhi
91.	Rashtriya Sanskrit Sansthan, New Delhi
92.	Indian Council of Social Science Research, New Delhi
93.	National Institute of Technology, Delhi
94.	Veterinary Council of India, New Delhi
95.	National Bal Bhavan, New Delhi

96.	Indian Council of Historical Research, New Delhi
97.	Indian Council of Philosophical Research
98.	National Cooperative Development Corporation
99.	National Council for Promotion of Urdu Language
100.	Shri Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeetha, New Delhi
101.	School of Planning and Architecture, New Delhi
102.	Protection of Plant Varieties and Farmer's Rights Authority
103.	University Grants Commission
104.	National Legal Services Authority

APPENDIX - VII

(Referred to in paragraph 1.6(b))

List of autonomous bodies where physical verification of fixed assets was not conducted during the year 2015-16

Sl. No.	Name of Autonomous Body
1.	All India Institute of Medical Sciences, Raipur
2.	Guru GhashidasVishwavidyalaya, Bilaspur
3.	ABV Indian Institute of Information Technology and Management, Gwalior
4.	Banaras Hindu University, Varanasi
5.	Board of Apprenticeship Training, Northern Region, Kanpur
6.	All India Institute of Medical Sciences, Rishikesh
7.	Rampur Raza Library, Rampur
8.	Allahabad Museum Society, Allahabad
9.	Indian Institute of Technology (BHU), Varanasi
10.	National Institute of Technology, Nagaland
11.	Nagaland University
12.	North-East Zone Cultural Centre, Dimapur, Nagaland
13.	Assam University, Silchar
14.	Central Institute of Technology, Kokrajhar
15.	Indian Institute of Science Education and Research, Kolkata
16.	Indian Institute of Technology, Guwahati
17.	National Institute of Technology, Silchar
18.	National Institute of Technology, Durgapur
19.	Visva Bharati, Santiniketan
20.	Chittaranjan National Cancer Institute, Kolkata
21.	National Institute of Orthopedically Handicapped, Kolkata
22.	National Institute of Technology, Warangal
23.	Rashtriya Sanskrit Vidyapeetha, Tirupati
24.	University of Hyderabad
25.	The English and Foreign Languages University, Hyderabad
26.	Indian Institute of Technology, Bhubaneswar
27.	All India Institute of Medical Sciences, Bhubaneswar

28.	National Institute of Technology, Patna
29.	Central University of Karnataka, Gulbarga
30.	National Institute of Unani Medicines, Bangalore
31.	Tripura University
32.	North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences, Shillong
33.	Rajiv Gandhi University, Itanagar
34.	Central Institute of Himalayan Culture Studies, Arunachal Pradesh
35.	Central Council for Research in Siddha, Chennai
36.	Auroville Foundation, Auroville
37.	Central University of Tamil Nadu, Thiruvarur
38.	Indian Institute of Information Technology Design and Manufacturing, Kancheepuram
39.	Coastal Aqua Culture Authority, Chennai
40.	Indian Institute of Science, Education and Research, Trivandrum
41.	Indian Institute of Management, Kozhikode
42.	Central University of Kerala, Kasargode
43.	Indian Institute of Information Technology, Kottayam
44.	Indian Institute of Technology, Jodhpur*
45.	Malaviya National Institute of Technology, Jaipur
46.	National Institute of Ayurveda, Jaipur
47.	Central Institute of Buddhist Studies, Choglamsar, Leh-Ladhak
48.	Manipur University
49.	National Institute of Technology, Mizoram
50.	Ali Yavar Jung National Institute for the Hearing Handicapped, Mumbai
51.	Indian Institute of Technology, Bombay
52.	Tea Board of India, Kolkata
53.	Spices Board, Kochi
54.	Seamen's Provident Fund Organisation*
55.	Oil Industry Development Board
56.	Mumbai Port Trust
57.	Kolkata Port Trust
58.	Paradip Port Trust

* Partially conducted

59.	New Mangalore Port Trust
60.	Delhi Development Authority
61.	V. O. Chidambaranar Port Trust, Thoothukudi, Tamil Nadu
62.	Indian Maritime University, Chennai
63.	National Institute of Fashion Technology (Bhubaneswar and Chennai centres)
64.	Central Council for Research in Ayurvedic Sciences
65.	Central Council for Research in Homeopathy
66.	Prasar Bharati
67.	Press Council of India
68.	Indian Council of Medical Research
69.	Indira Gandhi National Centre for the Arts
70.	Delhi Public Library
71.	Lalit Kala Akademi
72.	Sangeet Natak Akademi
73.	National School of Drama
74.	National Commission for Women
75.	National Human Rights Commission
76.	National Commission for Protection of Child Rights
77.	National Museum Institute of History of Art, Conservation and Museology
78.	National Commission For Backward Class
79.	South Asian University
80.	Indian Center for Migration
81.	Indian Development Foundation of Overseas Indians
82.	Rashtriya Sanskrit Sansthan, New Delhi
83.	Employees State Insurance Corporation
84.	School of Planning and Architecture, New Delhi
85.	Shri Lal Bahadur Sastri Rashtriya Sanskrit Vidiyapeetha, New Delhi
86.	Indian Council of Historical Research, New Delhi
87.	National Council of Educational Research and Training
88.	Indian Council of Social Science and Research, New Delhi
89.	National Cooperative Development Corporation
90.	University of Delhi
91.	University Grants Commission

APPENDIX - VIII

(Referred to in paragraph 1.6(c))

List of autonomous bodies where physical verification of inventories was not conducted during the year 2015-16

Sl. No.	Name of Autonomous Body
1.	Indian Institute of Science Education and Research, Bhopal
2.	Guru GhashidasVishwavidyalaya, Bilaspur
3.	ABV Indian Institute of Information Technology and Management, Gwalior
4.	Indian Institute of Management, Kashipur
5.	Central Institute of Tibetan Studies, Sarnath, Varanasi
6.	All India Institute of Medical Sciences, Rishikesh
7.	Rampur Raza Library, Rampur
8.	Allahabad Museum Society, Allahabad
9.	Indian Institute of Technology (BHU), Varanasi
10.	National Institute of Technology, Nagaland
11.	Nagaland University
12.	North-East Zone Cultural Centre, Dimapur, Nagaland
13.	Visva Bharati, Santiniketan
14.	National Institute of Technology, Durgapur
15.	Indian Institute of Science Education and Research, Kolkata
16.	Indian Institute of Technology, Guwahati
17.	National Institute of Technology, Warangal
18.	University of Hyderabad
19.	Maulana Azad National Urdu University, Hyderabad
20.	The English and Foreign Languages University, Hyderabad
21.	Rashtriya Sankrit Vidyapeeth
22.	Indian Institute of Technology, Bhubaneswar
23.	All India Institute of Medical Sciences, Bhubaneswar
24.	National Institute of Technology, Patna
25.	Central University of Karnataka, Gulbarga
26.	National Institute of Unani Medicines, Bangalore
27.	North Eastern Hill University, Shillong

28.	National Institute of Technology, Meghalaya
29.	Rajiv Gandhi University, Itanagar
30.	Central Institute of Himalayan Culture Studies, Arunachal Pradesh
31.	Central Council for Research in Siddha, Chennai
32.	Auroville Foundation, Auroville
33.	Indian Institute of Information Technology Design and Manufacturing, Kancheepuram
34.	Rajiv Gandhi National Institute of Youth Development, Sriperumbudur
35.	Indian Institute of Science, Education and Research, Trivandrum
36.	National Institute of Technology, Calicut
37.	National Institute of Ayurveda, Jaipur*
38.	Malaviya National Institute of Technology, Jaipur
39.	Indian Institute of Technology, Mandi
40.	Central University of Haryana, Narnaul
41.	Central Institute of Buddhist Studies, Choglamsar, Leh-Ladhak
42.	Manipur University
43.	National Institute of Technology, Mizoram
44.	National Institute of Technology, Sikkim
45.	Indian Institute of Technology, Bombay
46.	Ali Yavar Jung National Institute for the Hearing Handicapped, Mumbai
47.	Tea Board of India, Kolkata
48.	Spices Board, Kochi
49.	Khadi and Village Industries Commission, Mumbai
50.	Delhi Development Authority
51.	Mumbai Port Trust
52.	Kolkata Port Trust
53.	Paradip Port Trust
54.	V.O. Chidambaranar Port Trust, Thoothukudi, Tamil Nadu
55.	National Capital Region Planning Board, New Delhi
56.	Central Council for Research in Ayurvedic Sciences
57.	Central Council for Research in Homeopathy
58.	Prasar Bharati

* Partially conducted

59.	Press Council of India
60.	Indian Council of Medical Research
61.	Indira Gandhi National Centre for the Arts
62.	Lalit Kala Akademi
63.	Sangeet Natak Akademi
64.	National School of Drama
65.	National Commission for Women
66.	National Commission for Protection of Child Rights
67.	National Museum Institute of History of Art, Conservation and Museology
68.	National Commission For Backward Class
69.	Rashtriya Sanskrit Sansthan
70.	National Cooperative Development Corporation
71.	School of Planning and Architecture
72.	Indian Council of Historical Research
73.	Indian Council of Social Science and Research, New Delhi

APPENDIX - IX

(Referred to in paragraph 1.6(d))

List of autonomous bodies which are accounting for the grants on realisation/ cash basis

Sl. No.	Name of Autonomous Body
1.	Indira Gandhi National Tribal University, Amarkantak
2.	All India Institute of Medical Sciences, Bhopal
3.	Dr. Harisingh Gour Vishwavidyalaya, Sagar
4.	Banaras Hindu University, Varanasi
5.	National Institute of Technology, Pauri
6.	Indian Institute of Management, Kashipur
7.	Central Institute of Tibetan Studies, Sarnath, Varanasi
8.	Board of Apprenticeship Training, Northern Region, Kanpur
9.	Navodaya Vidyalaya Samiti, Noida
10.	All India Institute of Medical Sciences, Rishikesh
11.	Allahabad Museum Society, Allahabad
12.	National Institute of Open Schooling, Noida
13.	National Institute for the Visually Handicapped, Dehradun
14.	Central Institute of Technology, Kokrajhar
15.	Central University of South Bihar, Patna
16.	National Institute of Technology, Patna
17.	All India Institute of Medical Sciences, Patna
18.	Khuda Bakhsh Oriental Public Library, Patna
19.	Nalanda University, Rajgir
20.	Nava Nalanda Mahavihara, Nalanda
21.	Indian Institute of Technology, Patna
22.	North Eastern Hill University, Shillong
23.	National Institute of technology, Calicut
24.	Central University of Kerala, Kasargode
25.	Sant Longowal Institute of Engineering and Technology, Longowal
26.	Central University of Himachal Pradesh, Dharamshala
27.	National Horticulture Board, Gurgaon
28.	National Oil Seeds and Vegetable Oils Development Board, Gurgaon

29.	North Zone Cultural Centre, Patiala
30.	Central Institute of Buddhist Studies, Choglamsar, Leh-Ladhak
31.	State Legal Services Authority, Chandigarh
32.	Board of Apprenticeship Training, Mumbai
33.	Khadi and Village Industries Commission, Mumbai
34.	Bureau of Energy Efficiency, New Delhi
35.	Tariff Authority for Major Ports, Mumbai
36.	All India Institute of Medical Sciences
37.	National Board of Examination
38.	Central Medical Services Society
39.	Delhi Public Library
40.	Indira Gandhi National Open University
41.	National Legal Services Authority

APPENDIX - X

(Referred to in paragraph 1.6(e))

List of autonomous bodies which have not accounted for gratuity and other retirement benefits on the basis of actuarial valuation

Sl. No.	Name of Autonomous Body
1.	Maulana Azad National Institute of Technology, Bhopal
2.	All India Institute of Medical Sciences, Bhopal
3.	All India Institute of Medical Sciences, Raipur
4.	Indira Gandhi National Tribal University, Amarkantak
5.	Dr. Harisingh Gour Vishwavidyalaya, Sagar
6.	Banaras Hindu University, Varanasi
7.	National Institute of Technology, Pauri
8.	Central Institute of Tibetan Studies, Sarnath, Varanasi
9.	Board of Apprenticeship Training, Northern Region, Kanpur
10.	Navodaya Vidyalaya Samiti, Noida
11.	All India Institute of Medical Sciences, Rishikesh
12.	Rampur Raza Library, Rampur
13.	Allahabad Museum Society, Allahabad
14.	Indian Institute of Technology (BHU), Varanasi
15.	Aligarh Muslim University, Aligarh
16.	National Institute for the Visually Handicapped, Dehradun
17.	North-East Zone Cultural Centre, Dimapur
18.	Assam University, Silchar
19.	Central Institute of Technology, Kokrajhar
20.	National Institute of Technology, Durgapur
21.	National Institute of Technology, Silchar
22.	Visva Bharati, Santiniketan
23.	Indian Institute of Information Technology, Guwahati
24.	Indian Institute of Science Education and Research, Kolkata
25.	Tezpur University, Assam
26.	National Institute of Technical Teachers’ Training and Research, Kolkata
27.	National Council of Science Museum, Kolkata

28.	Chittaranjan National Cancer Institute, Kolkata
29.	Indian Institute of Technology, Hyderabad
30.	National Institute of Technology, Warangal
31.	Rashtriya Sanskrit Vidyapeetha, Tirupati
32.	National Institute of Rural Development & Panchayati Raj, Hyderabad
33.	National Institute of Plant Health Management, Hyderabad
34.	Salar Jung Museum, Hyderabad
35.	Indian Institute of Technology, Bhubaneswar
36.	National Institute of Technology, Rourkela
37.	Central University of Odisha, Koraput
38.	All India Institute of Medical Sciences, Bhubaneswar,
39.	Khuda Bakhsh Oriental Public Library, Patna
40.	National Institute of Technology, Surathkal, Mangalore
41.	Indian Institute of Science, Bangalore
42.	Tripura University
43.	North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences, Shillong
44.	Rajiv Gandhi Indian Institute of Management, Shillong
45.	National Institute of Technology, Meghalaya
46.	North Eastern Institute of Ayurveda & Homeopathy, Shillong
47.	North Eastern Regional Institute of Science & Technology, Arunachal Pradesh
48.	National Institute of Technology, Arunachal Pradesh
49.	Jawaharlal Institute of Post Graduate Medical Education and Research, Puducherry
50.	National Institute of Siddha, Chennai
51.	Central Council for Research in Siddha, Chennai
52.	Auroville Foundation, Auroville
53.	Indian Institute of Information Technology design and Manufacturing, Kancheepuram
54.	Central University of Tamil Nadu, Thiruvarur
55.	Board of Apprenticeship Training, Chennai
56.	Rajiv Gandhi National Institute of Youth Development, Sriperumudur
57.	Coastal Aqua Culture Authority, Chennai
58.	South Zone Cultural Centre, Thanjavur
59.	National Institute for Empowerment of Persons with Multiple Disabilities, Chennai
60.	Indian Institute of Science, Education and Research, Trivandrum

61.	Coconut Development Board, Kochi
62.	National Institute of Ayurveda, Jaipur
63.	All India Institute of Medical Sciences, Jodhpur
64.	Indian Institute of Technology, Jodhpur
65.	Central University of Rajasthan Bandar Sindri, Kishangarh
66.	Malaviya National Institute of technology, Jaipur
67.	Indian Institute of Management, Udaipur
68.	Central University of Punjab, Bathinda
69.	Sant Longowal Institute of Engineering and Technology, Longowal
70.	Indian Institute of Advanced Study, Shimla
71.	National Institute of Technology, Hamirpur
72.	Indian Institute of Technology, Mandi
73.	Central University of Himachal Pradesh, Dharamshala
74.	Central University of Haryana, Narnaul
75.	Indian Institute of Management, Rohtak
76.	National Institute of Technology, Kurukshetra
77.	Central University of Jammu, Jammu
78.	National Institute of Technical Teachers' Training and Research, Chandigarh
79.	Post Graduate Institute of Medical Education and Research, Chandigarh
80.	National Horticulture Board, Gurgaon
81.	National Oil Seeds and Vegetable Oils Development Board, Gurgaon
82.	Central Institute of Buddhist Studies, Choglamsar, Leh-Ladhak
83.	State Legal Services Authority, Chandigarh
84.	Manipur University
85.	National Institute of Technology, Sikkim
86.	Indian Institute of Science Education and Research, Pune
87.	National Institute of Industrial Engineering, Mumbai
88.	Visveswaraya National Institute of Technology, Nagpur
89.	Board of Apprenticeship Training, Mumbai
90.	National Institute of Naturopathy, Pune
91.	Ali Yavar Jung National Institute for the Hearing Handicapped, Mumbai
92.	Indian Institute of Science Education and Research, Tirupati
93.	Haj Committee of India, Mumbai
94.	Tea Board of India, Kolkata

95.	Rubber Board, Kottayam, Kerala
96.	Spices Board, Kochi
97.	Marine Products Export Development Authority, Kochi
98.	Coffee Board, Bangalore
99.	Khadi and Village Industries Commission, Mumbai
100.	Kandla Port Trust
101.	Seamen's Provident Fund Organization, Mumbai
102.	Kolkata Port Trust
103.	Paradip Port Trust
104.	Textile Committee, Mumbai
105.	Dental Council of India
106.	Indian Nursing Council
107.	Pharmacy Council of India
108.	National Institute of Health and Family Welfare
109.	All India Institute of Medical Sciences
110.	Central Council for Research in Unani Medicine
111.	Central Council for Research in Ayurvedic Sciences
112.	Central Council of Homeopathy
113.	Central Council for Indian Medicine
114.	Central Council for Research in Homeopathy
115.	Moraji Desai National Institute of Yoga
116.	Medical Council of India
117.	Food Safety and Standards Authority of India
118.	Press Council of India
119.	Indian Council of Medical Research
120.	Centre for Cultural Resources and Training
121.	Lalit Kala Akademi
122.	Sangeet Natak Akademi
123.	National School of Drama
124.	Delhi Public Library
125.	Gandhi Smriti and Darshan Samiti
126.	Sahitya Akademi
127.	National Commission for Women
128.	National Museum Institute of History of Art, Conservation and Museology

129.	Land Ports Authority of India
130.	National Commission For Backward Class
131.	National Trust
132.	Pandit Deendayal Upadhyaya Institute for the Physically Handicapped
133.	Rehabilitation Council of India
134.	Central Waqf Council
135.	National Institute of Technology, Delhi
136.	All India Council for Technical Education
137.	Kendriya Vidyalaya Sangathan
138.	University Grants Commission
139.	School of Planning and Architecture, New Delhi

APPENDIX - XI

(Referred to in paragraph 1.6(f))

List of autonomous bodies which had not provided depreciation on fixed assets

Sl. No.	Name of Autonomous Body
1.	Visva Bharati, Santiniketan
2.	National Institute of Technology, Warangal
3.	National Institute of Ayurveda, Jaipur
4.	Post Graduate Institute of Medical Education and Research, Chandigarh
5.	Khadi and Village Industries Commission, Mumbai
6.	Indian Council of Historical Research

APPENDIX - XII

(Referred to in paragraph 1.6(g))

List of autonomous bodies that revised their accounts as a result of Audit

Sl. No.	Name of Autonomous Body
1.	Indian Institute of Technology, Hyderabad
2.	Swami Vivekananda National Institute of Rehabilitation Training and Research, Olatpur, Cuttak
3.	All India Institute of Medical Sciences, Bhubaneswar
4.	Indian Institute of Management, Bangalore
5.	National Institute of Technology, Surathkal, Mangalore
6.	Central University of Karnataka, Gulbarga
7.	Indian Institute of Science, Bangalore
8.	National Institute of Unani Medicines, Bangalore
9.	National Institute of Mental Health and Neurosciences, Bangalore
10.	Central Council for Research in Siddha, Chennai
11.	National Institute of Siddha, Chennai
12.	Indian Institute of Information Technology Design and Manufacturing, Kancheepuram
13.	Pondicherry University, Puducherry
14.	Board of Apprenticeship Training, Chennai
15.	Indian Institute of Technology, Madras
16.	Indian Institute of Management, Tiruchirappalli
17.	Coastal Aqua Culture Authority
18.	Jawaharlal Institute of Postgraduate Medical Education and Research, Puducherry
19.	Kalakshetra Foundation, Chennai
20.	National Institute for Empowerment of Persons with Multiple Disabilities, Chennai
21.	Rajiv Gandhi National Institute of Youth Development, Sriperumbudur
22.	Central University of Himachal Pradesh, Dharamshala
23.	State Legal Services Authority, Chandigarh
24.	Sikkim University
25.	Coffee Board, General Fund, Bangalore
26.	Insurance Regulatory Development Authority, Hyderabad
27.	Kolkata Port Trust
28.	Visakhapatnam Port Trust

APPENDIX - XIII

(Referred to in Paragraph No 1.7)

Summarised position of Action Taken Notes awaited from various Ministries/Departments up to the year ended March 2015 as on December 2016

Sl. No.	Name of the Ministry/ Department	Report for the year ended March	Civil			Autonomous Bodies			Total		
			Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence
1.	Agriculture	2013	1	-	1	-	-	-	1	-	1
		2015	-	-	-	2	1	1	2	1	1
2.	Chemical and Fertilizers	2013	2	-	2	-	-	-	2	-	2
3.	Civil Aviation	2015	1	1	-	-	-	-	1	1	-
4.	Consumer Affairs, Food and Public Distribution	2011	-	-	-	1	-	1	1	-	1
		2014	4	-	4	-	-	-	4	-	4
		2015	2	2	-	-	-	-	2	2	-
5.	Coal	2015	3	2	1	-	-	-	3	2	1
6.	Commerce & Industries Deptt. of Commerce	2015	1	-	1	-	-	-	1	-	1

Sl. No.	Name of the Ministry/ Department	Report for the year ended March	Civil			Autonomous Bodies			Total		
			Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence
7.	Commerce & Industries Deptt. of Export Inspection Council of India	2014	1	-	1	-	-	-	1	-	1
8.	Culture	2011	-	-	-	1	1	-	1	1	-
		2012	-	-	-	1	-	1	1	-	1
		2013	-	-	-	4	-	4	4	-	4
		2014	-	-	-	1	-	1	1	-	1
		2015	2	2	-	3	3	-	5	5	-
9.	Drinking Water and Sanitation	2014	1	1	-	-	-	-	1	1	-
10.	External Affairs	2015	3	-	3	-	-	-	3	-	3
11.	Finance	2015	2	1	1	-	-	-	2	1	1
12.	Health and Family Welfare	2008	-	-	-	1	-	1	1	-	1
		2009	-	-	-	1	-	1	1	-	1
		2010	-	-	-	1	-	1	1	-	1
		2011	-	-	-	1	-	1	1	-	1
		2013	2	-	2	-	-	-	2	-	2

Sl. No.	Name of the Ministry/ Department	Report for the year ended March	Civil			Autonomous Bodies			Total		
			Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence
		2014	2	1	1	1	1	-	3	2	1
		2015	3	2	1	2	2	-	5	4	1
13.	Home Affairs	2014	1	-	1	-	-	-	1	-	1
		2015	4	4	-	-	-	-	4	4	-
14.	Human Resource Development	2004	-	-	-	1	-	1	1	-	1
		2006	-	-	-	1	-	1	1	-	1
		2007	-	-	-	1	-	1	1	-	1
		2008	-	-	-	1	-	1	1	-	1
		2010	-	-	-	1	-	1	1	-	1
		2011	-	-	-	1	-	1	1	-	1
		2013	-	-	-	2	1	1	2	1	1
		2014	1	1	-	3	1	2	4	2	2
		2015	-	-	-	10	10	-	10	10	-
15.	Information and Broadcasting	2015	-	-	-	2	2	-	2	2	-
16.	Labour & Employment	2014	-	-	-	2	-	2	2	-	2
17.	Law and Justice	2003	1	-	1	-	-	-	1	-	1

Sl. No.	Name of the Ministry/ Department	Report for the year ended March	Civil			Autonomous Bodies			Total		
			Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence
18.	Micro, Small and Medium Enterprises	2015	2	-	2	-	-	-	2	-	2
19.	Minority Affairs	2015	1	-	1	-	-	-	1	-	1
20.	Petroleum & Natural Gas	2015	2	1	1	-	-	-	2	1	1
21.	Power	2012	1	-	1						
		2013	1	-	1	-	-	-	2	-	2
		2015	1	1	-	-	-	-	1	1	-
22.	Rural Development	2010	1	-	1	-	-	-	1	-	1
		2012	1	-	1	-	-	-	1	-	1
		2015	2	2	-	-	-	-	2	2	-
23.	Shipping	2013	1	-	1	-	-	-	1	-	1
		2015	1	1	-	-	-	-	1	1	-
24.	Skill Development and Entrenurship	2014	1	-	1	-	-	-	1	-	1
25.	Social Justice and Empowerment	1996	1	-	1	-	-	-	1	-	1
		2003	1	-	1	-	-	-	1	-	1
		2006	1	-	1	-	-	-	1	-	1
		2015	-	-	-	1	1	-	1	1	-

Sl. No.	Name of the Ministry/ Department	Report for the year ended March	Civil			Autonomous Bodies			Total		
			Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence	Due	Not received at all	Under correspondence
26.	Statistics and Programme Implementation	2014	-	-	-	2	-	2	2	-	2
27.	Textiles	2015	1	1	-	-	-	-	1	1	-
28.	Tourism	2015	1	1	-	-	-	-	1	1	-
29.	Tribal Affairs	2014	2	-	2	-	-	-	2	-	2
30.	Urban Development	2015	1	-	1	-	-	-	1	-	1
		2016	-	-	-	1	1	-	1	1	-
31.	Woman and Child Development	2015	-	-	-	1	1	-	1	1	-
32.	Youth Affairs & Sports	2010	-	-	-	1	-	1	1	-	1
		2011	1	1	-	-	-	-	1	1	-
		2012	1	-	1	-	-	-	1	-	1
		2013	1	-	1	-	-	-	1	-	1
		2014	-	-	-	2	-	2	2	-	2
		2015	-	-	-	1	1	-	1	1	-
	Total		**63**	**25**	**38**	**54**	**26**	**28**	**117**	**51**	**66**