SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the
Comptroller and Auditor General of India
on
Indian Institute of Management, Rohtak

Union Government
Ministry of Education
Report No. 24 of 2026
(Compliance Audit - Civil)

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PREFACE

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

The Indian Institutes of Management (IIMs) were established by the Government of India as institutions of national importance with the mandate to provide high-quality education, training, research and consultancy in the field of management. Thus, it is essential that these institutions maintain high standards of financial propriety, transparency and accountability in their functioning.

In this context, a compliance audit of IIM, Rohtak was undertaken on the request of the Department of Higher Education, Ministry of Education, Government of India. The audit aimed to assess the financial management, internal controls and overall governance practices of the Institute and to examine whether public funds have been utilised efficiently and in accordance with applicable rules and norms.

The scope of audit included an analysis of the financial statements from 2009-10 to 2023-24, along with a detailed examination of transactions and operational records for the period 2019-20 to 2024-25. The audit was conducted in accordance with the relevant provisions of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the standards and guidelines issued by the CAG of India.

Audit encountered several constraints, which included poor record-keeping, delays in production of records and limited institutional memory. Despite these challenges, Audit endeavoured to conduct an objective assessment based on available records and evidence.

This report presents the key findings, observations and recommendations emanating from the audit. Replies furnished by IIM, Rohtak and the Ministry, wherever applicable, have suitably been incorporated in the report.

Executive Summary

Executive Summary

This Report presents the key observations from the Audit of the Indian Institute of Management, Rohtak (IIMR). These observations are intended for initiating corrective measures and in formulating policies and directives towards strengthening financial management and enhancing overall governance of IIMR.

Chapter I: Introduction

The Indian Institute of Management, Rohtak (IIMR) established in 2009 by the Ministry of Education, is an institution of national importance under the IIM Act, 2017 and offers diverse management programs. IIMR operates under the governance of a Board of Governors (BoG) and functions autonomously within the overall framework of the Ministry of Education. IIMR became financially self-sustainable after 2019-20, mainly through academic fees, consultancy services and interest income.

An audit was conducted (March to May 2025) to assess financial management and governance practices from 2019-2024. Audit evaluated financial statements, transactions, internal controls and compliance with statutory and institutional norms. During the course of audit of the IIMR, audit faced constraints like delay in production of records and improper maintenance of records/documents.

Chapter II: Governance and Regulatory Framework

IIMR's BoG did not comply with statutory requirements on composition, member eligibility and selection procedures, including delays in appointing eminent persons, SC/ST and women members.

(Paragraph 2.1)

IIMR introduced 28 unauthorised modifications in Ministry-vetted regulations prior to notification, bypassing oversight and altering governance and Director's powers.

(Paragraph 2.2)

Approval and disbursement of the Director's variable pay for 2018-19 to 2020-21 lacked documented performance targets, evaluation records and formal recusal, violating transparency and statutory procedures.

(Paragraph 2.3)

Between 2017-2024, the Academic Council was formed without external experts and without two-year terms for nominated faculty, weakening governance and allowing conflicts of interest.

(Paragraph 2.4)

IIMR did not prepare or submit statutory budgets, development plans, action/strategic/vision plans or triennial performance reviews, reflecting persistent non-compliance.

(Paragraph 2.5)

Mandatory Director's Report detailing top-paid employees, contributions and affiliations was not placed before the Board, limiting transparency and statutory compliance.

(Paragraph 2.6)

Incomplete project files, unsigned agreements, delayed closures and unexplained expenditure undermined accountability and transparency in consultancy operations.

(Paragraph 2.7)

Deficiencies were noticed in constitution, functioning and record-keeping of the Grievance Redressal and Disciplinary Committee and the Internal Complaints Committee.

(Paragraph 2.8)

Chapter III: Financial Management and Accounting

Corpus fund of the Institute was overstated by ₹ 267.45 crore due to non- transfer of funds to earmarked fund for capital expenditure.

(Paragraph 3.1)

Deficiencies were noticed in recognition and presentation of revenue grants, as excess amount of ₹ 12.16 crore was transferred to corpus fund.

(Paragraph 3.2)

Interest of ₹ 4.81 crore on unutilised grants was not remitted to the Consolidated Fund of India contrary to the provisions of GFR, 2017.

(Paragraph 3.3)

Non recovery or adjustment of the advances given to private parties/suppliers highlights lack of an effective monitoring mechanism.

(Paragraph 3.4)

Temporary advances of ₹ 14.27 lakh given to the staff on different occasions were not adjusted within the prescribed time period.

(Paragraph 3.5)

Gratuity and leave encashment liabilities were not actuarially valued, violating AS-15 requirements for accurate financial reporting.

(Paragraph 3.6)

Despite Board directives, IIMR has not finalised an Accounting Manual, reflecting weak internal controls in accounting processes.

(Paragraph 3.7)

IIM, Rohtak generated surpluses of ₹ 217.91 crore and increased annual student fees over six years without preparing annual budgets to estimate receipt and expenditure.

(Paragraph 3.8)

Chapter IV: Procurement and Contract Management

Avoidable and irregular expenditure occurred due to weak financial controls, overlapping engagements and non-adherence to GFR provisions. Despite key accounts posts being filled, the Institute engaged multiple external firms for similar work, resulting in duplication of work and avoidable expenditure of ₹ 7.27 lakh. Further, engagement of a private CA firm at a cost of ₹ 1.43 lakh, even after assigning additional charge of FA&CAO with an honorarium of ₹ two lakh, defeated the purpose of the honorarium. Appointment and extension of an ineligible internal auditor in violation of RFP conditions indicated non-compliance with procurement norms.

(Paragraph 4.1)

Contract for 500 AC units was awarded to an ineligible bidder who did not meet tendered eligibility criteria, undermining fairness and compliance with tender conditions. Additionally, 30 Two-TR AC units were procured outside the permissible variation clause of contract agreement, bypassing competitive bidding. Deviations from e-procurement requirements and inconsistent bidder evaluation resulted in a single-bid award at a higher rate, contravening GFR and CVC norms. The Institute revised its estimate upward post-tender without justification, enabling award to a single bidder at rates exceeding the original estimate.

(Paragraph 4.2)

Interest-free Mobilisation Advance and delayed/non-regularised recovery extended undue financial benefit of ₹ 3.83 crore to the contractor.

(Paragraph 4.3)

Tender cancellation, cash wage payments and non-verified PF contributions led to preferential treatment to an incumbent contractor and weak statutory compliance over payments totalling ₹ 5.80 crore.

(Paragraph 4.4)

Acceptance of outdated wage rates and zero PF contributions resulted in statutory wage violations, underpayment to workers and undue benefit to the contractor.

(Paragraph 4.5)

Post-tender negotiations with multiple bidders, acceptance of non-compliant wage/PF bids and continued extensions facilitated underpayment and undue favour to the security contractor.

(Paragraph 4.6)

Non-verification of EPF remittances resulted in statutory non-compliance, with only ₹ 5.28 lakh deposited against ₹ 12.56 lakh claimed and payment in respect of EPF deposits remaining unverified across multiple months.

(Paragraph 4.7)

Inadequate verification and reconciliation of stock of T-shirts and tracksuits resulted in excess procurement. Electrical and electronic waste was disposed of through local scrap dealers instead of CPCB-registered recyclers. Further, out of 724 air-conditioners procured at a cost of ₹ 3.96 crore, only 18 were entered in the stock register, indicating lapses in asset accounting, internal controls and compliance with GFR and e-waste rules.

(Paragraph 4.8)

Violation of LTE norms, acceptance of an invalid bid and indications of collusive bidding indicated non-transparent procurement of 3,000 T-shirts worth ₹ 19.21 lakh, involving repeated participation patterns by the same vendors.

(Paragraph 4.9)

IIMR bypassed GeM in 370 procurements worth ₹ 12.45 crore without non-availability certificates, despite higher vendor availability on GeM.

(Paragraph 4.10)

IIMR hired vehicles exclusively through OLA without tendering and made unsecured advance deposits of ₹ 1.73 crore over 2018-25, breaching GFR rules by operating without a contract or safeguards.

(Paragraph 4.11)

Chapter V: Establishment and Human Resource Management

Ten individuals received ₹ 88.64 lakh as salary without supporting recruitment records such as service books or selection documents.

(Paragraph 5.1)

Twenty faculty members were allowed to resign without mandatory notice or recovery of joining expenses, leading to a loss of ₹ 52.34 lakh. Additional lapses, including excess reimbursement and financial record mismatches, indicate weak enforcement of rules and controls.

(Paragraph 5.2)

Honoraria and incentives amounting to ₹ 7.49 crore were paid without defined limits, with payments exceeding 100% of salary in several cases and high-value items distributed as perks.

(Paragraph 5.3)

Unapproved changes to teaching norms and conversions made faculty eligible for incentives of ₹ 91.20 lakh, with further excess and unverifiable payments across years. Deviations from Board-approved criteria resulted in undue payments exceeding ₹ 99.55 lakh.

(Paragraph 5.4)

Research incentives of ₹ 10.65 lakh were released despite missing or insufficient workload compliance documents and eligibility criteria were not consistently verified.

(Paragraph 5.5)

The Institute did not maintain category-wise rosters, leading to long-standing under-representation of SC/ST/OBC faculty.

(Paragraph 5.6)

Payments of ₹ 32.59 lakh to three counsels were unverifiable and exceeded GoI norms due to absence of MoUs, inadequate case records and non-adherence to prescribed fee structures. Further, payments of ₹ 16.33 lakh across 30 vouchers were rendered unverifiable due to masking/tampering of bills and missing originals, raising concerns of misuse of public funds.

(Paragraph 5.7)

IIMR processed 19 irregular LTC claims involving ₹ 17.22 lakh where travel was undertaken through private airlines or unauthorised agencies, contrary to mandatory GoI LTC rules and also booked air travel of ₹ 16.26 lakh for Board meetings through an unauthorised private agency, including one case of an irregular extended itinerary, violating government-mandated travel procedures.

(Paragraph 5.8)

Foreign travel on 31 occasions involved ₹ 5.87 lakh unverified, multiple eligibility and documentation violations, unauthorised ticketing and excess payments, indicating widespread non-compliance with Faculty Handbook and GoI travel norms.

(Paragraph 5.9)

IIMR procured three additional staff vehicles in violation of NDP ceilings.

(Paragraph 5.10)

Despite a connected load of 2,200 kW, IIMR did not conduct the mandatory energy audit due in 2018, resulting in regulatory non-compliance and missed opportunities for efficiency improvements.

(Paragraph 5.11)

Key recommendations:

Chapter II

- IIMR may ensure that the BoG is constituted strictly in accordance with the IIM Act and Rules by filling all statutory positions promptly, verifying eligibility and following a transparent, well-documented selection process for every category of members.
- The Ministry may consider to issue directions requiring the Institute to align its regulations strictly with the version vetted and approved by the Ministry of Law and Justice and the Ministry of Education.
- Ministry may consider issuing instructions to ensure that IIMR complies fully with the IIM Act and Rules by preparing statutory plans and annual budgets, securing BoG approval and conducting triennial independent performance reviews with disclosure of reports.

Chapter III

- IIMR should obtain actuarial valuation of gratuity and leave encashment from a qualified actuary, as required under AS-15, to ensure accurate and compliant financial reporting.
- Ministry may ensure that IIMR prepares a long-term financial and academic vision document to guide strategic planning and rationalise fees in line with its not-for-profit and affordable education mandate.

Chapter IV

- IIM, Rohtak should strictly adhere to GFR and CVC guidelines by ensuring transparent, fair and competitive procurement through proper technical evaluation and fresh tendering for non-tendered items. Mandatory e-procurement and eligibility conditions must be uniformly and objectively applied, supported by documentary evidence.
- IIMR should strengthen procurement and contract controls by ensuring transparent tender outcomes and independent verification of bank-based wage payments and PF compliance to mitigate financial and compliance risks.

- Ministry may consider issuing of instructions to IIMR to strictly comply with GFR provisions, adopt transparent and competitive vendor selection process and put in place safeguards to prevent such irregularities in procurement and contract management.

Chapter V

- The Ministry may consider referring the issue of faculty honoraria and incentives across IIMs to the Coordination Forum under Section 30 of the Act, to establish a uniform, transparent and fiscally prudent framework for such payments.
- The Institute should align all incentive schemes strictly with BoG-approved norms, review undue payments and ensure complete AAR-based documentation to enable transparent and auditable disbursements.
- Ministry may seek clarification from the Institute in all cases of non-compliance with the Government/Institute's guidelines/GFR provisions and take remedial action, wherever needed.

Chapter I

Introduction

CHAPTER-I: Introduction

1.1 About this Report

This Report presents the key observations from the Compliance Audit of the Indian Institute of Management, Rohtak (IIMR). These observations are intended for initiating corrective measures and in formulating policies and directives aimed at strengthening financial management and enhancing the overall governance of IIMR.

1.2 About Indian Institute of Management, Rohtak

The Indian Institute of Management, Rohtak (IIMR) was established in 2009 by the Ministry of Education (formerly the Ministry of Human Resource Development), Government of India, as part of the second generation of IIMs to address the growing demand for quality management education in the country. It is recognized as an institution of national importance under the Indian Institutes of Management Act, 2017.

The Institute's mandate is to provide high-quality education in management, delivered through full-time regular programmes as well as various long and short-duration online courses.

Funding Structure

IIMR operates as an autonomous institution under the Ministry of Education, with a funding model comprising:

- Grants-in-aid from the Government of India, primarily for infrastructure and developmental needs.
- Internally generated revenue, including:
    - Tuition and program fees (from flagship and executive programs),
    - Consultancy projects,
    - Management Development Programs (MDPs) and
    - Sponsored research initiatives.

Over the time, the Institute moved towards financial self-sufficiency, though capital support from the Government continued up to 2019-20.

Campus and Infrastructure

The Institute was initially functioning from a temporary campus in Maharshi Dayanand University, Rohtak before moving to its permanent campus in 2018, located in Sunaria, Rohtak, Haryana. The permanent campus is spread over approximately 200 acres and includes:

- Academic blocks, a knowledge/resource centre (library), hostels and residential quarters.
- Facilities for sports, student activities and events.
- Infrastructure to support digital learning and hybrid teaching models.

Academic Programs and Student Intake

IIMR offers a range of academic programs, including:

- Post Graduate Programme in Management (PGP)–Flagship two year residential MBA-equivalent program.
- Fellow Programme in Management (FPM) – Doctoral-level program.
- Executive Post Graduate Programmes (EPGP)–Designed for working professionals.
- Integrated Programme in Management (IPM)–A five year program for students after Class XII.
- Integrated Programme in Law (IPL)–A unique five year course combining law and management education.
- Management Development Programs (MDPs) and short-term certificate programs for executives and government officials.

Governance and Leadership

IIMR is governed by a Board of Governors, constituted as per the IIM Act, 2017. The Board includes representatives from the Government of India, eminent academics, industry leaders and public figures. The Director is the Chief Executive Officer of the Institute and provides leadership to the Institute.

The Institute operates with autonomy in academic, financial and administrative matters, subject to policy guidelines laid down by the Ministry of Education and statutory provisions under the IIM Act.

1.3 Objectives of Audit

The audit of the Indian Institute of Management, Rohtak was conducted pursuant to the request of the Department of Higher Education, Ministry of Education, Government of India, under the audit mandate of the Comptroller and Auditor General of India (CAG) as per the provisions of Regulation 13 of the Regulations on Audit and Accounts, 2020 issued by the CAG.

The primary objective of the audit was to conduct an independent and evidence based assessment of the financial management and institutional governance at IIMR. The specific audit objectives included checking the following:

- Whether the governance of the Institute was carried out in accordance with the provisions of IIM Act, Rules and Regulations.
- Whether the financial statements and disclosures were accurate and reliable.
- Whether there was propriety in expenditure, financial prudence and decision making processes.
- Whether the internal controls, internal audit mechanisms and oversight systems were adequate and functioning effectively.

1.4 Scope of Audit

The Audit was conducted from 19 March 2025 to 09 May 2025 and the scope of the audit included a focused examination of financial and operational records, as outlined below:

- **Examination of Financial Statements:** The audit covered the financial statements for the financial years from 2009-10 to 2023-24, to assess the long-term trends in fund flow, asset creation, liabilities and financial reporting practices since the inception of the Institute.
- **Review of Operational and Transactional Records:** Detailed scrutiny of financial transactions, procurement processes, contracts, human resources, administrative decisions and related records was undertaken for the period 2019-20 to 2024-25, to assess recent practices, compliance and institutional functioning.
- **Evaluation of Internal Controls and Compliance Framework:** The audit examined the efficacy of internal control systems, the role and performance of the internal audit function, adherence to the General Financial Rules (GFR), 2017 and compliance with directions of the Ministry of Education and applicable provisions of the Indian Institutes of Management Act, 2017.

1.5 Audit Methodology

The audit was conducted using a combination of analytical procedures and documentary review apart from interaction with the officials and internal auditor of IIMR. The examination of records broadly involved the following:

- Review of balance sheets and related schedules, income and expenditure accounts and utilisation certificates for the period 2009-10 to 2023-24, to assess trends in asset creation, liabilities and financial reporting besides assessing compliance with accounting standards and other guidelines.
- Verification of vouchers, ledgers and supporting documents of selected transactions to evaluate accuracy and propriety of financial transactions.

- Review of administrative files, contracts, procurement records and HR documents to assess governance processes and internal control mechanisms.
- The audit findings were issued to IIMR and the responses received have been suitably incorporated under the respective paragraphs. The report was issued to the Ministry of Education on 31 December 2025, the response was received on 16 April 2026, the same has been suitably incorporated.

1.6 Audit Criteria

The sources of audit criteria comprised the following:

- Indian Institutes of Management Act, 2017
- Indian Institutes of Management Rules, 2018
- Indian Institute of Management, Rohtak Regulations, 2021
- Faculty Handbook of Indian Institute of Management, Rohtak
- Indian Institute of Management, Rohtak (Society) Rules, 2009
- General Financial Rules, 2017
- Decisions taken in meetings of Board of Governors
- Accounting Standards
- CPWD Works Manual
- CVC Guidelines
- Minimum Wages Act, 1948
- Employees' Provident Fund and Misc. Provisions Act, 1952
- Notifications issued by Haryana Kaushal Rozgar Nigam Limited
- Minimum rates of pay/wages notified by the DC, Rohtak
- Manual for Procurement of Works, 2019
- Guidelines/Rules issued by GoI/MoF/MoE in respect of LTC/TA/ Medical/Legal/Estate/e-waste Management Policy, etc.
- Foreign Travel Policy as adopted by IIMR
- Notifications issued by the Department of New and Renewable Energy

1.7 Constraints faced during audit of IIMR

During the course of audit of the IIMR, audit faced constraints like delay in production of records and improper maintenance of records/documents. Hence, the audit observations and conclusions presented in this report are based on the best possible assessment of available records.

Chapter II

Governance and Regulatory Framework

CHAPTER – II: Governance and Regulatory Framework

2.1 Constitution of Board of Governors of IIMR

Section 10(1) of the IIM Act, 2017 provides that the Board of Governors (BoG) of each Institute shall be the principal executive body of that Institute. The Board of every Institute shall be responsible for the general superintendence, direction and control of the affairs of the Institute.

Ministry of Human Resource Development (MHRD) vide letter dated 13 November 2018, in supersession of all earlier orders regarding the constitution of BoG, constituted the first Board of Governors of IIM, Rohtak under Section 10 of the IIM Act, 2017. MHRD appointed three members (Joint Secretary-Nominee of Central Government, Nominee of State Government and Director IIMR) and directed that the Board will appoint a Chairperson from amongst eminent persons distinguished in the field of industry or education or science or technology or management or public administration or such other field. The Ministry also directed that the Board so constituted shall frame regulations for appointment of the rest of the members as per provisions of the IIM Act, 2017 and accordingly the full Board will be constituted.

Section 10(2) of the IIM Act, 2017 provides that the Board of each Institute shall consist of the following members, namely:

(a) a Chairperson, from amongst eminent persons distinguished in the field of industry or education or science or technology or management or public administration or such other field, to be appointed by the Board;

(b) one nominee of the Central Government, having charge of the management education or his representative;

(c) one nominee of the respective State Government or representative of such nominees, within whose territorial jurisdiction the Institute is located;

(d) four eminent persons, of which at least one shall be a woman, distinguished in the field of education, industry, commerce, social service or public administration, to be nominated by the Board, having such experience and in such manner as may be specified by regulations;

(e) two members from the faculty of respective Institutes to be nominated by the Chairperson, in the manner to be laid down by the Board by regulations;

(f) one person from the Scheduled Castes or Scheduled Tribes to be nominated by the Board from amongst the members referred to in clauses (d), (e) and (g);

(g) up to five persons to be co-opted by the Board from the alumni or the members of society of the existing Institute who have distinguished themselves in the field of management:

Provided that out of such five persons, not more than one member shall be from the Society;

(h) three women members to be nominated by the Board from amongst the members referred to in clauses (d), (e) and (g);

(i) Director of the Institute, ex officio member.

A review of BoG minutes and available records for the period December 2018 to September 2024 showed several departures from these statutory requirements.

(i) Selection of Alumni Members under Section 10(2)(g) of the IIM Act, 2017

In December 2018, a three-member first BoG approved names of five individuals for alumni-category vacancies and four of them joined the Board subsequently in March 2019. One alumnus was nominated in March 2020 against the non-filled vacancy in this category. However, selection criteria and procedure for selecting these individuals were not documented by IIMR.

IIMR replied (June/October 2025) that the Board was reconstituted vide MHRD letter dated 13 November 2018 and three members on the Board of IIMR were nominated. The remaining members were nominated on the Board as per the provisions of IIM Act, 2017.

The reply is not tenable, as the Ministry vide the aforesaid letter constituted the Board of IIMR with three members (Joint Secretary- Nominee of Central Government, Nominee of State Government and Director IIMR) and directed that the Board will appoint a Chairperson from amongst eminent persons distinguished in the field of industry or education or science or technology or management or public administration or such other field. The Ministry also directed that the Board so constituted shall frame regulations for appointment of the rest of the members as per provisions of the IIM Act, 2017 and accordingly the full Board will be constituted. IIMR without appointing new Chairperson as per directions of Ministry, continued with Chief Secretary to Government of Haryana as a Chairperson. IIMR also expanded the Board without notifying regulations, disregarding Ministry's directions.

(ii) Selection of Eminent Persons under Section 10(2)(d) of IIM Act, 2017

Despite statutory provision for four eminent members, none were included in the Board between December 2018 and June 2020. Only two eminent persons were added in June 2020 and the remaining two were appointed in September 2021 and March 2023 respectively, indicating a delay of more than four years in fully constituting this category.

IIMR replied (June/October 2025) that the board strength since reconstitution has increased from three to 14. The Institute's reply however did not explain the delays in appointment. Further, the meeting records showed that number of members in the Board remained below the prescribed strength during June 2019-January 2020.

(iii) Selection and Term of Faculty Representatives under Section 10(2)(e) of IIM Act, 2017

The Act and IIMR Regulations, 2021 require that faculty members on the BoG be nominated through a defined process, including screening by the Academic Council and appointment by the Chairperson and mandate that nominees be full or Associate Professors with at least 15 years of experience. Further, Regulation 4(4) provided that term of office of member shall be two years and shall be eligible for second term after a gap of two years. Audit observed from the available records that two faculty members initially attended meetings as special invitees in 2018-19 and were made full members from June 2019 for a two year term. They continued on the Board well beyond this period, up to 2024, without the mandatory two-year cooling-off period. However, no records were made available regarding the selection procedure adopted for the faculty representatives. In another instance, in June 2024, an Assistant Professor was appointed as a faculty representative, contrary to the eligibility criteria which makes only Professor or Associate Professor with 15 years of experience to be eligible under faculty representation.

In response (October 2025), IIMR stated that the term of the office is two years and second term is permissible at the time of expiry of first term.

The Institute's reply (October 2025) on extensions and re-nominations was inconsistent with the Act and Regulations, which require appointments strictly in accordance with notified procedures.

(iv) Selection of Scheduled Castes or Scheduled Tribes member under Section 10(2)(f)

From December 2018 to March 2023, the BoG had no member under the Scheduled Castes (SC) or Scheduled Tribes (ST) category, despite the statutory requirement for such representation. The Institute stated that nominations had been sought but consent was not received. However, no supporting records were produced to Audit and the claim that an Assistant Professor had been nominated under the SC/ST category was not borne out by the documents examined.

(v) Nomination of Women Members under Section 10(2)(h)

Section 10(2)(h) of IIM Act, 2017 requires three women members in the Board. Between June 2019 and September 2021, there was only one woman member, while between September 2021 and March 2024, there were two women representatives. The BoG reached the full complement of three women only in June 2024, although one of these members was ineligible under the faculty criteria. This indicates prolonged non-compliance with statutory requirements.

Ministry in its reply (April 2026) stated that the BoG failed to comply with the provision of IIM Act and IIM Rules, even when the selection of members was vested with the BoG.

Recommendation:

IIMR may ensure that the BoG is constituted strictly in accordance with the IIM Act and Rules by filling all statutory positions promptly, verifying eligibility and following a transparent, well-documented selection process for every category of members.

2.2 Irregularities in compliance with the Regulatory Framework

Section 32 of the Indian Institute of Management Act, 2017 (Act) provides that every Institute shall furnish to the Central Government such returns or other information with respect to its policies or activities as the Central Government may, for the purpose of reporting to the Parliament or for the making of policy, from time to time, require.

Section 35(1) of the Act provides that the Board may, by notification, make regulations not inconsistent with this Act and the rules thereunder to carry out the provisions of this Act. Section 37 of the Act further provides that every rule made by the Central Government and the first regulation made by the Board under this Act shall be laid, as soon as may be after it is made, before each House of Parliament.

The Ministry of Education approved the Institute's draft regulations on 19 August 2021 after vetting by the Ministry of Law and Justice and directed the Institute to notify them through the Controller of Publications. Although the Director forwarded the regulations for notification, audit found that the Board of Governors (BoG), in its meeting on 25 September 2021, made 28 changes to the vetted regulations before sending them for publication. No records were provided to show that these modifications were shared with or approved by the Ministry prior to notification.

A review of these changes showed multiple departures from the vetted version:

(i) Ministry-approved provisions removed

In two cases, the BoG deleted conditions inserted by the Ministry, such as the requirement that degree granting programmes conform to UGC guidelines and that the Director's financial powers be exercised in line with the General Financial Rules.

(ii) Provisions rejected by the Ministry reintroduced by the BoG

Despite the Ministry's rejection, the BoG reinserted a clause, allowing the Director or faculty to retain royalties, sitting fees and research incentives. This clause pertained only to Directors and faculty and did not align with the broader section concerning creation of posts and appointment of employees.

(iii) Fresh clauses inserted without Ministry's approval

Two provisions were newly inserted in the notified regulations, including granting the Director the status of permanent faculty. This insertion had downstream implications, effectively extending to the Director all benefits available to permanent faculty. These inclusions were neither part of the draft sent to the Ministry nor approved in the vetted version.

(iv) Changes with impact on governance and powers

Seven amendments expanded the Director's authority in areas such as creation of posts, staff appointments and termination, incentives, administrative controls and capital expenditure. Two further changes enhanced the Institute's powers over recruitment rules and faculty appointments.

In response (June/October 2025), IIMR stated that no major changes had been made and that the BoG is empowered under the Act to frame regulations.

Thus, the Institute had introduced 28 unauthorised modifications without prior intimation to the Ministry, bypassing the oversight mechanism established under Sections 32, 35 and 37 of the Act, undermining the integrity of the regulatory process.

Ministry in its reply (April 2026) agreed with the audit observation and stated that appropriate administrative and legal actions need to be taken against persons responsible, the regulations may be aligned strictly with the vetted version and the decisions taken on the basis of unilateral changes made to the vetted Regulations, be rescinded or suitable remedial measures may be taken.

Recommendation:

The Ministry may consider to issue directions requiring the Institute to align its regulations strictly with the version vetted and approved by the Ministry of Law and Justice and the Ministry of Education.

2.3 Variable Pay to the Director

Section 11(2)(l) of the IIM Act, 2017 entitles the Director to variable pay based on performance objectives specified in the Regulations. Under Sections 35(1) and 35(2)(f), the Board is empowered to frame regulations, including those that determine performance objectives for variable pay. Section 39(1)(c) provides that, until the first regulations are notified, the existing rules and bye-laws of each Institute remain applicable, insofar as they are not inconsistent with the provisions of the Act. The Regulations of IIM, Rohtak became effective only upon publication in the Official Gazette on 25 October 2021. Regulations 16(a) and 16(b) require the Board to develop and convey a performance matrix for the Director, on the basis of which variable pay will be determined. Regulation 5(3) further requires the Director to recuse himself in all matters involving conflict of interest.

A review of the agendas and minutes of the Board of Governors (BoG) revealed several procedural deficiencies in the approval of variable pay to the Director as detailed below:

i. Between October 2018 and December 2020, the Board deliberated on the Director's variable pay on multiple occasions, including during meetings where the matter was not part of the pre-approved agenda and during periods when the Board was not constituted as per Section 10(2)(d) of the IIM Act. On several occasions, specifically the 39th, 41st, 42nd, 44th and 48th meetings, there was no recorded evidence that the Director recused himself from discussions on his own compensation.

ii. The Board approved the Director's variable pay for 2018-19, 2019-20 and 2020-21 based on parameters recommended by a Nomination and Remuneration Committee, however, the performance targets, supporting calculations and evaluation documents were not available in the records produced to Audit.

iii. Despite the Regulations becoming effective only on 25 October 2021, IIM, Rohtak retrospectively applied them to approve and disburse variable pay amounting to ₹ 3.20 crore (including TDS) for 2018-19, 2019-20 and 2020-21. These payments were not aligned with the regulatory framework, which does not permit retrospective application of performance objectives determined under the Regulations.

iv. Further approvals granted for 2021-22 and 2022-23 also lacked supporting documentation, including the performance matrix, evaluation reports and confirmation of consultation with the Central Government nominee.

In reply, the Institute stated (June/October 2025) that the Board is competent to approve the Director's variable pay and that draft regulations had been approved in October 2018 by BoG. Institute further stated that whenever the matter of variable pay was discussed and decision on variable pay was taken, Director had duly recused himself in all such meetings irrespective of the fact whether it has been recorded or not.

As per Section 35(2)(f) of IIM Act, 2017, the Board should have considered performance objectives under notified regulations while determining variable pay. The Institute's claim that the Director recused himself "irrespective of whether it was recorded" is not supported by documentary evidence, which is essential for ensuring transparency and avoiding conflict of interest. In the absence of recorded performance targets, evaluation data and supporting documents, the payment of variable pay lacked transparency and did not conform to the procedures mandated under the Act and the Regulations.

Ministry in its reply (April 2026) concurred with the audit observation and further highlighted that the payment of variable pay was not supported by regulatory provisions and proper documentation. The Ministry further stated that the amount paid on account of variable pay during the period 2018-19 to 2024-25 should be recovered.

Recommendation:

IIMR may ensure that variable pay and similar payments are made strictly in accordance with regulations effective from the date of notification and avoid any retrospective application. The Ministry may consider establishing a uniform, transparent and fiscally prudent framework for payment of variable pay to Directors across various IIMs. The Board may also ensure that the Director's recusal is formally recorded in all matters of personal interest and that performance benchmarks, evaluation records and supporting data are properly documented. Matters involving financial implications should be taken up only through pre-approved agendas to uphold transparency and integrity. The Ministry may consider referring the issue of faculty honoraria and incentives across IIMs to the Coordination Forum under Section 30 of the Act, to establish a uniform, transparent and fiscally prudent framework for such payments.

2.4 Constitution of the Academic Council

Section 14 of the IIM Act, 2017 designates the Academic Council as the principal academic body of each institute and specifies its composition, including the Director as Chairperson, Deans, Area/Programme Chairs, all full-time Professors and such faculty as determined by the Board, as well as eminent external members nominated under Section 14(1)(e). Section 14(3) further requires that faculty members nominated under clause (d) serve a fixed term of two years.

A review of records showed that while IIM, Rohtak included all full-time faculty members as Academic Council members in its Regulations notified on

25 October 2021, the Regulations omitted any provision for nominating external experts under Section 14(1)(e) and did not prescribe the mandatory two-year term for nominated members as required under Section 14(3) hence, this was not in conformity with the provisions of the Act. The Institute stated that details of members of Academic Council are available in the Academic Council meeting minutes, all faculty members are part of the Academic Council and no other files relating to appointment of members/constitution are available.

Audit observed that no action was taken by the Director or the Board from 2017 to 2024 to nominate external experts, despite clear statutory requirements. This prolonged omission weakened academic governance and denied the Council the benefit of independent oversight. Further, the absence of defined two-year terms effectively set aside the Board's authority to periodically review the Council's composition for members covered under Section 14(1)(d).

Audit also noticed that between October 2017 and December 2018, the Academic Council revised its own incentives for Executive Education. However, the Council's powers were governed by Section 15(1) of the IIM Act, which did not authorise revision of incentives. The authority for the Council to approve such revisions arose only after the notification of Regulations in October 2021. These decisions therefore fell outside the Council's mandate and involved a clear conflict of interest, especially since the Council comprised only internal faculty members and lacked the external expertise required under Section 14(1)(e).

In its response, IIMR stated (June/October 2025) that procedural omissions such as the non-appointment of external experts or the absence of a fixed two-year term, do not invalidate the Council's decisions under Section 31 of the Act and that the Board had subsequently ratified the incentive-related decisions.

However, the reply does not address the persistent non-compliance with mandatory statutory provisions, as pointed out above, which were not in conformity with the provisions of the Act. The absence of external members and undefined terms of office indicate systemic governance gaps that facilitated conflict of interest in decision-making. The assertion that the Board ratified the incentive-related decisions does not mitigate the conflict of interest posed by a Council composed solely of internal faculty members making decisions benefiting themselves, particularly in the absence of external oversight required by the Act.

Ministry in its reply (April 2026) agreed with the audit observation and stated that the Institute first excluded the external members in the Academic Council, the exclusion of external members enabled internal faculty to take decisions in relation to their own financial benefits, which was clear conflict of interest. The

Ministry stressed that explanation for such indiscretion was required and financial benefits extended in such cases needed to be recovered.

Recommendation:

IIM, Rohtak should constitute the Academic Council strictly in accordance with Section 14 of the Act by appointing external experts, prescribing two-year terms for nominated members and maintaining formal records of all nominations and tenures.

2.5 Non-adherence to the provisions of the IIM Act

The Indian Institute of Management Act, 2017 confers upon every IIM the status of an institution of national importance and establishes a statutory framework for governance, financial management and academic accountability. Under Section 11, the Board of Governors (BoG) is responsible for the general superintendence and control of the Institute, while Section 16 designates the Director as the Chief Executive Officer responsible for implementing Board decisions.

Audit observed several areas where IIM, Rohtak did not adhere to key provisions of the Act and the IIM Rules, 2018, as discussed below:

(i) Non-preparation of annual budget estimates

Section 11(2)(b) requires the Board to examine and approve the Institute's annual budget estimates. Examination of records revealed that annual budgets were regularly submitted to the BoG up to 2017-18, however the practice of presenting annual budgets to the BoG was discontinued from 2018-19 onwards.

IIMR stated (March 2025) that it did not prepare budgets from 2018-19 onwards as it was self-sustaining and had not received grants from the Ministry.

The response of IIMR is inconsistent with the Act, which mandates budgeting irrespective of funding source. Further, records show that IIMR received plan grants of ₹ 25.45 crore under GIA-35 during 2018-19. Non preparation of budgets from 2018-25 reflects a departure from sound financial governance. Self-sustainability enhances, rather than diminishes, the need for structured financial planning.

IIMR noted (May 2025) the observation for future compliance.

(ii) Preparation of development plan

Section 11(2)(c) requires the Board to examine and approve the Institute's development plan and identify sources of finance. Although the Institute furnished a statement indicating planned expenditure of ₹ 410 crore in future years, it provided no evidence that this plan was placed before or approved by the BoG. Documentation identifying financing sources or timelines for implementation was also not provided. The Institute noted (May 2025) the observation for future compliance.

(iii) Preparation of action plan, strategic plan and vision plan

Rule 6 of the IIM Rules, 2018 mandates that every IIM prepare a three-year action plan, a five-year strategic plan and a fifteen-year vision plan and submit them to the Government. IIMR stated that its vision and plans were reflected in the Director's Report and Annual Reports. However, no evidence was furnished to show that the mandated plans were formally prepared, approved by the BoG, or submitted to the Government as required under IIM Rules, 2018.

IIMR stated (May 2025) that a comprehensive plan will be prepared and placed before the Board.

(iv) Evaluation and review of Institute's performance

Section 11(5) requires each Institute to undergo an independent performance evaluation every three years, with the report to be placed in the public domain. Under Section 11(7), the Board must submit the report and an action taken report to the Central Government.

IIMR provided an Institutional Performance Review report for 2018-21 but no review report for 2021-24, indicating non-compliance with the triennial requirement. Further, the expert committee stated that its assessment was based on annual reports, interactions with stakeholders and research reviews parameters that do not align with the statutory requirements of evaluating long-term strategy, rolling plans and Board-identified criteria.

As per the documents provided, it was noticed that only a certificate from the expert committee was placed before the Board in 47th BoG meeting (June 2021). No documentation was provided regarding the selection process of the expert committee, as required under Regulation 21(3) and neither BoG nor Academic Council minutes reflected any discussion on its constitution.

Although IIMR later stated that performance review for 2021-24 had been undertaken by an accreditation team in May 2025, no supporting documents or expert committee criteria were furnished to Audit. No evidence was provided to show that any performance review report had been placed in the public domain. The Institute reiterated the same position in October 2025.

Ministry in its reply (April 2026) agreed with the audit observation.

Recommendation:

Ministry may consider issuing instructions to ensure that IIMR complies fully with the IIM Act and Rules by preparing statutory plans and annual budgets, securing BoG approval and conducting triennial independent performance reviews with disclosure of reports.

2.6 Non-submission of Director's Report to the Board of Governors

Section 26(1) and 26(2) of the IIM Act requires that every Statement of Accounts laid before the Board be accompanied by a Director's Report covering the Institute's state of affairs, proposed surplus reserves, performance indicators including innovations in teaching, research and knowledge application etc. and a statutory disclosure of the five highest-remunerated officers along with their contributions and any affiliations with Board or Academic Council members. Section 27 further mandates that the complete Statement of Accounts, including the Director's Report, be submitted to the Board within three months of the financial year's closing.

Audit found that though IIM, Rohtak regularly submitted its Statement of Accounts to the Board within the prescribed timeframe, the accompanying Director's Report containing the mandatory disclosures under Sections 26(1) and 26(2), was not submitted.

The Institute stated (March 2025) that the Director's message was read out at convocation and published in the annual report on its website and that total incentives paid were disclosed to the Board. However, these practices do not meet the statutory requirement for a formal, comprehensive Director's Report to be placed before the Board alongside the accounts.

The omission resulted in non-compliance with Sections 26(1), 26(2) and 27(1) of the Act, particularly the absence of mandated disclosures on top-paid employees, their contributions and potential related-party linkages, which are essential for transparent governance.

The Institute indicated (May/October 2025) that a separate Director's Report will also be included in the Annual Audit Report.

Ministry in its reply (April 2026) agreed with the issues raised in Audit.

Recommendation:

Ministry may ensure that IIMR submits a formal, comprehensive Director's Report to the Board along with the Statement of Accounts within the statutory timeline and publish it on its website. This measure will strengthen statutory compliance, enhance transparency and improve governance accountability within IIMR.

2.7 Non-maintenance of proper Consultancy Records

Details/copy of consultancy agreements executed by the Indian Institute of Management (IIM), Rohtak along with files and final reports of consultancy was asked by audit team. In reply to that, consultancy services ledger for the period 2017-18 to 2023-24 was provided along with some loose printout of agreements/project proposals. In some cases, only copy of proposal was furnished. Correspondence made with concerned agencies from time to time was also not provided.

Further, on scrutiny of consultancy services ledgers and loose copy of agreements/proposals provided by the IIM along with information of consultancy services, various irregularities were noticed as mentioned in ***Annexure 2.1***.

Hence, proper files were not maintained by IIM regarding consultancy services in which copy of agreement, correspondence with the agency concerned and final reports submitted to concerned department/agency along with details of staff deputed for completing that consultancy work should have been available. Due to this, it cannot be ascertained that consultancy services work has been completed or not by the Institute.

The matter was pointed out to the Institute and its reply is awaited.

Ministry in its reply (April 2026) agreed with the issues raised in Audit.

Recommendation:

IIMR should maintain complete project files and institute robust controls to track agreements, progress, expenditure, deliverables, dues and timely financial closure. Implementing these measures will strengthen accountability, ensure accurate revenue recognition and improve transparency in consultancy operations.

2.8 Discrepancies in Grievance Redressal, Disciplinary Processes and Internal Complaints Committee

As per Rule 12(vii) of Indian Institute of Management Rules, 2009 (Rules), the Board of Governors holds the responsibility to provide for and supervise the residence, health, discipline and the well-being of the students and employees of the Institute.

Further, Rule 15 of the Rules vests the Director with the responsibility for proper administration of the Institute and for the conduct of the staff under the direction and guidance of the Board. On similar lines, Regulation 15(5) of the Indian Institute of Management, Rohtak Regulations, 2021 provides that Director, being Executive Head of the organization, is vested with full powers to uphold general discipline and ensure proper conduct of the employees of the Institute.

Grievance Redressal and Disciplinary Committee (GRDC)

Regulations require IIMR to constitute a GRDC to provide a safe and supportive environment for employees. Audit found that the GRDC was not constituted in 2021 and 2022 and notifications issued in later years did not disclose the name of the external legal expert. Only one complaint case from 2022 was provided for review, but essential correspondence and follow-up actions were missing, limiting audit's ability to validate the grievance-handling process.

Internal Complaints Committee (ICC)

Under the Sexual Harassment of Women at Workplace Act, 2013, the Institute must constitute an ICC and adhere to statutory requirements. Audit noticed that as per the records made available, ICC was not constituted during the years 2016-17 and 2017-18 and there was repeated nomination of the same individual beyond the permissible three-year term and non-submission of the annual report mandated under Section 21. In a case of 2020 reviewed by Audit, the ICC issued findings on an initial complaint, however records relating to a subsequent complaint by the same individual, including follow-up actions, were not available. The absence of complete documentation prevented verification of whether complaints were handled appropriately.

IIMR stated (June/October 2025) that only one complaint was received and processed by the Grievance Redressal and Disciplinary Committee/Internal Complaints Committee during the review period. The IIMR assured to maintain more structured records, submit periodic reports, comply with their respective regulatory mandates and make all necessary provisions to make compliances.

Ministry in its reply (April 2026) agreed with the issues raised in Audit.

2.9 Conclusion

The review of governance, statutory compliance and institutional processes at IIMR revealed systemic gaps in adherence to the provisions of the IIM Act, Rules and Regulations. Deficiencies were noticed in functioning and record-keeping of the Grievance Redressal and Disciplinary Committee and the Internal Complaints Committee. Collectively, these shortcomings point to inadequacies in governance controls, internal processes and compliance culture at IIMR. Addressing these gaps through timely statutory reporting and strengthening of institutional committees will enhance transparency, accountability and overall institutional governance.

Chapter III

Financial Management and Accounting

CHAPTER – III: Financial Management and Accounting

The Board of Governors (BoG) approved creation and maintenance of Corpus Fund to utilise the surplus generated by IIMR to generate a stream of income for supporting operations over a period of time and for creating resources for the long run development of the Institute.

Pursuant to this, BoG also approved the norms (9th meeting held on 30 August 2012 Agenda no. 8.4), which *inter alia* provided that the Corpus Fund of IIMR shall primarily be preserved and used only for essential capital expenditure in the absence of other funding sources, with prior BoG approval. The target corpus size was initially set at ₹ 100 crore.

3.1 Over-stating of Corpus Fund

Between the 41st meeting held in January 2020 to its 60th meeting held in June 2024, the BOG approved a transfer of a total of ₹ 317.45 crore from the Corpus to meet various capital works, including two transfers of ₹ 100 crore[1] each for utlisation by 2027-28 and 2028-29 respectively to become eligible for claiming exemption under Section 10(23C)(vi) of the Income Tax Act, 1961 applicable for educational institutions and universities.

(i) Over-stating of Corpus Fund

Audit observed that IIMR received grants from Government of India for capital and revenue expenditure from 2009-10 to 2019-20 amounting to ₹ 417.71 crore and did not receive grants from 2020-21 to 2023-24. During 2020-2024, the BoG approved ₹ 267.45 crore for transfer from Corpus Fund for capital expenditure.

However, these amounts were not deducted from the Corpus Fund in those years despite approval by BoG. As a result, the Corpus Fund was overstated by ₹ 267.45 crore. For better representation of account these amounts earmarked for the specific purposes could have been shown separately from the Corpus fund.

(ii) Excess allocation of interest income to Corpus Fund

As per the records, the interest was allocated by IIMR on the basis of opening value of Earmarked and Corpus Fund. Therefore, the overstatement of Corpus Fund by ₹ 267.45 crore led to an excess allocation of interest income amounting to ₹ 2.67 crore during FYs 2020-21 to 2023-24 to the Corpus.

On being pointed out, the Institute replied (June/October 2025) that according to the IIM Act 2017, Chapter IV (22), "Each Institute shall create a corpus fund for long term sustainability of the Institute". Therefore, Institute is following IIM Act

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1 In the absence of clarity, it is assumed that ₹ 100 crore approved in 56th BoG's meeting included ₹ 100 crore approved in 55th BoG's meeting and ₹ 100 crore approved in 60th BoG's meeting included ₹ 50 crore approved in 58th BoG's meeting.

to create a corpus fund. As per Section 10(23C) of the Income Tax Act, 1961, institutions claiming exemption must utilise at least 85 *per cent* of their gross receipts in the relevant financial year. However, Section 11 of the Act provides relief in case of shortfall by allowing such unutilised amounts to be earmarked for specific purposes and used within the next five years, subject to a resolution passed by the Board. This statutory provision enables the institute to maintain its tax-exempt status while aligning with long-term infrastructure and capital development goals.

Institute has consistently followed the requirement of prior BoG approval before any utilisation of Corpus Funds for capital expenditure. These BoG approvals were authorisations for future capital expenditure, not financial transactions. They do not involve any immediate cash outflow or require any accounting entries at the time of approval. Therefore, no transfer from the Corpus Fund to any reserve account is necessary or appropriate at the time of such resolutions. Creating such entries would not align with prudent accounting principles and may result in financial misrepresentation.

The Corpus Fund, which represents the accumulation of surplus over time, is disclosed on the liability side of the balance sheet and is backed by corresponding assets-such as fixed deposits (FDRs), bank balances, loans and advances and fixed assets. When actual capital expenditure is incurred, the Institute's liquid assets (like bank balances and FDRs) are reduced and fixed assets increase proportionately. There is, thus, no net effect on the Corpus Fund.

Reply of the IIMR does not address the issue of segregating specifically earmarked funds from the Corpus and the issue of excess allocation of interest to the Corpus funds due to overstatement of the Corpus.

The Ministry in its reply (April 2026) agreed with the audit observation and stated that corpus fund was overstated and had been subsequently used by the Director to claim financial benefit, which needs to be recovered.

Recommendation:

IIMR may depict the Corpus Fund and earmarked fund for specific expenditure separately and apportion the interest income in respect to Corpus Fund accordingly.

3.2 Deficiencies in recognition and presentation of revenue grants

(A) Transfer of anticipated revenue grant leading to overstatement of corpus fund

As per the norms approved by the BoG (vide Agenda item no 8.6.1 of the meeting on 30 August 2012), BoG could approve a transfer of a part or full of the own income/non-grant surplus of the Institute to the Corpus Fund as well as approve from time to time the transfer of a part or full of any non-grant receipts to the Corpus Fund.

Audit observed that the IIMR did not limit transfer to Corpus Fund to the amount of surplus of internal income, instead, transferred amounts exceeding the actual surplus (i.e., excess of income over expenditure) to the Corpus Fund during the years, as detailed in **Table 3.1**.

Table 3.1: Excess amount transferred to Corpus Fund

(₹ in crore)

Year	Surplus (Excess of income over expenditure)	Amount transferred to Corpus fund	Due for transfer to Corpus fund	Excess amount transferred to Corpus fund
1	**2**	**3**	**4**	**(3-4)**
2012-13	12.72	13.48	12.72	0.76
2013-14	11.85	16.74	11.85	4.89
2014-15	18.70	21.11	18.70	2.41
2016-17	17.14	26.65	17.14	9.51
Total				**17.57**

As is evident from the **Table 3.1** above, during the financial years 2012-13 to 2014-15 and again in 2016-17, IIMR transferred amounts exceeding the actual internal surplus. IIMR transferred anticipated revenue grants into the corpus fund, by showing it as receivable from MHRD in the subsequent year, without any formal approval from the Ministry.

The issues regarding adjustments in Grant-in-aid was also raised in the SAR for the year ended 31 March 2017 and 31 March 2018.

On being pointed out, the Institute replied (June/October 2025) that the transfers made to the Corpus Fund between 2012-13 and 2016-17 were undertaken in line with the then prevailing understanding of financial planning and internal fund management. The primary objective was to build a corpus to support future infrastructure development and long-term institutional sustainability. These transfers were internal book adjustments based on projected income and were not actual diversions or misuse of government grants. The amount transferred to the Corpus Fund more than actual internal surplus based on anticipated revenue grants for those year should not be treated as a diversion of government revenue grant. The competent authority in the years 2012 to 2016 in their wisdom decided to create corpus fund of such nature.

Further, according to IIM Act 2017, Chapter IV (22), "Each Institute shall create a corpus fund for long term sustainability of the Institute". Therefore, Institute is following the IIM Act to create a corpus.

Out of the total Excess amount transferred to the Corpus Fund during 2012-13 to

2014-15 (₹ 8.07 crore comprising ₹ 0.77 crore in 2012-13, ₹ 4.89 crore in 2013-14 and ₹ 2.41 crore in 2014-15), an amount of ₹ 6.17 crore was already adjusted against the Corpus Fund in 2015-16. Consequently, only ₹ 2.15 crore remained in the Corpus Fund as of 31 March 2016, which was fully adjusted in 2016-17 followed by ₹ 9.51 crore in 2017-18. Therefore, there is no over statement of the Corpus Fund.

Reply of the Institute regarding adjustment of all the amount may be viewed in light of the fact that the amount of ₹ 5.41 crore was only adjusted (₹ 28.62 crore surplus -₹ 23.21 crore amount transferred to corpus fund) in the corpus fund during the year 2015-16 as verified from the Income & Expenditure Account. From 2017-18 to 2023-24, amount transferred to Corpus fund was equal to Surplus stated in Income & Expenditure Account and Audit was unable to find adjustment of remaining amount of ₹ 12.16 crore (₹ 17.57 crore - ₹ 5.41 crore). Further, formal approval of MHRD was also not taken.

(B) Under-booking of revenue grants in 'Income and Expenditure account'

In accordance with Paragraph 15 of Accounting Standard-12 (AS-12) Accounting for Government Grants, revenue grants should be recognized in the statement of profit and loss on a systematic basis over the periods in which the related costs are incurred. Such grants should either be shown separately under 'other income' or deducted in reporting the related expenses.

As per the sanction letters issued by the Government of India, the total revenue grant received by the IIMR during the financial years 2009-10 to 2017-18 amounted to ₹ 97.53 crore, as detailed in **Table 3.2.**

Table 3.2: Details of revenue grants received and booked in Income Head

(₹ in crore)

Year	Total revenue grant received as per sanction letters	Amount of actual expenditure	Amount of revenue grant booked in Income & Expenditure account[2]
2009-10	2.00	0.06	0.00
2010-11	3.00	4.01	0.00
Sub total	***5.00***	***4.07***	***0.00***
2011-12	3.97	5.97	9.92
2012-13	19.97	7.63	6.87
2013-14	5.00	10.06	4.23
2014-15	9.24	11.66	9.24
2015-16	8.55	15.16	8.55

[2] The amount of revenue grants to be booked in I&E account will be to the extent of expenditure incurred from the grant.

Year	Total revenue grant received as per sanction letters	Amount of actual expenditure	Amount of revenue grant booked in Income & Expenditure account[2]
2016-17	10.00	20.59	10.00
2017-18	35.80	18.48	16.17
2018-19	0.00	23.96	7.61
Sub total	***92.53***	***113.51***	***72.59***
Total	**97.53**	**117.58**	**72.59**

As could be seen from the table above, during 2009-10, although a revenue grant of ₹ 2.00 crore was received, it was not recognized under 'Other Income' in the income statement, causing an expenditure of ₹ 6.30 lakh incurred during the year to appear as net loss.

Similarly, during 2010-11, despite receipt of ₹ 3.00 crore as revenue grant, this amount was not booked as 'Other Income'. After adjusting internal income of ₹ 1.58 crore against the expenditure of ₹ 4.01 crore, a loss of ₹ 2.43 crore was reported.

Further, during the period from 2011-12 to 2018-19, IIMR received revenue grants totalling ₹ 92.53 crore from the Government of India.

However, only ₹ 72.59 crore was reflected under the 'Income from Grants' head in the accounts. This resulted in under-booking of revenue grants in 'Income and Expenditure account'.

Reply of IIMR is awaited.

The Ministry in its reply (April 2026) agreed with the audit observation and stated that corpus fund was overstated and had been subsequently used by the Director to claim financial benefit, which needs to be recovered.

Recommendation:

The Institute should follow the approved format of accounts and take specific approval from the Ministry in case of deviations.

3.3 Non-transfer of interest of ₹ 4.81 crore to Government accounts

Rule 230(8) of GFR, 2017 provides that, all interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases.

Scrutiny of records of IIMR revealed that the Institute had an unspent balance of ₹ 43.73 crore as on 01 April 2016 (as per utilisation certificate for the year 2016-17) in respect of grants-in-aid received from Government of India. The Institute had received Grants from Govt. of India for capital and revenue expenditure from 2009-10 to 2019-20 amounting to ₹ 417.71 crore.

IIMR has not maintained subsidiary accounts of the grants and due to non-maintenance of separate bank accounts for Govt. Grants, the interest earned on revenue and capital grant could not be determined by Audit. However, as per utilisation certificates submitted to Government of India, IIMR had shown that it had earned interest of ₹ 4.81 crore on unutilised grants from 2016-17 to 2019-20, which was not remitted to the Consolidated Fund of India.

Thus, non-refund of interest earned on grants-in-aid (revenue as well as capital) to Government accounts has resulted in irregular retention of government money.

On being pointed out, IIMR admitted (May 2025) that a separate bank account was not earmarked for grants and interest calculation on grants was not available. IIMR replied (June 2025) that as per Rule 230(16) of GFR, the stipulation in regard to refund of the un-utilised amount of Grant-in-aid with interest thereon should be brought out clearly in the letter sanctioning the Grant as well as in the bond so required to be executed. The grant sanction letters received from the Ministry did not contain any such condition mandating the refund of interest earned on the unutilised portion of the grants. In the absence of this stipulation and in alignment with the GFR rule, the Institute was not obligated to refund the interest amount to the Government. Also, in Utilisation Certificates submitted to the Ministry every year, interest earned on grants is highlighted separately to be further utilised for the purpose for which grant has been received, which has been duly acknowledged by the Ministry and never been demanded by the Ministry. It further stated (October 2025) that the annual accounts along with Notes to Accounts and Significant Accounting Policies were certified by CAG every year. There has been no objection raised to the said policy and accounting thereof by CAG since inception.

Reply may be viewed in light of the fact that the sanction letter not containing a provision for refund of interest on unutilised grant does not allow the Institute to disregard compliance of Rule 230(8) of GFR, 2017. Institute should have taken the specific approval of the Ministry for non-refund of interest amount in the absence of any stipulation in sanction letter issued by the Ministry. Though, the Institute has included interest earned on grants-in-aid in the UCs submitted to Government of India while calculating unutilised grants for the period 2016-17 to 2019-20, in the annual accounts of the Institute, this interest earned was not included in Schedule-3C ‘Unutilised grant from Government of India’. The IIMR has again (October 2025) reiterated the same facts.

The Ministry in its reply (April 2026) agreed with the audit observation and stressed that responsibility be fixed and suitable action be taken.

3.4 Non-recovery/non-adjustment of advances to private parties/ suppliers

Rule 23(5)(b) of the Central Government Account (Receipt and Payment) Rules, 2022, read with Rule 321 of General Financial Rules, 2017, stipulates that in case of advances for other departmental expenditure, which are ultimately recoverable from private owners or other parties, the duties such as maintaining detailed accounts of the advances, of watching their recoveries and of supervision, shall rest with the departmental authorities concerned.

Examination of records showed that advances of ₹ 1.08 crore were given by IIMR to various private parties and suppliers on 35 occasions during the financial year 2018-19. Of these 35 instances, adjustment entries for four cases (**Table 3.3**) amounting to ₹ 14.44 lakh were not found in the account books and as such, their authenticity could not be verified.

Table 3.3 : Details of adjustment entries not found in books of accounts

(Amount in ₹)

Sl. No.	Name of Party/Supplier	Amount of advance minus TDS	Bank Payment Voucher No.	Date of Voucher
1.	Advanced Business Intelligence & Analytics Pvt. Ltd.	45,762	237	23.05.2018
2.	Capital Market Publishers Pvt. Ltd.	54,000	1421	26.02.2019
3.	Datanet India Pvt. Ltd.	52,333	1423	26.02.2019
4.	EBSCO Info Service India Pvt. Ltd.	12,91,999	1427	26.02.2019
Total		**14,44,094**		

Further, examination of records indicated that advances of ₹ 18.50 lakh remained unrecovered or unadjusted as of 31 March 2024, as detailed in **Table 3.4** below.

Table 3.4: Outstanding advances

(Amount in ₹)

Sr. No.	Type of advance	Amount of advances	Outstanding since
1.	To Suppliers/Parties	9,42,957.80*	19.11.2019
2.	Account Receivable	9,06,832.14**	31.03.2022
Total		**18,49,789.94**	

* *₹ 9,46,622.80 were outstanding on 31.03.2019 i.e. only ₹ 3,665 were settled up to March 2024.*

** *₹ 9,36,252.14 were outstanding on 31.03.2021 i.e. only ₹ 29,420 were settled during 2021-24.*

On being pointed out (March 2025), the Institute replied (April/May 2025) that, in addition to ₹ 9,42,957.80 shown as outstanding against suppliers/parties, an amount of ₹ 3.31 lakh was also due from two parties/suppliers (₹ 3.30 lakh from 'United Service Institution of India' and ₹ 0.01 lakh from 'E Solutions') as of

31 March 2024. It was also mentioned that these vendors/private parties were not identifiable and they were in the process of writing off the amount of ₹ 18.50 lakh, as detailed in **Table 3.4** above. In addition, as per Schedule 8 of the Statement of Accounts for the year 2023-24, the Institute reported an unadjusted amount of ₹ 67.76 lakh recoverable from various IIMs under the Common Admission Process (CAP) ledger account, pending since the financial year 2019-20. The IIMR further replied (October 2025) that advances of ₹ 14.35 lakh given to M/s EBSCO Info Services has been settled however, no supporting document has been attached with the reply.

Non-recovery or adjustment of the aforementioned amounts and advances highlights the lack of an effective monitoring mechanism.

Ministry in its reply (April 2026) agreed with the audit observation.

3.5 Non-adjustment of advances given to staff

Rule 323(1) of General Financial Rules (GFR), 2017 provides that the Head of the Office may sanction advances for purchase of goods or services, or any other special purpose needed for the management of the office. The Head of the Office shall be responsible for the timely recovery or adjustment of the advance.

Further, Rule 323(2) of GFR, 2017 stipulates that the adjustment bill along with balance, if any, shall be submitted by the Government servant within fifteen days of the drawal of advance, failing which the advance or balance shall be recovered from his next salary.

A review of records disclosed that an amount of ₹ 14.27 lakh given as temporary advances to the staff on different occasions were not adjusted within the prescribed time period of 15 days. These advances were settled with a period ranging between five and 1,461 days beyond the prescribed period of 15 days.

Further, action taken by the Head of Office to expedite the recovery/adjustment of the advances was not available on records.

On being enquired (March 2025), the IIMR replied (March 2025) that the above list contains Faculty Development Fund (FDF) advances also.

However, as per the documents made available none of the advances listed above contains FDF advances.

The IIMR in its further reply (October 2025) stated that FDF[3] advance is given once in 3 years and can be settled at any time during this period, but no documents in support have been provided.

[3] As per Faculty Handbook, Faculty members will be provided with a Faculty Development Fund of ₹ 1 lakh p.a. This fund could be used for a wide range of professional development activities such as purchase of books, computers etc.

Ministry in its reply (April 2026) agreed with the audit observation.

Recommendation:

The Ministry may ensure that the Institute puts in place a robust monitoring mechanism for timely adjustment and recovery of advances given to third parties and staff to prevent delays and mitigate risks of misuse.

3.6 Non-compliance with Accounting Standard-15

Accounting Standard-15 (AS-15) requires entities to recognise future obligations for employee benefits under defined benefit plans at their net present value, based on actuarial valuation. This is a specialised exercise that must be carried out by a qualified actuary.

However, IIMR disclosed in its Annual Accounts for 2023-24 that the provision for gratuity and leave encashment had been assessed by the Internal Auditors rather than by a qualified actuary (Note 29). This issue had already been highlighted in the Separate Audit Report for 2023-24, yet the Institute continued to depart from the prescribed standard.

In response to the audit observation (June/October 2025), IIMR stated that it would engage a qualified actuary for determining gratuity and leave encashment liabilities for 2024-25 to ensure compliance with AS-15.

Ministry in its reply (April 2026) agreed with the audit observation.

Recommendation:

IIMR should obtain actuarial valuation of gratuity and leave encashment from a qualified actuary, as required under AS-15, to ensure accurate and compliant financial reporting.

3.7 Non-preparation of Accounting Manual

The Board of Governors, in its meetings of June 2014 and January 2016, directed the Institute to prepare an Accounting Manual. Although a draft manual was submitted in July 2016, the Board advised incorporating best practices from other IIMs before finalisation.

Audit observed that despite these directions and repeated flags in Separate Audit Reports for 2018-19 and 2020-21, the Institute has not prepared or adopted the final Manual.

IIMR stated (October 2025), that it follows the accounting format prescribed for Central Higher Educational Institutions, which it considers a *de facto* Manual.

The reply may be viewed in light of the fact that the accounting format does not substitute for an institution-specific Manual approved by the Board. The continued absence of a formal Accounting Manual reflects the weak internal controls in the Institute's accounting processes.

Ministry in its reply (April 2026) agreed with the audit observation.

Recommendation:
IIMR should finalise and adopt a comprehensive Accounting Manual as directed by the Board to strengthen internal controls and ensure consistent, compliant accounting practices.

3.8 Increase in fee without preparation of budget estimates

Section 7(i) of the Indian Institute of Management Act, 2017 empowers IIMs to fix and collect fees for academic and related services. This autonomy, however, is balanced by Section 7(g), which requires Institutes to reduce the cost of education and broaden the access through the use of information and communication technology and other innovative methods. Further, Section 9 mandates that IIMs operate as not-for-profit entities, ensuring that any surplus is reinvested exclusively for institutional growth and research.

Audit analysis showed that IIM, Rohtak generated cumulative surplus receipts of ₹ 217.91 crore during 2018-19 to 2023-24. Academic receipts from its PGP, IPM and IPL programs grew substantially, from ₹ 31.57 crore in 2018-19 to ₹ 125.91 crore in 2023-24, while the average annual fee per student increased from ₹ 6.40 lakh to ₹ 8.64 lakh over the same period, a rise of 35 *per cent.*

Audit noticed that the Institute did not prepare annual budgets to estimate receipts and expenditures, a key financial planning tool. Without preparing budget to assess actual financial needs and aligning revenues accordingly, the fee structures seem to have been set high by the Institute. This is contrary to the institution's mandate to make education more affordable. A similar concern had been raised earlier in the Audit Inspection Report for 2019-21.

In response (June/October 2025), the Institute stated that it has been fully self-funded since 2019, operates with financial autonomy and maintains fees among the lowest across IIMs. It further argued that surpluses must be viewed in light of capital expenditure funded from internal sources and highlighted that approximately 15 *per cent* of students receive merit-based scholarships.

The Institute's reply may be viewed in light of the fact that while financial autonomy and long-term sustainability are important, the consistently high surpluses, after meeting both operational and capital needs raise concerns regarding affordability and compliance with the not-for-profit mandate under the IIM Act. The absence of a structured financial plan or fee-setting framework further underscores the need for transparent, needs-based fee rationalisation.

Ministry in its reply (April 2026), sought vision document from the Institute for its consideration.

Recommendation:

Ministry may ensure that IIMR prepares a long-term financial and academic vision document to guide strategic planning and rationalise fees in line with its not-for-profit and affordable education mandate.

3.9 Conclusion

The Institute overstated its Corpus Fund by ₹ 267.45 crore by not showing the earmarked funds separately. Interest of ₹ 4.81 crore on unutilised grants was not remitted to the Consolidated Fund of India, in violation of the provisions of GFR. Advances to suppliers/private parties and staff remained unadjusted, indicating weak monitoring mechanisms. No subsidiary accounts were maintained for grants-in-aid from the Government. The Institute has neither followed AS-15 nor prepared Accounting Manual.

Chapter IV

Procurement and Contract Management

Chapter-IV: Procurement and Contract Management

4.1 Irregularities in engagement of specialized manpower

4.1.1 Avoidable expenditure due to overlapping engagement

Rule 21 of the General Financial Rules (GFR), 2017 requires public officials to exercise proper financial prudence while incurring expenditure. Audit reviewed the sanctioned strength of the Accounts Section and observed that although key posts (Financial Advisor & Chief Accounts Officer and two Accountants) remained filled since 2020, the Institute continued engaging multiple external firms for similar accounting and audit-related functions.

In June 2019, IIM, Rohtak engaged M/s Sarupria Somani & Associates to provide specialised manpower, including a Chartered Accountant and support staff, for managing accounts, audit, GST filings and related financial operations. When the firm expressed its inability to continue from April 2020, the Institute awarded the same assignment to the L2 bidder, M/s Brij Gupta & Co., on identical terms for 2020-21.

Parallelly, the Institute engaged a separate CA firm, M/s B.M. Verma & Co., for internal audit from 2017-21 and later appointed M/s Arvind Upkar & Co. for internal audit from 2021-25. Despite this, in October 2021, M/s B.M. Verma & Co. was again engaged on a retainership basis, without a formal agreement and under Rule 194 (nomination basis) for advisory support during audit periods.

A comparison of the scope of work **(Annexure 4.1)** revealed overlap like preparation of accounts, audit support and tax filings being performed concurrently by the specialised manpower firm as well as the internal auditors. Engaging an additional firm for the same work resulted in duplication of effort and avoidable expenditure of ₹ 7.27 lakh till audit period. **(Annexure 4.2)**.

The Institute replied (April 2025) that there was shortage of manpower in accounts department, due to which services of M/s Sarupria Somani & Associates, were availed through a valid tender process for providing specialized manpower.

The Institute's justification citing staff shortages was not borne out by records, especially since sanctioned posts were filled and specialized manpower was already deployed. The decision to appoint another firm without a formal contract, without Board approval and for work already covered under existing engagements reflected weak contract management and non-adherence to GFR provisions.

Ministry in its reply (April 2026) agreed with the audit observation.

4.1.2 Avoidable expenditure on supplementing responsibilities of the Financial Advisor & Chief Accounts Officer

After the resignation of the Financial Advisor & Chief Accounts Officer (FA&CAO), the Institute assigned the additional charge to a faculty member from the Economics Department, along with an honorarium of ₹ two lakh for undertaking these responsibilities. Audit observed that despite this arrangement, the Institute engaged a private accounting firm (M/s B.M. Verma & Co.) to brief and guide the acting FA&CAO and paid the firm ₹ 1.43 lakh between April and August 2023. These payments were made for activities such as attending meetings, providing guidance and travel, as detailed in **Annexure 4.3**.

This additional expenditure contradicted the very purpose of providing an honorarium, as the faculty member was already compensated to discharge the FA&CAO duties independently. A similar matter had been flagged in the Inspection Report of 2019-21, indicating recurring internal control weaknesses.

In response (May/October 2025), the Institute stated that the CA firm had been engaged earlier with approval to support audit and specialised financial matters and that due to the absence of a full-time FA&CAO, the faculty member required support to handle financial responsibilities.

The reply may be viewed in light of the fact that the Board had already directed that records should be handed over to the internal auditors whose scope covered these activities and if the faculty member was unable to perform the assigned duties, approval of an honorarium of ₹ 2 lakh lacked justification.

Ministry in its reply (April 2026) agreed with the audit observation.

4.1.3 Appointment of Internal Auditor without requisite experience and documents

The Institute issued a Request for proposal (RFP) in February 2021 for engaging a Chartered Accountant firm to conduct internal audit and prepare annual accounts. The RFP required bidders to furnish (i) documentary proof of experience in similar assignments in government-funded institutions during the previous five years and (ii) copies of at least five work orders for similar services during 2020-21.

Audit review showed that the selected firm (M/s Arvind Upkar & Co.) submitted only four work orders, out of which only two met the RFP criteria, while the remaining were either outside the permissible period or related to non-government entities. Further, the firm did not submit any of the five mandatory work orders for 2020-21. Instead, only a self-attested list was provided, covering limited periods of concurrent audit work.

Despite these deficiencies, the Institute issued a work order in March 2021 and subsequently extended it for three additional years, without obtaining the mandatory supporting documents.

The Institute stated in its replies (April/October 2025) that the firm's biodata and list of clients were sufficient and that complete work orders were submitted after shortlisting due to confidentiality concerns.

The reply may be viewed in light of the fact that the RFP explicitly required submission of documentary proofs along with the bid; the absence of such documents made the firm ineligible at the initial stage itself. Acceptance of an incomplete bid resulted in an undue advantage to the selected firm.

Ministry in its reply (April 2026) agreed with the audit observation.

Recommendation:

The Institute should strengthen its contract management and internal control mechanisms to prevent overlapping engagements and ensure compliance with GFR provisions. Eligibility criteria in RFPs should be strictly enforced, with documentary evidence verified before award to avoid irregular expenditure and ensure transparency in financial operations.

4.2 Irregularities in award of work for supply of Air Conditioners (ACs) in IIMR

4.2.1 Irregular award of work for supply, installation, testing and commissioning of 500 Split AC Units in Hostel Block

Rule 163 of the General Financial Rules mandates a two-bid system, requiring technical bids to be opened and evaluated first, followed by opening of financial bids only for technically qualified bidders.

IIM, Rohtak invited e-tenders in April 2019 for Supply, Installation, Testing and Commissioning of 500 Split AC units at an estimated cost of ₹ 1.72 crore. Two bids were received and the bid of M/s V Save Electronics was rejected during technical evaluation on the grounds of insufficient documentation, though the record did not specify the deficiencies. The financial bid of the remaining sole bidder, M/s Pahuja Aircon, was thereafter opened and the firm was awarded the contract for ₹ 1.64 crore.

Audit scrutiny of the technical bid of M/s Pahuja Aircon revealed that the sole bidder was not eligible on technical grounds prescribed in the NIT, which required bidders to have completed similar work (supply and installation of One-TR/1.5-TR Split ACs) during the seven years ending 31 December 2018, supported by work orders and completion certificates. The documents submitted by the bidder showed that:

- Two major work orders (₹ 12.00 crore and ₹ 1.60 crore) were completed after the prescribed cut-off date of 31 December 2018.
- The remaining two work orders were below the minimum threshold of ₹ 68.60 lakh.
- Completion certificates for none of the works were submitted; only purchase orders and a self-declaration dated 02 May 2019 were provided.

Hence, this resulted in violation of fair competition and transparency leading to award of work to a technically non- qualified bidder. IIMR later contended (March/October 2025) that M/s Pahuja Aircon had received payments exceeding the qualifying threshold before December 2018 and therefore met the criteria. This justification was not supported by the tender file or by any completion certificate issued prior to the cut-off date and the ledger extracts furnished during audit appeared to be post-facto and not part of the original evaluation. Further, these records did not confirm execution of similar works involving Split ACs as required by the NIT.

Ministry in its reply (April 2026) agreed with the audit observation.

4.2.2 Procurement of additional Two-TR ACs without tendering

IIM, Rohtak awarded (May 2019) a contract to M/s Pahuja Aircon for ₹ 1.64 crore for supply and installation of 500 One-TR Split AC units. Clause 2.17.1 of the agreement allowed variation in quantity at the same unit rates, subject to a ceiling of 1.25 times the contract value. However, such deviations were permissible only for items included in the original Schedule of Quantities (SoQ).

Audit examination showed that on 29 July 2019, IIMR resubmitted a proposal on the directions of the Director, to procure 41 additional units (11 One-TR and 30 Two-TR) at a total cost of ₹ 18.58 lakh, claiming it was within the 25 *per cent* variation limit under Clause 2.17.1. The Director approved this proposal on 8 August 2019.

Audit observed that the original Schedule of Quantities (SoQ) covered only supply and installation of 500 One-TR AC units. Two-TR ACs did not form part of the tendered items. Therefore, procurement of 30 Two-TR ACs units at a higher unit cost of ₹ 36,000 when these items were not included in the SoQ, was outside the permissible scope of variation under Clause 2.17.1. Any procurement of new items not originally tendered required fresh tendering.

IIMR stated (April/June/October 2025) that the additional units were procured under the variation/extra-item provisions of the agreement.

The reply may be viewed in light of the fact that the items absent from the original SoQ cannot be treated as quantity variations or extra items under Clause 2.17.1. Further, records indicated that the supplier delivered the 41 additional AC units before quotations were taken and before approval was granted. One quotation was obtained as late as October 2019 after supply apparently to regularise the procurement *ex post facto*.

These actions reflect deviation from tender conditions, procurement of new items without competitive bidding and indicate undue favour to the existing contractor, compromising fairness and transparency.

Ministry in its reply (April 2026) agreed with the audit observation.

4.2.3 Supply, installation, testing and commissioning of 100 Split ACs in hostel block

GFR Rules 159(i) and 160(i) mandate all autonomous bodies to e-publish tender enquiries and receive bids exclusively through the e-procurement portal. CVC guidelines further require that contracts be awarded through fair competition and that nomination or single-bid situations be resorted to only in rare and exceptional cases.

Audit noticed that IIMR's tender of January 2020 for supply and installation of 100 Split AC units, though issued on the e-procurement portal, included a contradictory clause requiring physical submission of documents such as EMD, tender fees and signed tender forms. No justification for this departure from mandatory e-procurement requirements was found on record.

Audit further observed that during bid submission, one bidder, M/s Elite Aircon, reported non-functioning of the portal and sought either acceptance of a hard copy or extension of time. IIMR extended the deadline and the firm subsequently uploaded its BOQ online. However, IIMR disqualified M/s Elite Aircon for the earlier physical submission of the BOQ, while simultaneously disqualifying M/s AERMEC HVAC for not submitting physical documents, an internally inconsistent application of tender conditions given that GFR permitted only online submissions. Only M/s Pahuja Aircon remained technically qualified, although M/s Elite Aircon later informed IIMR that its quoted rate was lower. Despite declaring the successful bidder in March 2020, IIMR awarded the work only in August 2020 without recording any reasons for the delay.

IIMR's replies (April/June/October 2025) stated that physical submissions were a general institutional practice.

The reply is inconsistent with GFR requirements and did not explain the contradictory treatment of bidders or the absence of transparent evaluation which resulted in single remaining bid of M/s Pahuja Aircon. These deviations from prescribed procurement norms facilitated award of the contract to a single, higher-priced bidder, disregarding GFR and CVC principles of transparency and fair competition.

Ministry in its reply (April 2026) agreed with the audit observation.

Recommendation:

IIM, Rohtak should strictly adhere to GFR and CVC guidelines by ensuring transparent, fair and competitive procurement through proper technical evaluation and fresh tendering for non-tendered items. Mandatory e-procurement and eligibility conditions must be uniformly and objectively applied, supported by documentary evidence.

4.2.4 Upward revision of estimate to justify award of contract to a single bidder

As per GFR Rule 173 read with sub-rules (xix) and (xx), procurement must ensure transparency, competition, fairness and avoidance of arbitrariness. Even where only one bid is received, the process may be valid only if: (a) the tender is adequately advertised with sufficient response time, (b) eligibility conditions are not restrictive and (c) quoted rates are reasonable, compared to market prices.

Audit scrutiny of records relating to the work "Providing and fixing electrical fittings and split AC for hostel/offices/classroom blocks at IIMR" revealed that IIMR invited bids for aforesaid work on 07 May 2022 with estimate of ₹ 91.52 lakh, against which three bids were received out of which two were rejected on the basis of physical submission of bids and the third bidder was found technically qualified and the tender committee opened the financial bid of the sole bidder which was quoted at a price higher than the approved estimate i.e. ₹ 99.84 lakh (9.10 *per cent* above estimate).

After negotiation, the revised offer of the single bidder was ₹ 97.77 lakh, which was still higher than the pre-tender estimate by 6.8 *per cent*. Instead of assessing the reasonableness of the quoted price against market rates, the Tender Committee recommended upward revision of the original estimate for AC units and AMC charges to narrow the gap between estimated rates and quoted prices of the bidder. No supporting market survey, calculation sheets, or justification for this revision were available in the records. Further, the work was completed by the contractor at a total cost of ₹ 1,00,29,841/- (Vr. No 902 ₹ 44,43,336 and Vr. No. 1150 ₹ 55,86,505). This showed lack of fair competition and violation of GFR rules for favouring a particular contractor.

The IIMR replied (April 2025) that post-tender upward revision is aligning with the Ministry of Finance letter of 29 October 2021.

Ministry of Finance’s aforesaid letter dated 29 October 2021 allowed acceptance of a single bid if the quoted price were reasonable in comparison to prevailing market rates. Rather than checking the reasonableness of the quoted rates with market price, IIMR altered its own estimate without recording any rationale. This was not in line with the GFR principles of transparency, fairness and competition.

Ministry in its reply (April 2026) agreed with the audit observation.

4.3 Undue favour to contractor on account of Mobilisation Advance

CVC guidelines (April 2007) discourage interest-free Mobilisation Advance (MA) and permit it only when expressly provided in tender conditions, with mandatory time-bound recovery. The CPWD Works Manual 2014 similarly allows Mobilisation Advance up to 10 *per cent* of the tendered value for large works, subject to 10 *per cent* simple interest and written request from the contractor.

IIMR awarded the contract in March 2015 for work titled “Construction of Phase 1A of Permanent Campus for Indian Institute of Management, Rohtak at Sunaria village, Rohtak amounting ₹ 309.68 crore to M/s Ahluwalia Contracts (India) Ltd. Clause 10B(iv) of the Agreement *inter-alia* provided that (i) the Mobilisation Advance shall be an interest bearing advance which shall bear simple interest at the rate of 10 *per cent* per annum and shall be calculated from date of payment to date of recovery on the outstanding amount of advance, (ii) recovery of such advance was to commence after 10 *per cent* of the work is executed and made in such a way that the entire advance is recovered on pro-rata basis by the time 80 *per cent* of the gross value of the contract is executed.

Audit noticed that IIMR released interest-free Mobilisation Advance of ₹ 30.97 crore, equivalent to 10 *per cent* of the original contract value between April to September 2015. Delayed execution and absence of any fixed schedule for recovery of MA resulted in avoidable financial benefit of ₹ 3.36 crore **(Annexure 4.4)** to the contractor on account of non-levy of interest.

Further, although the Board revised the scope and reduced the sanctioned contract value to ₹ 234.89 crore in July 2016, IIMR did not adjust the Mobilisation Advance to the lower permissible limit of ₹ 23.49 crore (10 *per cent* of ₹ 234.89 crore) after revision of estimate. Further, analysis of recovery of Mobilisation Advance by linking it with the progress of work disclosed that recovery was consistently shorter than the amount of recovery due in proportion to the work done. Such short recovery led to additional loss of interest amounting to ₹ 47.27 lakh **(Annexure 4.4)**.

The IIMR stated (May 2025) that the contract value was later revised to ₹ 258.90 crore, making the Mobilisation Advance fully recoverable once 80 *per cent* of the revised value (₹ 207.12 crore) was executed. In its subsequent replies (June/October 2025), IIMR maintained that the Mobilisation Advance was contractually permissible, transparently administered, fully recovered and did not result in any violation or undue benefit.

IIMR's replies (May/June/October 2025) claiming full recovery were not supported by records. Grant of interest-free advance, absence of a time-bound recovery mechanism and failure to regularise excess advance led to undue financial benefit aggregating ₹ 3.83 crore to the contractor.

Ministry in its reply (April 2026) agreed with the audit observation.

4.4 Undue favour to the contractor – Facility Management Services

The IIMR invited online bids (September 2021) for 'Facility Management Services' for the period from October 2021 to September 2022 through an Open Tender Enquiry on the e-tendering portal, with an estimated cost of ₹ 2.00 crore. The key provisions of the Tender Document included:

- Service charges strictly above 2.00 *per cent*, as mandated by the Haryana Outsourcing Policy (04 August 2021).
- Payment of wages through bank transfer and full compliance with statutory liabilities, including employer contributions toward PF/ESI.
- Evaluation of bids strictly under GFR rules, disallowing bids quoting below prescribed norms.

The EPF Act, 1952 mandates PF, pension and insurance benefits for all eligible workers.

The tender for Facility Management Services (September 2021) required adherence to key provisions. The Haryana *Policy of Outsourcing* (04 August 2021), incorporated through Corrigendum No. 1, mandated summary rejection of bids quoting service charges equal to or below 2.00 *per cent*. Tender conditions required wages to be paid only through bank transfer, with all personnel treated as employees of the contractor, who was responsible for statutory liabilities such as EPF and ESI. The EPF Act, 1952 guarantees long term financial security including pension and insurance through mandatory employer contributions. As per GFR Rules 163-164, only technically qualified bids could proceed to financial evaluation.

Audit observed the followings irregularities:

1. Cancellation of tender on untenable ground and irregularities in wage disbursement

Audit noticed that M/s King Security Guards Service Pvt. Ltd., the incumbent contractor since 2018, continued to receive extensions up to April 2022 due to delayed tender finalisation. In the September 2021 tender, although L1 quoted an ineligible rate of 2.00 *per cent*, two eligible bidders quoted 2.01 *per cent* and 12 *per cent*. Instead of rejecting L1 and awarding the tender to the lowest eligible bidder (2.01 *per cent*), the Tender Committee cancelled the tender on the grounds that the service charges allowed in the tender should have been higher than 2.00 *per cent*.

Then, IIMR retendered the contract on 23 October 2021 and in the re-tender, only two bidders participated; one was technically disqualified for non-payment of the form fee, leaving a single eligible bidder. The sole remaining bidder who quoted service charge of 2.01 *per cent* i.e M/s King Security Guards Service Pvt. Ltd, was awarded the contract (May 2022-April 2023) on 27 April 2022. The unwarranted cancellation of the September 2021 tender necessitated IIMR to extend the previous contract with M/s King Security Guards Service Pvt. Ltd six times up to April 2022, until the same contractor (M/s King Security Guards Service Pvt Ltd) who had quoted below the minimum specified service charges i.e 2.01 *per cent* and already holding the contract since 2018, was selected as the successful bidder.

This re-tendering without valid justification led to preferential treatment to M/s King Security Guards Service Pvt. Ltd.

Irregularities in Wage Disbursement

Scrutiny of records for May 2022-April 2023 revealed that workers were paid in cash, contrary to tender conditions requiring bank transfer. Wage sheets contained inconsistent or mismatched signatures and several acknowledgements appeared to be signed by the same individual, raising doubts about the authenticity of wage disbursements and actual payments to workers.

2. Non-compliance with statutory PF contributions

The successful bidder quoted zero employer PF contribution for specific posts, despite statutory requirements under the EPF Act. This non-compliant bid was evaluated and accepted. IIMR relied solely on the contractor’s challans without independent verification on the EPFO portal, undermining assurance of statutory compliance. Payments of ₹ 2.35 crore (May 2022-April 2023) and ₹ 0.20 crore (May 2023 extension) were made despite these lapses. In April 2023, the same contractor again quoted zero PF contribution for certain posts and was still awarded the contract (June 2023-May 2024). Cash wage payments and signature inconsistencies persisted up to January 2024. IIMR released ₹ 3.25 crore during this period, resulting in total payments of ₹ 5.80 crore despite continuing violations.

IIMR attributed (March/October 2025) the cancellation of the September 2021 tender to ambiguity in the financial bid format. On wage payments and PF compliance, IIMR stated that salary disbursement was the contractor's responsibility.

However, the tender document and corrigendum clearly mandated rejection of bids quoting 2.00 *per cent* or below, therefore, quoting 2.01 *per cent* was fully compliant. This is supported by the fact that the system accepted the L2 bid at 2.01 *per cent* for comparison. A separate employer-PF column existed in the bid format and the contractor had entered zero only for specific posts, demonstrating non-compliance. Further as per Section 6 read with 8A(1), it is the responsibility of principal employer to recover EPF contribution (both employers and employee share) from the contractor. Moreover, the tender conditions required IIMR, as principal employer, to independently verify statutory dues, an obligation it did not fulfil.

Ministry in its reply (April 2026) agreed with the audit observation.

Recommendation:

IIMR should strengthen procurement and contract controls by ensuring transparent tender outcomes and independent verification of bank-based wage payments and PF compliance to mitigate financial and compliance risks.

4.5 Undue favour to the contractor by accepting bids below minimum wages, leading to underpayment to workers

The IIMR invited online bids in April 2024 for Facility Management Services for June 2024 to May 2025. The tender conditions required bidders to quote wages equal to or above the minimum rates notified by Haryana Kaushal Rozgar Nigam Ltd. (HKRNL), with bids quoting below these statutory wages liable for outright rejection. The tender further required wage escalation as per Government Labour Rules and mandated that all wages be paid through online transfer or cheque. In addition, the General Administration Department, Government of Haryana, through its January 2022 notification, mandated that whenever revised Nigam Wage Rates were higher, the deployed personnel must be paid the updated rates.

Audit observed that only two bidders qualified for financial evaluation. When financial bids were opened on 25 April 2024, the Tender Committee found the L1 bidder's rates to be 21.12 *per cent* higher than the estimate and opted for negotiations. While the bidder had initially quoted wages aligned with the prevailing HKRNL rates (effective up to June 2024), negotiations on 07 June 2024 resulted in the bidder reducing wages to outdated Nigam Wage Rates of January 2022, which had been superseded in September 2023. Despite this clear violation of statutory wage norms, the Tender Committee accepted the outdated rates and awarded the contract in July 2024.

During execution, workers continued to be paid wages at the outdated 2022 rates even after a fresh revision in July 2024, thereby violating statutory requirements and depriving workers of the minimum wages legally due to them. A comparison of notified and negotiated wage rates **(Annexure 4.5)** revealed that accepted wages were consistently below updated statutory rates, amounting to underpayment and non-compliance.

Audit also noticed that for certain posts, the bidder quoted zero employer PF/ESI contributions, despite a separate column in the bid format dedicated to employer contributions. While other posts carried correct PF/ESI quotations, two categories-Housekeeping/Horticulture Supervisor and Tractor Driver, reflected zero employer contribution, in violation of statutory provisions mandating employer PF/ESI coverage.

Despite these breaches of statutory wage and social security provisions, IIMR processed payments totalling ₹ 1.66 crore between July 2024 and January 2025.

IIMR stated (June/October 2025) that the wage reduction during negotiations was a financial-prudence measure to make the bid competitive and payments continued at quoted rates because the contractor did not request wage revision. IIMR also stated that PF/ESI challans were submitted monthly, verified through the EPFO portal and no complaints of underpayment or non-compliance were received.

The reply may be viewed in light of the fact that the adherence to revised Nigam Wage Rates is a statutory requirement, not contingent on a contractor's request. Acceptance of outdated 2022 wage rates and allowing payment below statutory minimum constituted a clear breach of tender conditions and labour laws, resulting in undue benefit to the contractor and financial loss to workers. The tender documents also required IIMR, as the principal employer, to verify statutory compliance before releasing payments. The Institute did not independently verify EPF deposits which led to short/non-deposit of workers' PF entitlements, as detailed in **Paragraph 4.7**.

Ministry in its reply (April 2026) agreed with the audit observation.

4.6 Undue favour to the contractor – Security Services

CVC guidelines (03 March 2007 and 20 January 2010) stipulate that post-tender negotiations are normally prohibited and, if unavoidable, may only be held with the lowest bidder (L1). The Minimum Wages Act, 1948 also mandates payment of notified minimum wages and prescribes penalties for underpayment.

Audit noticed that IIMR invited bids in August 2019 for security services and when financial bids were opened, the Tender Committee held discussions not only with L1 but also with L2 and L3, contrary to CVC guidelines. L1 and L3 were disqualified on the ground that their wage quotes were below Deputy Commissioner (DC)[4] rates and based on 26 working days. However, L2 had quoted on the same basis, yet was not disqualified and was instead declared the new L1. The bidder later submitted a revised bid introducing reliever charges-an element not provided for in the tender and IIMR accepted it. The contract was awarded to M/s Cyclops Security & Allied Services Pvt. Ltd. in September 2019, despite its quoted EPF/ESI contributions being lower than statutory requirements.

Audit further found that workers continued to be paid outdated DC rates even after wage revisions in April 2020 and thereafter. Despite repeated DC rate revisions, IIMR neither ensured payment of revised wages nor enforced contractual penalties and continued extending the contract up to April 2022. In subsequent tenders (2022-23 and 2023-24), all bidders quoted EPF contributions below statutory norms; instead of rejecting such bids and recalling the tender, IIMR again awarded and extended contracts to the same contractor, even though statutory shortfalls persisted and workers continued to be paid outdated wages.

IIMR stated (June 2025) that discussions were held with the three lowest bidders to clarify wage interpretations and that L2 alone agreed to pay reliever charges. It also stated that no complaints were received from workers and no requests for wage revision were made by the contractor.

The reply may be viewed in light of the fact that the post-tender negotiations with bidders other than L1 violate CVC guidelines and no documentary justification for selective treatment was produced to Audit by IIMR. Further, reliever charges were never part of tender conditions and statutory wage compliance cannot depend on worker complaints or contractor requests.

Ministry in its reply (April 2026) agreed with the audit observation.

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4 DC rates are the minimum rates of pay/wages fixed by Deputy Commissioner for contingent payment made to employees/workers of various departments.

4.7 Non-verification of EPF deposits resulting in statutory non-compliance

IIMR engaged M/s King Security Services Pvt. Ltd. for Facility Management Services from May 2022 to July 2024. Under the agreement, the contractor was required to pay wages as per the Minimum Wages Act and ensure timely monthly deposit of both employer and employee EPF contributions in accordance with the EPF Act, 1952 and was also required to submit monthly bills to the Institute.

Further as per section 30(2) of EPF Act, 1952, it is the responsibility of the contractor to recover and pay the PF contribution for their employees to the principal employer and the principal employer is ultimately responsible for ensuring these payments are made to the EPFO. Further, as per EPFO letter dated 31 January 2017, the Principal Employer, was obligated to verify these payments through EPFO portal and has the authority to deduct the EPF dues from the contractor's bill, if necessary.

EPFO had also introduced an online interlinking system enabling Principal Employers to verify, in real time, whether contractors had actually credited EPF contributions for their workers.

Audit observed that although the contractor submitted ECRs and employee lists with bills, IIMR neither used this online facility nor adopted any alternate verification mechanism before clearing payments. To assess the contractor's claims, Audit cross-verified EPF challans and ECRs submitted for June, August and November 2022 and January 2023 with EPFO, Lucknow. Audit found that while IIMR had disbursed ₹ 12.56 lakh towards EPF contributions on the basis of unverified documents, EPFO records reflected receipt of only ₹ 5.28 lakh for the same period. The Institute did not verify deposits which compromised the statutory social security entitlements of contractual workers and exposed IIMR to legal liability.

IIMR stated (April/June/October 2025) that statutory compliance was the sole responsibility of the contractor and that EPF challans were counter-verified using TRRN numbers. IIMR also stated that it was unaware of any EPFO interlinking facility and had not received complaints from workers.

The reply may not be considered in view of the fact that the responsible verification of statutory remittances is a mandatory duty of the Principal Employer and reliance on unverified contractor-provided documents does not meet this requirement.

Ministry in its reply (April 2026) agreed with the audit observation.

4.8 Irregularities in inventory management and disposal procedures of scrapped items

Under Rule 213(2) of the General Financial Rules (GFR) 2017, physical verification of all the consumable goods and materials should be undertaken at least once in a year and discrepancies, if any, should be recorded in the stock register for appropriate action by the competent authority.

Rule 217(V) of the GFR and the E-Waste (Management) Rules, 2022 mandate that hazardous waste, including electrical and electronic items, must be disposed of only through CPCB-registered producers, refurbishers, or recyclers.

Rule 208 of the General Financial Rules requires that all goods received be counted. Rule 208(iii) further states that details of the material so received should thereafter be entered in the appropriate stock register, preferably in an IT based system. The officer-in charge of stores should certify that he has actually received the material and recorded it in the appropriate stock registers.

4.8.1 Non-reconciling the stocks and short deposit of sale proceeds of T-shirts and Tracksuits

Audit examination of records showed that, on the request of the Students' Affairs Office (November 2022), for students enrolled in the Integrated Programme in Management (IPM) and the Integrated Programme in Law (IPL). 7,052 items (4,587 T-shirts and 2,465 Tracksuits) valuing ₹ 71.86 lakh were procured between December 2022 and January 2025. The procurement was undertaken on a no-profit, no-loss basis, with the understanding that the Tracksuits would be issued to individual students who expressed willingness to purchase them on payment basis. Similarly, as part of the uniform for the students enrolled for IPM and IPL, T-shirts were also procured for issuance to all students on payment basis.

Out of 7,052 items, 5,880 items (4,242 T-Shirts and 1,638 Tracksuits) were issued from the Main Store to the Programme Office (PO) for onward distribution. Of these, the PO reported issue of 5,657 items (4,223 T-shirts and 1,434 Tracksuits) to students, leaving a recorded closing balance of 1,395 items, 1,172 with the Store (345 T-shirts and 827 Tracksuits) and 223 with the PO (19 T-shirts and 204 Tracksuits). While only eight *per cent* of T-shirts remained unissued, 42 *per cent* of the tracksuits, valued at ₹ 17.86 lakh, remained undistributed, indicating excess procurement and avoidable blockage of funds.

A joint physical verification (JPV) conducted on 01 May 2025 revealed discrepancies between physical stock and book balances. Against the recorded balance of 364 T-shirts, 1,403 were found in stock. Even after adjusting the unverified pre-December 2022 opening balance, an excess of 152 T-shirts remained unexplained. In contrast, only 676 tracksuits were available on physical verification against a recorded balance of 1,031, reflecting a shortage of 355 units valued at ₹ 6.15 lakh. The PO had not maintained any formal stock register, issue records were kept on loose sheets and no reconciliation of balances had been carried out at any time during the period. The absence of annual verification further reflected weak oversight and poor adherence to basic internal control norms.

Audit also noticed a substantial short deposit of sale proceeds. Based on the number of items issued to students, ₹ 52.50 lakh ought to have been recovered; however, only ₹ 33.54 lakh had been deposited into IIMR accounts, leaving ₹ 18.96 lakh uncollected or unaccounted for.

IIMR (May 2025) stated that the Executive Committees of IPM and IPL had resolved to adjust uniform costs for certain batches against caution money deposits and furnished a list showing proposed recovery of ₹ 13.55 lakh. In subsequent replies (June/October 2025) IIMR asserted that procurement was student-driven, with costs recovered upfront and that no shortages or financial losses existed.

These replies were inconsistent with JPV findings, unreconciled balances, absence of records and demonstrable gaps in deposit of proceeds. Even after considering the IIMR's proposed recovery of ₹ 13.55 lakh from caution money, ₹ 5.41 lakh remained unexplained and uncollected.

Ministry in its reply (April 2026) agreed with the audit observation.

4.8.2 Irregular disposal of electrical and electronic items

Audit observed that while the Institute conducted physical verification in June 2022, August 2023 and May 2024 and auctioned unserviceable articles through open bidding during 2022-23 to 2024-25, the auctions covered only non-IT items. The list of IT equipment earmarked for disposal was maintained separately, but no records were provided to show that these items were disposed of through authorised e-waste channels.

Further, several electrical and electronic items-such as ACs, stabilizers, batteries, refrigerators, washing machines, TVs and other Schedule-I equipment were auctioned to local scrap dealers in 2022-23 and 2023-24, in violation of statutory e-waste disposal requirements. The list of unserviceable items auctioned in 2024-25 for ₹ 1.87 lakh was not available and auction files for cash disposals amounting to ₹ 0.74 lakh during 2017-18 and 2018-19 were also not produced.

IIM, Rohtak replied (October 2025) that there was no deliberate intent to bypass environmental compliance in disposal of said items and assured that going forward, all electrical and electronic items falling within the scope of e-waste will be disposed of strictly through CPCB registered recyclers.

4.8.3 Non entry of installed ACs in stock registers

Audit scrutiny revealed that IIMR procured 724 air-conditioners (518 One-TR and 206 Two-TR) between 2019 and 2024 at a total cost of ₹ 3.96 crore. However, only 18 Two-TR ACs (16 Two-TR ACs procured in 2023-24 and 2 Two-TR ACs procured in 2022-23) were entered in the stock register. Institute's failure to record 706 out of 724 ACs in the stock register represents a clear violation of Rule 208 and indicates weak internal controls in asset management.

Ministry in its reply (April 2026) agreed with the audit observation.

Recommendation:

The Institute must ensure strict adherence to the E-Waste (Management) Rules, 2022 by disposing of all electrical and electronic waste only through CPCB-registered producers, refurbishers, or recyclers and must also ensure that all procured items are promptly recorded in the stock register with proper certification by the officer-in-charge, in compliance with Rule 208 and Rule 213(2) of the General Financial Rules.

4.9 Irregularities in procurement of 3,000 T-shirts

Rule 162 of GFR 2017 permitted procurement through Limited Tender Enquiry (LTE) where the estimated value was up to ₹ 25 lakh[5], provided that (i) bidding documents should be sent to more than three registered suppliers borne on the list maintained under Rule 150, (ii) the LTE should be published on GeM, the Central Public Procurement portal (CPPP), the organisation's own website and (iii) unsolicited bids should not be accepted.

As per GFR Rule 173 read with sub-rules (xix) and (xx), procurement must ensure transparency, competition, fairness and avoidance of arbitrariness. Even where only one bid is received, the process may be valid only if: (a) the tender is adequately advertised with sufficient response time, (b) eligibility conditions are not restrictive and (c) quoted rates are reasonable compared to market prices.

Audit review of IIMR's procurement of 3,000 T-shirts in July 2023 (₹ 19.21 lakh) showed non-compliance with these mandatory requirements. The LTE was not published on GeM and the records provided by the Institute did not demonstrate that the 16 email recipients of the bid document were registered suppliers for T-shirts under Rule 150. Records also did not indicate the criteria

[5] Increased to ₹ 50 lakh vide Department of Expenditure (DoE), Ministry of Finance (MoF) OM No. F.1/3/2024-PPD dated 10 July 2024.

used to select these vendors. In the absence of any evidence of supplier verification, transparency in vendor identification could not be assured.

One of the participating bidders, M/s Goel Knit Fabs, submitted an undertaking on the letter head of another firm, M/s Ankur Enterprises. This rendered the bid ambiguous and non-compliant with the prescribed tender conditions. The bid should have been rejected and doing so would have left fewer than the mandatory three valid bids, which required cancellation and retendering under Rule 162. Instead, the tender was finalised and the contract awarded.

Analysis of multiple LTE procurements for T-shirts and Tracksuits between 2023 and 2025 showed the same set of vendors repeatedly participating and consistently quoting in patterns that kept M/s Arsh Knit Fab as the lowest bidder. The rate differentials were narrow, the vendor pool remained unchanged across procurements and one firm even submitted documents on behalf of another. These patterns **(Annexure 4.6)** indicated possible collusive or cover bidding, yet no due diligence or verification was undertaken before awarding the contract.

IIMR responded (June/October 2025) that procurement through GeM faced challenges, that RFPs were emailed to 16 vendors and that all bidders were independent. It also cited Rule 173(xx) for accepting fewer than three bids.

The reply may be viewed in light of the fact that the: (i) Rule 162 mandates publication on GeM/CPPP and issuance of tender documents to only registered supplier. However, no evidence was produced to show compliance and justification for deviations were not recorded by IIMR; and (ii) Rule 173 (xx) does not override the vendor-verification conditions prescribed in Rule 150.

Ministry in its reply (April 2026) agreed with the audit observation.

4.10 Non-procurement of goods and services through GeM

Rule 1 of the General Financial Rules (GFR), 2017 mandates that the provision contained in GFR are deemed to be applicable to autonomous bodies except to the extent the bylaws of an autonomous bodies provides for a separate financial rule which has been approved by the Government.

Rule 149 of the General Financial Rules (GFR), 2017 mandates that all Ministries and Departments procure goods and services through the Government e-Marketplace (GeM), a platform designed to ensure transparency, adequate publicity, wider vendor participation and competitive pricing. The platform provides multiple procurement methods, including direct purchase, direct purchase with L1 and e-bid/Reverse Auction which enable efficient procurement across value thresholds. Procurement outside GeM is permissible only when the required goods or services are not available on the portal, for which a non-availability certificate must be downloaded from GeM.

Audit observed that during 2019-2024, the IIMR conducted 370 procurements amounting to ₹ 12.45 crore without using GeM. These procurements were undertaken through alternative methods without obtaining valid non-availability certificates, which was not in line with Rule 149 *ibid*. Of these, 80 procurements (51 for goods and 29 for services) were carried out by publishing tenders on the Central Public Procurement Portal (CPPP) and inviting bids through the e-procurement platform Tender Wizard.

This deviation was particularly concerning because the number of registered sellers and service providers on GeM was consistently higher than on CPPP during the same period. GeM's registered vendor base exceeded that of CPPP by margins ranging from 15 *per cent* to 173 *per cent* between 2019 and 2025 **(Annexure 4.7)**. The broader and more diverse vendor ecosystem on GeM offered IIMR ample scope to obtain competitive bids through a variety of procurement modes provided by the platform. Despite this, IIMR continued to rely on alternate procurement channels without documenting exceptions or obtaining mandatory non-availability certificates.

IIMR, in its replies (June/October 2025), stated that it met its expenditure from internally generated resources and adopted prudent financial practices. It attributed the use of non-GeM procurement methods to operational issues with the platform, citing instances of higher costs, delayed deliveries and non-conformity of specifications. The institute further stated that GeM usage constituted about 40 *per cent* of its procurements in FY 2022-23 and assured that usage would increase from FY 2023-24 onwards.

The justification offered by IIMR may be viewed in light of the fact that compliance with Rule 149 is mandatory, irrespective of the funding source or operational challenges as the institute does not have separate financial rules approved by the Government. Issues such as occasional delays or specification mismatches cannot be grounds to bypass GeM, especially when the platform provides mechanisms such as vendor ratings, complaint redressal, selection of alternative sellers and competitive e-bidding to address such concerns. Procuring nearly 60 *per cent* of goods and services outside GeM without non-availability certificates represents a substantive compliance lapse and deprived the institute of potential benefits in terms of competition, pricing efficiency and transparency. While IIMR's assurance to enhance GeM usage is noted, its realization remains to be seen.

Ministry in its reply (April 2026) agreed with the audit observation.

4.11 Irregular hiring of vehicles and unsecured advance payments to OLA cabs

Rules 144 and 149 of the GFR mandate that procurement of goods and services be economical, transparent, competitive and, where available, routed through GeM. Hiring of vehicles is a non-consulting service regulated under Rules 197-204, which require procurement through Limited Tender Enquiry (LTE) or open tendering depending on value and permit single-source hiring only in exceptional circumstances with recorded justification. Rule 172(1) further prohibits advance payments unless unavoidable and protected by safeguards such as bank guarantees.

Audit observed that since November 2018, IIMR has been hiring vehicles exclusively through OLA Cabs without inviting tenders, issuing LTEs, conducting market surveys, or publishing advertisements as required under Rules 199-204. The Institute opened an OLA Corporate Wallet and progressively increased its recharge limit to ₹ 2 lakh (January 2024), despite having no formal agreement or MoU with the vendor. From 2018-25, IIMR deposited ₹ 1.73 crore into this prepaid wallet against adjusted usage of ₹ 1.64 crore **(Annexure 4.8)**, with outstanding balances exceeding the approved wallet limit in multiple years, indicating weak financial control and absence of need-based assessment. These advance deposits were made without obtaining any bank guarantee or equivalent safeguard, contrary to Rule 172(1).

IIMR explained (June/October 2025) that it is a self-funded institution and opted for OLA due to flexibility, wider fleet access and absence of comparable services on GeM or in the local market. It argued that its digital platform provided audit trails and that no misuse had occurred over seven years.

These justifications of IIMR are not tenable as self-funded status does not exempt compliance with GFR and no documentation was produced to support evaluation of alternative vendors or establish market exclusivity. Non-availability on GeM cannot be equated with absence of competition in the market, nor does it dispense with LTE or open tendering mandated under Rule 201. Further, the absence of a formal contract violated Rule 204, which requires defined service terms, liabilities and safeguards in all service procurements. Digital audit trails are retrospective controls and do not substitute mandatory preventive safeguards (e.g., bank guarantees) required for unsecured advances under Rule 172(1).

Ministry in its reply (April 2026) agreed with the audit observation.

Recommendation:

IIMR should adhere strictly to the GFR regarding procurement of non-consulting service and formalise contracts with service providers.

4.12 Conclusion

The audit revealed several instances of non-compliance with procurement, contract management and financial control norms at IIMR. Avoidable expenditure of ₹ 7.27 lakh was incurred by outsourcing work already covered by existing staff and auditors. Engagement of a private CA firm despite payment of honorarium to a faculty member for FA&CAO duties, reflected weak internal controls and poor financial prudence. Appointment and extension of an internal auditor without meeting mandatory experience and documentation requirements violated prescribed procurement norms. Major procurements were marred by irregularities, including award of a ₹ 1.64 crore contract to an ineligible vendor, purchase of 30 Two-TR AC units without fresh competition and lack of competitive bidding for awarding contract in favour of a particular contractor which was not in line with GFR rules. Further, grant of interest-free Mobilisation Advance of ₹ 30.97 crore, which was not in line with CPWD norms, resulted in loss of interest amounting to ₹ 3.83 crore.

Facility Management Services contracts were awarded and repeatedly extended in favour of a non-compliant vendor, while another FMS contract was awarded on outdated wage rates with zero PF contributions, in breach of labour laws and to the detriment of workers. Security services were awarded to the L2 bidder through post-tender negotiations, contrary to procurement rules.

Inventory management was weak, with shortages of 355 tracksuits, short deposit of sale proceeds of ₹ 5.41 lakh and procurement of 3,000 T-shirts through possible collusive bidding. Additionally, improper disposal of Electrical and electronics items and non-entry of 706 ACs in stock register was noticed. Further, despite mandatory use of GeM, IIMR procured 370 items worth ₹ 12.45 crore off-portal without obtaining non-availability certificates. Continuous hiring of vehicles from OLA without competition, formal agreements or financial safeguards further reflected systemic departures from procurement norms, weak internal controls and exposure of Institute funds to avoidable risks.

Ministry in its reply (April 2026) to the above issues raised in Audit, also pointed to the amendment to Regulation 15 of IIMR unilaterally by the Director of the Institute before its notification, whereby the sentence " GFR 2017 shall as amended be followed while exercising financial powers" was removed, which led to the bypassing of the provisions of GFR 2017. The Ministry further noted that being the CEO of the Institute, Director IIMR was responsible for repeated violations which needed to be explained.

Recommendation:

Ministry may consider issuing of instructions to IIMR to strictly comply with GFR provisions, adopt transparent and competitive vendor selection process and put in place safeguards to prevent such irregularities in procurement and contract management.

Chapter V

Establishment and Human Resource Management

Chapter-V: Establishment and Human Resource Management

5.1 Payment of salary to faculty members without maintenance of proper records

The Faculty Handbook stipulates that faculty must be selected through the process outlined in Paragraph 1.6.2 and that applications are to be invited through rolling advertisements on the Institute's website.

Audit scrutiny of appointment and payroll records showed that 10 individuals received gross salary of ₹ 88.64 lakh between March 2022 and February 2024. However, the Institute did not furnish service books or equivalent recruitment records to substantiate that these individuals had been formally appointed as faculty, preventing verification of the legitimacy of these payments.

In response (June/October 2025), the Institute stated that these lecturers were contractual appointees engaged for one-year terms for specific programmes, had been selected through a due process and were issued appointment letters; therefore, maintenance of service books was not required for contractual staff.

The explanation may be viewed in light of the fact that no documentary evidence such as screening committee records, selection proceedings or appointment files was produced either during audit or with the reply. In the absence of such records, the genuineness of appointments and salary payments amounting to ₹ 88.64 lakh could not be independently verified, reflecting weak internal controls and inadequate documentation practices.

The Ministry in its reply (April 2026) stated that the Institute may be asked to intimate the Board proceedings, wherein such appointments had been informed or ratified.

Recommendation:

The Ministry may consider establishing a monitoring mechanism so that complete and verifiable recruitment records for all faculty, including contractual staff are maintained by the Institute, to ensure the legitimacy of salary disbursements.

5.2 Undue favour extended to faculty by accepting resignations before completion of probation without recovery of dues

The Faculty Handbook requires faculty members to serve a minimum three-month written notice before resigning and where academic or administrative commitments exist, resignations may be accepted only at the end of the academic year unless compelling reasons justify a shorter period of not less than three months. At the time of resignation, the individual shall be required to refund the amount paid at the time of joining for transfer of belongings from previous location to IIM, Rohtak. The individual shall also be required to refund entire salary drawn during the period of stay with Institute or three month's salary whichever is lower. These conditions apply irrespective of probation status of mandatory service period which is three years (permanent) or two years (contractual).

Audit found that 20 faculty members including 17 permanent Assistant Professors and three contractual Visiting Assistant Professors resigned from IIMR who were appointed between May 2017 and December 2022. However, no evidence of mandatory notice was available in their service records or produced to audit. Despite this, the Institute accepted all resignations without recovering joining expenses or salary, resulting in non-recovery of ₹ 52.34 lakh. Out of these 14 faculty members resigned before the completion of the academic year, leaving unfulfilled academic commitments. Recovery of joining expenses was effected in only one case.

Audit further noticed that one faculty member was reimbursed ₹ 42,750 towards joining expenses despite a contractual cap of ₹ 15,000. Discrepancies were also noticed between voucher numbers recorded in the bank payment files and those captured in the ledger, raising concerns over the accuracy of financial records.

The Institute, in its reply (October 2025), stated that faculty were relieved only after proportionate completion of teaching load and that the Dean pursued recoveries where applicable.

The reply may be viewed in light of the fact that no evidence of mandatory notice was available in the service record which reflect the compliance of notice requirements, completion of academic commitments, or initiation of recovery action. Further, the financial discrepancies and excess reimbursement contradict the claim of adherence to established procedures.

The Ministry in its reply (April 2026) stated that the Institute may be asked to intimate the relevant provisions of the guidelines under which resignations were accepted and may provide Board proceedings, wherein these resignations were approved/ratified. Ministry also sought reasons for accepting the resignations before completion of probation.

Recommendation:

The Institute should enforce mandatory notice and recovery provisions, adhere to reimbursement limits and strengthen documentation and financial controls to prevent loss of institutional funds.

5.3 Payment of honorarium and incentives to faculty members

Section 11 of the Indian Institutes of Management Act, 2017 empowers the Board to exercise powers necessary for achieving the Institute's objectives. However, the proviso to Section 11(2)(i) requires that cadre, pay scales, allowances and terms of employment for all posts be determined by the Central Government. Further, in the absence of separate financial rules approved by the Government, the General Financial Rules (GFR), 2017 apply to IIM, Rohtak (IIMR).

Audit examined the Institute's regulations (March 2025) and found that although Regulations 8(4)(a), 15(3)(h) and 15(8)(g) permit payment of honorarium and incentives, they do not define their nature, scope, or limits. The absence of clear criteria leaves scope for open-ended approvals by the Board and enables unrestricted financial benefits in cash and kind.

A. Incentives and honorarium in cash

Between 2019-20 and 2023-24, the Institute paid ₹ 7.49 crore to faculty as incentives and honorarium. Of this, ₹ 4.11 crore was paid as incentives for teaching beyond minimum workload, executive education and consultancy projects, while ₹ 3.38 crore was paid as honorarium for admissions, question-paper setting and evaluations. Payments exceeded 100 *per cent* of regular salary in six cases **(Table 5.1)**.

Table 5.1: Summary of honorarium and incentive paid to faculty members

(₹ in lakh)

Year	Description	Up to 10 *per cent* of salary		>10 *per cent* and up to 50 *per cent* of salary		>50 *per cent* and up to 100 *per cent* of salary		>100 *per cent* of salary		Total	
		Amount	Faculty	Amount	Faculty	Amount	Faculty	Amount	Faculty	Amount	Faculty
2019-20	Incentive Honorarium	4.00	6	29.31	10	108.46	12	15.72	1	157.49	29
2020-21	Incentive	0.00	16	25.37	6	100.17	8	0.00	0	125.54	30
	Honorarium	8.97		6.63		7.32		0.00		22.92	
2021-22	Incentive	5.34	24	1.86	9	1.29	4	0.00	0	8.49	37
	Honorarium	6.07		33.82		38.60		0.00		78.49	
2022-23	Incentive	0.00	28	42.44	13	13.84	1	0.00	1	56.28	43
	Honorarium	12.12		13.22		0.08		10.40		35.82	
2023-24	Incentive	0.00	20	29.16	12	99.26	6	92.34	4	220.76	42
	Honorarium	13.81		17.85		6.46		4.79		42.91	
Total	**Incentive**	**5.34**		**98.83**		**214.56**		**92.34**		**411.07**	
	Honorarium	**44.97**		**100.83**		**160.92**		**30.91**		**337.63**	
Total amount paid to faculty on account of incentive and honorarium *(rounded to crore)*: ₹ 7.49 Crore											

☞ ***The figures for the year 2019-20, as tabulated above, are consolidated for incentive and honorarium as bifurcation details for incentive and honorarium for this year have not been provided by the Institute.***

Minimum teaching norms required 99 sessions annually computed as 7,425 minutes of teaching per year. After adjusting of holidays, leave and vacations, this equates to only 34.38 minutes per working day **(Annexure 5.1)**. This resulted in faculty having substantial time available to take additional teaching sessions in lieu of remuneration of ₹ 3,750 to ₹ 30,000 per session, depending on the programme. Incentives and honoraria rates, as well as minimum workload norms, are decided in faculty meetings, creating a conflict of interest as beneficiaries participate directly in decisions governing their own entitlements.

Fundamental Rule 46(b), applicable through the GFR, limits honorarium to work that is occasional, intermittent or of special merit and explicitly prohibits honorarium for routine duties. In contrast, IIMR's design of minimal teaching load and broad incentive structure effectively monetises routine academic responsibilities without any financial ceiling.

B. Honorarium in kind

Audit also observed the distribution of high-value items as honorarium or gifts during 2020-21 and 2021-22, including iPhones, iPads, laptops, treadmills, fitness bikes and smartwatches costing ₹ 58.32 lakh **(Annexure 5.2)**. Electronic devices were capitalised but could be retained after three years and fitness equipment was treated as faculty perks.

In its reply (June/October 2025), the Institute stated that its faculty incentive and honorarium policy aligns with other IIMs, that decisions were Board-approved. It also stated that devices issued during Covid-19 were for official use and honorarium items were reflected in taxable income with TDS.

The reply may be viewed in light of the fact that the Institute did not provide any Ministry of Education norms authorising such payments or distribution of high-value items. Payments exceeding 100 *per cent* of salary, coupled with gifts and unrestricted incentives for routine duties, are inconsistent with the basic principles of FR 46(b) and with prudent financial management. The lack of defined criteria in the Institute's regulations, the conflict of interest in decision-making and the magnitude of payments collectively raise concerns.

Ministry in its reply (April 2026) stressed that BoG may assess and provide revised norms for faculty and wherein payment of honorarium etc exceeds 100 per cent of the salary, the same may be recovered from the concerned faculty.

Recommendation:

The Ministry may consider referring the issue of faculty honoraria and incentives across IIMs to the Coordination Forum under Section 30 of the Act, to establish a uniform, transparent and fiscally prudent framework for such payments.

5.4 Excess/Irregular payment of incentives to faculty members

The Faculty Handbook (August 2013) provides incentive schemes to reward faculty undertaking additional academic activities, with eligibility determined through an annual self-declared Academic Activity Report (AAR). Incentives for teaching beyond prescribed norms were approved by the Board of Governors (BoG), with specific rates and minimum teaching loads defined in BoG proceedings.

Audit found that, although the BoG had approved minimum teaching norms in June 2017, these norms were subsequently altered through internal communications, an inter-office memo issued by the Director (May 2018) and decisions of a faculty meeting (November 2019). These revisions broadened eligibility by permitting additional sessions and flexible conversions across teaching categories, despite the IIM Act, 2017 not empowering the Director or Academic Council to modify incentive criteria. As a result, eligibility thresholds were effectively diluted.

Review of incentive payments from 2017-18 to 2020-21 showed that 22 faculty members who did not meet BoG-approved minimum norms became eligible solely because of these unapproved conversions, leading to payments of ₹ 91.20 lakh. Further, eight faculty received incentives exceeding BoG-approved limits, resulting in excess payment of ₹ 17.39 lakh. In one case, incentive of ₹ 4.33 lakh could not be verified as neither the AAR nor calculation sheet was produced. Incentives of ₹ 2.59 crore paid under the Executive Education Programme during 2017-18 to 2020-21 also could not be verified for want of AARs and supporting calculations.

For 2021-22 to 2023-24, information submitted by the Institute showed continued deviations: incentives of ₹ 23.04 lakh were paid to faculty who remained ineligible even after permitted conversions and excess payments of ₹ 76.51 lakh were made to other faculty beyond prescribed norms.

The Institute stated that incentives were allowed under its regulations and approved by various bodies and that it functions as a self-funded institution.

The reply may be viewed in light of the fact that compliance with the IIM Act, 2017 and BoG-approved norms is mandatory regardless of funding model. No evidence was provided to substantiate the claimed approvals for altered incentive criteria and essential records, including AARs and calculation sheets for Executive Education incentives during 2018-19 to 2020-21, were not produced. Further, even under the revised policy, incentives of ₹ 99.55 lakh were paid either in excess or to ineligible faculty between 2021-22 and 2023-24.

Ministry in its reply (April 2026) stated that Institute may provide the relevant provisions of applicable guidelines under which the action was taken, along with reasons for deviation from the criteria. The institute may recover the undue payments.

Recommendation:

The Institute should align all incentive schemes strictly with BoG-approved norms, review undue payments and ensure complete AAR-based documentation to enable transparent and auditable disbursements.

5.5 Irregular payment of research incentives in deviation from prescribed policy

To promote high-quality research and improve institutional ranking, the Board of Governors approved research incentives for publications in top-tier journals in its 31st meeting (07 June 2017), with revised rates approved in the 52nd meeting (25 June 2022). These incentives were admissible only after faculty met the minimum academic workload norms, including prescribed teaching sessions, research points, case writing and administrative responsibilities.

Audit noticed that research incentives amounting to ₹ 10.65 lakh were paid to four faculty members between 2018-19 and 2023-24 for A*-category publications.[6] Scrutiny of records revealed multiple deviations. In the case of one faculty member, the workload declaration for 2018-19 was not produced; the voucher indicated eligibility only after adjusting shortfalls across teaching, administration and research, which contradicts the requirement of meeting minimum norms prior to incentive eligibility. Another faculty member received ₹ 1.50 lakh for 2019-20 despite undertaking no Executive Post Graduate Programme (EGP) teaching sessions against a mandatory minimum of 10. For two others though they were paid eight lakh rupees as incentive, the workload declarations for 2022-23 were not made available to audit, preventing verification of their eligibility.

The Institute, in its reply (October 2025), stated that workload declaration forms for all four faculty members were furnished and that the minimum load had been met. This reply may be viewed in light of the fact that no documents for verifying the fact that all the pointed-out faculty members had fulfilled the prescribed criteria/norms as indicated in the BoG meetings, were provided.

Ministry in its reply (April 2026) stated that Institute may provide the relevant provisions of applicable guidelines under which the action was taken, along with reasons for deviation from the criteria. The institute may recover the undue payments.

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[6] A* publication refers to a research paper published in a top tier academic journal that is highly prestigious and selective.

Recommendation:

The Institute should grant research incentives strictly after confirming full compliance with approved workload norms and maintain complete supporting documents to ensure transparent and auditable disbursement.

5.6 Non-maintenance of social-category wise data/roster in Faculty Recruitment as per Statutory Reservation Norms.

The Department of Personnel & Training (DoPT) OM dated 31 January 2019 and the Central Educational Institutions (Reservation in Teachers' Cadre) Act, 2019 mandate reservation in faculty recruitment by direct recruitment.

Audit reviewed the records of 82 faculty members who served the Institute for any period of time from March 2016 to March 2024 and found the Institute did not maintain social-category-wise data/roster (SC/ST/OBC/EWS/General) for recruitment of faculty. Hence, the institute could not earmark posts for reserved categories when issuing advertisements for faculty recruitment, resulting in persistent non-compliance with statutory reservation norms.

Further, the records of 27 faculty members were not provided to audit. Furthermore, there was no evidence suggesting that the faculty was recruited against reserved vacancy i.e. social or economic category (i.e., SC, ST, OBC) during the Faculty Recruitment Seminar (FRS) process. In absence of the connected records, audit could not ascertain the actual category of these faculty members.

In its reply (June/October 2025), the Institute stated that it had followed MoE directives by conducting special recruitment drives, placing reservation on the BoG agenda and undertaking outreach to attract candidates from reserved categories, though some candidates chose to join older IIMs.

The reply may be viewed in light of the fact that the Institute did not submit documents to substantiate the claimed special drives or selections and the persistent under-representation confirms that backlog vacancies remain largely unfilled.

Ministry in its reply (April 2026) while concurring with the audit observation, sought reservation roster of faculty and non-faculty for vetting by Ministry and also advised that any recruitment may be made only after finalisation of the reservation roster.

Recommendation:

The Institute should maintain accurate category-wise faculty records and fill backlog vacancies through time-bound special drives to ensure full compliance with statutory reservation norms. Ministry may consider issuing necessary instructions to IIMR regarding reservation and recruitment process.

5.7 Irregular payments to Legal Counsels

5.7.1 Non-execution of MoUs with Legal Counsels and excess payments beyond prescribed norms

Government of India, through OM No. 26(1)/2014/Judl. dated 01 October 2015, prescribed fee structures for legal counsels appearing before the Supreme Court, High Courts and District/Subordinate Courts. Engagements and payments by government-funded institutions are expected to adhere to these notified norms.

Audit observed that IIM, Rohtak engaged three legal counsels for various court cases during 2018-19 to 2024-25 but did not maintain basic records of the legal proceedings or payments linked to specific cases. The Institute could not furnish a complete list of ongoing or decided cases, nor could it correlate the payments of ₹ 32.59 lakh made to these counsels with actual hearings. The Institute stated (May 2025) that case files were kept by the counsels themselves, resulting in an absence of any corresponding records with IIMR. This lack of documentation prevented audit verification of the authenticity of hearings or services for which payments were made.

Audit further noticed that all three counsels were engaged without executing formal Memoranda of Understanding (MoUs). In the absence of defined terms of engagement covering fee structure, scope of work, deliverables and responsibilities the Institute had no enforceable basis to assess performance, regulate payments, or ensure accountability. Such ad hoc engagements heightened the risk of unauthorised or unjustified payments and could compromise the quality of legal representation available to the Institute.

Scrutiny of payment vouchers showed that IIMR made payments under several heads such as conference fees, drafting charges, consultation/meeting fees, miscellaneous application fees, TA/DA, clerkage and out-of-pocket expenses that were either not admissible under the GoI OM or were paid at rates far exceeding prescribed norms. Instances included payment of conference fees at ₹ 2,500 per hearing against the admissible ₹ 900, payment of miscellaneous application fees at ₹ 7,500 against ₹ 3,000, drafting charges up to ₹ 22,000 without any prescribed basis and TA/DA and clerkage paid without any notified entitlement. In one case, a counsel was engaged at ₹ 2,500 per hearing against the prescribed ₹ 1,800, without audit being informed of any approval for higher rates. Out-of-pocket expenses were also incorrectly included while computing clerkage charges, contrary to the OM.

Bills submitted by counsels mentioned case numbers and hearing dates but were not supported by court documents such as hearing notices or orders. As a result, audit could not vouchsafe payments totalling ₹ 32.59 lakh made during the review period.

In response (May/October 2025), IIMR stated that the notified fee structure was indicative, not exhaustive and that additional services such as TA/DA, drafting and meetings were legitimately availed. It also stated that higher rates were approved by the competent authority and assured that a system for maintaining case records would be instituted.

The reply may be viewed in light of the fact that the payments were made in excess of the GoI-prescribed rates and no documentary norms or internal approvals for additional charges were produced. The absence of MoUs, lack of case records and unverified claims indicate that payments were made based solely on the bills raised by counsels, without due diligence or adherence to prescribed financial controls.

5.7.2 Tampering with payment records led to unverifiable payments to Legal Counsel

IIMR paid ₹ 16.33 lakh to a legal counsel engaged for High Court matters through 30 vouchers during 2018-19 to 2024-25. Audit noticed that original bills attached to 11 of these vouchers had been tampered with, where the case number and case title were concealed using correction fluid. In another seven vouchers, original bills were missing altogether and payments were processed on photocopied bills that also had key details obscured.

This alteration of records, especially through the use of correction fluid, indicated a deliberate attempt to withhold essential case-related information. Media reports further suggested that the same counsel was simultaneously representing the personal legal matter of a senior Institute official, increasing the risk that public funds may have been used for unrelated purposes.

Due to concealment of the case details, Audit could not establish whether the fees paid were genuinely for IIMR's legal matters. The practice reflects weak administrative oversight, compromised documentation standards and raises concerns regarding the justification of public expenditure.

In response (June 2025), IIMR stated that the case details were masked to maintain confidentiality of litigants as documents move across departments.

The reply may be viewed in light of the fact that the manual tampering of vouchers is not a legitimate record-keeping practice and decimates the integrity of documentation. Further, out of the 11 bills later provided by the Institute (June/October 2025), nine did not match the bills attached to the corresponding vouchers.

The Ministry in reply (April 2026) sought explanation for such inadequacies from the Director IIMR, being the CEO of the Institute and asked to recover the excess/undue payments.

Recommendation:

Ministry may develop a framework to ensure that IIMR formalises legal engagements through written agreements and ensure complete, untampered, verifiable records for all legal payments.

5.8 Irregular processing of air travel claims

Government guidelines issued by the Ministry of Finance (July 2017) require that air travel on official duty be booked either directly through airlines or through one of the three Authorised Travel Agents (ATAs). Further, as per the Ministry of Finance, Department of Expenditure guidelines (July 2016), exemptions permitting travel by airlines other than Air India for autonomous bodies may be granted only by the Financial Adviser of the administrative Ministry. Similar guidelines were issued for employees travelling on LTC. These instructions remained applicable until the disinvestment of Air India in 2022.

Examination of LTC claims processed by the Institute between 2017 and 2024 showed repeated deviations from these criteria. In 14 cases, employees travelled by airlines other than Air India or booked tickets through private, unauthorised travel agencies. In 11 of these cases, neither air tickets nor boarding passes were attached to the claimed vouchers, yet reimbursements amounting to ₹ 15.24 lakh were made directly to private agencies. In an additional four cases, although travel was undertaken by authorised mode of transport and supporting documents were mostly available, tickets were again booked through private agencies not permitted under LTC rules, resulting in reimbursement of ₹ 1.98 lakh to the agencies. Further, one case was noticed where air travel under LTC was undertaken on a private airline booked personally, despite this being expressly disallowed under the applicable rules at the time.

Further audit scrutiny of travel vouchers and agenda of BoG meetings held during 2021-22 to 2023-24 showed that seven of the thirteen BoG meetings during this period were held outside Rohtak. For these meetings, IIMR regularly booked air tickets through a private travel agency not designated as an ATA by GoI guidelines and frequently booked travel on airlines other than Air India. Payments amounting to ₹ 16.26 lakh were made to this private agency, often without supporting air tickets or boarding passes attached to the vouchers.

In one instance, related to Voucher No. 794 (October 2021), air tickets were booked for a BoG member whose return travel route was extended beyond the official destination, resulting in an itinerary that deviated from applicable government norms. A similar issue had also been highlighted in the previous year's Audit Inspection Report,[7] indicating that the lapse was not isolated.

The Institute responded (April/May/June/October 2025) that tickets had been booked through empanelled agents selected through a competitive tender process with the concurrence of the Financial Advisor and Chief Accounts Officer and that no personal benefit had been extended to any individual. It further stated that, as per the DoPT notification of 30 April 2024, boarding passes were no longer required and that Air India fares were often higher than those offered by private airlines or empanelled agents.

The response may be viewed in light of the fact that the travel agency used for booking of tickets was not among the government-authorised ATAs and the bookings did not adhere to the mandatory requirement of using Air India unless a formally approved exemption had been granted. No such exemption was produced for audit. As regards non requirement of boarding passes, the LTC claims pointed out in audit pertain to periods well before the 2024 relaxation. During those years, travel by private airlines was prohibited and bookings through private agencies were not permitted under LTC rules. Rule 7(xviii) of the Institute's own 2018 Rules also clearly stipulates that Director shall be entitled to LTC as per rates of Government of India. The Institute's justification therefore does not address the core issue of non-compliance with mandatory LTC provisions during the period of audit. It further indicate weak compliance controls over air travel arrangements.

The Ministry in reply (April 2026) sought explanation for such inadequacies from the Director IIMR, being the CEO of the Institute and asked to recover the excess/undue payments.

5.9 Non-compliance with Foreign Travel Policy

The Faculty Handbook prescribes clear conditions for attending international conferences, including a minimum three-year service requirement, mandatory

[7] Inspection Report for the period 2022-23 Para-1 Irregular expenditure on Air Travel

peer-reviewed acceptance of papers, limits on the number of conferences, prior approvals and compliance with documentation and reimbursement rules. It also requires that additional international visits be sanctioned with the concurrence of the Chairman, Board of Governors and that travel be arranged through authorised channels. Further, Government of India guidelines allow foreign travel only on Air India and through authorised travel agents and require recovery of expenses if a faculty member resigns within six months of return.

A review of foreign travel undertaken between 2016-17 and 2023-24 showed that international conferences were attended on 31 occasions by 18 faculty members, including the Director. Records for four faculty members on five occasions **(Annexure 5.3)** were not produced, despite reimbursements amounting to ₹ 5.87 lakh. Examination of the remaining 26 cases **(Annexure 5.4)** revealed multiple deviations. In 14 instances, faculty participated in conferences without completing the mandatory three-year service period. In two instances, additional conferences were attended within three years without evidence of approval with concurrence of the Chairman, BoG. In 23 of 26 cases the submitted vouchers lacked, essential documents such as peer-review acceptance letters or keynote invitations.

In 23 cases, air tickets were booked through unauthorised travel agencies and in 15 cases, travel was undertaken on airlines other than Air India, contrary to GoI instructions. In another case, a faculty member who travelled abroad on Institute funding resigned within six months from the date of travel, yet no evidence of recovery was available. Instances of excess payments were also noticed, including reimbursement of daily allowances beyond the prescribed limits, resulting in overpayments of ₹ 0.17 lakh in one case.

IIMR in its replies (June/October 2025) stated that conference participation was approved by the Director under Clause 5 of the IIMR Regulations 2021, that the requirement for Chairman, BoG concurrence applied only during the Institute's initial phase and that travel expenses were within the limits of Faculty Development Fund (FDF). It further stated that TA/DA was paid as per approved norms and that bookings were made through empanelled agencies.

The reply may be viewed in light of the fact that internal regulations cannot override explicit provisions of the Faculty Handbook or Government of India guidelines. The requirement for Chairman, BoG concurrence continues to apply for additional international conferences and the absence of mandatory documentation, unauthorised ticketing practices and non-recovery of dues remain unaddressed. The response does not adequately meet the deficiencies pointed out in audit.

The Ministry in reply (April 2026) sought explanation for irregular payment from the Director IIMR, being the CEO of the Institute and asked to recover the excess/undue payments.

5.10 Irregular procurement of staff vehicles above prescribed NDP limits

As per Department of Expenditure instructions (July 2014), the Net Dealer Price (NDP) of an entitled staff car must not exceed ₹ 4.75 lakh, which was subsequently revised to ₹ 6 lakh in September 2022.

The IIMR purchased three vehicles for official use. The first vehicle, a Toyota Innova purchased in May 2017 for ₹ 9.04 lakh, was justified on the grounds that the existing Honda City (2011 model) required condemnation. However, the Honda City remained roadworthy until April 2026 and continued in use by the Institute.

Similarly, in June 2021, a Mahindra Scorpio was procured at ₹ 7.46 lakh citing the same grounds, despite the Honda City still having four years of validity.

Further, in November 2023, a Toyota Innova Crysta was purchased for ₹ 19.22 lakh, ostensibly to replace the earlier Toyota Innova (2017 model), however, both vehicles continued to remain in use and all these three vehicles procured exceeded the NDP limits by margins ranging from nine *per cent* to 108 *per cent* without any clarification obtained from Department of Expenditure, Ministry of Finance, GoI.

IIMR stated (June/October 2025) that the vehicles were procured through GeM as institutional pool vehicles to meet transportation needs, citing poor public transport and campus location outside the city. The Institute further stated that older vehicles were prone to breakdowns or had exceeded mileage norms and that all expenses were met from internal funds.

The reply may be viewed in light of the fact that the IIMR has crossed the prescribed NDP limit. Further, no condemnation orders or technical assessments were provided to Audit. Continued use of older vehicles contradicts the stated need for replacement and indicates that vehicles were added rather than replaced.

Ministry in its reply (April 2026) sought reasons from the Director being CEO of the Institute in procurement of additional staff vehicles in violation of NDP ceilings.

Recommendation:

Ministry may seek clarification from the Institute in all cases of non-compliance with the Government/Institute's guidelines/GFR provisions and take remedial action, wherever needed.

5.11 Non-compliance with mandatory energy audit requirements

The Department of New and Renewable Energy, through its notification dated 09 November 2016, mandated that all institutional buildings with a connected load of 100 kW or above or contract demand of 120 kVA or above must conduct their first detailed energy audit within 18 months of the notification, using a Bureau of Energy Efficiency (BEE) certified auditor or empanelled ESCO. Consumers were further required to (i) prepare and submit an action plan within three months of the audit, (ii) implement audit recommendations within two years and (iii) report compliance to the Department. Non-compliance could attract penalties as prescribed by the State Government.

Audit observed that IIMR, with a connected load of 2,200 kW (later revised to 1,100 kW in December 2018), fell squarely within the mandatory coverage and should have completed its first energy audit by May 2018. However, no such audit was conducted.

When queried (April 2025) IIMR stated, it was unaware of the requirement and later (October 2025) stated that it had been undertaking sustainable initiatives in its operations.

The absence of a mandated energy audit and action plan not only constitutes a regulatory violation but also reflects a missed opportunity to identify efficiency gaps, reduce energy costs and strengthen the Institute's sustainability initiatives.

Ministry in its reply (April 2026) agreed with the audit observation.

5.12 Conclusion

The audit found systemic non-compliance with financial and governance norms at the Institute, resulting in avoidable and irregular expenditure across multiple areas. Gross salary of ₹ 88.64 lakh was paid to 10 individuals without having proper records of appointment.

Additional financial irregularities included non-recovery of dues from faculty who resigned during probation (₹ 52.34 lakh) and release of research incentives of ₹ 10.65 lakh without adequate records. Instances of irregular travel bookings and LTC claims were also observed.

Overall, the audit highlights lapses in internal controls, documentation and compliance mechanisms, resulting in financial impropriety and avoidable expenditure.

Chandigarh
Date: 01 August 2026

(SAMEER MEHTA)
Principal Director of Audit (Central),
Chandigarh

Countersigned

New Delhi
Date: 04 August 2026

(K. SANJAY MURTHY)
Comptroller and Auditor General of India

Annexures

Annexure-2.1

(Referred to in Paragraph 2.7)

Details of irregularities noticed in consultancy services

S.N.	Name of the Consultancy services	Audit Remarks
1.	Mapping aspirations of next generation officer's cadre of Indian Armed Forces	Copy of proposal provided was without any signature, as per ledger balance amount of ₹ 0.74 lakh as on 31 March 2023 was not recovered.
2.	Study on crop residue management scheme for Ministry of Agriculture & Farmers Welfare, Govt. of India	Proposal without any signature, as per ledger balance of ₹ 2.17 lakh was pending as on 31 March 2024. Status of completion of work is not clear.
3.	Evaluating efficiency and performance of interest equalization scheme using Mystery shoppers	As per ledger, against receipt of ₹ 11.10 lakh, expenditure of ₹ 0.29 lakh was incurred during the year 2023-24 and closing balance as on 31 March 2024 was ₹ 10.81 lakh. As per IIMR, this work was completed on 27 March 2024. However, completion of the work did not seem feasible with expenditure of ₹ 0.29 lakh only as against an estimated project cost of ₹ 13.10 lakh.
4.	FCI RMS Project Haryana (Evaluation of wheat procurement and storage operations in the State of Haryana)	As per ledger provided, an amount of ₹ 3.46 lakh was received in 2019-20 against which expenditure of ₹ 3.39 lakh was incurred up to 31 March 2020 and a closing balance of ₹ 0.07 lakh was shown as on 31 March 2020. The balance continues to reflect even as of 31 March 2024. Status of completion of work is not clear.
5.	Haryana Skill Development Mission Project	Completion of the work did not seem feasible with expenditure of ₹ 0.13 lakh only as against an estimated cost of ₹ 18 lakh. Nevertheless, if this work has been completed, the balance amount should have been transferred to the income head.
6.	Conduct of examination for recruitment of manpower for HSIIDC	As per ledger, amount of ₹ 7.41 lakh was received in 2022-23 against which expenditure of ₹ 3.08 lakh was incurred up to 31 March 2023 and a closing balance of ₹ 4.32 lakh was shown as on 31 March 2024. Status of completion of work is not clear.
7.	Study on the objective, role and impact of the India Reserve Battalion	As per ledger provided, an amount of ₹ 2.84 lakh was received in 2021-22 against which no expenditure was incurred up to 31 March 2024. It was informed by the Institute that the final report was submitted on 20 October 2020 and the account was yet to be settled.
8.	Study on effectiveness and listenership of Mann ki Baat	As per ledger provided, no amount was received against this project. However, an expenditure of ₹ 0.01 lakh was incurred in 2022-23 and ₹ 1.62 lakh was incurred in 2023-24. As per the information provided, the final report was submitted on 01 March 2023. However, completion of the work did not seem feasible with expenditure of ₹ 1.63 lakh only as against an estimated cost of

S.N.	Name of the Consultancy services	Audit Remarks
		₹ 23.30 lakh and without recovering any amount against the estimated cost.
9.	Training needs analysis in NDRF	A review of the ledger disclosed that an expenditure of ₹ 1.07 lakh was incurred on this work during 2022-23 but no amount was received up to 31 March 2024.
10.	Undertaking concurrent evaluation of the implementation of the National Food Security Act, 2013 (NFSA)	MOU was entered in 2018 for a period of two years commencing from April 2018. A review of the ledger disclosed that an amount of ₹ 7.89 lakh was received against which expenditure of ₹ 7.89 lakh was also incurred. However, entries were made in the ledger even upto 2023-24.
11.	Impact evaluation of implementation of Prashad Scheme	Proposal without any signature. As per ledger against receipt of ₹ 7.10 lakh in 2020-22, expenditure of ₹ 3.13 lakh was incurred up to 31 March 2024, leaving a closing balance of ₹ 3.97 lakh as on 31 March 2024. It is not clear whether this work was completed.
12.	Study on comprehensive training need analysis and review of training institutions/training programmes of various CAPF, AR & NSG	A review of the ledger revealed that an amount of ₹ 14.70 lakh was received in 2021-22 against which an expenditure of ₹ 13.04 lakh was incurred during 2022-24, leaving a closing balance of ₹ 1.66 lakh as on 31 March 2024. This work was completed on 28 May 2024, which indicated that the project was completed belatedly as against the prescribed timeline of 6 months.

The following consultancy services projects/works were given in the consultancy services ledgers provided to audit but no information i.e. proposal/agreement/correspondence with concerned agency and final report etc. regarding these were provided by IIMR. A review of the ledgers indicated that consultancy works were either incomplete or executed with delays as tabulated below:

S. No	Description	Audit remarks
1.	DDG (Mail business)	Out of an amount of ₹ 12.00 lakh received in 2018-19 an expenditure of ₹ 3.00 lakh was incurred and the balance is outstanding even as of March 2024. The status of work is not clear.
2.	Employee engagement survey for SJVN Ltd	No expenditure has been incurred out of an amount of ₹ 9.80 lakh received in 2022-23. There is no record progress of the execution of this survey.
3.	FCI KMS Project Haryana	Out of an amount of ₹ 3.46 lakh received in 2019-20, expenditure of ₹ 1.02 lakh was incurred upto 2020-21 and there is no progress since then.
4.	Maruti Logistics Project	Out of an amount of ₹ 3.81 lakh received in 2020-21, an expenditure of ₹ 2.46 lakh was incurred up to 31 March 2024. It is not clear whether this assignment has been completed
5.	NFSA impact 9 States/ UTs	Out of an amount of ₹ 13 lakh received during 2019-21, an expenditure of ₹ 11.23 lakh was incurred during 2019-22 and there is not recorded progress since then.

S. No	Description	Audit remarks
6.	NFSA Project for J&K – Jammu Division	The entire amount of ₹ 1.66 lakh received during 2019-24 was incurred suggesting that the work may have been completed.
7.	Salary benchmark study for aviation centre	No expenditure has been incurred out of an amount of ₹ 4 lakh received during 2022-23 indicating that the study has not commenced.
8.	United Phosphorous Ltd (UPL) Project	The ledger entry shows only an expenditure of ₹ 0.79 lakh incurred during 2020-21 without any amount having been received. The status of work was not known.
9.	Fund-Shalby Limited `Earmarked	The ledger entry shows only an expenditure of ₹ 0.01 lakh incurred during 2019-20 without any amount having been received. The status of work was not known.
10.	IRCTC Consultancy charge	Out of an amount of ₹ 1.43 lakh received during 2018-20, expenditure of ₹ 1.39 lakh was incurred up to 2020-21, suggesting that the work would have been substantially completed. The status of work is not emerging from the records.
11.	Ministry of Home Affairs	As per ledger, an amount of ₹ 33.50 lakh was received during 2018-24 against which expenditure of ₹ 13.40 lakh was incurred during 2019-24. There was not recorded progress of work.
12.	Prison project of Punjab Govt	As per ledger provided, no expenditure has been incurred against an amount of ₹ 3.73 lakh received during 2020-22, suggesting that work has not commenced on this project despite receipt of the funds.
13.	VERKA	As per ledger provided, amount of ₹ 0.72 lakh was received during 2018-20 against which expenditure of ₹ 0.60 lakh was incurred during 2019-20 and since then there is no recorded progress of this project.
14.	WNS	As per ledger provided, amount of ₹ 0.54 lakh was received during 2018-19 against which no expenditure was incurred till date indicating that work did not commence on this project despite receipt of funds.

Further, copies of the following four consultancy work proposals were provided by IIMR but these were not included in the consultancy services ledgers:

Description of work	Estimated duration	Estimated cost excluding tax (₹ in lakh)
Study on evaluating efficiency and performance of duty drawback on deemed exports scheme	2 months for the first draft after award of project	11.10
Evaluation study of interest equalization scheme	3 months for the first draft after award of project	15.90
Project Impact Assessment (M/s Nurture Agtech Private Limited)	Agreement entered on 15 September 2022 valid for 2 years	13.50
Vision Document for TRIFED	24 weeks	23.20

Annexure-4.1

(Referred to in Paragraph 4.1)

Works assigned to specialized manpower and internal auditor

Sr. No.	Work assigned	Scope of work assigned to specialized manpower	Scope of work assigned to the Internal Auditors
		M/s Sarupria Somani & Associates (June 2019 to March 2020)	**M/s B.M.Verma & Co (2017-21)**
		M/s Brij Gupta & Co. (April 2020 to March 2025)	**M/s Arvind Upkar & Co. (2021-25)**
1.	**Maintenance of annual accounts**	Assisting in maintenance of daily accounts and preparation of annual accounts as per the prescribed format of accounts	Preparation and finalisation of annual accounts and other associated work /services
2	**Replying to audit observations and paragraphs**	Staff shall be present at the time of CAG audit and any other audit to explain the various issues and support will be given to provide suitable replies to audit observations and paras.	Assistance in replying to statutory audit memos and in getting the observation dropped.
3	**Filing of tax returns**	GST matters which included preparation and submission of GST returns, filing of Annual Income Tax returns, e-TDS returns filing and GST/ VAT/ WCT returns	Liaison with concerned tax authorities and filing of tax returns & other statutory returns

Annexure 4.2

(Referred to in Paragraph 4.1)

Details of works executed and remunerations paid for overlapping works

Vr.	Date	Payment made on account of	Amount (in ₹.)	Already paid for this function to the CA firms engaged
472	31 Jul 2020	filling of TDS return and TDS deposit	3512	Specialized manpower & Internal Auditor
1351	02 Mar 2021	auditing service for FY 2019-20 (CAG 2019-20) vide Invoice no-BMV/HO/20-21/ 205 Dt. 05.02.2021 as per approval on 23.02.2021	129800	Specialized manpower & Internal Auditor
245	16 Jun 2021	reimbursement for filling fee for TDS return, PAN Application fee and GST fee vide bill no. BMV/DN/20-21/008 Dt. 24.02.2021 now accounted for.	5142	Specialized manpower & Internal Auditor
1429	17 Feb 2022	reimbursement for filling fee for AY 2015-16 vide bill no. BMV/DN/21-22/005 Dt.08.02.2022 of ₹ 250.00 and filling fee for Q3 and Q4 of 2020-21 of TDS Return as per the approval of CA	1090	Specialized manpower & Internal Auditor
1520	15 Mar 2022	professional charges for CAG Audit 2020-21 vide Bill no-BMV/HO/21-22/234 Dt. 08.02.2022	129800	Specialized manpower & Internal Auditor
93	19 Apr 2022	travelling charges for CAG Audit (Transaction Audit) for F/Y 2018-19 & 2019 -20 vide Bill no-BMV/HO/21-22/265 Dt. 15.03.22	23600	Specialized manpower & Internal Auditor
1358	08 Dec 2022	travelling charges and refreshment for CAG Team during CAG audit vide Bill No. BMV/HO/22-23/204 Dt.14.11.2022	29963	Specialized manpower & Internal Auditor
141	02 May 2023	travelling charges and refreshment for CAG Team during CAG audit vide Bill No. BMV/HO/22-23/317 Dt. 23.03.2023	32450	Specialized manpower & Internal Auditor
1057	07 Oct 2023	towards travelling charges and professional charges for visiting institute for CAG audit Invoice no. BMV/HO/23-24/150 Dt. 16.09. 2023	24554	Specialized manpower & Internal Auditor
1414	15 Dec 2023	providing accounts related advisory vide Invoice no. BMV/HO/23-24/199 Dt. 23. 10.2023	59000	Internal Auditor
353	11 Jun 2024	professional fee and visit charge for assisting in audit vide Invoice no. BMV/HO /23-24/310 Dt. 02.02.2024	104430	Specialized manpower & Internal Auditor

Vr.	Date	Payment made on account of	Amount (in ₹.)	Already paid for this function to the CA firms engaged
829	27 Aug 2024	towards professional fee and visit charge for assisting in audit vide Invoice no. BMV/HO/23-24/310 Dt. 02.02.2024	34810	Specialized manpower & Internal Auditor
1084	10 Oct 2024	towards travelling charges and professional charges for visiting institute for audit Invoice no. BMV/HO/24-25/144 Dt. 10.09. 2024	37760	Specialized manpower & Internal Auditor
1236	18 Nov 2024	travelling charges and professional charges for visiting institute for audit Invoice no. BMV/HO/24-25/048 Dt. 03.06. 2024	23600	Specialized manpower & Internal Auditor
1318	04 Dec 2024	towards travelling charges and professional charges for visiting institute for audit Invoice no. BMV/HO/24-25/227 Dt. 06.11. 2024	35400	Specialized manpower & Internal Auditor
1860	28 Feb 2025	towards travelling expenses and professional charges for visiting institute for CAG Audit from 22.02.2024 to 24.02.2024 vide invoice no. BMV/HO/24-25/142 Dt.06. 09.2024	52057	Specialized manpower & Internal Auditor
	Gross Total		**726968**	

Annexure 4.3

(Referred to in Paragraph 4.1)

Details of remuneration

Vr.	Date	Payment made on account of	Amount (in ₹)
102	26 Apr 2023	For attending audit committee meeting and taking over charge from FA & CAO vide Invoice no. BMV/HO/23-24/002 Dt. 03.04. 2023	43,660
318	31 May 2023	Professional charges for briefing and guiding FA & CAO and travelling charges vide Invoice no. BMV/HO/23-24/019 Dt. 08.05.2023	24,780
471	27 Jun 2023	Professional charges for briefing and guiding FA & CAO and travelling charges vide Invoice no. BMV/HO/23-24/030 Dt. 15. 05.2023	24,780
602	17 Jul 2023	Professional charges for briefing and guiding FA & CAO and travelling charges vide Invoice no. BMV/HO/23-24/056 Dt. 12.06.2023	24,780
808	23 Aug 2023	Professional charges for briefing and guiding FA & CAO and travelling charges vide Invoice no. BMV/HO/23-24/096 Dt. 03.08.2023	24,780
		Total	**1,42,780**

Annexure 4.4

(Referred to in Paragraph 4.3)

Statement showing undue financial favour extended to contractor on account of Mobilization Advance (MA) and interest thereupon

Amount of MA	Date	Recovery	Cumulative recovery	Bill no	Amount of work done	MA becoming due with contract amount of ₹ 261.07 crore	Short recovery of MA	Days	Interest @ 10% beyond stipulated date of completion (> 1 Oct'16)	Days	Interest @ 10% on short recovery of MA
(1)	(2)	(3)	(4)	(5)	(6)	(7)[8]	(8)	(9)	(10)	(11)	(12)
117014789	20-04-2015										
99763756	25-06-2015										
92905090	04-09-2015										
	08-04-2016	3851550	3851550	3rd	340362177	13436702	-9585152			54	141808
	01-06-2016	19177304	23028854	4th	470885615	35555888	-12527034			43	185331
	14-07-2016	13393380	36422234	5th	564639264	51443873	-15021639			65	222238
	17-09-2016	8640970	45063204	6th	625126070	61694284	-16631080			38	246049
	25-10-2016	14824040	59887244	7th	732258522	79849511	-19962267	24	1740078	147	295332
	21-03-2017	11663062	71550306	8th	813588219	93632068	-22081762	147	10060952	35	326689
	25-04-2017	9492169	81042475	9th	897946846	107927923	-26885448	35	2283627	93	397757
	27-07-2017	30422121	111464596	10th	988399044	123256427	-11791831	93	5826068	5	174454
	01-08-2017	24950156	136414752	11th	1154515643	151407417	-14992665	5	271555	45	221809
	15-09-2017	14159361	150574113	12th	1249215087	167455681	-16881568	45	2136393	19	249755
	04-10-2017	15297199	165871312	13th	1351526198	184793858	-18922546	19	828327	84	279950
	27-12-2017	12329502	178200814	14th	1433987266	198768143	-20567329	84	3310030	58	304284
	23-02-2018	17691295	195892109	15th	1552653619	218877965	-22985856	58	2089576	5	340065
	28-02-2018	25027076	220919185	16th	1720037592	247243731	-26324546	5	155901	133	389459
	11-07-2018	23922405	244841590	17th	1896286688	277111827	-32270237	133	3235027	65	477423
	14-09-2018	18999303	263840893	18th	2007133243	295896465	-32055572	65	1155013	42	474247
	26-10-2018	45842746	309683639	19th	2110792406	309683639	0	42	527694		
309683635		**309683633**							**33620242**		**4726650**

[8] Amount shown in column 7 has been worked out as per pro rata basis

Annexure 4.5

(Referred to in Paragraph 4.5)

Minimum wages notified by HKRNL

(Amount in ₹)

Sr. No.	Category	L1 rates	Negotiated rates	Minimum wages notified by HKRNL on		
				19-01-2022	06-09-2023	06-09-2024
				From 01-01-2022 to 31-08-2023	From 01-09-2023 to 30-06-2024	From 01-07-2024 to date
1	Housekeeping staff	17,900	16,995	16,995	17,900	19,300
2	Gardener/Mali	17,900	16,995	16,995	17,900	19,300
3	Hostel Attendant	17,900	16,995	16,995	17,900	19,300
4	Office Boy	17,900	16,995	16,995	17,900	19,300
5	Supervisor	22,150	21,032	21,032	22,150	23,900
6	Tractor Driver	21,400	21,022	20,361	21,400	23,100

Annexure 4.6

(Referred to in Paragraph 4.9)

Rates quoted by bidders

(Amount in ₹)

Tender date	Item procured	Rate quoted by			
		Arsh Knit Fab	AR Enterprises	Goel Knit Fabs	Ankur Enterprises
June 2023	Tracksuits	1,610	1,620	1,685	
June 2023	T shirts	610	618		650
Aug 2024	Tracksuits Winter	1,750	1,800	2,000	
	Tracksuits Summer	1,725	1,775	1,900	
	T-shirts	675	700	830	

Annexure 4.7

(Referred to in Paragraph 4.10)

Comparison of sellers & service providers registered with GeM and CPPP

Sr. No.	Position of sellers	No. of sellers/ service providers registered on GeM	No. of sellers/service providers registered on CPPP	Percent higher registrations on GeM
1.	As on March 2019	1,13,584	78,581	45
2.	As on March 2020	2,08,080	1,80,603	15
3.	As on March 2021	10,51,005	3,85,252	173
4.	As on March 2022	12,10,716	5,73,280	111
5.	As on 01 February 2023	13,18,182	7,37,078	79
6.	As on 12 February 2024	Over 20 lakh	8,90,371	125
7.	As on 13 February 2025	Over 22 lakh	10,17,433	116

Annexure 4.8

(Referred to in Paragraph 4.11)

Year-wise details of advance payments made by IIM, Rohtak

(Amount in ₹)

Sl. No.	Year	Advances paid	Expenditure	Advances outstanding at the end of FY
1.	2018-19	4,71,831	4,21,831	50,000
2.	2019-20	18,57,730	17,48,243	1,09,487
3.	2020-21	2,26,452	1,40,800	85,652
4.	2021-22	2,71,376	2,30,489	40,887
5.	2022-23	36,52,887	33,81,235	2,71,652
6.	2023-24	48,79,102	47,42,168	1,36,934
7.	2024-25	58,98,947	57,15,083	3,20,798
Total		**1,72,58,325**	**1,63,79,849**	

Annexure 5.1

(Referred to in Paragraph 5.3)

Minimum Teaching Load

Minimum teaching load per year A	No of working days in a year B	Minimum teaching load per working day C= A/B
99 sessions computed as 7,425 Minutes ***Duration of one session is 1 hour 15 minutes (99 Sessions multiplied by 75 minutes = 7,425 minutes)***	216 Number of working days in a year ***(365 days minus 8 Casual Leave + 2 Restricted Holidays + 10 Earned Leave + 60 Vacations + 52 Sundays + 17 Gazetted Holidays)***	Minimum teaching load per working day = 7,425 ÷ 216 = 34.38 minutes

Annexure 5.2

(Referred to in Paragraph 5.3)

Items provided to faculty members as honorarium/gifts

Sr. No.	Item Description	Purchase details			
		Invoice No.	Date of purchase	Quantity	Cost (₹) *Including GST*
1.	iPhone Mobile 7 (32 GB)	1045	03-10-2020	25	7,46,350
2.	iPhone Mobile 11 (64 GB)			5	3,23,910
3.	iPhone Mobile 12 Mini (128 GB)	2408	26-02-2021	4	2,81,600
4.	iPhone Mobile 12 (128 GB)			1	1,12,700
5.	Apple iPad (128 GB)	2517	16-03-2021	27	9,21,996
6.	Apple iPad (128 GB)	2597	31-03-2021	3	1,02,444
7.	Motorised Treadmill	141	02-12-2021	13	5,59,910
8.	Fitness Bike			18	3,39,840
9.	Fitbit Watch			3	30,090
10.	HP Pavillion-14	1243	29-03-2022	32	20,76,800
11.	Apple MacBook Air M1	1249	31-03-2022	3	3,35,946
Total				**134**	**58,31,586**

Annexure-5.3

(Referred to in Paragraph 5.9)

Details of faculty members whose record was not available

Sr. No.	No. of faculty member	Date of joining	Year of travel	Expenditure incurred (as per information provided)
1.	1	23-03-2016	2016-17	50,408
2.			2017-18	1,47,039
3.	2	NA	2017-18	1,81,891
4.		01-02-2016	2017-18	1,04,915
5.	1	-	2023-24	1,01,912
				5,86,165

Annexure-5.4

(Referred to in Paragraph 5.9)

Details of faculty members who attended international conferences during 2016-2024

Sr. No.	Year	Date of joining	Date of travel	Country visited	Travelled before completing three years of service	Airline by which travelled	Tickets booked through authorised agent (Yes/No)	Travelled by authorised airlines (Yes/No)	Submission of mandatory documents (Yes/No)	Concurrence of Chairman BoG was available (Yes/No/Not applicable)	Resigned within six months from attending the international conference	Expenditure
1	2016-17	04-06-2015	25-10-2016	USA	Yes	Lufthansa	No	No	Yes	NA	No	213464
	2019-20		08-08-2019	USA		Emirates	No	No	No	NA	No	181461
	2022-23		22-03-2023	UK		Vistara	No	Yes	No	NA	No	301749*
	2023-24		19-05-2023	Dubai		Emirates	No	Yes	No	No	No	201807
2	2016-17	31-01-2016	06-10-2016	USA	Yes	United Airlines	No	No	Yes	NA	No	184303
3	2017-18	19-12-2017	14-02-2018	USA	Yes	Etihad Airways	Yes	No	No	NA	No	124854
	2023-24		03-08-2023	USA		Turkish Airlines	No	Yes	No	NA	No	256050
4	2017-18	28-09-2017	07-12-2017	South Korea	Yes	Korean Air	No	No	No	NA	Yes (April 2018)	47012
5	2017-18	28-09-2017	07-12-2017	South Korea	Yes	Korean Air	No	No	No	NA	No	47012
6	2017-18	12-01-2016	17-04-2017	Hong Kong	Yes	Turkish Airlines	No	No	No	NA	No	166577
7	2017-18	02-06-2017	23-03-2018	UK	Yes	Emirates	No	No	No	NA	No	78267
8	2018-19	17-07-2017	24-07-2018	Japan	Yes	Air India	No	No	No	NA	No	118379
9	2018-19	30-06-2017	13-08-2018	Japan	Yes	British Airways	No	No	No	NA	No	215154
10	2019-20	09-01-2018	19-06-2019	Italy	Yes	Alitalia	No	No	No	NA	No	129496
11	2019-20	13-06-2019	08-08-2019	USA	Yes	Emirates	No	No	No	NA	No	124253
12	2023-24	04-08-2020	19-05-2023	Dubai	Yes	Emirates	No	Yes	No	NA	No	63056
13	2023-24	02-05-2022	19-05-2023	Dubai	Yes	Emirates	No	Yes	No	NA	No	113685
14	2023-24	01-04-2021	02-07-2023	Belgium	Yes	Vistara	Yes	Yes	No	NA	No	185786

Sr. No.	Year	Date of joining	Date of travel	Country visited	Travelled before completing three years of service	Airline by which travelled	Tickets booked through authorised agent (Yes/No)	Travelled by authorised airlines (Yes/No)	Submission of mandatory documents (Yes/No)	Concurrence of Chairman BoG was available (Yes/No/Not applicable)	Resigned within six months from attending the international conference	Expenditure
15	2016-17	22-11-2011	14-12-2016	New Zealand		China Southern Airlines	No	No	Yes	NA	No	275555
	2018-19		12-06-2018	USA		American Airlines	No	No	No	No	No	111007
	2022-23		01-07-2022	Turkey		Turkish Airlines	No	Yes	No	NA	No	138350
	2023-24		19-05-2023	Dubai		Emirates	No	Yes	No	NA	No	164842
16	2019-20	24-04-2016	09-08-2019	USA		Emirates	No	No	No	NA	No	188954
17	2022-23	NA	01-07-2022	Turkey		Turkish Airlines	Yes	Yes	No	NA	No	380886
	2022-23	NA	22-03-2023	UK		Vistara	No	Yes	No	NA	No	518620*
18	2023-24	24-03-2020	19-05-2023	Dubai		Emirates	No	Yes	No	NA	No	92990

Note: *Expenditure includes room charges shared was not available in the record provided to audit-

Glossary	
BoG	Board of Governors
BOQ	Bill of Quantity
CPCB	Central Pollution Control Board
CPPP	Central Public Procurement Portal
DoPT	Department of Personnel and Training
ECR	Electronic Challan-cum-Return
EMD	Earnest Money Deposit
EPFO	Employee Provident Fund Organisation
EPGP	Executive Post Graduate Programmes
FDR	Fixed Deposit Receipt
FPM	Fellow Programme in Management
GeM	Government e-Marketplace
GFR	General Financial Rules
GIA	Grant-in-aid
GRDC	Grievance Redressal and Disciplinary Committee
GST	Goods and Services Tax
HKRNL	Haryana Kaushal Rozgar Nigam Ltd.
ICC	Internal Complaints Committee
IIM	Indian Institute of Management
IIMR	Indian Institute of Management, Rohtak
IPL	Integrated Programme in Law
IPM	Integrated Programme in Management
LTE	Limited Tender Enquiry
MDP	Management Development Programme
MHRD	Ministry of Human Resource Development
MoU	Memorandum of Understanding
NDP	Net Dealer Price
NFSA	National Food Security Act
NIT	Notice Inviting Tender
PGP	Post Graduate Programme
RFP	Request for Proposal
SoQ	Schedule of Quantities
TDS	Tax Deducted at Source
UGC	University Grants Commission

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