DIRECTOR GENERAL OF AUDIT (CENTRAL EXPENDITURE)
कार्यालय महानिदेशक लेखापरीक्षा (केन्द्रीय व्यय), डीजीएसीआर भवन,आई.पी.एस्टेट, नई दिल्ली- 110002
DGACR BUILDING, IP ESTATE, NEW DELHI-110002

सत्यमेव जयते

लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Date: 30 Jan 2023

To,

निदेशक, भारतीय प्रौद्योगिकी संस्थान , हौज़ खास,नई दिल्ली - 110016

Subject: वर्ष 2021-22 की अवधि केलिए “भारतीय प्रौद्योगिकी संस्थान” के लेखो कीलेखापरीक्षा/निरिक्षण प्रतिवेदन ।

Sir/Madam,

उपर्युक्त उल्लिखित लेखापरीक्षा/निरिक्षण प्रतिवेदन आवश्यक कार्यवाही हेतु अनुरोध के साथ भेजी जाती है कि इस सन्दर्भ में आपका उत्तर निरिक्षण प्रतिवेदन की प्राप्ति के एक माह के भीतर भेजा जाए ।

इस प्रतिवेदन में भाग **II (क)** के 6 एवं भाग **II (ख़)** के 01 से 16 तक **पैरों** में इंगित की गयी अनियमित्तताओं की ओर आपका ध्यान विशेष रूप से आकृष्ट किया जाता है।

Yours faithfully,

Encls: As above

KIRAN MONGA
SAO

Copy to:-

1 रजिस्टार, भारतीय प्रौद्योगिकी संस्थान, हौज़ खास, नई दिल्ली-110016
2 आन्तरिक लेखापरीक्षा सेल, भारतीय प्रौद्योगिकी संस्थान , हौज़ खास,नई दिल्ली - 110016

Inspection Report on the transaction audit of Indian Institute of Technology, Delhi for the year 2021-22

Part I – Introduction

The transaction audit of the Indian Institute of Technology, Delhi (IIT-D) for the period 1.4.2021 to 31.03.2022 was conducted by a local audit party comprising of Ms. Kiran Monga, Senior Audit Officer (on 20, 21 and 28.10.2022), Sh. Lalit Bansiwal, Senior Audit Officer, Sh. Santosh Kumar Jha, Assistant Audit Officer, and Sh. Nawal Kishore, Assistant Audit Officer of the Office of the Director General of Audit, Central Expenditure, New Delhi from 17.10.2022 to 09.12.2022 (36 working days).

1. General set up & activities

The Indian Institute of Technology, Delhi (IITD) is one of the Institutes of Excellence for higher education, research and development in Science, Engineering and Technology and in management in India. It is an autonomous statutory organization of the Government of India functioning within the "Institute of Technology Act, 1961" as amended by the "Indian Institute of Technology (Amendment) Act, 1963". The objectives of the Institute include:

a. offering instructions in applied sciences, engineering and technology, and management at a level comparable to the very best anywhere in the world;
b. providing adequate facilities for postgraduate studies and research to meet the needs of specialized research workers and teachers in the country;
c. providing leadership in curriculum planning, laboratory development and examination system;
d. developing programme for faculty`s development, both for its own staff and for teachers of other engineering institutions;
e. developing close collaboration with industry through exchange of personnel and undertaking consultancy projects;
f. developing strong collaboration links with other academic and research institutions in the country and in abroad;
g. anticipating the technological needs for India and to plan and prepare to cater to them;
h. developing a continuing education programme for employed engineers and making it available both on campus and by distance learning techniques at off campus locations;
i. preparing instructional resource material in the conventional as well as the audio-visual, the video and the computer based modes;
j. interacting with the community at large to inculcate in our country`s men and women a feel for scientific thought and endeavor;
k. catering to the development of a culture for maintenance and conservation; and
l. Organizing study programmes to prepare manpower for the unorganized sector and for self-employment.

In pursuit of its objectives, IITD offers a wide range of academic programmes both at the undergraduate and post graduate levels. The responsibility of general superintendence, direction and control of the affairs of the Institute is vested in the Board of Governor's (BOG).

Section 23(2) of the Institute of Technology Act, 1961 provides for the audit of accounts of the Indian Institute of Technology, Delhi by the Comptroller & Auditor General of India. The audit of the accounts of IITD has been conducted under Section 19(2) of the C&AG's (DPC) Act, 1971.

2. Budget and expenditure

The Institute is financed by the Department of Secondary & Higher Education, Ministry of Education, Government of India. It also receives funds for sponsored research projects financed by several funding agencies and industries and for consultancy assignments being undertaken by the Institute.

The details of grants received and expenditure of IITD for the last three years is as under:

(Rupees in lakh)

Year	Actual Grant Received		Budget(Revised Estimate)		Actual Expenditure	
	Non Recurring OH-35	Recurring OH-36 & OH-31	Non Recurring OH-35	Recurring OH-36 & OH-31	Non Recurring OH-35	Recurring OH-36 & OH-31
2019-20	7000.00	53594.00	9000.00	59600.00	7348.25	49384.79
2020-21	3375.00	49238.00	9700.00	63807.00	6260.22	48545.56
2021-22	5800.00	54948.00	15200.00	75825.00	2516.16	54989.06

(a) Procedure of budget allocation

The allocation of budget under different heads under Revenue and Capital is done by the Planning Section of the IIT Delhi and budgetary control is exercised through computerized system of IIT Delhi. The expenditure control is exercised by the Competent Financial Authority delegated with the powers.

(b) Procedure for providing budget to various departments

The budgetary allocation is made by Planning Section based on the average excess expenditure incurred by the departments based on increase in students, infrastructure etc. in the last year.

(c) Procedure prescribed for various departments for incurring expenditure

The purchase/procurement is done by Rules and Procedures laid down in the General Financial Rules/Institute Store Purchase Rules with the approval of the Competent Financial Authority.

3. Audit sampling

Audit sampling was adopted on the selection basis of vouchers for the month of March 2022.The audit has been conducted on the basis of information furnished and made available by IIT, New Delhi, in accordance with the Central Government Rules and Auditing Standards of CAG.

4. Internal check and supervision

An effective internal audit system helps the organization to detect the deficiencies in its functioning and also assures it of compliance with various policies, rules and regulations. The IITD has an internal audit wing which conducts the internal audit of its various units.

5. Schedule of Persistent Irregularities

(i) Non/delay in installation of equipment
(ii) Huge debit and credit balances against sponsored projects
(iii) Non recovery of license fee/penalty from various commercial outlets

6. Key Officers

The following officials have held the charge of the respective posts as indicated below for the period mentioned against each since the date of last audit.

<table>
<tr><td>The accounts of the office of the</td><td colspan="2">Indian Institute of Technology, Delhi,Hauz Khas, New Delhi-110016</td></tr>
<tr><td>Period of audit</td><td colspan="2">2021-22</td></tr>
<tr><td>Conducted</td><td>17.10.2022 to 09.12.2022</td><td>(36 working days)</td></tr>
<tr><td colspan="3">The following officials have held the charges of the respective posts indicated below for the period mentioned against each since the date of last audit.</td></tr>
</table>

<table>
<tr><td>Sl. No</td><td>Posts</td><td>Name of the Officer</td><td>Designation</td><td>From</td><td>To</td></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Head of the Department</td><td>Prof. V. RamGopal Rao</td><td>Director</td><td>01-04-2021</td><td>14-02-2022</td></tr>
<tr><td>Prof. Ragan Banerjee</td><td>Director</td><td>15-02-2022</td><td>31.03.2022</td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Head of Administration</td><td>Prof. Tara C. Kandpal</td><td rowspan="2">Deputy Director (Operations)</td><td>01-04-2021</td><td>19-07-2021</td></tr>
<tr><td>Prof. S.G. Deshmukh</td><td>20.07.2021</td><td>31.03.2022</td></tr>
<tr><td>3</td><td>DDO</td><td>Dr. Deepika Bhaskar</td><td>Registrar</td><td>01.04.2021</td><td>31.03.2022</td></tr>
<tr><td>4</td><td>Head of Accounts</td><td>Mohd. Shamim</td><td>Dy. Registrar (Accounts)</td><td>01.04.2021</td><td>31.03.2022</td></tr>
<tr><td>5</td><td>Cashier</td><td>J.S. Kohli</td><td>Jr. Accounts Officer (Cash)</td><td>01.04.2021</td><td>31.03.2022</td></tr>
</table>

PART-II

(Audit Findings)

PART-II-(A)

(Significant Audit Findings)

Reference Number: OBS-557201

Para 1: Avoidable expenditure of Rs.3.27 crore due to delay in procuring/trading of power under Short Term Open Access (STOA)

In the 124th Building and Works Committee (B&WC) meeting held on 25.10.2017, Power Trading Corporation of India Limited (PTC India Limited) had given presentation for optimization of electrical power system at IIT Delhi by trading of power under Open Access. The proposal of PTC India Limited was approved by B&WC in its meeting held on 18.04.2018 for adopting the power trading under open access. It was decided that IIT Delhi will purchase 3 MW power through open access and surrender the existing 3 MW load (from the existing sanctioned load) back to M/s BSES Rajdhani Power Limited (BRPL) to save the fixed charges of Rs.250 per MW. As per this arrangement, it was estimated to make the savings ranging from Rs.1.49 crore to Rs.3.69 crore per year (including Rs.90 lakh on fixed charges @ Rs.7.50 lakh per month) after surrendering 3 MW to BSES.

To implement this scheme, IIT Delhi engaged M/s PTC India Limited to act as a consultant and work on behalf of IIT Delhi and entered into a Power Sale Agreement with M/s PTC India Limited on 09.08.2018. As per clause H of the agreement entered into with M/s PTC India Limited, IIT Delhi had to submit a Bank Guarantee amounting to Rs.1.87 crore to M/s BSES which is a mandatory requirement as approved by Delhi Electricity Regulatory Commission (DERC) in order to become an Open Access customer and to avail power purchasing facility through open access upto 3 MW. IIT Delhi on 05.08.2019 applied to BRPL for NOC for purchase of power through Open Access.

Board of Governors (BoG) in its meeting held on 20.03.2020 considered the proposal and approved its implementation from 01.04.2020 on the basis of the recommendations of B&WCs meetings held on 15.10.17 & 18.04.2018 and the presentation give by Associate Dean (Infrastructure). The Board, however, in respect of submission of bank guarantee of Rs.1.87 crore in terms of clause H of the agreement entered into with M/s PTC Limited, observed that this is a policy matter and to enter into a bank guarantee has it financial perspective, for which the subject agenda was not submitted in the Finance Committee. The Board opined that as a matter of procedure and financial compliance, the entire proposal is ratified by the Finance Committee in its next meeting and then it is re-submitted for a resolution. Accordingly, the Finance Committee in its meeting held on 13.08.2020 ratified the proposal and also agreed that in order to become an Open Access customer and to avail power purchasing facility through Open Access upto 3 MW, the institute has to submit a Bank Guarantee amounting to Rs.1.86 crore to BSES. The Finance Committee agreed /ratified the proposal of submitting Bank Guarantee to M/s BRPL and recommended to the Board for its approval/resolution. After the approval of the competent authority the bank guarantee amounting to Rs.1.87 crore in favour of BRPL was finally issued on 01.02.2021 for a period upto 01.01.2022.

IIT Delhi on 02.03.2021 entered into a fresh agreement with M/s PTC India Ltd. As per the agreement IITD agreed to buy 2 MW of power from 15.03.2021 to 31.03.2023 under Short Term Open Access (STOA) at the tariff rate of Rs.4.64/kWh.

IIT Delhi for the purpose of procuring power through STOA obtained NOC from State Load Dispatch Centre (SLDC) Delhi for the period from 1.10.2020 to 31.07.2021 and 1.08.2021 to 31.07.2022 for the main connection (CA No.100004896). IIT Delhi on 13.09.2021 requested SLDC Delhi for cancellation of STOA from 16.09.2021 to 31.07.2022 on the basis of changes made by DERC regarding exemption of Wheeling Charges, Transmission Charges, Cross Subsidy surcharge and Additional Surcharge, to the extent of RPO compliance only thereby making the procurement of power through renewal resources under STOA in Delhi unfeasible. SLDC accordingly cancelled the STOA to IITD from 16.09.2021 to 31.07.2022.

Examination of relevant records revealed that there was huge delay in implementation of the scheme of power trading under open access. Though the scheme was approved and recommended by the B&WC in April 2018 but the same could only be approved by the BoG as late as in March 2020 for its implementation from 01.04.2020 after the ratification of the proposal by FC as the same was not ratified/recommended by FC till then. FC which should have actually ratified/recommended the proposal prior to its approval by BoG, gave its recommendation/ratification to the scheme/proposal in August 2020. Hence, after in-principle approval and recommendation by B&WC in April 2018 the scheme was finally approved by BoG/FC in August 2020 after a gap of more than two years and five months from the approval give by B&WC. Audit also noted that after the ratification by FC, IIT Delhi took another five months in getting the Bank Guarantee issued in February 2021 despite being well aware of clause H of the agreement (August 2018) with M/s PTC India Ltd. which required bank guarantee as a mandatory requirement to become an Open Access customer. Hence, there was delay in implantation of the scheme of power trading under Open Access. The scheme could have been implemented from the financial year 2018-19 itself immediately after in-principle approval given by B&WC had the approval to the same by FC/BoG not been delayed considering the huge savings involved in switching over this mode of power procurement by IIT Delhi. The scheme, however, finally took off from April 2021 and remained under implementation upto September 2021. Due to delay in implementation of the scheme, IIT Delhi could not avail the benefit of savings available under the scheme and incurred loss of Rs.3.27 crore during 2019-20 and 2020-21. Table below gives the details:

CA No.100004896

Year	Total units consumed through BSES for the contract demand of 4.897 MW	Units consumed proportionate to 2 MW of power not procured under Open access i.e. 40.84 per cent of total contract demand of 4.897 MW	[1]Rate per unit at which electricity charges paid to BSES	Payment of electricity charges made to BSES for units consumed proportionate to 2 MW	[2]Rate at which power could have been procured from PTC under Open Access	Amount of electricity charges for units consumed proportionate to 2 MW, if purchased from PTC under Open Access	Avoidable payment of electricity charges due to not procuring 2 MW power from PTC under Open Access
2019-20	14811830	6049151.37	11.65	70472613.46	8.54	51659752.70	18812860.76
2020-21	10178375	4156848.35	11.89	49424926.88	8.54	35499484.90	13925441.98
Total							**32738302.74**

[1] Rate arrived at by dividing total electricity charges paid to BSES by total units consumed during the year.

[2] Rate of 8.54 per unit adopted based on rate at which IIT Delhi procured power from PTC under Open Assess from April 2021 to September 2021, which is near to the rate of Rs.8.50 per unit envisaged at the time of proposing procurement of power under Open Access.

It may be seen from the above table that IIT Delhi suffered loss of Rs.3.27 crore due to not availing the benefit of the scheme of purchase of power under Open Access during 2019-20 and 2020-21 due to delay in approval and issue of bank guarantee. It is pertinent to mention that the Institute had made saving of Rs.2.61 crore on electricity charges through procurement of power under STOA during the period April 2021 to September 2021 i.e., nearly five and half months when procurement of power through STOA was being done. Had IIT Delhi been pro active and ensured approvals and issue of bank guarantee immediately after in-principle approval of B&WC in April 2018, saving of Rs.3.27 crore would have been made during 2019-20 and 2020-21 as well.

Hence, due to delay in approval/implementation of the scheme, IIT Delhi could avail the benefit of cheaper electricity under STOA during 2019-20 & 2020-21 which led to avoidable expenditure of Rs.3.27 crore on electricity charges.

The matter was referred to the Institute vide Half margin No.9 dated 30.11.2022 but the reply is still awaited.

Reference Number: OBS-557242

Para 2: Loss of interest due to improper decision amounting to Rs. 2 crore

Investment Committee in IIT Delhi decides on investment of surplus funds. The committee keeping in view the BOG approved guidelines related to investment of available surplus funds gives its recommendation for investment. Further, these guidelines inter alia provide for at least 60 percent of the funds of the Institute with State owned PSU banks and hence, at the most 40 percent with private banks.

Scrutiny of investment records for the period March 2021 to March 2022 of Indian Institute of Technology (IIT), Delhi revealed that IITD invited quotations for rate of interest for investment of surplus funds (ranging from Rs.1 crore to Rs.25 crore and above) for different period of maturities from various State owned PSU banks and private banks. During March 2021 to March 2022 the meetings of Investment Committee were held in the month of March 2021, April 2021, August 2021, September 2021, October 2021, November 2021, January 2022 and March 2022 for investment of surplus funds available with the Institute. Audit noticed that due to absence of due diligence of the Investment Committee in the above meetings the Institute had suffered a loss of interest amounting to Rs.2 crore as detailed below:

Sl. No.	Meeting held	Amount of Investment (Amount in Lakh)	Duration of invest-ment	Bank in which amount was invested	Bank/Rate of Interest at which amount was invested	Maximum rate offered by bank	Name of the bank offering maximum rate of interest	Loss of Interest (In Rupees)
1	March 2021	4500	1 year	Canara Bank	3.40%	3.50%	Indian Bank	4,50,000
2		1140	1 year	HDFC Bank	3.85%	6 %	Yes Bank	24,51,000
3		1100	1 year	HDFC Bank	3.85%	6 %	Yes Bank	23,65,000
4		550	24 days	Canara bank	3.05%	3.10%	Yes Bank	1,808
5		95	24 days	SBI	2.90%	3%	UBI	624

6		125	30 days	SBI	2.90%	3%	UBI	**1,027 not includedin total loss value)**
		Had Rs.125 lakh been invested for 31 days @3.40% in IndusInd Bank it would have fetched Interest of Rs. 36096						**36096(included in lieu of 1,027)**
7	April 2021	4500	1 year	HDFC Bank	3.85%	6.10%	Yes Bank	1,01,25,000
8		199	1 year	Punjab & Sind Bank	5.25%	6.50%	IndusInd Bank	2,48,750
9		101	1 year	Canara Bank	5.20%	6.50%	IndusInd Bank	1,31,300
10	August 2021	3200	1 year	SBI	4.9%	5.20%	Yes Bank	9,60,000
11		60	1 year	SBI	4.9%	6%	IndusInd	66,000
12		1800	1 year	SBI	4.9%	5.65%	Yes Bank	13,50,000
13	September 2021	14 FDR of 199	1 year	SBI	5.0%	5.10%	UBI	2,78,000
14		164	1 year	SBI	5.0%	5.10%	UBI	16,400
15		9 FDR of 199	181 days	SBI	4.4%	4.45%	Punjab & Sind Bank	44,407
16	October 2021	9500	1 year	SBI	5.0%	5.05%	Punjab & Sind Bank	**4,75,000 (not included in total loss value)**
		1350	1 year	SBI	5.0%	5.05%	Punjab & Sind Bank	**67,500 (not included in total loss value)**
		199	1 year	SBI	5.0%	5.05%	Punjab & Sind Bank	**9950 (not included in total loss value)**
		3700	1 year	SBI	5.0%	5.05%	Punjab & Sind Bank	**185000 (not included in total loss value)**
		1950	1 year	SBI	5.0%	5.05%	Punjab & Sind Bank	**97500 (not included in total loss value)**
		Had Rs.16699 lakh been invested for 1 year 1 day in UBI (Corporation Bank) @ 5.1% it would have fetched interest of Rs.16,69,900						**16,69,900 (included in lieu of 8,34,950)**
17	November 2021	1500	1 year	SBI	5.0%	5.05%	Punjab & Sind Bank	75,000 **(not included in total loss value)**
18		1600	1 year	SBI	5.0%	5.05%	Punjab & Sind Bank	**80,000 (not included in total loss value)**
		Had Rs.3100 lakh been invested for 1 year 1 day in UBI (Corporation Bank) @ 5.1% it would have fetched Int. 3,10,000						**3,10,000 (included in lieu of 80,000)**
19		1500	181 days	SBI	4.40%	4.45%	Punjab & Sind Bank	37,191

20	January 2022	7500	1 year	SBI	5.10%	5.10%	SBI	Nil **(not included in total loss value)**
		Had Rs.7500 lakh been invested for 1 year 1 day in Axis Bank @ 5.25% it would have been fetched Interest of Rs.11,25,000						11,25,000**(included in lieu of nil)**
Total								**1,99,59,385**

There should have been a proper scrutiny of the interest rate offered by the Govt. and private banks before any investment decision of surplus funds was taken. Investment should have been done in the banks offering high rate of interest to fetch more interest on Government money. Also in order to bring about a level playing field, each Govt. bank and private bank should have been given equal opportunity on merit. Thus, non-compliance of general financial prudence by the Investment Committee lead to a loss of interest of Rs.2 croreon investments to the Institute.

(ii) IIT Delhi has a savings account in HDFC Bank (A/C No- 50100169861119). It was noticed that as on March 2022, an amount of Rs. 210.17 crore was lying in this savings account. The reason for such huge balance of Rs. 210.17 croreas furnished by the Institute was receipt of Rs. 186 crore (on maturity of FDs) in the last week of March 2022. Further, out of Rs. 210.17 crore an amount of Rs.170 crore was invested on 12.04.2022 keeping the balance amount for day to day expenses. Due to delay in investment of Rs. 170 crore by12 days, IIT had suffered a loss of interest of Rs.9.33 lakhat differential rate of interest of 1.67 per cent per annum (difference between rate of 5.17 % offered by UBI for 1 year in March 2022 andrate of interest of 3.50 % offered by HDFC on saving account). Parking of surplus funds in interest generating safe avenues is an elementary aspect of cash management. Also, investment of surplus funds should be done such as to prevent the funds from lying idle, and instead, generate returns. Thus, if the amount of Rs. 170 crore had been invested timely in term deposit, the same could fetch an interest of Rs.9.33 lakh. Retention of large cash balances in savings account resulted in a loss of Rs.9.33 lakh.

The matter was referred to the Institute vide Half margin No.22 dated 09.12.2022 but the reply is still awaited.

Reference Number: OBS-557227

Para 3: Non-availing of rebate despite commissioning of waste water recycling system in IIT-Delhi resulting in avoidable payment of Rs.1.70 crore

Reference is invited to Para No. 5.4 of Report No. 23 of 2013 regarding Non-claiming of rebate on Water Charges and ATN furnished by the Ministry of Education, Department of Higher Education in this regard.

Delhi Jal Board vide its order no. DJB/DOR/Tarrif/2009 dated 16 December 2009 had notified the new rates of water tariff in Delhi w.e.f. 1 January 2010 and also granted a rebate of 15 per cent on the monthly bill amount of category II-A consumers viz. Government offices, institutions, Government schools, etc. provided they adopt rain water harvesting and/or waste water recycling and furnish a certificate to this effect to the Regional Revenue Officer. Plot/Properties with an area of 2000 sq. mtrs and above, having installed functional RWH System or waste recycling system shall be granted rebate @10% in the total bill amount and 15 % if both the above systems have been set up and are functional.

IIT Delhi had 39 functional Rainwater Harvesting Systems and 02 Sewage Treatment Plants installed on different locations along with five water connections of Delhi Jal Board in its campus. Scrutiny of records revealed that though IIT Delhi had availed 10 per cent rebate on water charges on Rain Water Harvesting systems but it did not avail 5 per cent rebate of Rs.1.70 crore on total water charges of Rs.33.94 crore in respect of three water connections admissible on two waste water recycling systems/STPs commissioned in June 2019.

As per the above rule IIT Delhi was entitled to avail 15% (10% + 5%) rebate on total monthly water bill as rain water harvesting system and waste recycling system both exists in the campus but it did not avail 5 per cent rebate admissible to it on waste water recycling system, thus resulting in avoidable payment of Rs. 1.70 crore during the period July 2019 to October 2022 as detailed in the ***Annexure*** and summarized below:

(Amount in Rupees)

Sr. No.	**Meter Connection**	**Period**	**Amount of Water charges**	**Amount of 5 per cent rebate on waste water recycling not obtained**
1	New K.No. 1502621000	July 2019 to October 2022	**53930960**	**2687548**
2	New K.No. 9502621000		**272020997**	**13601045**
3	New K.No. 0602621000		**13432220**	**671612**
Total			**339384177**	**16960204**

As per ATN furnished by IIT-D it was assured by the Institute that Sewerage Treatment Plant will be completed within two years after that they will avail the additional 5% rebate. After commissioning its two STPs, IIT Delhi wrote to DJB in June 2019 for granting rebate of 5 per cent on water charges. Audit noted that after June 2019 IIT Delhi had not pursued the matter further with DJB to obtain 5 per cent rebate. This indicates casual approach of IIT Delhi in obtaining the rebate. As a result, rebate amounting to Rs.1.70 crore could not be claimed as of October 2022. Institute authorities may initiate rigorous efforts to avail the required concession on future bills and also seek refund of the excess amount already paid, if any.

The matter was referred to the Institute vide Half margin No.3 dated 23.11.2022 but the reply is still awaited.

Reference Number: OBS-557216

Para 4 : Loss of revenue of Rs.1.12 crore to the Government due to non charging/collection of GST

In terms of para 7 of the guidelines for CFTIs on Endowment Fund dated 07.12.2021 issued by the Ministry of Education, IIT Delhi established a Section 8 Company/Trust ‘IIT Delhi Endowment Management Foundation’ (incorporated on 13.03.2020) for the purpose of raising and managing the Endowment Funds. IIT Delhi Endowment Management Foundation the Section 8 Company was registered under Section 12AA of the Income Tax Act, 1961. The foundation is also registered under GST.

As per Para IV (e) of the Bye Laws of IIT Delhi Endowment Fund, the Endowment board shall approve annual allocation of funds to meet expenses of “Foundation”. This allocation will be upto 5 per cent of the sum of donations received in the previous year and the income generated from investment of the Endowment Fund in the previous year. During the year 2020-21 and 2021-22, IIT Delhi made payment of Rs.6.24 crore in terms of Para IV (e) of the Bye Laws of IIT Delhi Endowment Fund. Endowment Management Fund had surplus of Rs.1.00 crore as on 31.03.2022 as per its annual accounts.

Notification No.12/2017-Central Tax (Rate) dated 28th July 2017 exempts services provided by entity registered under Section 12AA of the Income Tax Act, 1961 by way of charitable activities from whole of GST vide entry No. 1 of the notification, which specifies that “services by an entity registered under Section 12AA of Income Tax Act, 1961. Thus, as per the notification, exemption is given to the charitable trusts, only if it is registered under

Section 12AA of the Income Tax Act and such services or activities by the entity are by way of charitable activities. Charitable activities defined in the said notification means activities relating to Public Health by way of care of counseling of terminally ill persons or persons with severe physical or mental disability, persons affected with HIV or AIDS, persons addicted to a dependence forming substance such as narcotics drugs or alcohol, public awareness of preventive health, family planning or prevention of HIV infection, advancement of religion, spirituality or yoga, advancement of educational programmes or skill development relating to abandoned, orphaned or homeless children, physically or mentally abused and traumatized persons, prisioners or persons over the age of 65 years residing in a rural areas. This notification makes the exemption to charitable trusts available for charitable activities more specific. While the income from only those activities listed above is exempt from GST, income from the activities other than those mentioned above is taxable. Thus, there could be many services provided by charitable and religious trust which are not considered as charitable activities and hence, such services come under the GST net.

As per Section 7 of CGST Act, Scope of supply includes— (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business; (aa) the activities or transactions, by a person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration. Further, as per Section 31 (2) of CGST Act, a registered person supplying taxable services shall, before or after the provision of service but within a prescribed period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as may be prescribed.

Audit noted that IIT Delhi had not made any agreement/MoU with the Endowment Management Foundation to clearly demarcate obligations of both the parties. In the absence of an agreement, the interest of the Government by way of revenue on account of GST was not taken care of. Audit observed that the services provided by Endowment Management Foundation to IIT Delhi were covered under the scope of supply as per section 7 of CGST Act for which the Endowment Management Foundation should have issued tax invoices to IIT Delhi for Fund Raising and Management Services. IIT Delhi had not made any agreement with the Endowment Management Foundation duly incorporating clauses/provision for GST in terms of Notification No.12/2017-Central Tax (Rate) dated 28th July 2017 mentioned above as per which the Endowment Management Foundation was liable to collect GST from IIT Delhi for providing Fund Raising and Management Services as these services were not exempt and covered under the ambit of GST. Endowment Management Foundation had not raised tax invoices though it was registered under GST Act in violation of Section 31 (2) of CGST Act. As a result GST of Rs.1.12 crore @18% on consideration of Rs.6.24 crore paid to the Endowment Management Foundation, could not be collected and deposited in the Government Account. This resulted in loss of revenue of Rs.1.12 crore to the Government.

Audit also noted that as there was no agreement in place to authorize provision of facilities to the Foundation by IIT Delhi, the provision of free space and other facilities of its Alumni Relations office as a support staff to the Endowment Management Foundation for raising funds besides making payment of Rs.6.24 crore in terms of Para IV (e) of the Bye Laws of IIT Delhi Endowment Fund during 2020-22 was also irregular.

Hence, non-execution of an agreement duly incorporating clauses/provision for GST with Endowment Management Foundation resulted in loss of GST of Rs.1.20 crore to the Government.

The matter was referred to the Institute vide Half margin No.17 dated 07.12.2022 but the reply is still awaited.

Reference Number: OBS-557236

Para 5: Diversion of funds of Rs.95.23 lakh on capital expenditure from Professional Development Allowance (PDA)

Ministry of Education releases grants to IIT Delhi under OH-35 for making capital expenditure and under OH-36 and OH 31 for making revenue expenditure on salary and other office expenses. IIT Delhi received grant of Rs.291.19 crore, Rs.256.36 crore and Rs.279.43 crore respectively under Object Head 36-Salary during the year 2019-20, 2020-21 and 2021-22 respectively for making expenditure on Salary, fellowship, medical expenses, leave encashment, LTC, Professional Development Allowance (PDA), retirement benefits and other expenses of revenue nature.

As per the scheme of Professional Development Allowance (PDA) for which the Institute receives grant from MoE under revenue OH 36 (Salary), the PDA of Rs.3.00 lakh is granted to every faculty including Scientific/Design Staff at the level of Assistant Professor and above for a block of three years. The purpose of PDA is to participate in a range of professional activities, attending conferences, workshops. Out of Rs.3.00 lakh granted as PDA, a maximum of Rs.1.50 lakh over three years can be spent on contingency that includes items like books, stationery, computer accessories, professional memberships, journal page charges etc. Books costing more than USD 100 or equivalent of Indian Rupee only will be recorded in the inventory (may be retained at 5 per cent purchase value on retirement). Books purchased during the three years preceding retirement may not be retained. Books costing below USD 100 or equivalent in Indian rupees will not be entered in inventory.

As per Schedule 9 (Grants/Subsidies) to annual accounts of IIT Delhi for the year 2019-20, 2020-21 and 2021-22, under the revenue heads OH-36 (salary) expenditure of Rs.33.39 lakh, Rs.29.36 lakh and 32.48 lakh (Total 95.23 lakh)respectively was incurred on Capital Expenditure by the Institute. Examination of records disclosed that Rs.95.23 lakh was incurred on purchase of computer equipment from the PDA and shown as capital expenditure in Schedule 9 of the accounts during 2019-20, 2020-21 and 2021-22. As the Ministry released grants to the Institute exclusively to make revenue expenditure under OH 36 (salary) and there was no provision in the scheme of PDA for making expenditure on procurement of computer equipment, the Institute should have adhered to the conditions of the Government sanction and made the expenditure only on items of revenue nature as provided in the scheme of PDA but the same was not done and an amount of Rs.95.23 lakh meant for making revenue expenditure under PDA was diverted on capital expenditure.

The matter was referred to the Institute vide Half margin No.20 dated 08.12.2022 but the reply is still awaited.

Reference Number: OBS-557249

Para 6: Recovery of Rs.85.29 lakh at the instance of audit due to irregular mapping of scales by IIT Delhi

As per Ministry of Finance’s OM. No.8(4) E-Coord/84 dated 15 October 1984, the rules and bylaws of Autonomous Bodies which were fully or partly funded by the Govt. of India should invariably incorporate restrictive clause relating to the power of governing bodies of such organization in the matter of creating of post, revision of pay and allowance of their staff.

Scrutiny of the Recruitment Rules (RRs) of non-academic staff of IITD, revealed that the Institute incorporated point no 17, 18 and 19 in the RRs, without the approval of the Ministry of Human Resource Development, which was mandatory as per above mentioned MoF OM dated 15 October 1984. The RRs were amended by the IIT Delhi on the basis of resolution passed in the 199th meeting of B0G considering it as an approval of BOG for insertion and implementation of point no 17, 18 & 19 in RRs. However, as per resolution of the above, BOG accepted the report of implementation committee and taken as to be implemented and instead of granting approval clearly mentioned that "The Board decided to discuss and take up the matter separately in the next meeting." However, on the basis of above mentioned resolution the IIT, Delhi without waiting for the approval in next meeting, issued the notification. Further,no such approval was granted by BOG in its 200th meeting held on 22.04.2019.

During the course of audit for the year 2018-19, IIT Delhi was unable to provide the copy of the approval of the Ministry for the same. Hence, IIT Delhi not only irregularly amended the RRs but also implemented the same (point no 17 of RRs) without formal approval of BOG as well as approval of Ministry.

Audit observed that on the basis of irregular incorporation of point No.17 in the RRs, IIT Delhi mapped the scales of incumbents, serving in the Grade pay (GP) of Rs.2400 to GP of Rs.2800 and others working in the GP of Rs.4600 to GP of Rs.4800 with effect from November 5, 2016 . This resulted in irregular award of GP of Rs.4800 to 156 officials and GP of Rs.2800 to 59 officials without obtaining the approval of MHRD and MoF. Due to irregular mapping of scales unauthorized expenditure of Rs.44.53 lakh was worked out during the audit of IIT Delhi for the year 2018-19 out which increased to Rs.85.29 lakh as of November 2022.

During the audit of IIT Delhi for the year 2021-22, it has been observed that in compliance of the observation of irregular amendment and mapping of scales, IIT Delhi vide Office Order dated 27.07.2022 not only withdrew the notification dated 01.03.2019 vide which irregular mapping of scales made effective but also ordered recovery of the amount paid to staff due to irregular mapping of scales.

Hence, at the instance of audit, IIT Delhi was made to withdraw the notification granting irregular mapping of scales and initiate recovery of unauthorized payment of Rs.85.29 lakh from staff as of November 2022.

PART-II-(B)

(Other incidental Audit Findings)

Reference Number: OBS-557283

Para 1: Outstanding Capital Advances- Rs.91.43 crore

As per Schedule – 8A Loan and Advances of annual accounts for the year 2021-22, an amount of Rs. 91.43 crore has been shown as advances on Capital A/c as on 31.03.2022. These advances were pending against various executing agencies viz., CPWD (Rs.21.12 crore), NBCC (Rs.13.09 crore) and RITES (Rs.57.21 crore) for execution of works/construction activities assigned to them. (Detailed in Annexure I, II and III)

During examination of records/information pertaining to these executive agencies, furnished to audit, the following observations were made:

Outstanding advances despite completion of work: Though eight out of all the nine works for which advances of Rs.462.44 were given to CPWD have been completed but the adjustment of Rs.21.12 crore has not been done as of October 2022. ***IIT Delhi stated that though all eight works have been completed but CPWD had not submitted final bills/adjustment bills. Pendency of advances related to works completed long back indicates lack of regular pursuance by IIT Delhi. It is, therefore, suggested to make concrete efforts to get the advances adjusted with CPWD.***

Injudicious release of advances to RITES: IIT Delhi engaged (09.10.2020) M/s RITES as Project Management Consultant for planning, design and construction of various buildings and its services. For the execution five works as mentioned in Annexure II, IIT Delhi gave advance of Rs.57.21 crore during 2020-21 and 2021-22 as detailed below:

Sr. No.	Name of the Work	Year	Amount of advance (In Rs.)
1	Advance for Construction of 103 Academic Block	2020-21	1652.00
		2021-22	561.90
2	Advance for Construction of Girls/Foreign Student house	2020-21	992.00
		2021-22	25.76
3	Advance for Construction of New Faculty House	2020-21	842.00
		2021-22	21.86
4	Advance for Construction of Type-C Houses	2020-21	100.00
		2021-22	2.60
5	Advance for Redevelopment of Boys/Foreign Students	2021-22	1484.00
		2021-22	38.53
	Total		**5720.65**

IIT Delhi entered into an MoU with RITES on 11.12.2020 for execution of above works. M/s RITES submitted Preliminary Estimates to IIT Delhi based on which administrative approval and expenditure sanction of Rs.507.21 crore was given on 24.03.2021. Further based on discussions with users and their suggestions the estimates were revised to Rs.682.81 crore against which revised AA & ES of the same amount for execution of works given on 31.03.2022. Execution of these works has not been started as all these work were at tendering stage as of October 2022. Audit noted that release of advance of Rs.50.70 crore during 2020-21 and Rs.6.51 crore during 2021-22 was irregular, as revised AA&ES of Rs.682.81 crore was given on 31.03.2022 i.e., the last working day of 2021-22 and execution of these works has not been started as of October 2022. Hence, release of huge advances to RITES was injudicious.

Negative balances: There were negative balances/excess expenditure beyond the amount of advance given to CPWD in respect of works (sl. No.4 Advances for DRDO Ballistic Lab, sl. No.7 Advance for New Boys Hostel, sl. No.8 Advances for Sewage Treatment Plant and sl. No.9 Advance for Unfiltered Water supply) mentioned in Annexure I and also against the amount of advance given to NBCC in respect of works (sl. No.2 Advance for construction of CRF building, sl. No.4 Advance for construction of Innovation Centre to NBCC) mentioned in Annexure II. Negative balances indicate that expenditure was made beyond the amount of advance granted and the amount is payable to the executing agencies.

IIT Delhi stated that in respect of works relating to CPWD against which negative balances are shown were completed long back but no final bill and accounts submitted by CPWD till date. As regards, negative balances against two works of NBCC, IIT Delhi stated that both the works have been completed and final bills have already been settled. The fact, however, remains that negative balances against the above mentioned two works assigned to NBCC were still appearing in the statement of advances pending against NBCC as submitted by Accounts section. This discrepancy may be reconciled with accounts section under intimation to audit.

Reference Number: OBS-557272

Para 2: Non installation/put to use of various imported equipment resulting in loss and blockade of funds amounting to Rs.62.56 crore

IIT Purchase Rule stipulates that to provide a conducive working environment for faculty and staff to promote excellence expected from IIT, the procurement of the needed equipment/stores should be done in time so that laboratory and research work can be pursued with great vigor. The rule also provides that the main emphasis of the Purchase Finance Committee (PFC) will be on the time saving and buyer should ensure availability of proper space/infrastructure for installation of the equipment.

During audit, it was noticed that imported equipment were purchased by various departments of the Institute. However, following equipment purchased by IIT Delhi are still lying unutilized/ idle (November 2022) for period ranging from 2 months to 31 months. Details of such equipment are mentioned below:

Sl. No.	Order no. and date	Item	Value	Value in Rupees	Material received on
1.	FES(41)/CRF/20/SP-I/ DT. 10/9/20	Cryoelectron Microscope	US$ 2900000.00	253344000	25/9/21
2.	FE(76)/CRF/20/SP-I/ DT. 27/10/20	Photovoltaic Fabrication System	YEN 72000000.00	56764800	27/08/21
3.	FES(82)/CRF/20/SP-I/ DT. 11/11/20	Spectrophotometer	USD 184916.00	15037369	31/7/21
4.	FES(145)/CRF//20/SP-I DT. 18/2/21	50ghz Vector Load Pull	USD 198852.00	17148996	14/6/21
5.	FE(44)/CRF/18/SP-I/ DT. 11/6/18	High Resolution Electron Microscope	US$ 1655000.00	129752000	15/5/19
6.	FES(375)/PHY/18/SP-I/ DT. 23/4/19	Molecular Beam Technologies	EUR 733395.00	69819208	28/9/20
7.	FE(125)/TT/18/SP-I DT. 30/8/18	Software & Card Upgradation	EURO 8501-14	821210	30/5/19

8.	FE(118)/CRF/21/SP-I/ DT. 30/12/21	400 MHz NMR	USD 440000	35178000	08/06/22
9.	FE(16)/CRF/21/SP-I/ DT. 08/02//21	Environment system for JEM ARM	USD 300000	25872000	20/01/22
10.	IITD/FES(71)/TT/21/SP-I DT. 22/10/21	Twin Screw system	EURO 167021	17286674	19/09/22
11	IITD/FE)100)/CRF/20/SP-I	Helium Cooled Cryoprobe for spectometer	USD 248703	21726694	09/12/21
Total				**642750951**	

From the above table it may be seen that after procurement, the equipment have not been installed as yet. Further, the equipment mentioned at sl. no.3 Spectrophotometer, sl. No.4 50ghz Vector Load Pull and sl.no.5 High Resolution Electron Microscope were under installation as of November 2022.

It was also noticed that in the cases mentioned below, there was delay in installation/ put to use of various equipment ranging from 5 months to 36 months.

Sl. No.	**Order No. & date**	**Equipment name**	**Value in Rupees**	**Date of receiving**	**Date of installation**	**Delay (in month)**
1.	FE(135)/CRF/19/SP-I/ DT. 22/10/19	Tofspectrometry	75641080	07/10/20	14/03/21	5
2.	FE(178)/CRF/19/SP-I/ DT. 10/2/20	Electron Paramagnetic Resonance	44499208	12/11/20	09/02/22	15
3.	FE(35)/CRF/20/SP-I/ DT. 31/8/20	DC And Noise Measurement	40446808	19/02/21	08/02/22	12
4.	FES(79)/CRF/20/SP-I/ 11/11/20	Sted Microscope	40969800	31/03/21	17/01/22	9
5.	FES(80)/CRF/20/SP-I/ DT. 11/11/20	Confocal Flurescence Microscope	29132582	26/03/21	25/02/22	12
6.	FE(152)/CRF/20/SP-I/ DT. 3/3/21	High Resolution Field Emission Scanning Electron Microscope	32980764	07/09/21	31/03/22	6
7.	FE(35)/CRF/18/SP-I/ DT. 8/6/18	X-Ray Photoelectron Spectroscopy	75453800	22/03/19	09/02/22	36
8.	FE(373)/CHE/19/SP-I/ DT. 20/4/20	Forced Air Oven	597794	16/10/20	11/01/22	14
9.	FE(275)/CY/19/SP-I/ DT. 14/2/20	Multipurpose X-Ray Diffractometer System	10598800	05/09/20	11/01/22	16
10.	FE(360)/EE/19/SP-I/ DT. 28/4/20	Thermal Evaporation Source	960083	12/10/20	28/01/22	15

11.	FE(443)/NRF/18/ 23/4/19	Furnace System For Oxydation	14958962	23/10/19	19/05/22	31
12.	FES(07)/PHY/20/SP-I/ DT. 16/7/20	Tunable Diode Laser System	2583090	22/11/20	02/02/22	15
13.	FES(287)/PHY/19/SP-I/ 11/3/20	High Power 1000 Wt. Ozone Free Light	1646400	15/10/20	11/01/22	15
14.	FES(43)/PHY/20/SP-I/ DT. 29/9/20	High Speed Translation Stage	1343470	28/12/20	11/01/22	13
15.	FES(02)/TT/20/SP-I/ DT. 20/7/20	Motorized Walking Motion Stand	3295880	15/12/20	12/07/22	19
16.	FES(144)/TT/19/SP-I/ 20/11/19	Thermal Manikin System	29359500	12/09/20	05/07/22	22
17.	FES(211)/TT/19/SP-I/ 29/1/20	2 Port Glove Box Workstation	2142203	26/11/20	26/05/22	18
18.	FES(276)/TT/19/SP-I/ 24/2/20	Universal Testing Machine	10578472	25/08/20	11/01/22	17
19.	FES(29)/TT/20/SP-I/ DT. 21/8/20	High Temperature Muffle Furance	896123	26/12/20	25/01/22	13

This is a serious lapse on the part of the Institute. Proper planning should have been done by the Institute before purchase of the said equipment. This is a systematic failure on the part of the Institute which deprived students of useful research and innovative equipment. It also reflects weak internal control mechanism/deficit planning system of the institute. The similar issues have been pointed out in previous inspection reports, however, the deficiency still persists.

The matter was referred to the Institute vide Half margin No.19 dated 08.12.2022 but the reply is still awaited.

Reference Number: OBS-557276

Para 3: Excess withdrawal of funds amounting to Rs.37.62 crore against the assigned funds from Treasury Single Account to avoid lapse of funds

As per the instructions of the Department of Expenditure, Ministry of Finance issued vide OMs dated 27th July 2017 and 24th February 2022 on bringing Autonomous Bodies under the Treasury Single Account (TSA), Autonomous Bodies (ABs) may draw the cash/transfer the funds required for payment of salary for the month of March from the assignment amount of current financial year in TSA and keep the amount in a commercial bank for the purpose of releasing the salary for the month of March to the employees in the month of April. TSA instructions further provide that ABs shall adhere to all due processes while incurring expenditure from the funds sanctioned through PFMS. ABs shall also ensure that sufficient limit is available in the relevant account before the issue of the instrument. Unutilized assignment will lapse to the Government at the close of the Financial Year and will not be available to the ABs for expenditure in the next financial year.

IIT Delhi had an opening balance of Rs.38.31 crore as on 01.04.2021 being the unutilized grant of previous year (2020-21) under Object Head (OH) 36 (salary). The Institute received Rs.279.43 crore during the year 2021-22 under OH 36 under TSA. Against the total available funds of Rs.317.74 crore, IIT Delhi made expenditure of Rs.280.12 crore during 2021-22. Hence, an amount of Rs.37.62 crore remained unspent as on 31.03.2022.

Audit noted that against the requirement of Rs.18.81 crore for the salary of March 2022, the Institute had withdrawn the entire assignment amount of Rs.37.62 crore available under GIA (salary) to avoid lapse of funds. Since instructions for operation of TSA allows only the withdrawal of funds required for payment of Salary for the month of March from the assignment amount, the withdrawal of the entire amount of Rs.37.62 crore over and above the requirement of Rs.18.81 crore contravened the instructions of operation of TSA. This not only led to parking of 18.81 crore with the Institute but further led to accumulation of unspent balance of Rs.37.62 crore under OH 36 (salary) as on 31.03.2022 which was against the objective for which TSA was introduced.

On this being pointed out in audit, the Institute stated that the unutilized balance shown in the Annual Accounts of the Institute for the financial year 2021-22 and the same has already been reported to the Ministry. The demand for grant for the current financial year 2022-23 has been sought after adjusting the said unutilized balance. Therefore, no parking of fund lying with the Institute.

The fact, however, remains that an amount of Rs.37.62 crore was withdrawn in excess of actual requirement against the violation of TSA norms. This led to accumulation of unspent balance with the Institute against the spirit of TSA of not allowing the funds to remain unspent with Autonomous Bodies.

Reference Number: OBS-557265

Para 4: Cost escalation of Rs.35.66 crore due to delay in obtaining statutory clearances for the construction of Boys Hostel – E in West Campus

IIT Delhi on 29.05.2012 in principal assigned the work of Construction of Boys Hostel – E in West Campus as Deposit Works to CPWD. IIT Delhi signed an MoU with CPWD for execution of works on 25.10.2012. CPWD on 26.11.2012 submitted the Preliminary Estimate for the construction of Boys Hostel of Rs.82.33 crore for accord of Administrative Approval and Expenditure Sanction (AA&ES). To avoid lapse of funds, an advance of Rs.27.42 crore was released to CPWD on 28.01.2013 being 33.33 per cent of the PE of Rs.82.33 crore. On 27.05.2013, IIT Delhi conveyed AA&ES of Rs.84.34 crore to CPWD.

IIT Delhi on 10.09.2013 applied to local body i.e., South Delhi Municipal Corporation (SDMC) for clearance of construction of Boys Hostel. In response, SDMC on 26.09.2013 raised some queries to IIT Delhi followed by various reminders. IIT Delhi submitted the detailed estimates along-with analysis of rates, quotations and technical specifications in February 2018 to CPWD. CPWD awarded the work to M/s Kanwarji Construction Company in July 2018 and requested IIT Delhi on 20.06.2018 and 13.07.2018 to provide Architectural and Structural drawings so that construction can be started at site by the Agency. The work was, however, **started in January 2019 after lapse of almost six years** from the accord of AA & ES of Rs.84.34 crore in May 2013 due to non-availability of statutory approvals and consent to establish the Hostel Building. Due to huge variation in PAR and cost indexes, CPWD in August 2021 submitted revised preliminary estimate of Rs.102.28 crore against which IIT Delhi gave revised AA & ES of Rs.101.04 crore in February 2022. The work of Boys Hostel was completed in May 2022. As the work was completed in May 2022, the CPWD worked out the final cost to be Rs.126 crore which was based on the PAR 2021 with costs index 110 as on April, 2022. The final cost of Rs.126 crore was, however, restricted to Rs.116 crore based on the actual cost of project but due to increase in rate of GST from 12% to 18% and newly assigned miscellaneous work, the cost of the work revised to Rs.120 crore by CPWD and communicated to IIT Delhi in August 2022. Final bill from CPWD for the work has not been received as of November 2022.

Audit noted that there was huge delay in replying to the queries of SDMC for clearing the construction of Boys Hostel and obtaining statutory approvals. Even the detailed estimates along-with analysis of rates, quotations and technical specifications were prepared and submitted to CPWD in February 2018. After the AA&ES given in May 2013, the work could only be started in January 2019 which escalated the cost of work from Rs.84.34 crore in May 2013 to Rs.120.00 crore in August 2022.

Audit also observed that in order to avoid lapse of funds, IIT Delhi gave an advance of Rs.27.42 crore to CPWD on 28.01.2013 being 33.33 per cent of the PE of Rs.82.33 crore even before the accord of AA & ES in May 2013, which was irregular. Had the statutory clearances from local bodies been obtained in time, cost escalation of Rs.35.66 crore would have been avoided.

The matter was referred to the Institute vide Half margin No.18 dated 07.12.2022 but the reply is still awaited.

Reference Number: OBS-557301

Para 5: Excess expenditure of Rs.28.67 lakh incurred due to less utilisation of power due to low power factor

The power factor indicates the portion of current in the system performing useful work. A power factor of unity (100 percent) denotes 100 utilisation of the total current for useful work whereas a power factor of say 0.70 shows that only 70 per cent of the current is performing useful work. Due to low power factor consumer has to pay penal power rates besides overloading of cables and transformers, inefficient operation of plant while optimum and high power factor brings reduction in current and power cost besides reducing losses in the transformers and cables etc. PCRA and other energy audit organisations recommend power factor to be at the level of 0.995 to unity.

Examination of records relating to payment of electricity charges for the period 2021-22 (13-03-2021 to 1-03-2022) disclosed that power factor of electricity connection (CA No.100004896) in IIT Delhi largely remained below the prescribed level of 0.995 to unity.

Hence, due to utilisation of energy at low power factor, the IIT Delhi made excess expenditure of Rs.28.67 lakh in respect of CA No.100004896 as given below:

Excess expenditure due to low power factor in respect of CA No.100004896

Sl. No.	Bill date	Period	Billed Units K VA	power factor	electricity consumption envisaged at near unity factor of 0.995 kVA (column 4X0.995)	Actual electricity consumed at actual power factor (column 4X5)	units not optimally consumed due to low power factor in KVA (column 6-7)	rate of electricity charges (Unit Rate)	Avoidable electricity charges due to low power factor (column 8X9)
1	2	3	4	5	6	7	8	9	10
1.	18-05-2021	13.03.2021 to 30.04.2021	865652	0.960	861324	831026	30298	8.50	257533
2.	30-06-2021	01.05.2021 to 31.05.2021	212580	0.960	211517	204077	7440	8.50	63240

3.	16-07-2021	01.06.2021 to 30.06.2021	317980	0.960	316390	305261	11129	8.50	94597
4.	14-08-2021	01.07.2021 to 31.07.2021	545547	0.960	542819	523725	19094	8.50	162299
5.	15-09-2021	01.08.2021 to 31.08.2021	600398	0.960	597396	576382	21014	8.50	178619
6.	18-10-2021	01.09.2021 to 30.09.2021	1035809	0.960	1030630	994377	36253	8.50	308151
7.	15-11-2021	01.10.2021 to 09.11.2021	1509420	0.960	1501873	1449043	52830	8.50	449055
8.	15-12-2021	10.11.2021 to 08.12.2021	919860	0.960	915261	883066	32195	8.50	273658
9.	16-01-2022	09.12.2021 to 12.01.2021	1202820	0.960	1196806	1154707	42099	8.50	357842
10.	12-02-2022	13.01.2022 to 05.02.2022	673320	0.960	669953	646387	23566	8.50	200311
11.	14-03-2022	06.02.2022 to 13.03.2022	990180	0.960	985229	950573	34656	8.50	294576
12.	31-03-2022 (Due Date)	14.03.2022 to 31.03.2022	762000	0.960	758190	731520	26670	8.50	226695
Total									**2866576**

Considering huge expenditure which IIT Delhi has been making every year on electricity, it was imperative on IIT Delhi to adopt measure like installation of capacitors to bring power factor from 0.960 to near unity soas to reduce KVA demand charges and also line losses within plant.

The matter was referred to the Institute vide Half margin No.21 dated 09.12.2022 but the reply is still awaited.

Reference Number: OBS-557304

Para 6: Lapsed security deposit amounting to Rs.3.19 crore

As per Rule 189 of Central Government Account (Receipts and Payments) Rules, 1983at the close of March each year, all the deposits in excess of twenty five rupees unclaimed for more than three complete account years, shall be credited to the Government under the consolidated Fund, keeping necessary note in the register of deposits.

Further, the Accounting Policy of the Institute (Paragraph 18 of Schedule 19) required that liabilities outstanding for three years or more which are no longer required as on date of Balance Sheet should be written back and net amount should be shown under the head miscellaneous income/prior period income. Scrutiny of records revealed that the Institute had unclaimed deposits of Rs.3.19 crore from the students as on 31.03.2022 and the same has been shown as liabilities in the Institute's annual account. The year wise details of unclaimed deposits from the students are given below:

(Amount in Rupees)

Year of Entry	Unclaimed Security Deposit of passed out students
Prior to 2012	1,22,93,425
2012	13,20,000
2013	19,18,000
2014	23,42,000
2015	26,22,000
2016	29,64,000

2017	47,32,000
2018	24,36,000
2019	12,96,000
Total	**3,19,23,425**

As per above rule the unclaimed amount of Rs.3.19 crore should have been deposited to Government account taking the same as income. However, the Institute has shown it under Current Liabilities in its annual account.

The Institute is suggested to credit the unclaimed deposit in Government Account by taking it as income and the liability may be cleared at the earliest.

The matter was referred to the Institute vide Half margin No.04 dated 23.11.2022 but the reply is still awaited.

Reference Number: OBS-557299

Para 7: Non recovery of License fee, water/electricity charges and penalty to the tune of Rs.50.39 lakh from commercial units

The Institute has various commercial outlets which have been provided space on rent like Mother Diary/Café/ Confectionary Store etc. from which Institute charges the rent and generates its own income.

As per the General Condition No.12 of the License Deed, every licensee has to pay additional penalty in the next bill along with normal due discharge, in case the license fee or any other dues like electricity/water etc. is paid after expiry of the date printed on bill. Besides above penalty, licensor reserves the right of revocation of license by giving 60 days' notice. After 01.01.2020, penalty of late payment of license fee and other dues are calculated as per clause 6.1 of Commercial Establishment Allotment Rules.

On scrutiny of records it has been observed that penalty, as per above mentioned conditions, has not been imposed on any of the defaulters although number of licensees have paid their dues after the expiry of due date printed on the bill. Penalty charges for the late payment of licence fee, electricity charges and water charges for the period of 2015-16 to 2021-22 (up to November 2022) has been worked out as Rs.29.72 lakh. Also, a huge amount of Rs.20.68 lakh consisting of license fee/ water/electricity chargesis outstanding as of November 2022. Year-wise detail of amount of penalty outstanding is given below:

Period	Outstanding penalty (Amount in Rupees)
2015-16 to 2017-18	26,80,201
2018-19	11,233
2019-20	11,241
2020-21	10,597
2021-22	1,92,880
April 22 to November 22	65,829
Total (A)	**29,71,981**

Detail of outstanding license fee/ water/electricity charges as of November 2022.

Sl. No.	Name of Establishment	License Fee	Water Charge	Elect. Charge	Year to which pertain	Total outstanding Amount
1	Canara Bank with 1-ATM	157964	6580	76318	2022	240862
2	KendriyaBhandar	0	50	3951	2022	4001
3	Railway Booking Counter	0	0	14764	2022	14764

4	M/s. TATA Communications Payment Solutions Ltd.(Two ATMs)	14727	0	0	2022	14727
5	IITDelhi, Alumni Association,	0	0	33480	2022	33480
6	Rakesh Kumar, Dhobi-II	19040	0	18211	2020	37251
7	M/s. Xpress Laundromat	108643	11634	183729	2020	304006
8	M/s. SUNSTAR Cable Network	11038	0	25152	2022	36190
9	M/s.Yulu Bikes Pvt. Ltd	88418	2480	89661	2022	180559
10	M/s. Mukesh Kumar, Stationary & Printing	36094	1448	14800	2022	52342
11	M/s. Laxmi Arya,	73658	3276	8856	2021-22	85790
12	M/s. Afoozo Pvt. Ltd. (India Coffee House,)	0	1650	340092	2019	341742
13	M/s. Café Coffee Day	14429	13852	168477	2022	196758
14	M/s. Chaayos, Tea Shop	11942	0	0	2022	11942
15	Sh. Mukesh Kumar Chaudhary, Fruit Shop, Near SBI	30034	1564	22960	2019-20	54558
16	M/s. Original Café(Regd.)/ Nirvaha Store,	116168	27744	49361	2020-21	193273
17	Smt. Maya Devi	2621	0	0	2020	2621
18	Sh. Ravi Dass, Barber	6246	0	0	2019-20	6246
19	M/s. RajdhaniChatkara Food	244137	0	12609	2020-21	256746
Total(B)						**2067858**
Total(A+B)						**50,39,839**

Similar issues had also been pointed out in the previous year Inspection Reports but deficiencies still persist. Also the amount of penalty is outstanding since long, detailed review of penal interest to be imposed thereon may be made by the Institute and action initiated to recover the outstanding amount of **Rs. 50.40 lakh** of License Fee/ Water / Elect. Charge and penalty along with interest with intimation to audit.

The matter was referred to the Institute vide Half margin No.13 dated 02.12.2022 but the reply is still awaited.

Reference Number: OBS-557313

Para 8: Irregular procurement amounting to Rs.8.73 lakh

As per GFR-170 the Procurement of Goods and Services by Ministries or departments will be mandatory for Goods or Services available on GeM. In case a certain item is not available on the GeM portal, Limited Tender Enquiry (GFR-162) or Advertised Tender Enquiry (GFR-161) should be used for procurement of goods of estimated value of up to Rs.25 lakhs or Rs.25 lakhs and above as the case may be.

Department of Rural Development and Technology purchased a tractor (make- Massey Ferguson, model- 241 DI) from M/s. Om Sai Automobiles during 2021-22. Scrutiny of purchase files revealed the following irregularities:

In contravention of GFR-170 Department proceeded for procurement outside GeM although the item was available on GeM.

Item was available on GeM at the rate of Rs.6,16,089 (excluding discount, Reg. fee, Ins, AMC etc.) without the minimum 20% discount on offer. However, rates quoted/offered by L1 bidder (M/s. Om Sai Automobiles) was initially Rs.9,60,000 which after negotiation reduced to Rs.8,73,600. Even after negotiation the rate of Rs.8,73,600offered by L1 bidder was higher by Rs.1,98,728 when compared with the price of Rs.6,74,872(including discount, Reg. fee, Ins, AMC etc.) available on GeM. Despite this was pointed out by Internal Audit section the Department purchased the item from M/s. Om Sai Automobiles on higher rate.

As per Notice Inviting Quotation bidders had to submit Annexure-IV (Previous Supply Order) as a part of Technical Bid. Technical Bid were submitted by the three bidders namely M/s. Ajay Agro, M/s. Om Sai Automobiles and M/s. Sai Raj Automobiles. As per Purchase Finance Committee all the three bidders qualified the technical bid. Audit noticed that all the three bidders submitted same Annexure-IV wherein the details viz. address of purchaser, order no., value of order etc. were exactly the same. Purchase Finance Committee without verifying the correctness of the details which prima facie appeared to be the same and hence wrong, recommended all the three bidders to be technically qualified.

Keeping in view the above mentioned facts it is clear that purchase of the tractor amounting to Rs. 8.73 lakh was irregular and tentamounts to undue favour to the Vendor.

The matter was referred to the Institute vide Half margin No.06 dated 23.11.2022 but the reply is still awaited.

Reference Number: OBS-557290

Para 9: Outstanding balances under IRD projects

IIT, Delhi receives Grants/Funds for conducting various research projects sponsored from various national/ international agencies and user organizations. The Industrial Research & Development (IRD) Unit was specifically setup in the Institute to provide specialized administrative and managerial support for the operation of Sponsored Research Projects, Consultancy Jobs and other related R&D activities. During the year 2021-22, IITD received Rs.325.40 crore and incurred expenditure of Rs.270.96 crore against the sponsored projects, consultancies etc. Scrutiny of records related to Research Projects and Miscellaneous Projects revealed the following discrepancies:

Debit balance of Rs.11.79 crore under sponsored projects:

During the scrutiny of records related to these projects, it was noticed that Rs.11.79 crore has been overspent as on 31.03.2022. Further, in records the reason for the same was mentioned that the expenditure is being incurred over and above the funds received where budget has already been approved. However, details of approval of budget for the said projects was not produced to audit. In the absence of which audit could not verify the authenticity of the reason mentioned in the records. Further, out of Rs. 11.79 crore, a huge portion i.e. Rs.10.72 crore is recoverable from the funding agencies in respect of those projects which are already completed as of November 2022. Year-wise detail of completed projects and amount recoverable from their funding agencies is given below: -

(Amount in Rupees)

Sl. No.	Year of completion of projects	Number of Research	Number of Miscellaneous Projects	Recoverable amount(Research Projects)	Recoverable amount(Miscellaneous Projects)	Total recoverable amount
1.	1993 to 2014	29	14	5021751	9944066	14965817

2.	2015	18	4	3802651	541600	4344251
3.	2016	11	4	5583296	1047899	6631195
4.	2017	11	8	3497466	540157	4037623
5.	2018	20	7	17987117	399585	18386702
6.	2019	18	6	8887865	690334	9578199
7.	2020	17	15	3583950	610215	4194165
8.	2021	45	16	28239674	4247689	32487363
9.	2022 up to November	26	12	10283727	2341451	12625178
Total		**195**	**86**			**107250493**

Further, details viz. name of the funding agencies, date of start/closure of the projects etc. in respect of 12 projects (RP00126, RP00809, RP00404, RP001367, RP001377, RP001134, RP00287,RP001011,RP001555, RP00305, RP01233 and RP00233) consisting recoverable amount of Rs.6.69 lakh were not made available to audit by the Institute.

The above mention tables elucidate that due to poor monitoring mechanism the institute has overspent Rs.11.79 crore in respect of some sponsored projects. Further, a large amount recoverable from the funding agencies pertains to very old period. It is a general standards of financial propriety that expenses should be incurred only against provisions/availability of funds. Committing liabilities without availability of fund is violation of General Financial Rule. The institute must initiate necessary efforts to recover these long pending amounts/balances along with interest from concerned funding agencies under intimation to audit.

Unspent balances of completed projects amounting to Rs. 42.74 crore

Normally, the unspent balances should be refunded to the funding agency upon closure of the projects, finalization of accounts and preparation of utilization certificate. IITD in its reply stated that as per procedure all the unspent amount along with interest is refunded to funding agency after completion/closure of projects.

Scrutiny of records related to projects revealed that a large number of sponsored projects have been closed between 1993 and 2021. As per procedure mentioned above all the unspent amount along with interest should have been refunded to funding agency. However, an unspent balance of Rs.42.74 crore was still lying with IITD and the same has been shown as liabilities in the Institute’s annual account (2021-22). Year-wise detail of completed projects and unspent balances is given below:

(Amount in Rupees)

Sl. No.	**Year of completion**	**Number of Research Projects**	**Number of Miscellaneous Projects**	**Unspent balance (Research Projects)**	**Unspent balance (Miscellaneous Projects)**	**Total Unspent balance**
1.	1993 to 2014	40	77	13132795	10946707	24079502

2.	2015	26	16	13011218	2376129	15387347
3.	2016	38	15	13840197	5821993	19662190
4.	2017	48	39	17807330	5979073	23786403
5.	2018	56	40	29311496	6341942	35653438
6.	2019	94	79	87628437	12957236	100585673
7.	2020	81	54	136413338	34060006	170473344
8.	2021 up to March	37	6	35043945	1569969	36613914
Total		**420**	**326**	**346188756**	**80053055**	**426241811**

Also details viz. name of the funding agencies, date of start/closure of the projects etc. in respect of four projects (RP00185, RP00301,RP00924 and RP01374) consisting of unspent balance of Rs. 12.05 lakh were not made available to audit.

The institute must initiate necessary efforts to refund the above-mentioned amount to concerned funding agencies or settle the pendency of the same as per accounting procedures, so that the liabilities on this account may be cleared at the earliest.

Discrepancies in figure

Schedule-5 of annual accounts for the year 2021-22 of IITD shows liabilities against sponsored/consultancy/projects as Rs. 567.09 crore as on 31.03.2022. However, details of only Rs. 517.41 crore (RP- 329.65 crore MI- Rs. 187.76 crore) was provided to audit. In absence of details audit could not verify the amount shown in annual account. The difference of Rs. 49.68 crore may be reconciled under intimation to audit.

The matter was referred to the IITD vide Half Margin No. 12 dated 12-12-2022. IITD in its reply stated that regarding recovery of debit balances of 11.79 crore the matter has already taken up with the funding agencies/ projects-in- charge for its confirmation and refund of unspent amount. Further, regarding non refunding of unspent balances of Rs. 42. 74 crore to the funding agencies after closure of projects, corrective measures will be initiated at the earliest by the Institute. As regards discrepancies in figure of Rs. 49.68 crore, Institute stated that the same includes Rs. 36.91 crore pertaining to the consultancy work and Rs. 12.77 crore in respect of old RP/consultancy prior to 2013.

The Institute's replies are not tenable as Rs. 12.77 crore pertaining to old Research Projects prior to 2013 which has already been included in the total liabilities of Rs.329.65 crore as shown against Research Projects. Further, Debit balances/unspent balances under sponsored projects are very old and the same has been pointed out in earlier inspection reports also. The institute must take necessary efforts to recover/refund the above-mentioned amount at the earliest.

Reference Number: OBS-557294

Para 10: Irregular booking of HEFA Loan Interest Grant of Rs.17.87 crore under Capital Fund

The Institute takes loan from HEFA for under taking its infrastructure development projects. Ministry of Education releases the amount of interest on HEFA loan taken by the Institute under revenue OH 31. Audit noted that the Institute booked Rs.1786.83 lakh received under revenue OH 31 for making interest payments on HEFA loan as an addition to the Capital fund as “Assets created out of HEFA Loan Interest Grant” as per schedule 9 (Grants/Subsidies) to the Annual Accounts of the Institute for the year 2021-22 in contravention of revenue nature of funds provided by the Ministry. As the funds for making interest payments on HEFA loan were received under revenue section OH 31, the same should not have been booked under Capital Fund but treated as revenue expenditure to be in sync with Government accounting and Sanction of funds. Further, addition of Rs.1786.83 lakh to the Capital Fund has not actually enhanced the value of the Assets but incurred for making revenue nature of expenditure on interest payments on HEFA loan. Hence, it should have been treated as revenue expenditure.

On this being pointed out in audit, the Institute stated that as per significant accounting policy provided in formats of financial statements for central higher educational institutions ‘Govt grants utilized towards capital expenditure are transferred to the capital funds. Further, as per ICAI accounting standard India AS 23 Borrowing cost (i.e., interest) that are directly attributable to the acquisition of a qualifying asset shall be capitalized as part of the cost of that asset.

The reply of the Institute is not tenable as the Ministry released grant under OH 31 which was booked as revenue expenditure in Government Accounts whereas the Institute booked the same under OH 35 as capital assets which is in conflict with the Government Accounting and FRBM Act to contain fiscal deficit by removing expenditure of capital nature out of revenue grant for arriving at effective revenue deficit. Secondly, if the Institute were to capitalize the interest component as per AS 23, then it should have capitalized the interest component proportionate to construction projects which were still under progress as per India AS 23. On the contrary, the Institute had capitalized the entire fund received for interest payment though out of nine HEFA funded projects four were already completed before 31.03.2022.

Reference Number: OBS-557307

Para 11: Non-adherence to the GFR-2017 leading to undue favour to the contractor M/s Orion Security Solution Pvt. Ltd. (OSSPL)

Rule 149 of General Financial Rules, 2017 stipulates that DGS&D or any other agency authorized by the Government will host an online Government e-Marketing (GeM) for common use goods and Services. The procurement of goods or services by Ministries or Department will be mandatory for goods or services available on GeM. The credentials of suppliers on GeM shall be certified by DGS&D the procuring authorities will certify the reasonability of rates. Scrutiny of records revealed the following irregularities:

IIT Delhi constituted a Purchase Finalization Committee (PFC) in September 2018 for preparing/processing the tender for hiring outside security agency for security services of the institute as the term of contract with M/s Orion Security Solution Pvt. Ltd. (OSSPL) for security services was going to expire in June 2019. Further, **after gap of 11 months of the constitution of PFC,** IIT-D published tender documents for hiring of security agency on 23.08.2019 i.e. after the expiry of previous contract with M/s OSSPL. Date of opening of technical and financial bids was 23.09.2019 and 15.11.2019 respectively. A new Purchase Finalization Committee (PFC) was constituted on 29.08.2019. PFC opened technical and financial bids and declared OSSPL as L-1 on 19.11.2019. After finalization of tender proceedings, file was submitted to Internal Audit Section for vetting of agreement copy and draft offer. Internal audit made strong observations (December 2019) such as low EMD amount, non-procurement of security manpower service through GeM, high performance security deposit etc. However, the concerned procuring division (Estt.-II) justified the outsourcing through open tender stating that outsourcing of security personnel were not available at the time of publishing the tender as well as the conduct of physical visit of the training sites was not available under GeM platform. As regards high performance security it was stated that amount has been kept high to stop the qualified bidder from withdrawing the service abruptly. With Rs. 3.00 crore as performance guarantee IIT-D will be liable to get service for three months, which is sufficient for fresh tendering process, if need arises. Internal Audit Section did not find the reply of Establishment section satisfactory. However,PFC gave its recommendation to award the work to M/s OSSPL w.e.f.11.08.2020.

IIT Delhi adopted global tendering by stating that the PFC initially explored GeM but the bidder for security guard, ex-serviceman, supervisor ex-serviceman and gunman were not available in GeM. PFC desired to have a complete solution from the bidders. PFC also desired to make physical visit of the training sites of the bidders which was not availableon GeM. Justification to go for open tender was not tenable as audit is of the opinion that physical visit of training sites could have been done after inviting tender on GeM platform to access the capabilities of participated bidders. As the procedure to select the security agency was not taken up and completed in advance before the expiry of previous contract, the contract with M/s OSSPL was further extended up to 10.08.2020 i.e., for 13 months beyond 3 years.

Rule 175 (1) (h) of General Financial Rules, 2017 provides that the bidder is required not to make any false declaration or provide any false information for participation in a tender process or to secure a contract. Scrutiny of tender documents revealed that participating firms were required to furnish information in respect of details of any legal suit/legal sanction/black listing, pending especially with regard to any violation in the PF Act, ESI Act, Labour Laws and Income Tax etc. The agencies should furnish an affidavit in case there is no proceeding pending against them.

It was reckoned that M/s OSSPL was debarred by Air India Ltd. Delhi for further participation in tenders including its subsidiary companies for three years w.e.f 20.12.2017and HAFED has also terminated the engagement of service of M/s Orion vide letter dated 31.03.2021. Keeping this in view, IITD sought (September 2021) legal opinion for annual renewal of contract with M/s OSSPL which was due on 11.08.2021. Meanwhile, contract with M/s OSSPL was extended for 03 months w.e.f. 11.08.2021 with further extensions subject to the legal opinion.

As per legal opinion (November 2021)M/s OSSPL was obliged to provide the information about its debarment from Air India Ltd. at the time of bidding for the work. Further, the legal advisor mentioned that the agency would not have been awarded the contract had it disclosed the fact as per its undertaking. Hence, the question of continuing the agreement therefore, should not arise. It is also worth mentioning that M/s OSSPL was penalized and recovery of Rs. 3.31 lakh was made from it owing to theft case of the batteries from some Department of the Institute on 08.12.2020. IIT Delhi should have terminated the contract with M/s OrionSecurity Solution Pvt. Ltd. after theft incidence and adverse legal opinion but this was not done and the agency was given undue favour by extending the contract upto 10.11 2022.

Rule 177 of General Financial Rules, 2017 provides that to ensure due performance of the contract, performance security is to be obtained from the successful bidder awarded the contract. Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.

Scrutiny of records revealed that the performance security in the form of Bank Guarantee of Rs. 3 crore submitted by M/s OSSPLwas valid upto 11.11.2021. The contract with M/s OSSPL was, however, extended from time to time upto10.11.2022 without any valid performance security. M/s OSSPL, however, submitted a bank guarantee of Rs.90 lakh in May 2022 which was invalid and could not be legally invoked.

The contravention of above stated GFR 2017 and lack of institutional knowledge led to wrong awarding of contract to debarred firm and irregular extension of contract time to time. From the above facts it is clear that the contractor was given undue favour besides compromising with the security of the Institute.

The matter was referred to the IITD vide Half Margin No.8 dated 28-011-2022. IITD in its reply stated that Institute is making all efforts to obtain services of another manpower agency and immediately terminate the services of M/s Orion Security Solution Pvt. Ltd. As of now the tender for new agency has been floated and manpower pressed into completing the process urgently. As regards irregularities in performance guarantee, the same has been obtained and got verified from the bank on 28.09.2022.

The Institute's replies are not tenable as the procedure to select the security agency should have been taken up immediately after getting adverse opinion from the legal cell so that the new tender could have been finalized well in advance. Due to the delay in tendering process the contract with M/s Orion Security Solution Pvt. Ltd. (OSSPL) was extended from time to time (up to 10.08.2020). Also, the extension beyond 10.11.2022 was under consideration as the new agency is yet to be finalized. This indicates undue favour to the contractor.

Reference Number: OBS-557317

Para 12: Irregular grant of increment resulting in excess payment of Rs.22107/-

Rule 10 of CCS (RP) Rules 2016 provides, inter alia, that there shall be two dates for increment namely 1st January and 1st July of every year depending on the date of appointment, promotion or grant of financial upgradation. Sub-Rule (2) thereof provides that increment in respect of an employee appointed or promoted or granted financial upgradation including upgradation under MACP during the period between the 2nd day of January and 1st day of July (both inclusive) shall be granted on 1st day of January and the increment in respect of an employee appointed or promoted or granted financial upgradation including upgradation under MACP during the period between 2nd day of July and 1st day of January (both inclusive) shall be granted on 1st day of July.

Rule 4C of the CCS (Leave Rules) 1972states that a Government servant who proceed on earned leave or commuted leave is entitled to leave salary equal to the pay drawn immediately before proceeding on earned leave or commuted leave. Similarly, a Government Servant on half pay leave or on leave not due is entitled to leave salary equal to half the amount specified above. Consequently if the normal date of increment of a Government servant falls during a period when he remains on earned leave/commuted leave/half pay leave/leave not due, the benefit of such increment is actually paid to him only from the date he joins duty on expiry of leave though the actual date of next increment remains unaffected.

Test check of records revealed that the following employees were on leaves on dates 1st July 2021/1st January 2022 of their increments but the Institute had given the financial benefit of increments from 1st July 2021/1st January 2022:

1st July 2021

Sl. No.	Name	Designation	Employee Code	Basic Pay in June 2021 (Rs.)	Basic Pay in July 2021 (Rs.)	Excess salary drawn(Rs.)			Leave period/ leave in July 2021
						Pay	DA	Total	
1.	Sawan Suman Sinha	Associate Professor	16408	161800	166700	163	51	214	01.07.2021 01 day
2.	Shaikh Ziauddin Ahammad	Associate Professor	16460	157100	161800	313	97	410	29.06.2021 to 02.07.2021 02 days
3.	Anupam Shukla	Professor	16097	201600	207600	200	62	262	01.07.2021 to 01.07.2021 01 day
4.	Mohan Kumar Singh Verma	Assistant Professor	16951	110800	114100	770	239	1009	01.07.2021 to 08.07.2021 07 days
5.	Maya Ramanath	Associate Professor	16350	157100	161800	1410	437	1847	24.06.2021 to 09.07.2021 09 days
6.	Pradeep Kumar Gupta	Sr. System Manager	15883	213800	220200	1920	595	2515	07.06.2021 to 09.07.2021 09 days
7.	Abhijit Ramchandra Abhyankar	Professor	16218	173900	179100	3120	967	4087	15.06.2021 to 18.07.2021 18 days
8.	Vivek Venkataraman	Assistant Professor	16736	135300	139400	1230	381	1611	15.06.2021 to 09.07.2021 09 days
9.	Deepak Umakant Patil	Assistant Professor	16680	107600	110800	960	298	1258	21.06.2021 to 09.07.2021 09 days
10.	Saif Khan Mohamed	Associate Professor	16450	171700	176900	173	54	227	29.06.2021 to 01.07.2021 01 days
11.	Shubhendu Bhasin	Associate Professor	16384	157100	161800	2193	680	2873	01.07.2021 to 14.07.2021 14 days
12.	Harshan Jagadeesh	Assistant Professor	16726	143600	147900	2293	711	3004	01.07.2021 to 16.07.2021 16 days
13.	Sangeeta Santra	Assistant Professor	16995	107600	110800	1707	529	2236	30.06.2021 to 16.07.2021 16 days
14.	Shib Shankar Banerjee	Assistant Professor	17049	104500	107600	1757	545	2301	30.06.2021 to 17.07.2021 17 days
15.	Sujit Manna	Assistant Professor	16859	143600	147900	1290	400	1690	28.06.2021 to 09.07.2021 09 days
16.	Sankalpa Ghosh	Professor	16125	195700	201600	590	183	773	25.06.2021 to 03.07.2021 03 days
Total						**20089**	**6229**	**26317**	

1st January 2022

Sl. No.	Name	Designation	Employee Code	Basic Pay in December 2021(Rs.)	Basic Pay in January 2022(Rs.)	Excess salary drawn (Rs.)			Leave period/ leave in Jan 2022
						Pay	DA	Total	
1	Sayantan Paria	Assistant Professor	16710	139400	143600	420	143	563	30.12.2021 to 03.01.2022 03 day
2	Vivek Mukundan	Assistant Professor	17043	104500	107600	207	70	277	27.12.2021 to 02.01.2022 02 day
3	Jitendra Prasad Khatait	Assistant Professor	16527	152500	157100	767	261	1027	29.12.2021 to 05.01.2022 05 day
					Total	**1394**	**474**	**1867**	

Above cases are illustrative not exhaustive. Similar other cases may be reviewed and result thereof intimated to audit.

The matter was referred to the Institute vide Half margin No.05 dated 23.11.2022 but the reply is still awaited.

Reference Number: OBS-557323

Para 13 : Non-accounting of exemption of Licence fee granted to staff resulted in short deduction of income tax

As per Resolution No.175/74, rent free accommodation be given to the Security Officer, Assistant Security Officer, Medial Officer, Assistant Medical Officer and Sister-in-Charge who are required to remain on call duty beyond normal working hours. Further, as per Resolution No.BG/27/2010 states that Deputy Director, Deans, Associate Deans, Wardens, Associate / Assistant Wardens will also be entitled to rent free accommodation in the Institute Campus.

Test check of Income Tax Calculation Sheets and Salary Register revealed that exempted value of license fee granted to the employees has not been taken into account for calculation of Income Tax resulting in short assessment of Income Tax of the concerned staff as per Rule 3 of Income Tax Act, 1961. The details are given below:

Sl. No.	Emp. Code	Name	Designation	Amount of Licence fee not taken as part of Income (Rupees)	Short recovery of Income Tax
1.	16653	Prof. V.Ramgopal Rao	Director	2300x12=27600	8611
2.	15252	Prof. S.G. Deshmukh	Dy. Director (O)	1870x5= 14960	7267
3.	15715	Prof. A.K.Ganguli,	DD (S&P)	1870x12= 22440	9601
4.	15960	Prof. Arvind Nema	Dean (Students Affairs)	1670x12=20040	6878
5.	15863	Prof. K.K. Pant	Dean (Faculty)	1870 x 7=13090	4084
6.	15874	Prof. S.K. Khare	Dean (R&D)	1870x11= 20570	9019
7.	15819	Prof. Naveen Garg	SCE Dept. Dean (AA&IP)	1870x12= 22440	7001