

581



भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय महानिदेशक लेखापरीक्षा (केन्द्रीय), चण्डीगढ़

Indian Audit & Accounts Department
Office of The Director General of Audit (Central),
Chandigarh



सं०/No: डी.जी.ए.(सेंट्रल)/के.व्यय/यू.टी.(वैटिंग-1)/2021-23/41-42

दि०/Dated: 12.07.2022

सेवा में,

निदेशक,
राष्ट्रीय तकनीकी शिक्षक प्रशिक्षण एवम् अनुसन्धान संस्थान,
सेक्टर -26, चंडीगढ़।

महोदय/महोदया,

आपके कार्यालय से सम्बंधित 2020 से 2022 तक अवधि की आपके लेखा परीक्षा की निरीक्षण रिपोर्ट का इस अनुरोध के साथ संलगित की जाती है कि प्रत्येक अनुच्छेद के विरुद्ध की गई कार्यवाही का उसके सन्मुख टीका की गई प्रतिलिपि इस कार्यालय को इस पत्र के जारी किये जाने की तिथि से 6 सप्ताह के भीतर भेज दे।

निरीक्षण रिपोर्ट को आपके कार्यालय द्वारा प्रस्तुत व उपलब्ध करवाई गई सूचना के आधार पर तैयार किया गया है। यह कार्यालय किसी भी तरह की गलत सूचना और उपलब्ध न कराई गई सूचना के लिए उत्तरदायी होना अस्वीकार करता है।

AS
21/07

भवदीया

SO Budget
वरिष्ठ लेखा परीक्षा अधिकारी

प्रतिलिपि : निम्नलिखित को सूचनार्थ एवं आवश्यक कार्यवाही हेतु भेजी जा रही है।

Mr Ashok Kumar

उप सचिव,
मानव संसाधन विकास मंत्रालय,
उच्चतम शिक्षा विभाग, शास्त्री भवन,
नई दिल्ली-110115

AS
वरिष्ठ लेखा परीक्षा अधिकारी

ACO

प्लॉट नं. 20-21, सेक्टर - 17 ई, चण्डीगढ़ - 160017

Plot No. 20-21, Sector-17E, Chandigarh - 160017

दूरभाष/Tel.No. 0172 - 2782020

फैक्स/ FAX No:0172 - 2782021 / 2783974

ई-मेल/ Email: pdacchandigarh@cag.gov.in

AS
20.7.2022

Audit and Inspection Report on the accounts of the National Institute of Technical Teachers Training and Research Sector 26, Chandigarh, for the year 2020-22

Part -I A Introductory

National Institute of Technical Teachers Training and Research Sector 26, Chandigarh, formerly known as Technical Teacher's Training Institute (TTTI) was established in 1967 with collaboration of Royal Netherland Government (Upto 1974) to meet the requirements of training of polytechnic teachers for growth and development of Polytechnic in the Northern Region of Country. The Institute was renamed as National Institute of Technical Teachers Training and Research (NITTTR) in the year 2003. The Institute has been recognized as a research centre by Panjab University, Chandigarh (in 2006) for pursuing research work leading Doctorate of Philosophy i.e. Ph. D.

The activity of Institute and Training Programme is in Curriculum Development, Instruction Material Development, Research and Development, Extension Services, Consultancy in Technical Education and Technology areas.

The position of Budget allotment received from the Govt. of India, Ministry of Human Resource Development (Now Ministry of Education) in the shape of Grants-in-aid and the expenditure incurred there against during the last three years was as under:-

Rs. in Lakh

Year	Budget/Grants Allocation			Expenditure		
	Capital	Revenue	Total	Capital	Revenue	Total
2019-20	330.00	3830.00	4160.00	217.56	3214.92	3432.48
2020-21	444.00	4611.00	5055.00	310.08	3155.05	3465.13
2021-22	500.00	2700.00	3200.00	467.41	3384.43	3851.84

The Audit of the accounts of the Institute under CAG'S DPC Act, 1971, for the year 2020-22 was conducted by an audit party headed by Mrs. Meena Kumari, Asstt. Audit Officer assisted by Sh. Alok Kumar Singh, Asstt. Audit Officer under the supervision of Mrs. Bindu Sabharwal, Sr. Audit Officer from 08.06.2022 to 16.06.2022.

Audit Objectives

The Audit objectives were to assess:

- Whether activities were being conducted by the office as per the mandate assigned to it, compliance of government rules while performing duties, deficient, if any;
- Whether purchases and payments of other office/establishment were as per government rules;
- To ensure proper maintenance of records by the different sections and deficiency, if

any.

- To ensure prompt realization of revenue and imposition of penalties against delays.

Scope of Audit

Following records maintained by the office of the NITTTR, U.T, Chandigarh, were examined under audit:-

- Records related with grants and expenditure.
- Records of purchase and disposal of articles in the department.
- Utilization of Govt. Funds, funds provided to departments for carrying out educational programmes.
- Major records maintained by the different departments.

Test check/basis of selection month was decided by the audit party on materiality basis.

Methodology : Minutes of Board of Governors/ Finance committee, compliance of Act/statute, Internal audit Reports, Purchase files, Project files, statutory files, utilization of grant –in –aid, realization of dues, cash book, receipt and payment vouchers etc. were checked.

The Post of Director of the Institute during the period covered under audit was held by Dr. S.S. Pattnaik.

Disclaimer

The Inspection Report has been prepared on the basis of information furnished and made available by the auditee unit. The office of the Director General of Audit (Central), Chandigarh disclaims any responsibility for any false information and / or non-information furnished by the auditee unit.

Part-II Audit Findings

Section-A Significant audit findings

-NIL-

Section-B Other incidental findings

Para 1: Non accountal of receipt in cash book.

As per Rule 20 of Central Govt. Account (Receipt & payment) Rules 1983, Govt. dues tendered in RTGS/NEFT form is accepted under the provisions of rule 19 and is honoured on presentation, shall be deemed to have been paid and should be taken in cash book.

During scrutiny of Bank reconciliation statement of O/o The Director, NITTR, Chandigarh it was noticed that closing balance as per bank statement was Rs.17,82,64,059.50 as on 31.03.2022, whereas balance as per cash book was Rs.13,69,88,521.43 leading to short account of receipts to the tune of Rs.3,65,43,941.06.

On being pointed out in audit the department replied that receipt of Rs. 3.00 crore was taken in cash book in April 2022 on receipt of bank statement and matter relating to adjustment of balance amount of Rs. 0.65 crore has been taken up with departments. Relevant KD's i.e cash book entry not provided to audit for checking. Though Rs.3.00 crore have been taken into accounts yet Rs. 0.65 crore are outstanding in bank awaiting settlement. Final compliance/action would be awaited in audit.

Para 2: Renovation of Type III (15 houses) and Type IV (8 houses), 23 Nos. faculty houses of NITTR at Sector 42, Chandigarh

During scrutiny of file relating to above subject, following event(s) were noticed:

1. MOU to take up various projects of NITTR was signed with BSNL on 14.12.2016
2. On 7.12.2017, NITTR asked Jt. Chief Engineer, BSNL to submit detailed estimate for above cited work.
3. Against the above request, BSNL submitted detailed estimate for Rs.3,30,18,700/- including 1% labour Cess, 4.80% PMC charges & 18% GST
4. BSNL vide their letter dt. 28.3.19, submitted revised estimate of T III quarters for Rs. 1,89,69,000/- i/c PMC and GST
5. Vide Director orders, 1/3rd payment i.e. Rs.63.23 lakh was approved on 31.3.2018 and credited to BSNL
6. 1/3rd of Balance of Rs.18969000/- i.e. Rs.4677000/- was paid on 29.6.18 to BSNL
7. Till date following payments were made :

Advance to BSNL	Rs.11000000/-
Payment made to BSNL	Rs.12169846/-
Payment made by BSNL	Rs.10469171/-

In this connection, following observations were made :

1. Detailed proposal to renovate the houses giving reasons was not prepared/produced to audit.
2. MOU was signed to take up various projects but no further agreement was signed detailing therein terms and conditions of the contract including timeline.
3. Advance Payment of Rs.1.10 crore was released without deducting income tax @ 2% under section 194C of the act having tax effect Rs.2,20,000 besides interest u/s 201.
4. Even after lapse of four years, the project was incomplete & due to non inclusion of penalty clause for delay, no action could be taken.

On being point out in audit, the institute did not submit any reply. Final compliance is awaited.

Para 3: Short deduction of TDS u/s 194C

As per Section 194C of the Income tax Act, Any person responsible for paying any sum to any resident (hereafter in this section referred to as the contractor) for carrying out any

work (including supply of labour for carrying out any work) in pursuance of a contract between the contractor and a specified person shall, at the time of credit of such sum to the account of the contractor or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to—

(i) one per cent where the payment is being made or credit is being given to an individual or a Hindu undivided family;

(ii) two per cent where the payment is being made or credit is being given to a person other than an individual or a Hindu undivided family.

of such sum as income-tax on income comprised therein.

During the scrutiny of records pertaining to the O/o the Director, NITTTTR, Chandigarh for the year 2020-22, it was noticed that the institute had made an agreement with Secure Guard Security and Manpower Services Private Ltd. Company, Chandigarh for providing Security and manpower services. While making monthly payment to the company the NITTTTR had deducted TDS @ 1% instead of 2% as per section 194C of Income Tax Act, 1956. The mistake resulted in short deduction of TDS amounting Rs.3,46,093 besides interest u/s 201 of IT Act of Rs.52,840. The details are as below:

Month	Gross Payment	Taxable Value	TDS charged @1%	TDS @ 2%	Short Deduction of TDS	Interest u/s 201
April 2020	1804848	1529538	15295	30590	15295	4130
May 2020	1821715	1543825	15438	30876	15438	4014
June 2020	1559935	1321973	13220	26440	13220	3305
July 2020	1391183	1178967	11790	23580	11790	2830
August 2020	1527781	1294727	12947	25894	12947	2978
September 2020	1510974	1280484	12805	25610	12805	2817
October 2020	1603823	1359173	13592	27184	13592	2854
November 2020	1653340	1401132	14011	28022	14011	2802
December 2020	1701428	1441890	14419	28838	14419	2740
January 2021	1729226	1465444	14654	29308	14654	2638
February 2021	1715996	1454232	14542	29084	14542	2472
March 2021	1695338	1436728	14367	28734	14367	2299
April 2021	1722106	1459411	14594	29188	14594	2189
May 2021	1733953	1468758	14688	29376	14688	2056
June 2021	1726500	1463238	14631	29262	14631	1902
July 2021	1764915	1495690	14957	29914	14957	1795
August 2021	1830288	1551092	15511	31022	15511	1706

September 2021	1881895	1594826	15950	31900	15950	1595
October 2021	1684289	1427365	14274	28548	14274	1285
November 2021	1616909	1370264	13703	27406	13703	1096
December 2021	1744805	1478649	14785	29570	14785	1035
January 2022	1850483	1568206	15682	31364	15682	941
February 2022	1788428	1515619	15156	30312	15156	758
March 2022	1779660	1508187	15082	30164	15082	603
Short Deduction of TDS & Interest					346093	52840

On being point out in audit, the institute replied that Secure guard and manpower services is a firm of sole proprietorship and not a limited company as per reply of secure guard. In case Secure Guard is found to be a limited company TDS at the rate of 2% will be deducted as per observation of audit. Final compliance is awaited.

Certificate
Sale

Para 4:- Loss of revenue to due to vacant accommodation in NITTTR Campus

Rule 15 (1) of the General Financial Rules, 2017 regarding Rents of buildings and lands provides that when the maintenance of any rentable building is entrusted to a civil department, other than the Central Public Works Department, the Administrator or the Head of the Department concerned shall be responsible for the due recovery of the rent thereof.

During the test check of records maintained in the O/o Director, NITTTR, Sector-26, Chandigarh for the year 2020-22, it was noticed that the department has a number of residential accommodation of different categories in the Institute premises for allotment to the staff and faculties of the Institute but a number of such accommodations remained vacant till date as given below:-

Estt.

Sl. No.	Category of House	No. of vacant houses
1.	Type -1	9
2.	Type -2	1
3.	Type -3	8

In view of 18 houses remaining vacant till date as tabulated above, the department is incurring loss of Rs. 181830/- on account of license fees as detailed below:-

Status of Vacant houses as on 31.03.2022						
Sector 26 Houses						
S. No.	H. No.	Date of vacation	Rent/ License fee per month	Total Months	Calculation of License Fee	Total License fee (Rs.)
1	E-5	13.01.2022 to 31.03.2022	180/-	2	2x180	360
2	E-8	19.01.2021 to 31.03.2022	180/-	14	14x180	2520
3	E-9	05.07.2019 to 30.06.2020	150/-	11	11x150	1650
4	E-9	01.07.2020 to 31.03.2022	180/-	21	21x180	3780
5	E-11	26.12.2019 to 30.06.2020	150/-	6	6x150	900
6	E-11	01.07.2020 to 31.03.2022	180/-	21	21x180	3780
7	D-16	31.12.2021 to 31.3.2022	370/-	3	3x370	1110
8	H No. 20	06.11.2019 to 30.06.2020	470/-	7	7x470	3290
9	H No. 20	01.07.2020 to 31.03.2022	560/-	21	21x560	11760
Sector 29 A Houses						
1.	61-B	04.09.20 to 31.03.22	560/-	18	10x560	1080
2.	62-B	17.10.2017 to 30.06.2020	470/-	32	32x470	15040
3.	62-B	01.07.2020 to 31.03.2022	560/-	21	21x560	11760
4.	63-B	24.09.2021 to 31.03.22	560/-	6	6x560	3360
5.	64-B	08.12.2015 to 30.06.2020	470/-	54	54x470	25380
6	64-B	01.07.2020 to 31.03.2022	560/-	21	21x560	11760
7	65-B	16.05.2016 to 30.06.2020	470/-	46	46x470	21620
8	65-B	01.07.2020 to 31.03.2022	560/-	21	21x560	11760
9	66-A	18.11.2021 to 31.03.2022	560/	4	4x560	2240
10	66-B	13.05.2016 to 30.06.2020	470/-	46	46x470	21620

11	66-B	01.07.2020 to 31.03.2022	560/-	21	21x560	11760
12	67-B	20.7.2021 to 31.03.2022	180/-	8	8x180	1440
13	69-A	09.07.2021 to 31.3.2022	180/-	8	8x180	1440
14	70-A	22.06.2021 to 31.3.2022	180/-	9	9x180	1620
15	71-B	13.12.2021 to 31.03.2022	180/-	3	3x180	540
16	72-B	01.09.2021 to 31.03.2022	180/-	7	7x180	1260
Total						181830

On being point out in audit, the institute did not submit any reply. Final compliance would be awaited.

Para 5: Diversion of Staff as posted in MHRD

During test check of purchase records of office of the NITTTR, Sector 26, Chandigarh for the year 2020-22, it was noticed that two staff members of NITTTR were posted in MHRD continuously for two years whereas post were vacant in NITTTR, thus leading to diversion of staff and diversion of salary to the extent of Rs.17,59,307. The details were as following:

Period	Staff	Salary Paid
April 2020-March 2021	Suraj + Shubhmay Pandey	831712
April 2021 – May 2021	Suraj + Shubhmay Pandey	159356
June 2021 – March 2022	Deepak + Shubhmay Pandey	768239
	Total	1759307

On being pointed out in audit, the institute replied that at the request of Ministry two outsource staff members have been posted in TS-IV section of the Ministry of Education, department of Technical Education to look after the work relating to NITTTR, Chandigarh in the Ministry to avoid delay of the work relating to our institute. The work and attendance of the said staff is monitored in the Ministry and they are paid as per attendance verified by the Ministry. The department reply is not tenable. Final compliance is awaited.

Para 6: Auction of E-waste.

During scrutiny of auction file of E-waste, it was noticed that Wall fans (5 Nos.) were also included in E-waste list whereas the same were not part of E-waste items as per E-waste list.

Further it was noticed that some of the items were auctioned below the reserve price and only one party took part in the auction and same was finalized at the rates quoted by them. List of items sold below reserve price was as under:

Sr.No.	Item	Qty	Reserve price	Sale price	Difference
1.	Diamond core drilling system	2	2500	2000	500
2.	Portable Magnetic Particle Flow Detector Instrument	1	500	200	300
3.	Thin client	05	700 each=3500	500	3000
4.	HP Procurve L3 switch 24 port	1	1000	100	900

1000
200
1000
900
3000

On being pointed out in audit, the institute replied that the wall fans have been included in the list of E-waste erroneously. The same has been noted for future compliance. Secondly, the auction of a few items below reserve price was considered as reasonable as price of whole lot. Thirdly, the tender was an open tender through wide publicity in newspaper. The only party was a case of resultant single bidder so the committee convened for this purpose, recommended to go ahead with the tender and the same was approved by the competent authority.

The reply of the institute on second point that the auction of a few items below reserve price was considered as reasonable as price of whole lot cannot be accepted as the difference between reserve price and actual sale price is quite high and reserve price is fixed after considerable research on market price of sale items. Final reply would be awaited.

Para 7: Non deposit of performance security on time

Rule 149 of GFR states that DGS&D or any other agency authorized by the Government will host an online Government e-Marketplace (GeM) for common use Goods and Services.

Rule 171 of GFR 2017 states that to ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Unlike contracts of Works and Plants, in case of contracts for goods, the need for the Performance Security depends on the market conditions and commercial practice for the particular kind of goods. Performance Security should be for an amount of five to ten per cent of the value of the contract as specified in the bid documents. Performance Security may be furnished in the form of an Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects. (ii) 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.

A test check of records of the NITTR, Sector 26, Chandigarh revealed that the institute's mechanical department had purchased certain articles/software like In vitro Testing setup, Sensor/Transducer for vision, Material design software, Mini Robot etc. through E-tender stating that these items were not available on GEM whereas no proof of GEM search attached in any purchase files. Secondly, the institute had also not obtained the performance security before the start of work from any seller of above articles which is in violation of GFR Rule 171. This is procedural lapse on the part of the institute.

Mechanical
Engg

On being pointed out in audit, the institute did not submit any reply.

Para 8: Non auction of Unserviceable, Obsolete and Condemned articles

As per Rule 218 of the GFR 2017, Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two Lakh should be disposed of by:

- (a) obtaining bids through advertised tender or
- (b) public auction.

During the scrutiny of records pertaining to the O/o the Director, NITTR, Chandigarh for the year 2020-22, it was noticed that the institute has conducted physical verification of Fixed Assets till 2020-21, in which it was found that Unserviceable, Obsolete and Condemned articles of Rs.10,99,171 were to be disposed of but not done till date.

Stuff
E-waste

On being pointed out in audit, the institute replied that matter is under consideration and action will be taken on receipt of minutes of BOGs meeting.

Para 9 : Non- GeM purchases.

Rule 147 Powers for procurement of goods. The Ministries or Departments have been delegated full powers to make their own arrangements for procurement of goods. In case, however, a Ministry or Department does not have the required expertise, it may project its indent to the Central Purchase Organisation (e.g. DGS&D) with the approval of competent authority.

Rule 148 Rate Contract. DGS&D shall conclude rate contracts with the registered suppliers for such goods, which are not available on GeM, and are identified as common use items and are needed on recurring basis by various Central Government Ministries or Departments. DGS&D will furnish and update all the relevant details of the rate contracts on its website. The Ministries or Departments shall follow those rate contracts to the maximum extent possible

As per Rule 149 of GFR 2017, The procurement of Goods and Services by Ministry or Departments will be mandatory for Goods & Services available on GeM. The GeM Portal

shall be utilized by the Government buyers for direct online purchases.

During test check of purchase records of office of the NITTTR, Sector 26, Chandigarh for the year 2020-22, it was noticed that purchases by the institute from local market of various items were done in contravention of rule 149 of GFR 2017.

Further, for the items being of common use and are needed on recurring basis such as misc. stationery items, Air-conditioner & computer items etc., annual contract were not entered as per Rule 147 & 148 of GFR 2017.

On being pointed out in audit, the institute replied that items which are not available on GEM or where the rates on GeM are on higher side are purchased from local market by inviting quotations, limited tender or open tender in compliance with Rule 149 of GFR 2017. The department reply is not tenable as there is no proof that items were first searched on GEM and after that they were purchased through tender. Final compliance is awaited.

GEM
X
Compliance

Para 10: Rush of expenditure in the month of March, 2022

As per Rule 62 (3) of General Financial Rules, 2017, Rush of expenditure, particularly in the closing months of the Financial year, shall be regarded as a breach of financial propriety and shall be avoided.

During scrutiny of records of the unit, it was observed that against the total expenditure of Rs. 467.41 lakh (under head OH-35: Capital Non Recurring) incurred during the year 2021-22, an amount of Rs. 341.07 lakh was spent in March 2022 i.e. 72.97% of total expenditure which is against the rules referred above.

Advanced
2.14
1.27

Institute replied that the purchase orders to materialize took considerable time and most of purchase orders were materialized at the end of financial year. The reply is not tenable as action is against GFR Rule 62(3). Final action would be awaited in audit.

Para 11: Non accountal of stock/scrap received on completion of Renovation of Old Hostel (Chander Shekhar Hall)

During test check of records of NITTTR, it was noticed that renovation work of Old Hostel (Chander Shekhar Hall) was completed and handed over to the Institute but material like old wooden doors etc. which were handed over to the institute were neither taken into stock nor in unserviceable items/scrap.

E.O
Store

On being pointed out in audit, the institute did not submit any reply. Final reply/compliance would be awaited in audit.

Para 12: Non-accountal of credits/receipts in the receipt Head of Institute amounting Rs.21.32 lakh

Rule 13(ii) of Receipts and Payments Rule of Central Govt. Rules provides that all monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the Office in token of check.

During test check of records of NITTTTR, it was noticed that an old outstanding receipt item of Rs. 21.32 lakh in Bank statement were taken to receipts Head(Suspense Account) of the Institute. These receipts need to be entered in cash book on regular basis. Merely transferring these unidentified accounts to suspense/Misc a/c is not a proper action as major unaccounted receipts also include GST. Stern efforts are required to get these amounts identified and accounted in proper Heads of account and due GST may be deposited to avoid any penalty/legal action from Govt. side.

On being pointed out in audit, the Institute replied that these items were outstanding for more than one year. Despite best efforts these could not be taken to proper Head of Account. As dead end had reached and there was no alternative but to take these items to receipt Head of the Institute. Reply is not acceptable as reconciliation of receipt with Invoice raised on account of consultancy by the Institute needs to be done on regular basis Final compliance would be awaited from department.

Part III: Review of old objections :

LAR 2002-03

Para 2 Outstanding advance payments Rs. 19.27 lakh
Final reply awaited Para Stands.

LAR 2013-14

Para 6 Difference in assets in the register of fixed asset and B/S
Final reply awaited-Para Stands.

LAR 2015-16

Para 5 Non settlement of accounts of Deposit Works
Para updated in LAR 2019-20 as para no.6, para deleted from here.

LAR 2016-17

Para 2 Adjustment of expenditure of previous year(s) from grants of subsequent years against the terms & conditions of release of grant Rs.514 crore

Para stands

Para 3 Internal Revenue Generation (IRG) from consultancy Projects
Para Stands.

Para 5 Compliance of AICTE guidelines in respect of Career Advancement
Final action awaited Para Stands

Para 7 Insurance of the properties of the Institute
Final action awaited Para Stands.

LAR 2017-18

Para 1 Loss on account of payment made to the contractor due to non being able to defending the case regarding cancellation of contract for construction of New Administrative block and Hostel - Rs. 78.00 Lakh

Final reply awaited Para Stands.

Para 2 Irregular release of payments against the contractors bills for the constructions of works of NITTR executed through BSNL
Updated in LAR 2019-20 as para no.2 para deleted from here.

LAR 2018-19

Para 7 Acute shortage of Staff.
Para Stands.

LAR 2019-20

Para 1: Non levy of water charges in violation to the water bye laws of the Chandigarh Administration :Rs. 8.23 lakhs.

Para settled. ✓

Para 2: Lapses in Memorandum of Understanding between the Institute and BSNL endangering the interests of the institute.

✓ (i) No provision for refund of Interest on advance payment.

✓ (ii) No clause for penalty of delayed execution of work.

⊖ (iii) Advance deposit of GST by BSNL.

⊖ (iv) Direct payment to contractor instead of BSNL.

✓ Point 3 & 4 settled. ✓

Point 1 & 2 stands.

Para 3: Non identification of Lapsed Deposits lying in the form of Sponsored/Consultancy Projects

Para stands.

Para 4: Expenditure on Sponsored/Consultancy Projects in excess of the funds received.

Final action awaited. Para stands.

Para 5: Idle lying of Vehicle No. CH0IG1-1251

Final action awaited hence Para stands.

Para 6: Non settlement of accounts of Deposit Works

Final action awaited. Para stands.

Para 7 A: Non auction of Unserviceable, Obsolete and Condemned articles

Receipt of Rs.173663 produced but no record shown in r/o of Rs.966713.

Hence Para stands.

Para 7 B Non conducting of Physical verification of Consumables

Para stands.

Para 8: Improper maintenance of Service Books

Para stands.

Part IV Best Practices

NIL

Part- V Acknowledgement

The Director, NITTTR, Sector 26, Chandigarh and his staff extended full cooperation in providing the relevant record during audit and inspection for the years 2020-22. The environment of audit was very cordial and professional on the either side at the time of audit.

All the minor points and omissions noticed during the course of audit were discussed and settled on the spot. Hence, no separate Test Audit Note was issued.


Sr. Audit Officer

96
SPEED - POST

No. NITTTR/B&ITA/ 3764

17-1-2023 Dated:

Senior Audit Officer
Indian Audit and Accounts Department
Office of the Principal Director of Audit (Central)
Plot No. 20-21,
Sector 17-E
Chandigarh - 160 017


Subject: Annotated replies on the Audit Report for the year 2020-2022.

Sir,

Please refer to your letter No. DGA/(Central)/Ke.Vey/UT(Vetting-1) 2022-2023/41-42
Dated 12/07/2022 on the subject stated above and find enclosed herewith Annotated
Replies to Paras appearing in the Audit and Inspection Report of this institute for the
Year 2020-2022 for your kind consideration.

Paras may please be settled under intimation to this office .

Yours faithfully,


Accounts Officer



	Query Raised by the Audit	Reply of the Institute
<p>Para 1</p>	<p>Non accountable of receipt in cash book. It was noticed that closing balance as per bank statement was Rs. 17,82,64,059.50 as on 31.03.2022, whereas balance as per cash book was Rs. 13,69,88,521.43 leading to shot accountal of receipts to the tune of Rs. 3,65,43,941.06. On being pointed out in audit department replied that receipt of Rs. 3.00 crore was taken in cash book in April 2022 on receipt of bank statement and matter relating of adjustment of balance amount of 0.65 crore has been taken up with departments. Relevant KD's i.e. cash book entry not provided to audit for checking. Though Rs. 3.00 crore has been taken into accounts yet Rs. 0.65 crore are outstanding in bank awaiting settlement.</p>	<p>Photo copy of Cash Book Entry/ Receipt is enclosed.</p> <p>Receipts were not accounted far in the cash book due non identification of the same by the departments. Out of 3.65 crore receipts out of 3.00 crore have already been accounted for and other receipts are also accounted for as and when the same identified by the concerned department</p> <p>Para may please be considered to be dropped.</p>
<p>Para 2</p>	<p>Renovation of Type III (15 houses) and Type IV (8 houses) 23 Nos. Faculty Houses of NITTR at Sector 42, Chandigarh</p> <ol style="list-style-type: none"> 1. Detailed proposal to renovate the houses giving reasons was Not prepared/produced to audit 2. MOU was signed to take up various projects but no further agreement was signed detailing there in terms and conditions of the contract including timeline. 3. Advance payment of Rs. 1.10 crore was released without deducting income tax @2% under section 194C of the act having tax effect Rs.2,2000 besides interest u/s 201. 4. Even after lapse of four years, the project was incomplete & due to non inclusion of penalty clause for delay. No action could be taken. 	<p>Documents are attached as Annexure-1 regarding renovation work at Sector -42 staff quarters.</p> <p>MOU copy and letter regarding timeline by BSNL is attached as Annexure-2.</p> <p>Income Tax has been deducted in the running Bills.</p> <p>Communication letters regarding delay of renovation work is attached as Annexure-3</p>

<p>Para 3</p>	<p>Short deduction of TDS u/s 195C. It was noticed that the Institute had made an agreement with Secure Guard Security and Manpower Services and Pvt. Ltd Company, Chandigarh for providing security and manpower services. While making monthly payment to the company the NITTR had deducted TDS@1% instead of 2% as per section 194C of Income Tax ACT 1956.</p>	<p>M/s Secure Guard Security and Manpower services is firm of sole proprietor and not a limited company. Reply from Secure Guard is enclosed. In this regard it is further stated that TDS was introduced to collect tax at Source from where an individual income is generated. The Govt uses TDS as a tool to collect tax in order to minimise tax evasion by taxing income (partially or wholly) at the time it is generated rather than at a late date.</p>
<p>Para 4</p>	<p>Loss of revenue to due to vacant accommodation in NITTR Campus</p> <p>Rule 15 (1) of the General Financial Rules, 2017 regarding Rents of buildings and lands provides that when the maintenance of any rentable building is entrusted to a civil department, other than the Central Public works department, the Administrator or the Head of the Department concerned shall be responsible for the due recovery of the rent thereof.</p> <p>During the test check of records maintained in the O/o Director, NITTR, Sector -26, Chandigarh for the year 2020-22, it was noticed that the department has a number of residential accommodation of different categories in the Institute premises for allotment to the staff and faculties of the institute but a number of such accommodations remained vacant till date. In view of 18 houses remaining vacant till date. The department incurring loss of Rs. 1,81,830/- on account of license free.</p>	<p>The Institute has initiated measures to improve occupancy state of residential accommodations by introducing policy of allotment to other organizations, contractual staff, Ph.D student, re-employed and retired employees, on payment of license fee and allied charges, as applicable. However, 100% occupancy can not be achieved due to following reasons:-</p> <p>Roll Over Time - A considerable time to taken while handing/taking over due to advertisement, assembly of allotment committee, change-over of water/ electricity connections and maintenance of house. Sometimes the roll over time spills upto 5-6 months.</p> <p>Non Eligible Employees for Type-1 Houses - After implementation of 7th CPC the minimum eligibility is Type-2 houses. Therefore, there are no applicants for Type-1 houses. The Institute has 23+15 Type-1 houses in Sector-29 and 26 respectively. The efforts are on to utilize these by allotting to other organizations, contractual staff, Ph.D students, re-employed and retired employees. 50% of the total vacant houses under objection, belongs to this category.</p> <p>Delayed Recruitments - A lot of sanctioned posts of the institute are lying vacant due to delay in permission from the Ministry for recruitment. Now, the permission has been</p>

		<p>accorded and the institute is in process of recruitment. The vacant houses shall be occupied by the fresh recruits, as soon as there are recruited.</p> <p>In this connection it is stated that at the request of Ministry two outsource staff members have been posted in TS-IV Section of the Ministry of Education Department of Technical Education to look after the work relating to NITTTR, Chandigarh. They have been assigned the job relating to NITTTR, Chandigarh in the Ministry to avoid delay of the work relating to our institute. The work and attendance of the said staff is monitored in the Ministry and they are paid as per attendance verified by the Ministry.</p> <p>It is submitted that the wall fans have been included in the list of E-Waste erroneously. The same has been noted for further compliance.</p> <p>The auction of a few items below reserve price was considered as reasonable as price of whole lot.</p> <p>The tender was an open tender through wide publicity in newspaper. The only party was a case of resultant single bidder so the committee convened for this purpose, recommended to go a-head with the tender, and the same was approved by the competent authority.</p> <p>The certificate regarding non availability of the tendered items on Gem was included in the department recommendations only after duly checking the availability of the items, as per the department specifications, on Gem.</p> <p>The payments for the items for which the Performance Bank Guarantee is not submitted by the vendor, a security amount @3% of the item cost (equivalent to the Performance Bank</p>
Para 5	<p>Diversion of staff as posted in MHRD</p> <p>During the test check of purchase records of office of the NITTTR, Sector -26, Chandigarh for the year 2020-22, it was noticed that two staff members of NITTTR were posted in MHRD continuously for two years whereas post were vacant in NITTTR, thus leading to diversion of staff and diversion of salary to the extent of Rs.17.59,307.</p>	
Para 6	<p>Auction of E-waste</p> <p>During the scrutiny of auction file of E-waste, it was noticed that Wall fans (5 Nos) were also included in E-waste list whereas the same were not part of E-waste items as per E-waste list.</p>	
Para 7	<p>Non deposit of performance security on time</p>	

	<p>Guarantee amount), was deducted by the Accounts Section. The security amount would be released only after submission of the PBG. Further, as per the GoI, MoF, DoE, procurement policy Division letter No. F.9/4/202-PPD dated 12/11/2020, the PBG value was reduced to 3% of the value of the contract for tenders issued till 31.12.2022 (copy enclosed).</p>
<p>Para 8</p>	<p>Non auction of Unserviceable, Obsolete and Condemned articles.</p> <p>As per Rule 218 of the GFR 2017, Surplus or obsolete or unserviceable goods of the assessed residual value above Rupees Two Lakh should be disposed of by:</p> <p>(a) obtaining bids through advertised tender or</p> <p>(b) public auction</p> <p>During the scrutiny of records pertaining to the O/o the Director NITTR, Chandigarh for the year 2020-22, it was noticed that the institute has conducted physical verification of Fixed Assets till 2020-21, in which it was found that Unserviceable, obsolete and condemned articles of Rs. 10,99,171 were to be disposed of but not done till date.</p> <p>On being pointed out in audit, the institute replied that matter is under consideration and action will be taken on receipt of minutes of BOGs meeting.</p>
<p>Para 9</p>	<p>In this connection it is stated that during the 52nd meeting of Board of Governors held on 21.2.2022, the case of write off of unserviceable, obsolete and condemned fixed assets was put up for approval. The Board members raised a query and advised the institute "to prepare the life span of each item to be written off and put up in the next meeting of Finance Committee". As per Directions given by Board members the span of each item has been worked out and placed in the 53rd meeting of Board of Governors held on 8.6.2022. Minutes of the meeting have been received on 25.7.2022 wherein the writing off has been approved. Written off items will be disposed off in due course of time as per GFR.</p>
<p>Para 9</p>	<p>Purchase are made as per provisions of GFR and from GEM only items which are not found available are purchased from the market, fully complying the provision/GFR. However, Audit has not provided any list where the provisions of GFR were not compiled with</p>

	<p>Para 10 Rush of expenditure in the month of March 2022</p>	<p>Out of total expenditure of Rs. 341.07 lakh, incurred during the month of March include an advance of Rs. 214 lakh given to CPWD for construction of Houses in Sector 42. As such there was only an expenditure of Rs. 127.07 (341.07-214.00) only during March 2022 which is reasonable. Para may please be dropped.</p>
	<p>Para 11 Non accountal of stock/scrap received as completion of Renovation of Old Hostel (Chander Shekhar Hall)</p>	<p>Stock/Scrap received on completion of renovation was duly account for auctioned as per rules.</p>
	<p>Para 12 Non-accountal of credits/receipts in the receipt Head of Institute amounting Rs. 21.32 lakh</p>	<p>Receipt of Rs. 21.32 lakh was taken to Institute Account as after approval of the Director. Position was explained to the Director vide note dated 31/3/2021. Para may please be dropped.</p>