

Para wise reply for the year 2020-21 in annotated form

Period of Report	Para No	Audit Comments	
AIR 2020-21	1.	<p>Unauthorized encroachment of NIT, Srinagar land valuing ₹. 16664.25 lakh</p> <p>The Jammu and Kashmir Public Premises (Eviction of unauthorized occupants) Act, 1988. Eviction of unauthorized occupants (1) If, after considering cause, if any, shown by any person in pursuance of a notice under section 4 and any evidence produced by him in support of the same and after personal hearing, if any, given under clause (b) of sub-section (2) of section 4, the estate officer is satisfied that the public premises are in unauthorised occupation, the estate officer shall make an order of eviction, for reason to be recorded therein directing that the public premises shall be vacated, on such date as may be specified in the order, by all persons who may be in occupation thereof or any part thereof, and cause a copy of the order to be affixed on the outer door or some other conspicuous part of the public premises. (2) If any person refuses or fails to comply with the order of eviction on or before the date specified in the said order or within seven days of the date of its publication under sub-section (I), whichever is later, the estate officer or any other officer duly authorized by the estate officer in this behalf may after the date so specified or after the expiry of the period aforesaid, whichever is later, evict that person from and take possession of, the public premises and may, for that purpose, use such force as may be necessary</p> <p>Scrutiny of records of the office of the Director NIT Srinagar revealed that 196 kanals and one marla land of NIT valuing ₹ 1,66,64,25,000/- was encroached by the unauthorized persons:- (Source of rate of Chairman Distt. Valuation Board Srinagar)</p> <p>Further, it was noticed that the eviction order to remove the unauthorized encroachment was passed by the Estate Officer NIT Srinagar during the year 2000-01 to 2019-20 but</p>	<p>The matter has already been taken up by the Institute with the state Government. Copy of communications is enclosed for reference.</p>

		NIT failed to implement the eviction order till date (11/2021) Thus due to non-implementation of eviction order, NIT has suffered a loss of ₹.1,66,64,25000/- In reply it was stated that the matter shall be taken up with the State Govt. Final compliance is awaited.	
AIR 2020-21	2.	<p>Non-recovery of cess from contractor's ₹. 150.49 lakh</p> <p>As per clause 1 section 3 of the Building and Other Construction Workers' Welfare Cess Act, 1996. There shall be levied and collected a cess for the purposes of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (27 of 1996), at such rate not exceeding two per cent. but not less than one per cent. of the cost of construction incurred by an employer, as the Central Government may, by notification in the Official Gazette, from time to time specify.</p> <p>Further, The cess levied under sub-section (1) shall be collected from every employer in such manner and at such time, including deduction at source in relation to a building or other construction work of a Government or of a public sector undertaking or advance collection through a local authority where an approval of such building or other construction work by such local authority is required, as may be prescribed.</p> <p>During scrutiny of records of NIT Srinagar, it was noticed that an amount of ₹. 15048.98 lakh, (as detailed in the Annexure-B) was released to CPWD Srinagar for various construction works during the years 2012-21. Further it was noticed that an amount of ₹. 150.49 lakh as welfare cess was not deducted from the contractor and deposited with the board.</p> <p>In reply it was stated that the CPWD is an executing agency. They float tenders for each contract work and hire the services of contractor. Institute is not directly making payments in favour of contract. Reply is not tenable as department should have taken up the matter with CPWD for recovery of cess from contractors.</p>	<p>As per MoU CPWD is an executing agency; no deductions are being made on payments made in favour of CPWD as per the MoU signed between NIT & CPWD. (Copy of MoU enclosed for reference). The Institute pays 10 % of Project cost as advance and subsequent releases are being made against works (form 65). However deductions on account security deposit, TDS , cost of material components and cess are deducted by CPWD on contractor bills. However copy of certificate of</p>

			cess remittance has been obtained from CPWD for ready reference & perusal. Hence as such requested that in view of the para may be dropped.
AIR 2020-21	3.	<p>Excess payments lying with CPWD ₹. 9022.93 lakh</p> <p>As per para 6.7.1 of the Manual for Procurement of Works 2019 of Ministry of Finance Department of Expenditure, the contract is not to be treated as completed until a Defects Liability Certificate (DLC) has been issued. There will be only one DLC. It will be issued when the contractor has completed all his obligations under the contract. While making the final payment to the contractor and before releasing the PBG, it should be ensured that there is nothing outstanding from the contractor, because it would be difficult to retrieve such amounts after releasing the bank guarantee/ final payment. Before the bank guarantee is released a “no claim certificate” may be taken from the contractor as per the format given in Annexure 7. At least in large contracts (above ₹. 25 (twenty-five) lakh), it should be ensured that before the release of the bank guarantee (final payment, if there is no bank guarantee), the following reconciliations should be done across departments involved in the execution of the contract:</p> <p>6.7.2 Material and Works Reconciliation the Ministry/Department should confirm that all Works ordered in the contract and paid for have been taken over in good condition and there is no shortcoming. Full reconciliation of all materials, machinery and assets provided to the contractor should be done including wastages and return of scrap/off-cuts.</p> <p>6.7.3 Reconciliation with the User Department -Besides Works reconciliation, the user department should certify in writing that the following activities (wherever applicable) have been completed by the contractor, to the department’s satisfaction, as per the contract:</p> <p>i) Achievement of performance standards of Work; ii) Installation and commissioning, if any;</p>	

<p>AIR 2020-21</p>	<p>iii) Support service during the Defect Liability Period which has ended on iv) As Made Drawings; v) Return of all ID cards, gate passes, documents, drawings, protective gear, material, equipment, facilities and assets loaned to contractor.</p> <p>6.7.4 Payment Reconciliation-The Ministries/Departments may reconcile payments made to the contractor to ensure that there is no liability outstanding against the contractor on account of:</p> <p>i) LD; ii) Price reduction enforced on account of shortfall in standards of Work; iii) Variations/ deviations from the scope of the contract; iv) Overpayments/ duplicate payments, if any; v) Services availed from Procuring Entity and vacation thereof such as accommodation, electricity, water, security, transport, cranes and other machinery, and so on; vi) Demurrage, insurance premiums or claims, and so on; vii) Works reconciliation; viii) Price variations; ix) Statutory duties paid on behalf of the contractor by Procuring Entity; and- On satisfactory reconciliation and against a “no claim certificate” from the contractor, the bank guarantee may be released and its acknowledgement taken from the contractor.</p> <p>Scrutiny of records of NIT Srinagar revealed that funds amounting to ₹. 1,42,48,11,960/- were transferred to Central Public Works Department for construction of various works in NIT Srinagar during the years 2012-2020 as detailed in annexure. Further, it was noticed that these works were completed and an expenditure of ₹. 52,25,19,368/- was incurred on these works and an amount of ₹. 90,22,92,595/- was lying with the CPWD as unutilized. No reconciliation has been done by department so far (11/2021). Thus an amount of ₹. 90,22,92,595/- was lying with the CPWD as unutilized resulted in blockade of funds which is in contravention of above rules.</p> <p>In reply it was stated that the matter has already take up with CPWD. Final compliance is still awaited.</p>	
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4.

Non-utilization of grants of ₹. 2529.87 lakh.

Rule 57(1) of GFR, 2017 defines responsibility for control of Expenditure as, departments of the Central Government shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at their disposal. The control shall be exercised through the Heads of Departments and other Controlling Officers, if any, and Disbursing Officers subordinate to them. Further, Under Rule 59, Personal attention of the head of the office/controlling officer is required to estimate saving or excess. Head of the department or controlling officer shall be in a position to estimate the likely hood of saving or excess every month and to regularize them in accordance with the instructions laid down in rule 62,61 and 64.of GFR, 2017 The NIT, Srinagar Authorities are also bound by these rules.

During test check of records of allotment of funds and expenditure it was observed that audited organisation has not utilized of funds against available budget allotted by the Ministry. Allotment/Expenditure figures for the years 2018-21, reveals as under:-

(₹ in Lakh)

Year	O.B	Allotment	Total	Expenditure	Un-utilized	%
2018-19	2.16	19159.00	19161.16	15141.07	4020.09	21.00%
2019-20	4020.09	12169.00	16189.09	13659.22	2529.87	16.00%
2020-21	2529.87	13816.06	16345.93	11820.98	4524.95	28.00%

It is evident from the above data that there was under –utilization of funds ₹ 4524.95s lakh (28.00%) received under grants which may be due to wrong projection of annual requirements.

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5.

Construction/Up-gradation of sports facility Centre-₹ 923.67 lakhs

National Institute of Technology, Srinagar awarded the work of up gradation of sports facility centre to CPWD as deposit work at an estimated cost of ₹.1311.00 lakh. CPWD vide Notice Inviting Tender dated 28/9/2018 invited tenders for estimated work of ₹ 1045.07 lakh and the work was awarded to the firm M/s Advanced Sports Technology on 22-09-2018 for an amount of ₹. 1023.12 lakh i.e 2.10 %., below the estimated work. The work was started on 13/10/2018 and time schedule to complete the work was 15 months. The physical and financial details of work was as under;

Name of Work	Date of Start	Original date of completion	Funds released	Expenditure as on date	% age of progress so far
Construction/Up-gradation of sports facility Centre	13.10.2018	10-04-2019	923.67 lakh	214.39 lakh	30 %.work done

In this connection, following audit observations were made:-

1. The Administrative approval was accorded by the Chairman Board of Governors on 21.11.2017 for Up gradation of sports facility centre. More than four years have been lapsed but till date project was under construction in initial stage.
2. Despite of sufficient funds amounting to ₹ 923.67 lakh has been released and placed at the disposal of CPWD, Srinagar, out of which ₹ 214.39 lakh incurred and progress of work was only 30 percent.
3. The total time schedule allotted to the contractor was six months i.e. from 12.12.2018 to 11.3.2020, the time schedule for completion period was over and the physical progress was only 30 percent which is very poor and work does not seem to be completed in near future.

Developmental / up gradation work of sports facilities were stopped during 2019 due to abrogation of article 370 and COVID-19. All the construction works were resumed in July 2021.

		<p>4. Penalty if any imposed-on contractor for unprecedented delay and non-achievement of Milestones in completion of work as per agreement may also be made known to audit.</p> <p>5. Slow progress of work has delayed the intended benefits to the NIT authorities/students which needs to be clarified to audit.</p> <p>6. Due to delay in completion of said work cost over- run is also likely to be caused.</p> <p>7. Action taken to speed up the work may also be intimated.</p> <p>The effective and concrete steps may please be taken now to complete the work on the scheduled completion dates for intended benefits to students.</p> <p>In reply it was stated that the matter is taken up with the CPWD. Final compliance is still awaited.</p>	
AIR 2020-21	6.	<p>Loss of revenue due to non-receipt of rent arrear from the bank of ₹. 10.00 lakh</p> <p>The agreement was made on 03.08.2017 between National Institute of technology Srinagar and Jammu and Kashmir bank limited. Wherein NIT has agreed to provide on lease the space in form of one single story building measuring 980 sqft. (plinth area) on ground floor and 120 sqft. for DG set at NIT campus Hazratbal to “Lessee “for housing its K&K branch and Lessee “has agreed take to the allotted space on lease and to provide the banking services to the institute.</p> <p>Wherein NIT and J&K bank agreed to execute this MOU stipulating the term and conditioned of the lease between two parties.</p> <p>Whereby it was agreed and declared as follows:-</p> <p>1. That the NIT was the absolute owner of the above said building and in consideration of rent herein after reserved and of the other conditions therein NIT Srinagar agrees to give on rent the building with area details given above, near main gate of institute for setting up a J&K branch in the institute campus.</p> <p>2. The rent of the above building/ space shall be deemed to have commenced from the day “THE LESSEE” was handed over the said building/ space i.e. September, 2007 and shall be subject to term and condition thereof. The Lessee has to pay a net amount of ₹. 15000/- only as rent of building / space per month payable w.e.f. April 1st 2017.</p>	<p>The outstanding rent has remitted by J&K Bank Ltd during the F.Y2017-2018. Copy of remittance & copy of bank statements shown to Audit of ACM & enclosed as Annexure .</p>

		<p>The monthly rent as indicated above shall be enhanced of the base value (compounded) after every five years.</p> <p>3. The rent has to be paid on quarterly basis i.e. three months in advance from the date of execution of MOU, any taxes to be deducted as per rule shall be extra over the net rent. However, the lessee has to pay ₹. 10.00 lakh only as rent arrears (including electricity fee) for the period September 2007 (date of possession) to 31 march 2017 within period of twenty four months in four instalments from the date of signing of this MOU.</p> <p>4. This lease shall continue for a term of ten years from date of signing of this MOU, with an option for both the parties to renew the lease for a future term on mutually agreed basis.</p> <p>Scrutiny of records revealed that rent of bank was received regularly but ₹. 10.00 lakh which was to be received in four instalments has not been received till date (11/2021). Thus NIT has suffered a loss of ₹. 10.00 lakh, which is in contravention with the terms and conditions of the MOU/agreement.</p> <p>In reply was stated that the matter shall be taken up in due course. Final compliance is awaited.</p>													
AIR 2020-21	7.	<p>Blockade of funds due to Non Start of works.</p> <p>Rule 7.68 of DFR provides that "Major estimate" is a term applied to the estimate for a work when the sanctioned amount of works expenditure exceeds ₹. 25.00 lakhs or any other limit which may be fixed by the competent authority. This term is also applied for the sake of convenience to the work itself.</p> <p>Test check of records and information supplied by the NIT, Srinagar revealed that an amount of ₹.3116.00 lakhs was released to CPWD against the following developmental work valuing ₹.9813,00 lakh during the year 2020-21. But the work had not been started so far (November/2021).</p> <p style="text-align: right;">(₹.in lakhs)</p> <table border="1" data-bbox="448 1228 1563 1378"> <thead> <tr> <th>Sr. No.</th> <th>No. of work</th> <th>Amount sanctioned</th> <th>Amount released</th> <th>Amount Utilized</th> <th>Amount unspent</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Construction of (G+3) Girls Hostel</td> <td>1313.00</td> <td>-</td> <td>0.3</td> <td>(-) 0.3</td> </tr> </tbody> </table>	Sr. No.	No. of work	Amount sanctioned	Amount released	Amount Utilized	Amount unspent	1.	Construction of (G+3) Girls Hostel	1313.00	-	0.3	(-) 0.3	<p>The work has not been started as per schedule due to COVID-19 however all the construction works have been started & resumed in July 2021 and are in progress as on date. Copy of form 65 issued by CPWD is enclosed for reference.</p>
Sr. No.	No. of work	Amount sanctioned	Amount released	Amount Utilized	Amount unspent										
1.	Construction of (G+3) Girls Hostel	1313.00	-	0.3	(-) 0.3										

		2.	Construction of (G+3) Mega Hostel	8500.00	3116.00	0.49	3067.00	
		<p>Reasons as to why these works could not be started so far may be stated In reply it was stated that the matter shall be taken up with CPWD. Final compliance is awaited.</p>						
AIR 2020-21	8.	<p>Blockade of funds due to incomplete works Rule 7.68 of DFR provides that "Major estimate" is a term applied to the estimate for a work when the sanctioned amount of works expenditure exceeds ₹. 25.00 lakhs or any other limit which may be fixed by the competent authority. This term is also applied for the sake of convenience to the work itself. Test check of records and information supplied by the NIT, Srinagar revealed that administrative approval for following developmental work valuing ₹.97.84 crore were accorded against which funds amounting to ₹.35.49 crore were released to CPWD and an expenditure of ₹.10.68 crore was incurred on these work during the year 2020-21 But these works had not been completed till November/2021. The funds of ₹.24.81crore were lying with CPWD as unutilized. Details of which is given as below:-</p>						<p>The construction of work were stopped during 2019 due to Abrogation of Article 370 and COVID -19 . The work has been resumed in July 2021. Copy of form 65 issued by CPWD is enclosed.</p>
		S.No.	Name of Work	Amount sanctioned	Total funds deposit	Amount utilized	Amount unspent	
		1	Construction of Hi-tech Auditorium	34.92	11.78	6.64	5.06	
		2	Up-gradation of sports facility centre	13.22	9.23	1.18	8.05	
		3	Construction of Guest House	49.69	14.56	2.86	11.70	

		Total	97.84	35.49	10.68	24.81	
		<p>Reasons as to why these works could not be completed so far may be stated In reply it was stated that due to covid 19 lockdown and abrogation of Article 370 completion of works on due dates got delayed. Final reply is awaited.</p>					
AIR 2020-21	9.	<p>Non procurement of material/supply for NIT from GeM of ₹. 142.43 lakh. Para1.1.3 of the GEM manual provides that the portal was launched on 9th August 2016. Rules for procurement through GeM have been incorporated in GFR 2017 as Rule 149. As per para 1.1.4, all Central Government and State Government Ministries / Departments including its attached / subordinate offices, Central and State autonomous bodies, Central and State Public Sector Units and local bodies etc have been advised to make procurement through GeM portal, which shall provide end to-end online Marketplace. Further vide Ministry of Commerce and Industry, Department of Industry policy and Promotion letter No. P-45021/2/2017-PP(BE-II) dated 28.05.2021 the instruction were issued for public procurement. It contained that in respect of procurement through Government E-Marketplace (GeM) shall, as far as possible, specially mark the items which meet the minimum local content while registering the items for display, and shall wherever feasible make provision for automated comparison without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised. Scrutiny of records revealed that department had purchased raw material and supply for NIT, Srinagar amounting to ₹. 142.43 lakh through two bid system/ tender system during the year 2020-21 without obtaining of non-availability certificate from GeM, which was irregular as well as in contravention of GeM rules. This needs justification in audit. The details of which are given in annexure to the report Reasons for purchase of electrical goods without obtaining the non-availability certificate from GeM may be intimated.</p>					

		In reply it was stated that the purchases made were not available on Gem. Reply is not acceptable as certificate of non-availability of material on Gem portal was not shown to audit. Final reply is awaited.													
AIR 2020-21	10.	<p>Non procurement of furniture from GeM of ₹. 4.74 lakh</p> <p>Para 1.1.3 of the GEM manual provides that the portal was launched on 9th August 2016. Rules for procurement through GeM have been incorporated in GFR 2017 as Rule 149. As per para 1.1.4 all Central Government and State Government Ministries / Departments including its attached / subordinate offices, Central and State autonomous bodies, Central and State Public Sector Units and local bodies etc have been advised to make procurement through GeM portal, which shall provide an end to-end online Marketplace. Further vide Ministry of commerce and Industry Department of Industry policy and Promotion letter No. P-45021/2/2017-PP(BE-II) dated 28.05.2021 the instruction were issued for public procurement. It contained that in respect of procurement through Government E-Marketplace (GeM) shall, as far as possible, specially mark the items which meet the minimum local content while registering the items for display, and shall wherever feasible make provision for automated comparison without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised. Scrutiny of records revealed that department had purchased furniture for NIT, Srinagar amounting to ₹. 4.74 lakh through tender system during the year 2020-21 without obtaining of non-availability certificate from GeM, which was irregular as well as in contravention of GeM rules. This needs justification in audit. The details of which is given below:-</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Supplier</th> <th>Description</th> <th>Quantity</th> <th>Total Amount</th> <th>Issued to</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>M/s Real enterprises</td> <td>1.Plane Bed Walnut 2.Dewan walnut Woods</td> <td>2 No's 1 No. 4 No.</td> <td>48000/- 13000/- 20000/-</td> <td>Director Quarter</td> </tr> </tbody> </table>	S. No.	Supplier	Description	Quantity	Total Amount	Issued to	1.	M/s Real enterprises	1.Plane Bed Walnut 2.Dewan walnut Woods	2 No's 1 No. 4 No.	48000/- 13000/- 20000/-	Director Quarter	<p>The Institute has made procurement of Furniture for an amount of Rs. 1,14,460/- for Directors Quarter instead of Rs. 4,74,000/- as pointed out by Audit Party. The purchase has been made under rule 155 of GFR 2017 due to non-availability of walnut wood on GeM portal and the urgency involved in procurement of furniture for Directors lodge. The copies of Administrative Approval of procurement, Comparative statement, Purchase order, Bills and Gate pass are enclosed for reference. Para may be settled in view of above facts.</p>
S. No.	Supplier	Description	Quantity	Total Amount	Issued to										
1.	M/s Real enterprises	1.Plane Bed Walnut 2.Dewan walnut Woods	2 No's 1 No. 4 No.	48000/- 13000/- 20000/-	Director Quarter										

				3.Side table in walnut 4.Coffee table	2 No`s	16000/-		
					Total	474000		
		<p>Reasons for purchase of furniture without obtaining the non-availability certificate from GeM. may be intimated to audit. On being pointed out, no reply was given by department which needs to be justified. Reply is awaited.</p>						
AIR 2020-21	11.	<p>Outstanding rent in respect of Various types of shops and canteen to the tune of ₹. 3.78 Lakh.</p> <p>Test check of rent register/records of NIT Srinagar revealed that various type of shops were rented out inside the campus. It has been noticed that Most of the shops were not paying rent regularly. Further test check of records, revealed that an amount of ₹. 3,78,345/- (as detailed in the Annexure) was outstanding from the owners of these various type of shops and canteen. Reason for not recovering the rent timely from all these mentioned Owners along-with shop description may be furnished to audit. Outstanding rent may be recovered under intimation to audit In reply it was stated that the shopkeepers have requested to waive off the rent due to closure of shops due to covid-19 and the file was under process for decision of Competent Authority. Final compliance is awaited.</p>						<p>The rent is being recovered from the various Shops and canteen .</p>
AIR 2020-21	12.	<p>Non disposal of unserviceable articles of ₹. 7320/-</p> <p>In accordance with the Rule 217 and 218 of GFR 2017, the store as and when declared obsolete and unserviceable, should be got disposed off in order to avoid accumulation of such store and consequent blockade of space and also deterioration in value of goods to be disposed off. Rule 222 of GFR also provides that a sale account should be prepared for goods disposed of in Form GFR 11 duly signed by the competent officer. During scrutiny of the records of the un serviceable store of the O/o The Director NIT Srinagar for the period 04/2020 to 03/2021, it was noticed that unserviceable articles of ₹. 7320/- as detailed in annexure, were lying in the stock of the office and authority</p>						<p>The detail of para not provided.</p>

		<p>has neither prepared the sale account of disposed articles according to Form18 of GFR nor disposed off the same.</p> <p>In reply it was stated that the process will be initiated for disposal and audit will be intimated accordingly. Final compliance is awaited.</p>	
AIR 2020-21	13.	<p>Loss of library books of ₹. 65.31 lakh due to flood</p> <p>Scrutiny of records revealed that unnatural calamity like flood was occurred during the year 2014-15, which caused huge loss to property of NITn Srinagar in the campus. Further, it was noticed that 32654 no. of library books were destroyed in the flood. The cost of per book was approx. ₹. 200/- to ₹. 500/- Thus huge loss of library books of ₹. 65,30,800/- (32654X200) was occurred.</p> <p>In reply it was stated that the BOG has already approved the write off due to floods. Copy of approval not shown to audit.</p>	The copy of approval
AIR 2020-21	14.	<p>Recovery from Student as a library fine to the tune of ₹. 3.23 lakhs.</p> <p>During the scrutiny of records of library related to the students (books issued to students) during the period from 10.10.2018 to 03.12.2021, it was noticed that 1621 books were issued to students books were due to be returned as on 03.12.2021, the due date lies between 10.10.2018 to 03.12.2021. Thus, fine to the tune of ₹. 3,22,766/- was to be recovered from students. The details of such students can be retrieved from the Library Software named LIMAN by executing transaction “circulation records of books to students”.</p> <p>In reply it was stated that the library fine amounting to ₹. 3.23 lakhs has not been recovered from the students as the students have requested for waiving off fine because they were not able to return books on time due to lockdown and the matter is under decision of Competent Authority.</p> <p>Final reply is awaited</p>	The fine to the tune of Rs. 2,41,829/- has been waived off as the students were not able to return books on time due to lockdown. There is a mismatch of Rs. 80,937/- due to the reason that students have returned books in off line mode however the entries were made in Library software after the restoration of internet which was suspended during Abrogation of Article 370. The approval of competent authority

			along with the Minutes of the Committee is enclosed.
AIR 2020-21	15.	<p>Non conducting of physical verification of library books</p> <p>Rule 215 of GFR provides that complete physical verification of books should be done every year in case of libraries having not more than 20000 volumes. For libraries having more than 20000 volumes and upto 50000 volumes, such verification should be done at least once in thrice years. Sample physical verification at intervals of not more than years should be done in case of libraries having more than fifty thousand volumes. In case such verification reveals unusual or unreasonable shortages, complete verification should be done.</p> <p>During scrutiny of records, it was noticed that physical verification of library books had not been done during the year 2020-21. Reasons for non-conducting physical verification of library books may be stated to audit.</p> <p>In reply it was stated that the physical verification of books has been completed and the reports will be shown to audit visiting next. Final compliance is awaited.</p>	

Action Taken on SAR's of Financial Year 2018-19

S. No	SAR's 2018 -19	Action Taken 2019-20
A.	Balance Sheet	
A.1	<p>Sources of Funds Current Liabilities & Provisions (Schedule 3): Rs. 227.47 crore A.1.1: As per the approved format of accounts, the utilized portion of non-recurring grants should appear as addition to capital fund and the unutilized portion of these grants should appear under Current Liabilities. The Institute is booking the entire Non-Recurring Grants received amounting to Rs.141.99 Crore under Current Liabilities , instead of booking the unutilized portion of Non-Recurring Grant (OH-35) amounting to Rs.25.52 crore. This has resulted in overstatement of current Liabilities & Provisions and understatement of Corpus/ Capital Fund by Rs 116.47 crore</p>	<p>In the Annual Accounts of Financial year 2019-20 an adjustment entry the utilized portion of Grant received under OH 35 amounting to Rs. 1164672069.00 has been transferred to Corpus/ Capital fund which was earlier kept in under Current liabilities in Schedule 3 of Annual accounts of 2018-19. Only unutilized portion is shown under Current Liabilities which gives the true picture of Current Liabilities and Corpus/ Capital Fund.</p>
	<p>A.1.2: As per the approved format of accounts, the unutilized portion of Recurring grants should appear under Current Liabilities. The Institute is booking the entire Recurring Grants as Income in the Schedule 10 (Grant/ Subsidies in Contravention of the prescribed format. This has resulted in understatement of Current Liabilities & Provisions and Overstatement of Corpus/Capital Funds by Rs 14.68 crore to the extent of unutilized portion of Recurring Grants under Object head 31 and 36</p>	<p>In view of the observation the Institute has transferred the amount of unspent recurring Grant under (OH-31 & OH 36) which was credited to Income & Expenditure Account in 2018-19 resultantly getting transferred to Corpus/Capital through Excess of Income over Expenditure to Current Liabilities under Schedule 3 amounting to Rs. 5,32,87,282.00 under OH 31 and Rs 9,34,93,872.00 under OH 36 due to which Corpus/ Capital was Overstated by an amount of Rs. 14.68 Crore.</p>
	<p>Above included debit balances of Rs.1.33 crore in respect of research schemes, statutory liabilities, and other liabilities as per the details given in the Annexure A. Showing of debit balances under Current Liabilities has resulted in understatement of Current Liabilities & Provisions as well as Loans, Advances & Deposits by Rs.1.33 crore</p>	<p>The debt balances of research schemes shown under Current liabilities has now correctly shown under current Assets due to which Current Liabilities & Provision as well as Loans , Advances & Deposits understated by Rs. 1.33 Crores .</p>
A.2	Applications of Funds	

A.2.1	<p>Fixed Assets Tangible Assets: Rs. 210.33 crore</p> <p>As per the prescribed format, Fixed assets are to be shown at Net Block (Gross Block less Depreciation), on the ‘Application of Funds’ side in the Balance Sheet. However, the Institute has shown Gross Block of fixed Assets on the face of the Balance sheet and has transferred the amount of accumulated depreciation Rs.42.77 crore to provision for depreciation which is against the prescribed format. This has resulted in overstatement of Fixed Assets by Rs.42.77 crore as well as Current Liabilities & Provisions to the same amount.</p>	<p>In the Annual Accounts of financial year 2019-20 the Fixed Assets are shown at Net Block (Refer to Fixed Asset Schedule of F/Y 2019-20).</p>
B	Significant Accounting Policies and Notes to the Accounts (Schedule 23)	
	<p>As per Accounting Policy No.4 of NIT, Srinagar (J&K), assets created from those funds where the ownership is retained by the sponsors but held & used by the Institute are separately disclosed in the notes on accounts and no depreciation is charged thereon.</p> <p>However, the Institution has not disclosed anything about such assets in the financial assets though amounts were received (Research Schemes –Schedule 3) from sponsors and kept in bank accounts and also the same has not been depicted in financial statements in notes to account as per above mentioned accounting policy of the Institution</p>	<p>The Institute has disclosed all the bank accounts pertaining to Sponsored projects in the accounts of Financial year 2019-20. Accounting of all the sponsored projects shall be followed as per the Accounting Policy of the Institute and full disclosure of Assets created under sponsored projects shall be given in Notes of Accounts .</p>
C.	General	
C1	<p>General Financial Rule 230 (8) (GFR 2017) provides that, all interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalization of the accounts. However, the Institute neither has remitted the amount, nor it has created provisions of interest to the Consolidated Fund of India as per the General Financial Rule 230 (8).</p>	<p>The Institute had a maintained common bank accounts for all funds received under Grant in Aid and IRG which was a current Deposit Account and does not yield any interest on bank balances. However, Institute has earned interest on Fixed Deposits which can't be segregated. Now the Institute has opened separate Saving Bank Account for each head of GIA, therefore interest earned on GIA shall be remitted to the Consolidated Fund of India now onwards as per GFR rule 230 (8).</p>

<p>C2</p>	<p>As per Formats of Accounts prescribed by MHRD, Retirement benefits i.e., pension, gratuity and leave encashment are to be provided on the basis of actuarial valuation. Further, AS-15 also states that where average number of persons employed is 50 or more, actuarially determined accrued liability is to be provided for Gratuity, Pension and other benefits to staff. However the NIT Srinagar has not provided for any long term provision for the above mentioned employees benefits.</p>	<p>In Compliance with AS 15 (Employee Benefits) issued by ICAI, a provision of Rs.39,54,89,800.00 against (Gratuity Rs. 22,85,63,482.00 & Leave Encashment Rs. 16,69,26,318.00) on the basis of Actuarial Valuation of future liabilities has been made for the first time , which has resulted in huge increase in Expenditure on account of Establishment Expenditure .(refer to Income & Expenditure statement of F/Y 2019-20)</p>
<p>C3</p>	<p>As per the Accounting Policy given at Sr. No. 4 of the prescribed format of accounts of MHRD in respect of freehold land and leasehold land, to be shown distinctly. Further, (page 72) where freehold immovable properties are purchased/acquired by paying a composite cost (e.g. Land and Buildings) a reasonable/reliable estimate should be made of the land cost and shown separately. The Institute neither, has disclosed the fact that it posses' freehold land measuring 555K and 17 Marlas through the Notes to Accounts, nor it has worked out the estimated value to be shown under Fixed Assets in regard to such land as per the above requirements of prescribed format.</p>	<p>The disclosure of Land (Freehold) given in the Notes to Accounts 2019-20</p>
<p>C4</p>	<p>As per prescribed format (page 83), Loans and Advances as are considered good & recoverable, should be disclosed. Doubtful amounts, if any, should be stated under each sub-head, and provision, if made, should be shown as a reduction there from. An amount of Rs.3.74 crore has been shown as advances to employees, which is recoverable under Loans, Advances & Deposits (Schedule 8). However, age wise and name wise details for the above advances are not available with Institute. It was also informed by the Institute that the reconciliation is under process and the same will be furnished. In the absence of such information these advances could not be verified.</p>	<p>The detail of Loans/ Advance & Deposits made in favour of employee's & Others is available with the Institute and shall be shown to Audit visiting next.</p>

<p>C5</p>	<p>As per the prescribed format (page 7), Schedule 3 (a), 3 (b) and Schedule 3 (c) in respect of “Sponsored Projects” , “Sponsored Fellowships and Scholarships” and “Unutilized Grants” should be prepared showing details of opening balances, funds received during the year, expenditure during the year and closing balances at the end of year. However, the Institute has not prepared these Schedules. These Schedules needed to be prepared in manner laid down in the prescribed format.</p> <p>Further, The Institute has not prepared Schedule 1 – Corpus/Capital Fund, Schedule 4 Fixed Assets and Schedule 10 – Grants/subsidies (Irrecoverable Grants received) in accordance with the prescribed format. Similar comment was issued in the previous year’s SAR but despite assurance, the requisite compliance has not been made.</p>	<p>For regulating the ‘Sponsored Projects’ and ‘Sponsored Fellowships & Scholarships’ in future Institute shall prepare Schedules in manner laid down in the prescribed format ..</p>
<p>C6</p>	<p>As per the Balance Sheet, NIT Srinagar is having 14 bank accounts and the closing balance of all those banks as per ledger is amounting Rs.29.77 crore. However, Bank Reconciliation Statements (BRC) as on 31/3/2019 of all the banks has not been prepared and submitted for verification so that bank balances appearing in the financial statements can be ascertained.</p>	<p>Bank Reconciliation Statements of each Bank Account is under process and be shown to the audit party visiting next.</p>
<p>C7</p>	<p>As per the Current Assets shown under Balance Sheet , there are seven accounts in J&K bank amounting to Rs. 28.79: whereas , as per statement furnished by J&K bank it has twenty bank accounts amounting to Rs. 48.21 Crore. Thus all the Bank accounts have not been disclosed in the Financial Statement..</p>	<p>In the Annual Account of Financial Year 2019-20 all the bank accounts in the name of NIT Srinagar in all the banks has been reflected under current assets in the Balance sheet. (refer to Schedule-7 Current Assets of Annual accounts 2019-20)</p>

Para wise reply for the year 2003-04 to 2018-19 in annotated form

Period of Report	Para No	Audit Comments	Reply
AIR 2003-04	1	Over payment of Rs.37418/- (entry tax Rs. 35887, toll tax Rs. 1531)	<p>The Institute has informed Audit party that during the devastating flood of Sept 2014, the entire record of accounts section got damaged. Even the institute is not having the description of para pertaining to the financial years from 2003 to 2015. In view of that we have requested audit party that we may be advised how to proceed for settlement of standing Paras in absence of relevant record. Copy preliminary report of flood affected NIT Srinagar which has been submitted to Ministry is enclosed for reference as “Annexure A”</p>
	2	Irregular purchase of computers- Rs.2.81 lakh.	
	3	Non-deduction of Service tax from Contractor Bills- Rs.7.37 lakh.	
	4	Outstanding rent of shops of Rs.0.46 lakh	
	5	Backing out of Supplier-Extra cost of Rs. 0.31 lakh	
	6	Non-utilization of funds on various works Rs.827.26 lakh	
	7	Miscellaneous observations	
AIR 2006-07	2	Payment of LTC Recoverable amount of Rs. 0.74 lakh.	
	4	Un-authorized appointment of Sh. Msoor Hussain as Deputy Director	
	7	Students Welfare Funds- Rs. 4.16 lakh	
	8	Test check of vouchers.	
AIR 2007-08 to 2009-10	4	Water treatment plant –Blockade of Rs.14.45 lakh and idle investment of Rs. 5.55 lakh.	
	6	I. Non/under- utilization of funds amounting to Rs.144.11 lakh	
		II. Under utilization of Funds amounting to Rs. 78.00 lakh	
	8	Retention of Service tax amounting to Rs 2.12 lakh	

	10	Risk assessment, identification, evaluation and development of responses.	
	11(A)	Irregular payment of pay and allowances to Sh. Parvaz Ahmad Bhat, Junior Engineer amounting of Rs. 9.73 lakh	
	12(A)	Irregular adjustment of temporary imprest advances. Mohd Sidiq Instructor Cv.No 72,73,754. Collection of LP Buses from Jmmmu.- Rs.12730/-	
	12(B)	Cv.No. 295 of 11/09 amounting to Rs.14683/- for Purchase of Exide 12 volt 25 plate Battery and Cv. No 267 of 3/2010 for Rs. 34400/- on account of Purchase of Exide 12 volt 25 plate Battery.	
	13(A)	Test check of service books.	
AIR 2010-12	1	Avoidable payment of electricity duty	
	2	Establishment of Water Resource Chair titled as "Sheikhul Alam Sheikh Nuruddin."	
	5	Expenditure on renovation and general maintenance without renovation programme sanctioned by the competent authority.	
	6	Non-utilization of grants on research schemes	
	9	Non-deduction of labour cess-Rs.1.00 lakh	
	11	Advances	
		b)TA advance	
	12	Miscellaneous	
		a) Non-deduction of HRA	
AIR 2012-13	2(B)	Recurring loss of Govt. Revenue worth Rs. 1.38 lakh monthly-on account of rent of shops/cafeteria.	
	3	Diversion of funds Rs. 73.01 lakh	
	7	Blockade of Govt. money worth Rs. 24.50 Lakh with DGS & D, New Delhi for supply of desk top computers for up Gradation of computer science	

		Laboratory.	
	9	Irregular Payment of "Air Fare" worth Rs. 91354/ to participants who Travelled by Private Air-Lines. Under Programme "Inspire" Regularization thereof.	
	10	Test check of vouchers	
	13	Misc Observations.	
		a) Adverse balance of Rs. (-) 2,86,350.5 ending 3/2013 under House building advance.	
		c) Test check of service books regarding pay fixation etc of officers / officials.	
		d) Test check of cash book.	
AIR 2013-14	2(A)	Review of constructional Activities executed by P & D wing the year 2013-14 excess expenditure of Rs. 1.94 lakh over estimated cost.	
	2(B)	Non- utilization of X-ray Machine for the last 4 years due to death of X-ray Technician-Idle investment of Rs. 7.00 lakh.	
	2(C)	Theft of ECG Machine	
	3	Blockade of funds worth Rs. 46.23 crore.	
	4	Non utilisation of funds under Designated/earmarked funds accumulation of liability to tune of Rs 91.62 crore thereof	
	6	Irregularities in sanctioning/recoveries of advance	
	7	Non-inclusion of income on account of Children Education Allowance inIncome Tax return resulted in non-deduction of income tax to the extent of Rs 6.10 lakh for the financial year and 2013-14.	
	8(B)	Loss of Rs. 1.29 lakh due to set of cement	
	9	Non- following of procedure prescribed by CVC regarding tendering process- negotiations with L-1.	
	13(A)	Non deduction of Service Tax.	

	13(B)	Test Check of Service Books	
	13(C)	Illegal Occupation of Building by J&k Bank without execution of any Rent deed-Loss of Revenue to the Govt-regarding.	
	14	Test check of Scooter Advance Register / Records.	
	15	Test Check of LTC Records/Vrs-Excess payment of Rs. 0.15 lakh thereof	
AIR 2014-15	1	Delay in completion of works	
	3	Review of works and irregularities thereof.	
		(A) Providing and fixing of ceiling fans & exhaust fans in L-type, P- Type quarters	
		(B) Repairs of Shed for Mess Employees 'C' block and Chenab Mess at NIT	
	4	Non Execution of work by CPWD	
	6	Non-adjustment of TA Advance Rs 3.15 lakh	
	7	Non-adjustment of LTC Advance Rs 4.51 lakh	
	8	Advance payment amounting to Rs 4.59 lakh awaited adjustment	
	9	Test check of Pay Bill Register-Inadmissible drawl of HRA to the tune of Rs. 49648/	
	10	Non return of CDRs worth Rs. 386720/	
	11	Test check of Scholarship record-Non disbursement of Rs 2.04 lakh thereof	
	12	Inadmissible drawl of Children Education Allowance Rs. 2036/	
	13	Shortage of Manpower	
	14	Encroachment/ illegal occupation of 196 kanals and 01 marla of Institutional Land with Market Value of Rs.7800.00 lakhs Retrieval/vacation thereof.	

2015-17	01	Short deduction of Income tax to the tune of Rs. 2.20 Lakh	Facts are being ascertained and necessary recoveries shall be made.
	02	Piece meal purchases amounting to Rs. 2,28,250/	The procurement has been made as per the requirement .
	03	Review of academic statistics of NIT Srinagar during period from 2015-16 to 2016-17	Academic statistics updated as per the instructions of Audit in view of that para may be drooped
	04	Non deposit of lapsed Deposit	The valuation of lapsed deposits has been initiated and action will be taken accordingly.
	05	Payment of supplies to the tune of Rs.5300962/ without obtaining VAT Clearance certificate.	VAT regime does not exist now hence no action can be taken . In view of this you are requested to advice how to settle the issue.
	06	Non reconciliation of Cashbook with Bank Passbook	The Institute has prepared reconciliation of all the bank accounts including of GIA accounts which has been shown to the Audit party on spot. There is now only one unreconciled account CD-106, the reconciliation is in process and shall be shown to the Audit visiting next.
	08	Underutilisation of funds led to accumulation of funds to the tune of Rs. 2.51 Crore.	The UC has been submitted to the ministry the unutilised fund has been carried forward to next financial year. Para may be dropped.
		Installation of BSNL Tower-Non Receipt of rent amounting to Rs 11.12 lakh	Facts are being ascertained and necessary recoveries shall be made.
	10	Excess Expenditure of Rs. 4.13 lakh over estimated cost of constructional activities executed by P&D wing during 2016-17	Estimates are subject to change. The change within 10% over budgeted

			estimates is admissible.
	11a	Improper maintenance of Service Books	Services books updated as per the instructions of audit.
	11b	Irregular payment on a/c of Leave Encashment.	Facts are being ascertained necessary recoveries shall be made.
	12a	Non preparation of contingent bill register	Noted for compliance and relevant record shall be shown to audit party visiting next.
	12b	Non action of condemned vehicles amounting to Rs. 9,17,909/	The Institute had 5 obsolete vehicles , out of which auction of three vehicles has been done at the value of Rs. 2.31 lakhs. It is pertinent to mention the no bid was received for 2 vehicle. The auction report is enclosed as "Annexure B"
2017-18	02	Less deduction of Income Tax- Recovery to the tune of Rs 2.21 Lakh	Facts are being ascertained and necessary recoveries shall be made.
	05	Review of Service Books	Updated Service Books shown to Audit Party.
2018-19	01	<p>Non-deposition sales tax and GST of Rs.33.46 lakh</p> <p>Sales Tax was replaced by the Goods and Services Tax (GST) starting 1st July 2017. Goods and Service Tax tax regime was applicable from 1st of July 2017 and number of indirect taxes subsumed into it. The government has revealed that due dates for the payment of GST for general taxpayers is 20th of next month while the GST payment due date for composition scheme dealers is 18th of next quarter. Further, according to the GST Penalty regulations, an interest will be charged at the rate of 18 percent per annum from the taxpayers who fail to pay their taxes on time. The</p>	<p>The GST amounting to Rs. 2.20 lakhs kept under liability of F.Y 2018-19 has been remitted to Commercial taxes department. The relevant record has been shown to audit party arrived on 28.12.20. However w.r.t sales tax matter will be taken up with Commercial Taxes department for settlement in absence of the Sales Tax regime. In view</p>

		<p>interest will be levied for the days after the due date.</p> <p>During the course of audit of NIT, Srinagar, it has been observed that the Institute has collected sales tax amounting Rs.31.44 lakh and GST of Rs.2.02 lakh during 2018-19 and in earlier years but the same has not been deposited to the tax departments. Failing to deposit statutory dues for such a long time not only attracts penalty but also shows weak internal control by the higher authorities. Reasons for the non- compliance of the timeline in deposition of tax may be furnished along with details of penalty, if any imposed by the department.</p> <p>Facts and figures may please be confirmed and comments if any may please be offered along with the details of other similar cases.</p> <p>On being pointed out in audit, it was stated by the management, NIT, Srinagar that the detailed reply will be submitted after checking all the records and the same will be remitted to the concerned department.</p>	<p>of above the audit para may be dropped.</p>
	02	<p>Loss of interest due to non- availing auto sweep facility in saving bank accounts</p> <p>A government Institutions/company which functions under administrative control of Ministry or Department of Government should manage its surplus funds in a prudent and gainful manner so as to optimum return. Accordingly, it should evaluate all extant notifications and circulars issued by regulatory bodies /banks regarding the investment of funds prevailing from time to time before investing its surplus funds.</p> <p>Audit noticed that banks had introduced Auto Sweep Facility (Scheme) for saving as well as current accounts. Under the Scheme, the customer has to maintain a minimum balance depending on the bank scheme and the amount exceeding the minimum balance would be automatically converted into fixed</p>	<p>The Institute was maintaining only single current account for GIA & IRG till Jan 2020. On the recommendations of Audit Institute has now opened separate saving Bank Accounts for each head of GIA & IRG. The detail of each account has been shown to Audit Party. In view of this para may be dropped.</p>

		<p>deposits (FDs) on periodic basis (daily or weekly basis depending on the bank scheme) for the period till the fund is utilized by the customer. At the requirement of the customer, if there are insufficient funds in the saving/current accounts, the FDs would be automatically closed (depending on the withdrawal amount) on Last in First Out (LIFO) basis and interest would be calculated for the period during which the fund was under the Scheme.</p> <p>During scrutiny, we observed that NIT, Srinagar (J&K) has not availed auto sweep facility and retained huge balances in the saving accounts at lower rate of interest. The Institute could have earned additional interest (over and above the interest due in saving accounts) on Rs.2977.76 lakh kept under saving bank accounts during April 2018 to March 2019. In saving accounts during the year, Institute has earned only Rs.16.05 lakh interest. Further, the Institution has not drafted any policy for investment of surplus funds. Thus, NIT Srinagar has suffered a loss of interest during 2018-19 due to non- converting idle balance into FDs.</p> <p>Facts and figures may please be confirmed and comments, if any, may please be offered along with the reasons for not availing the auto sweep facility.</p> <p>On being pointed out in audit, the management of NIT, Srinagar noted the audit observation for compliance.</p>	
	03	<p>Non- recovery of long pending advances of Rs. 374.44 lakh</p> <p>Advances granted for purchases or providing services are to be monitored strictly by an organization and necessary adjustment is to be carried out in time. Test check of records showed that an amount of Rs. 374.44 lakh was outstanding against various Govt. Department/employees since very long time as age wise details are not available with the institution about these</p>	<p>Adjustment / recovery of advance made in favour of employees has been initialled, the updated list of Advance has been shown to Audit Party. However, the major portion of advances made to Govt. Departments include advance to DG S& D which needs to be settled in view of non- existence of the</p>

		<p>advances. The amount of advance to the above mentioned parties is ranging between Rs.17 to Rs.183.41 lakh and remained un-adjusted since very long period. Failure to adjust the outstanding advances indicated poor monitoring and avoidable retention of funds of the Institution. This has resulted in blockade of funds of the Institution of Rs 374.44 lakh and needs necessary steps to be taken to recover/ adjust these outstanding advances. Further, it has been stated by the management that some of the parties are not traceable. Due to non- recovery of the advances since long, chances of recovery seem to be very bleak.</p> <p>On being pointed out in audit, it was stated by the management of NIT, Srinagar that the recovery will be made after checking all the concerned records and the same will be intimated to audit.</p>	<p>organisation. The issued has been taken up with audit for its redressal. In view of this audit para may be dropped.</p>
	04	<p>Non-remittance of cess of Rs.18.05 lakh</p> <p>As per the Building and other Construction workers Welfare Cess Act 1996, cess is payable by the employer which includes owner of an establishment, specified authority of any department of the government carrying on construction work or head of the department at the rate not exceeding two percent but not less than one percent of the cost of construction incurred by the employer. The cess collected is to be paid by the employer to the Cess Collector appointed by the State Government within 30 days of completion of construction or within 30 days of the date on which assessment of cess payable is finalized whichever is earlier. However, where duration of the construction work exceeds one year, cess is to paid within 30 days on completion of one year from the date of commencement of work and thereafter every year till the completion of the construction work. The employer may also</p>	<p>The amount of cess outstanding is being ascertained and shall be recovered from concerned party at an earliest along with interest.</p>

		<p>pay in advance cess calculated on the basis of estimated cost of construction and if the duration of the project is likely to exceed one year the amount of cess payable may be an estimated cost of construction to be incurred during that one year. Besides, if an employer failed to pay cess within the specified period, the Assessing Officer may impose a penalty not exceeding the amount of such cess and also charge interest of two percent for every month of delay or part thereof.</p> <p>Audit scrutiny of records showed that the Institution has not deposited cess of Rs.18.05 lakh since 2017-18.</p> <p>Reasons for the non-compliance of the timeline of cess act may be furnished along with details of penalty, if any imposed by the department.</p> <p>On being pointed out in audit, it was stated by the management of NIT, Srinagar that detailed reply will be submitted after consulting the records.</p>	
	05	<p>Non-recovery of excess payment of CP fund and LIC premium of Rs.8.02 lakhs</p> <p>During the course of audit of NIT, Srinagar, it has been observed that the Institute has made excess payment towards CPF fund amounting Rs.35000/- and LIC premium amounting Rs.7.67 lakh during 2018-19 and in earlier years which should have been adjusted or recovered from the parties. However, no record of parties is available with the Institute so that it could be ascertained to whom the recovery would be made. As the NIT, Srinagar has suffered a loss due to excess payment, action for the recovery should have be initiated.</p>	<p>The relevant records shall be ascertained and shown to the Audit party.</p>

		<p>Facts and figures may please be confirmed and comments if any, may please be offered along with the details of other similar cases.</p> <p>On being pointed out in audit, it was stated by the management, NIT, Srinagar that the detailed reply will be submitted after consulting the records.</p>	
	06	<p>Allotment of tender to ineligible contractor</p> <p>As per Rule 132 of GFR, the broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements, open tenders will be called for works costing Rupees five lakhs to Rupees ten lakhs and limited tenders will be called for works costing less than Rupees five lakhs.</p> <p>Further, As per Rule 181 (b) of GFR, estimated value of the work or service above Rupees ten lakhs, the Ministry or Department should issue advertised tender enquiry asking for the offers by a specified date and time etc. in at least one popular largely circulated national newspaper and web site of the Ministry or Department.</p> <p>NIT, Srinagar invited open tenders for 13 various works during 2018-19 which were allotted to ten parties who participated in tenders for the amount ranging from Rs.6.45 lakh to Rs.22.66 lakh. During the scrutiny of the tender files on test check basis the parties to whom the tenders were allotted, it was observed by the audit that among all the terms and conditions available in tender document/NIT, one was that the contractor must have valid enlistment card for being B, C and D class contractor i.e must have valid certificate of registration issued by Govt. of J&K.</p> <p>However, it has been observed that out of ten parties to whom the works were allotted one following party was not having valid registration certification in respect of class of contractor as the certificate valid upto 2017-18 was only available in the record provided.</p>	<p>Allotment of tender has been made to eligible contractor. The Contractor reflected in Para (M/s Nisar Ahmad Wani) also possess the relevant certificate of registration issued by Govt. of J&K. However, document was not placed in concerned file at the time of audit, the same has been now been provided by Dean Planning & Development Wing copy of registration is enclosed as "Annexure C". para may be dropped.</p>

		S r. N o .	Name of Contract or	Name of work	Value of works	Registration certificate validity		
	7.			Non-conducting of Internal Audit and physical verification of fixed assets/consumable stores/cash & Library Books for the year 2018-19 In an organization, the role of internal audit is to				As on date, the Institute does not have a separate Internal Audit Wing. In order to strengthen the Internal Audit System in the
		5	M/s Nisar Ahmad wani	Renovation of central work shop Conversion of rooms of girls Renovation of cafeteria	8.45 lakh 12.68 lakh 12.06 lakh	2017-18 2017-18 2017-18	<p>Thus, from the above table, it can be seen that Registration Certificates submitted by the party had already expired prior to 2018-19 and hence, was not technically eligible for the tendering. However, the work was awarded to them in spite of being ineligible. Copy of report of technical sanction was also not found on record.</p> <p>On being pointed out in audit, it was stated by the management, NIT, Srinagar that the detailed reply will be submitted after consulting the records</p>	

		<p>provide independent assurance that an organization's/department's risk management, governance and internal control processes are operating effectively. Internal audit is conducted objectively and designed to improve and mature an organization's/department's business practices. During the course of audit for the year 2018-19, it has been observed that the internal audit and physical verification of fixed assets/consumables stores, library books & cash of the Institution for the year 2018-19 has not been conducted. In the absence of the internal audit and physical verification of the fixed assets/ consumables, cash & library Books , it is evident that the management has no internal control on the working of the Institution and the authenticity of the presence of the assets, balance of books and cash cannot be ascertained.</p> <p>Reasons for non-conducting of internal audit and physical verification of fixed assets/consumables/cash & library books of the Institution for the year 2018-19 as required under Rule 213 to 215 of GFR 2017 may be justified to audit.</p> <p>On being pointed out in audit, it was stated by the management of NIT, Srinagar that all the records/ bills are pre-audited by the Internal Audit Officers and physical verification of fixed assets was under process for the current year..</p>	<p>Institute, a proposal has already been submitted for approvals to the Finance Committee/BoG for establishment of an Internal Audit Wing along-with the hiring of expert Consultants from the field. Once, the proposal is approved by the FC/BoG, a full-fledged Internal Audit Wing shall be established in the Institute.</p>
08		<p>Para 8: Review of Service Books</p> <p>Service Book is a basic record of all the events in the official life of a government employee. Provisions have been made under Rule SR 197 to 205 of FR & SR Rules Vol.I and instructions have been issued by Govt. of India from time to time. Some service books were test checked and following deficiencies were noticed :-</p> <ol style="list-style-type: none"> 1. According to DOPT O.M.No.2-20025/9/2014/Estt.(AL) dated 03.11.2014, copy of Adhar Card should be pasted in the 	<p>As per the observation of audit the service books of employees have been updated and shown to Audit Party. In view of this para may be dropped.</p>

	<p>Service Book of each government employee but this was not done in any service Book test checked.</p> <p>2. As per provisions for maintenance of service books, recent passport size photograph duly attested by the competent authority should be pasted on the front page of the service book. After every ten years, recent photo duly attested should be pasted. But this was not done in any service book.</p> <p>3. Recent detail of family members should be pasted in the service book. This was also not done in any service book.</p> <p>4. Nomination forms for GPF/Insurance scheme/Pension/Gratuity etc. should be obtained from the government servant after marriage and pasted in his/her service book. This was not done in any service book.</p> <p>5. Service Book of each government servant should be got seen by the concerned officer/ official once in a year and obtain his/her initials on account of having seen the service book. But this was not done in any case.</p> <p>6. Rule 32 of the CCS (Pension) Rules provides for issue of a certificate in form 24 by the Head of Office in consultation with the Accounts Officer regarding completion of 25 years of service/05 years before the date of retirement of an employee. Copy of the certificate should be pasted in the service book of the concerned government servant. But during scrutiny of service books, this was not done in any case.</p> <p>7. In many case, even annual verification of service was not made/recorded in the service Books.</p> <p>8. Each & every entry made in the service books must be attested by the competent authority. But this was not done in most of the service books.</p> <p>On being pointed out in audit, it was stated by the management of NIT, Srinagar that detailed reply will be submitted after consulting the records.</p>	
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	09	<p>Regarding non-return of Library Book</p> <p>Library Books are a source of great help to the students as well as the faculty. These books must be issued and returned to the borrowers as per time frame fixed by the Institute Management so that the needy faculty/student can avail the benefit of the books and nobody is deprived of the required facility.</p> <p>Scrutiny of the Stock Registers/Registered maintained for the purpose for the year 2018-19, revealed that faculty members have not returned the books taken from the Library even after a lapse of period of 1 year to 10 years. Library and Information Resources Centre, NIT, Srinagar in its meeting held on 20.3.2019 has fixed period for retaining books by the faculty/ students. But, still some faculty members have not returned the Library Books.</p>	<p>Books retained by some faculty members have been now returned. The updated list shown to Audit party. Therefore para may be dropped.</p>
	10	<p>Non-disposal of obsolete/unserviceable items</p> <p>Rule 217 to 222 of the General Financial Rules 2017 provides that all the stores/stock procured by the competent authority should be physically verified by deputing a responsible</p>	<p>The Auction of Obsolete/ Unserviceable has been done the details of Auction is enclosed as “Annexure D”. Para may be dropped.</p>

		officer and obsolete/ unserviceable items declared, should be disposed off through auction to avoid the further deterioration of the unserviceable items and revenue earned should be deposited into Government account.	
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