

CHAPTER IV : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Department of School Education and Literacy

Navodaya Vidyalaya Samiti

4.1 Avoidable payment of rental charges

Failure of Navodaya Vidyalaya Samiti to construct the office building and training institute on a land acquired in April 2002 led to avoidable expenditure of Rs. 2.53 crore on rent and extension charges

Navodaya Vidyalaya Samiti (NVS) has its Headquarters office in a rented accommodation in Kailash Colony, New Delhi paying a lease rent of Rs. 7,42,520/- per month since April 2005 under a lease agreement valid up to March 2008. The lease agreement was extended to April 2011 against a lease rent of Rs. 8,91,024/- per month.

In order to have its own Headquarters building and a Training Institute, NVS acquired on lease (April 2002) a plot of land measuring 5000 sq m from NOIDA⁵ at a cost of Rs. 1.38 crore. As per the terms and conditions of the lease agreement of the plot, the construction work was to be completed within five years i.e. by March 2007.

Audit observed that after acquiring the plot in April 2002, NVS sought approval of its Finance Committee for the proposal of construction of the building at an estimated cost of Rs. 14.26 crore in April 2005 after three years of acquisition of plot. The proposal was submitted to the Ministry in July 2006 after more than four years. The work was awarded to CPWD⁶ in February 2007 while the drawings of the building were submitted for approval to NOIDA in November 2007. Due to delay at various stages by NVS, construction of the building was commenced in July 2009, i.e. after a lapse of about 28 months from the scheduled date of completion of the building in March 2007.

Thus, due to non-completion of the building despite availability of land and sufficient time of five years' period, NVS incurred avoidable extra expenditure of Rs. 2.39 crore on rent of the leased building for the period from April 2007 to August 2009 along with rental liability of Rs. 8.91 lakh per month thereafter till shifting to the new building.

⁵ New Okhla Industrial Development Authority

⁶ Central Public Works Department

Besides, NVS had also paid to NOIDA extension charges of Rs. 14.21 lakh and a liability of Rs. 5.50 lakh *per annum* beyond October 2009 for crossing the deadline for completion of the building.

In its reply, NVS stated (June 2009) that the delay in taking up the construction was mainly due to non-availability of funds during 2002-05, delay in approval of drawings from NOIDA and delay in issue of No Objection Certificate (NOC) by local authorities viz. the fire department, Airport Authority of India, Mining department etc. The Ministry endorsed (December 2009) the views of the Management. It, however, added that the project was expected to be completed by October 2010.

The reply of the Ministry/Management is not acceptable in view of the fact that proposal for approval of the project was submitted by NVS to the Government of India only in July 2006 i.e. after four years of acquisition of the plot. Further, NVS had submitted the drawings of the building for approval by NOIDA in November 2007 i.e. after expiry of eight months from the scheduled date of completion of the building. The reply is, however, silent on the issue as to when NVS moved the local authorities' viz. Fire Department, Airport Authority and Mining Department for their permission.

4.2 Avoidable expenditure due to hiring of excess space

Injudicious decision of Navodaya Vidyalaya Samiti to hire office building in excess of its space requirement resulted in avoidable expenditure of Rs. 92.34 lakh.

Navodaya Vidyalaya Samiti (NVS) headquarters office had been working from its hired premises at Indira Gandhi Indoor (IGI) Stadium since July 2001. The total office space available in IGI stadium was 13,371.66 sq. ft. As the accommodation was inadequate, the record room, library and old furniture/equipment were shifted to Jawahar Navodaya Vidyalaya (JNV) Faridabad occupying a space of about 3500 sq.ft. Contributory Provident Fund (CPF) and Group Insurance Scheme (GIS) Cell were shifted from the headquarters to Chandigarh Regional Office building, where it was working occupying a space of 1000 sq. ft. Thus, the total space utilized for the NVS headquarters office at these locations was about 18,000 sq. ft.

NVS decided (December 2004) to shift its headquarters office from IGI Stadium. The major reasons for shifting the office premises were, inter-alia, functioning of the office from three different locations viz. IGI Stadium, JNV Faridabad and RO Chandigarh, administrative inconvenience as well as lack of proper monitoring and supervision of CPF and GIS Cell. Hence, it was considered that the office should have at least 20,000 sq. ft. of area at one

single location for proper functioning. Accordingly, it was decided (December 2004) to identify a more suitable accommodation for locating the office of NVS Headquarters.

NVS entered into (March 2005) an agreement to lease a building⁷ with covered area measuring 19,540 sq. ft. at a monthly rent of Rs. 7.43 lakh per month for three years, extendable for a further period of three years with 20 *per cent* increase over the previous rent.

Audit scrutiny (August 2009) revealed that though the space requirement included an area of 4500 sq. ft. for the units located at other stations, the same were not shifted to the new building as of July 2009. Thus, NVS was operating from the premises where more space was occupied than the requirement. Consequently, NVS incurred extra expenditure of Rs. 92.34 lakh on rent during May 2005 to July 2009.

NVS stated (August 2009) that the Headquarters building was not sufficient to accommodate the units which continued in Faridabad and Chandigarh.

The reply is not acceptable as the space hired included the area of 4500 sq. ft of the units operating from outstation premises. Further, the problems of administrative inconvenience and lack of proper monitoring and supervision of CPF and GIS Cells remained as NVS Headquarters could not function from one single location.

The matter was referred to the Ministry in June 2009; their reply was awaited as of February 2010.

Department of Secondary and Higher Education

Delhi University

4.3 Improper planning

Equipment costing Rs. 4.06 crore procured by Delhi University during 2007-2008 remained idle due to delay in preparing a site for installation

Delhi University placed orders with foreign firms in March 2007 for purchase of eight pieces of analytical equipment⁸ costing Rs. 13.53 crore for its laboratories in the Physics and Chemistry departments, to upgrade the research

⁷ Address of the building –A-28 Kailash Colony

⁸ High Resolution Transmission Electron Microscope, TEM Specimen preparation equipment, Ellip-someter, High Resolution Powder X-Ray Diffracto-meter, Single Crystal X-ray Diffractometer, 400 MHz Nuclear Magnetic Resonance, Circular Dichroism Spectropolarimeter, Differential Scanning Calorimeter

facilities in experimental science. Seven pieces of equipment costing Rs. 7.68 crore were received between May 2007 and October 2007, while one piece costing Rs. 5.85 crore, was received in June 2008.

Audit observed that the University did not initiate site preparation work well in advance to facilitate the timely installation of the equipment. The work of site preparation was initiated only in October 2007 by which time equipment costing Rs. 7.68 crore had already been received by the University. As work of renovation, air-conditioning etc. of the laboratories was awarded belatedly between November 2007 and September 2008 for completion between January 2008 and January 2009, the civil works were not completed in time.

Consequently, installation of 400 MHz Nuclear Magnetic Resonance (NMR) costing Rs. 1.36 crore had not been completed as of October 2009 despite the fact that it was ordered in March 2007 and delivered in October 2007. Similarly, two equipment costing Rs. 2.70 crore, delivered by September 2007, were installed after about two years in May 2009 and October 2009. User acceptance of these two equipment had not been received as of October 2009.

Thus, procurement of equipments without ensuring availability of basic infrastructure for installation indicated deficient planning by the management resulting in idle investment of Rs. 4.06 crore. Besides the research scholars were denied the intended benefits of the sophisticated equipment.

The Ministry stated in November 2009 that all equipment except NMR had since been installed and the installation of this equipment was likely to be completed by November 2009. However the University in response to audit query seeking the status of installation of equipment stated in March 2010 that only two equipment out of eight had been installed. The reply is contrary to the status furnished by both University and the Ministry earlier.

The Ministry may ascertain the correct position and take immediate action for installation of all equipment.

Indian Institute of Technology, Delhi

4.4 Short recovery of licence fee from Banks and Post office

Non implementation of the rates prescribed by Directorate of Estate for recovery of licence fee from banks and post office resulted in short recovery of Rs. 71.33 lakh
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The Directorate of Estates, Government of India, (DOE) prescribed the rates of licence fee recoverable from banks and post offices operating from general pool accommodation with effect from 16 March 1999. The rates were revised on 1 April 2002 and 1 April 2005.

Indian Institute of Technology, New Delhi (IITD) provides accommodation to State Bank of India (SBI), Canara Bank and Post Office within its premises. IITD decided (December 1998) to enhance licence fees charged at the rate of 10 *per cent per annum* with the first increase effective from 1 January 1999. Accordingly, IITD recovered licence fee ranging from Rs. 32.31 to Rs. 141.45 per sq. m. from banks and Rs. 5.53 to Rs. 10.16 per sq. m. from the Post Office during April 1999 to March 2009. As the rates were far below the rates prescribed by the Government of India, the licence fee recovered was Rs. 19.55 lakh against Rs. 90.88 lakh recoverable as per DOE rates resulting in short recovery of Rs. 71.33 lakh.

The Ministry replied (November 2009) that the rates of the Government of India were applicable for General Pool Accommodation allotted by DOE. It further stated that as IITD was functioning within a complex/estate maintained by it, the orders of DOE were not applicable and that the Institutes of Technology Act, 1961 empowered the Institute to deal with any property belonging to or vested in it in such manner as deemed fit for advancing the objects of the Institute.

The contention of the Ministry is not justified as IITD follows DOE orders for recovering licence fee for residential accommodation allotted to its staff members in its complex. Further, the Ministry in its Action Taken Note (July 2006) accepted the audit observation in Para 11.7 of the Audit Report No. 4 of 2005 of the Comptroller and Auditor General of India, Union Government (Civil) on failure of the Indian Institute of Technology, Bombay (IITB) to recover licence fee at Government of India rates for the quarters allotted to its employees in its campus and stated that the Institute had decided to implement the Government of India orders in this regard.

Thus, the reply of the Ministry contradicts its earlier stand taken in the case of IITB. The Ministry should implement DOE orders on the commercial establishments operating from IITD premises.

Indian Institute of Technology, Kharagpur

4.5 Irregular payment of Scholarship

The Indian Institute of Technology, Kharagpur revised Assistantship/Scholarship to Ph.D. scholars from 1 April 2007 instead of 1 April 2008 resulting in irregular expenditure of Rs. 1.35 crore.

Indian Institute of Technology, Kharagpur (the Institute) received (September 2007) an unsigned letter from the Ministry of Human Resource Development (the Ministry) stating that the matter of revision of rates of Assistantship/Scholarship in Central Technical Institutions were under consideration and called for the details of expenditure incurred by the Institute and additional funds required based on the proposed rates. The Ministry revised (July 2008) the rates of Assistantship/Scholarship under various programmes with effect from 1 April 2008.

Audit observed that pending decision of the Ministry regarding Assistantship/Scholarship, the Institute revised (February 2008) the rates of Assistantship/Scholarship equivalent to the rates proposed by the Ministry to its Ph.D. scholars with retrospective effect from 1 April 2007. The Institute paid the arrears for the period from April 2007 to February 2008 on 10 March 2008 and the payment of scholarship for the month of March 2008 was made at revised rates on 4 April 2008 without approval of the Ministry.

Thus, the Institute made an irregular payment of Rs. 1.35 crore towards scholarship to its Ph.D. scholars at revised rates with effect from 1 April 2007 instead of 1 April 2008.

The matter was reported to the Ministry in June 2009; the reply was awaited as of February 2010.

4.6 Excess payment

IIT, Kharagpur made excess payment of Rs. 22.23 lakh to a contractor on account of escalation in prices of steel in contravention of the contract.

The Indian Institute of Technology, Kharagpur, (Institute) entered (December 2003) into a contract with Engineering Projects (India) Limited (Contractor)

for the construction of Pandit Madan Mohan Malviya Hall, an 800 room students' hostel on turnkey basis. According to Clause 10(C) of the agreement, reimbursement to the Contractor on account of escalation in prices of any material incorporated in the works would be allowed on excess over 10 *per cent* of the increase in price of the material prevailing at the time of tender.

Audit observed that the price of reinforcement steel which was Rs. 18000 per MT at the time of tendering in June 2003, escalated beyond 10 *per cent* of the price prevailing at the time of tender. The Contractor used a total 1116.438 MT of reinforcement steel in the works during January 2004 and January 2005 procured at the prices ranging from Rs. 17065 to Rs. 27450 per MT and claimed (April 2005) compensation for the price escalation. The Institute, in contravention of provisions of the contract paid (March 2007) the entire amount of price escalation amounting to Rs. 89.31 lakh worked out at the rate of Rs. 26000 per MT on average basis.

This resulted in excess payment of Rs. 22.23 lakh, which could have been avoided had the Institute allowed price escalation over and above 10 *per cent* strictly in terms of clause 10 (C) of the agreement.

The matter was referred to the Management and the Ministry in July 2009; their reply was awaited as of February 2010.

Indira Gandhi National Open University

4.7 Avoidable expenditure

Indira Gandhi National Open University's Board of Management rejected a valid quotation without any justification, resulting in extra avoidable expenditure of Rs. 56.56 lakh.

Indira Gandhi National Open University (IGNOU) invited tenders in May 2007 for the purchase of two lakh reams of Maplitho printing paper of 70 GSM⁹ containing IGNOU's water mark logo, to meet the requirements for printing of study material for 2007-08. The Technical Advisory and Paper Purchase Committee (TAPPC) recommended in July 2007 placing of the order to the lowest tenderer 'A' on the recommendations of Tender Opening and Evaluation Committee.

IGNOU's Board of Management, over-riding the recommendations of the TAPPC without any justification, decided (August 2007) to place the order

⁹ Grams/Sq. meter

with the Hindustan Paper Corporation Limited (HPCL) to meet the emergent requirement of printing paper.

Between September 2007 and February 2008, IGNOU procured 2.47 lakh reams of paper from HPCL at a cost of Rs. 19.09 crore. The rate of Rs. 7.50 lakh per 1000 ream quoted by the firm 'A' was lower than the rate of Rs. 7.79/7.71 lakh per 1000 ream supplied by HPCL.

Audit scrutiny (April 2009) revealed that the decision of the IGNOU's Board of Management to place the order with HPCL, whose bid had been rejected by the Tender Opening and Evaluation Committee in June 2007 for not meeting the technical evaluation criteria, was in violation of financial propriety and resulted in avoidable extra expenditure of Rs. 56.56 lakh.

IGNOU replied (June 2009) that quality of the paper offered by HPCL was better as the paper manufactured by it was from virgin pulp. The reply added that the decision was taken by the Board of Management which was the highest decision making body of the University and that all the deliberations taking place in the meeting might not be put on record.

The reply is not acceptable as the Tender Opening and Evaluation Committee had evaluated the bids with reference to the Tender wherein the requirements had been specified and had considered 'A' to be the eligible bidder meeting the techno-financial criteria which was accepted by TAPPC also. The reply does not explain as to why the recommendation of the committee was overlooked while placing the orders with HPCL which had been rejected for not meeting technical evaluation criteria. Also the use of virgin pulp was not included in the tender specification.

Thus rejecting the recommendation of TAPPC without justification resulted in avoidable expenditure of Rs. 56.56 lakh.

The matter was referred to the Ministry in June 2009; their reply was awaited as of February 2010.

Jamia Millia Islamia University

4.8 Recovery at the instance of audit

On being pointed out by audit, Jamia Millia Islamia University recovered an amount of Rs. 44.74 lakh on account of cess from the executing agencies.

As per the provisions of Building and Other Construction Workers' Welfare Cess Act, 1996, a cess at such rates not exceeding two *per cent* but not less than one *per cent* of the cost of construction incurred by an employer, was to be collected in such manner including deduction at source and paid to the Building and Other Construction Workers' Welfare Board constituted by the State Government. The Act also provides for levy of interest and penalty for delay/non-payment of cess within the specified time.

Government of National Capital Territory of Delhi ordered (August 2005) deduction of cess at the rate of one *per cent* from the bills paid on building and other construction works and transfer of the same to Delhi Building and Other Construction Workers Welfare Board (Board).

Scrutiny of the records of Jamia Millia Islamia University (JMI) revealed that the JMI paid Rs. 44.74 crore for execution of 374 works without deducting the cess amounting to Rs. 44.74 lakh at source at the rate of one *per cent* from the bills paid to the executing agencies during the year 2003-04 to 2007-08. This not only resulted in non-recovery of cess of Rs. 44.74 lakh but was a violation of statutory provisions leading to undue benefit to the executing agencies.

On being pointed out in audit, JMI replied (June 2009) that the amount had been recovered from the contractors and deposited with the Board during 2008-09. The reply further added that although JMI were not liable to deduct and deposit the cess as per the Cess Act, but keeping in view the social cause of the workers welfare, they had deducted the cess. The Ministry concurred (November 2009) with the reply of JMI.

The reply of the Ministry is not in consonance with the Government of National Capital Territory of Delhi orders of August 2005 according to which deduction of cess from the bills of the contractors at the rate of one *per cent* and deposit it with the Board is mandatory for all Government bodies.

National Institute of Technology, Durgapur and Indian Institute of Technology, Kharagpur

4.9 Short recovery of rent

Failure of the Institutes to recover rent at rates prescribed by Government of India from banks resulted in loss of revenue of Rs. 75.03 lakh.

National Institute of Technology (NIT) Durgapur provided office space measuring 1577.42 sq. ft. to State Bank of India (SBI) in its premises in 1985 for which they charged a provisional licence fee of Rs. 1340.80 per month. The Institute had fixed the licence fee without getting any assessment done by CPWD or other authorized agencies. The rate charged by NIT was 85 paisa per sq. ft. which was far below the rate of Rs. 23.13 and Rs. 25.92 per sq. ft. per month prescribed by the Government of India, Ministry of Urban Development as chargeable from banks with effect from 1 April 2002 and 1 April 2005 respectively. Consequently, NIT, Durgapur suffered a loss of revenue of Rs. 32.82 lakh for the period from April 2002 to June 2009.

Similarly, Indian Institute of Technology, Kharagpur (Institute), allotted a space of 2975 sq. ft. to Punjab National Bank. Although the licence fee was revised in 1994 and 2004, the current rate of Rs. 2.54 per sq. ft. was below the rate prescribed by Government of India and the Institute suffered loss of revenue of Rs. 42.21 lakh during the period May 2004 to June 2009.

Thus, non-revision of licence fee by the Managements of the Institutes in accordance with the rate prescribed by the Government of India resulted in loss of revenue to the tune of Rs. 75.03 lakh.

The matter was referred to the Ministry in June 2009; their reply was awaited as of February 2010.

National Institute of Technology, Krukshetra

4.10 Recovery at the instance of audit

On being pointed out by audit, National Institute of Technology, Krukshetra recovered an amount of Rs. 22.74 lakh on account of cess from the executing agencies indicating deficiency in internal control.

As per the provisions of Building and Other Construction Workers' Welfare Cess Act, 1996, a cess at such rate not exceeding two *per cent* but not less than one *per cent* of the cost of construction incurred by an employer, was to be collected in such manner including deduction at source and paid to the

Building and Other Construction Workers' Welfare Board constituted by the State Government. The Act also provides for levy of interest and penalty for delay/non-payment of cess within the specified time.

Haryana Government ordered (February 2007) deduction of cess at the rate of one *per cent* from the bills paid on building and other construction works and transfer of the same to Haryana Building and Other Construction Workers' Welfare Board.

Scrutiny (January 2009) of the records of National Institute of Technology, Krukshetra (Institute) revealed that the Institute paid Rs. 32.33 crore to 11 executing agencies on account of execution of different construction works from April 2007 to December 2008. The cess of Rs. 32.33 lakh was required to be deducted at source from the bills paid to these agencies but only Rs. 9.59 lakh was recovered by the Institute. This not only resulted in short recovery of labour cess of Rs. 22.74 lakh but was a violation of statutory provisions leading to undue benefit to the executing agencies. Moreover, the amount of Rs. 9.59 lakh recovered had not been deposited with the Board as of December 2008.

On being pointed out in audit, the Institute stated (March 2009) that the amount had been recovered from the contractors and deposited (February 2009) with the Labour Department.

The matter was referred to the Ministry in February 2009; their reply was awaited as of February 2010.

University Grants Commission

4.11 Irregular expenditure on reimbursement of medical claims

The University Grants Commission implemented a scheme for medical facilities for its pensioners with relaxed norms without prior approval of the Government resulting in irregular expenditure of Rs. 1.34 crore during April 2007 to March 2009 on the reimbursement of medical claims.

Serving employees of the University Grants Commission (UGC) are covered under the Central Government Health Scheme (CGHS). The facility was not extended to retired employees of UGC. UGC reimbursed medical claims for outdoor/indoor treatment of pensioners by extending CS(MA) Rules¹⁰ by appointing (2005) Authorised Medical Attendants (AMA) in different areas

¹⁰Central Services (Medical Attendance) Rules, 1944

for the benefit of pensioners. The pensioners were allowed diagnostic tests in CGHS approved diagnostic centres and indoor treatment in CGHS recognised hospitals/Government hospitals on referral by AMA and prior permission of UGC for the same. The reimbursement was made at CGHS rates.

Audit scrutiny (June 2009) revealed that UGC approved (August 2006) a new scheme for pensioners allowing them to undergo OPD and indoor treatment from CGHS recognised hospitals/diagnostic centres and Government hospitals directly without any referral from AMA and prior permission of UGC. It withdrew the AMA facilities for pensioners from October 2006. Under both CGHS and CS(MA) Rules, a Central Government pensioner seeking treatment in a specialised hospital/private hospital recognised under CGHS would be governed by referral system wherein the CMO/AMA incharge of the dispensary grants him such authorisation. UGC, however, while introducing the new system dispensed with the requirement of referral system on the request of a single pensioner. Further, the mandatory approval of Ministry of Human Resource Development and concurrence of the Ministry of Finance was not obtained before the implementation of the new scheme.

Therefore, reimbursement of medical claims of pensioners without approval of the Government resulted in irregular payment of Rs. 1.34 crore for the period from April 2007 to March 2009.

It was also noticed that though the scheme was introduced on the analogy of CGHS there was no provision for recovering monthly/one-time contribution from the pensioners as applicable in case of CGHS beneficiaries. The amount of one time contribution worked out to Rs. 22.23 lakh for 323 pensioners.

The Ministry accepted the audit observation and stated (October 2009) that efforts would be made to recover some amount from the pensioners. The Ministry, however, did not furnish any reply to the observation regarding implementation of scheme without prior approval of the Government.

4.12 Grant of status of “deemed to be University” to Institutions

University Grants Commission conferred the status of “deemed to be University” to Institutions violating laid down scheme guidelines which was fraught with the risk of dilution of standards in university education.

4.12.1 Introduction

The University Grants Commission (UGC) was established in 1956, as a statutory body of the Government of India, through an Act of Parliament, for the promotion and coordination of university education and for the

determination and maintenance of standards of University teaching, examination and research in Universities.

UGC framed (2000) guidelines for considering the proposals for declaring an Institution as 'deemed to be University' under Section 3 of the UGC Act. Under this section, an Institution for higher education shall be deemed to be a University, on official notification in the official gazette by the Central Government on the advice of the UGC.

The Ministry on the recommendation of UGC, had declared 127 Institutions as 'deemed to be University' as of June 2009, of which 57 Institutions were declared as such during 2004-05 to 2008-09.

4.12.2 Audit findings

Audit scrutiny of records of UGC relating to the proposals of the Institutions which have been declared as deemed to be Universities by Ministry of Human Resource Development during the period from 2004-05 to 2008-09, revealed various instances of violation of established guidelines and specific recommendations of Expert Committees and State Governments for the purpose of declaring an Institution as a 'deemed to be University'. Non-compliance with the prescribed guidelines of UGC and recommendations of Expert Committees was fraught with the risk of dilution of standards, especially with regard to availability of qualified faculty and infrastructure in the deemed to be universities. Major audit findings are discussed in the succeeding paragraphs.

4.12.3 Irregularities in conferring the status of deemed to be Universities

As per the guidelines of UGC, the Institutions applying for grant of status of 'deemed to be University' are required to fulfill the eligibility criteria in terms of objectives, programmes, faculty, facilities, financial viability etc as laid down by UGC from time to time, before the status of 'deemed to be University' is conferred on them. Further, in the case of technical institutions, advice of AICTE¹¹ was to be sought for grant of 'deemed to be University' status to an Institution. The Institutions in the emerging areas with the promise of excellence not fulfilling the prescribed guidelines of UGC are granted provisional status under de-novo category, subject to confirmation on the basis of annual performance report of the UGC's Review Committee done for a five year period. Some of the conditions that de-novo category institutions need not

¹¹ All India Council for Technical Education

fulfill relate to post graduate institution and research, recognition by concerned statutory authorities like AICTE, minimum period of ten years existence, infrastructure requirements, minimum faculty strength etc. Before making recommendations to the Ministry for conferring the status of a 'deemed to be University' to an Institution, UGC deposes an expert committee to examine and report on financial, physical and academic viability to maintain and sustain itself as a 'deemed to be University'. When the expert committee recommends an institution under de-novo category, it is obvious that conditions prescribed for deemed university status are not fulfilled.

The table below shows the list of Institutions conferred with the confirmed status of 'deemed to be University' by the Ministry, not fulfilling the minimum eligibility criteria and also against the recommendations of the Expert Committee of UGC.

Sl. No.	Name of the Institution	Category of status applied for by the Institution	Category of status recommended by		Category of status conferred by Ministry	Date of notification of University by Ministry
			Expert Committee	UGC		
1.	Institute of Chartered Financial Analysts of India, Hyderabad, Andhra Pradesh (ICFAI)	De-novo	De-novo	Deemed to be university	Deemed to be university	December 2008
2.	Manav Rachna International University, Faridabad, Haryana (MRIU)	De-novo	De-novo	De-novo	Deemed to be university	October 2008
3.	Nehru Gram Bharati Vishwavidyalaya, Allahabad, UP	De-novo	De-novo	Deemed to be university	Deemed to be university	June 2008
4.	Modi Institute of Education and Research, Rajasthan	De-novo	De-novo	De-novo	Deemed to be university	February 2004

Audit observed that ICFAI was conferred the status of 'deemed to be University' by the Ministry despite the fact that AICTE had informed UGC in January 2006 that the Institution had been conducting technical programmes without their approval and a show cause notice had been issued to the Institution in December 2005.

In the case of MRIU, the Ministry conferred the status of 'deemed to be University' to the Institution against the recommendations of AICTE. Audit noticed that this Institution, in disregard of the notification issued by the Ministry, included the names of other four unapproved institutions as constituents of the University and notified them in an advertisement published

in April 2009 and also in their website misleading the public and students. UGC issued a show cause notice to the Institution in May 2009. Further, developments were awaited as of June 2009.

Nehru Gram Bharati Vishwavidyalaya, Allahabad, was conferred the status of 'deemed to be University' in June 2008 though the Institution was running only conventional Degree programmes and did not fulfill the eligibility criteria with regard to infrastructure, faculty strength, books, equipment, etc. The faculty strength with only two departments having professors was not as per UGC requirements.

4.12.4 Conferment of status against the recommendations of the State Government

As per the guidelines, UGC is to obtain the views of the State Government on the proposal from Institutions seeking grant for the status of 'deemed to be University'. It was also decided (April 2007) in the conference of the State Education Ministers that the views and concerns of the State Governments would be given due weightage by the Central Regulatory bodies on education like the UGC, AICTE and NCTE¹².

Test check of records revealed that in 14 cases, the Ministry conferred the status of 'deemed to be University' to Institutions either against the recommendations of the State Governments or without obtaining the views of the State Governments as detailed in the table given below:

Sl. No	Name of the University	Views of the State Government	Date of conferment as 'Deemed to be University' by the Ministry
1.	Saveetha Institute of Medical and Technical Sciences, Chennai, Tamil Nadu	The State Government stated (November 2004 and September 2005) that these Institutions did not have research facilities and academic potential to maintain and sustain themselves as a deemed	March 2005
2.	Vel's Institute of Science, Technology and Advanced Studies, Chennai, Tamil Nadu	University. State Government recommended against granting 'deemed to be University' status to these institutions.	June 2008
3.	Ponnaiyah Ramajayam Institution of Sciences and Technology, Tamil Nadu		January 2008
4	Noorul Islam College of Engineering, Tamil Nadu		December 2008

¹² National Council for Teachers Education

Sl. No	Name of the University	Views of the State Government	Date of conferment as 'Deemed to be University' by the Ministry
5.	Hindustan Institute of Technology and Sciences, Kancheepuram, Tamil Nadu	Views of the State Government were not taken.	May 2008
6.	Maharishi Markandeshwar University, Ambala, Haryana	Views of the State Government were not taken.	June 2007
7.	Graphic Era Institute, Uttarakhand	State Government had requested (March 2008) to keep the proposal pending.	August 2008
8.	Swami Ram Vidyapeeth, Uttarakhand	State Government stated (April 2006) that the Institute had to incorporate some conditions for the benefit of Uttarakhand locals.	June 2007 without incorporating the conditions suggested by the State Government
9.	KLE Academy of Higher Education and Research, Karnataka	The State Government stated (April 2005) that these were primarily institutions which imparted undergraduate education and decided not to recommend 'deemed to be University' status as it had reservations that these institutions would be able to meet the requirements stipulated under the UGC guidelines.	April 2006
10.	Jain University, Bangalore, Karnataka		December 2008
11.	JSS Mahavidyapeetha, Mysore, Karnataka		May 2008
12.	Sri Siddhartha Academy of higher Education, Karnataka	State Government decided (August 2007) not to recommend any Institution for conferment of 'deemed to be University' status.	May 2008
13.	Christ College, Bangalore, Karnataka	The State Government stated (April 2008) that they did not recommend the College for conferment of deemed university status.	July 2008
14.	Sri Balaji Vidyapeeth, Pondicherry	State Government requested (June 2007) not to grant deemed to be University status to the institution.	August 2008. This was also against the recommendation of AICTE

4.12.5 Conferment of status to Institutions without mandatory period of existence

As per the guidelines, an Institution at the time of applying for the status of 'deemed to be University' should have been in existence for a period of at least 10 years.

Scrutiny of records revealed that on the recommendations of the Commission, the Ministry granted the status of 'deemed to be University' to the Shiksha 'O' Anusandhan Bhuvaneswar along with its seven¹³ constituent Institutions between 17 July 2007 and 19 September 2008 though six out of the seven constituent Institutions had not completed the mandatory period of ten years of existence.

4.12.6 Conferment of status without creation of Corpus fund and examining its validity period

As per the guidelines, the Institutions conducting programmes in Engineering, Technology and Medicine and those conducting programmes in Science, Social Sciences & Humanities/ Arts and Fine Art and other professional programmes are required to maintain a corpus fund of Rs. 5 crore and Rs. 3 crore respectively for recognition as 'deemed to be University'. Besides, as per the policy laid down by the UGC, the Institutions seeking the status of 'deemed to be University' are required to furnish evidence towards investment of corpus for a period of 10 years.

The Ministry, however, without ensuring compliance with the above provisions, conferred the status of 'deemed to be University' on five Institutions¹⁴ which had not fulfilled these eligibility criteria. These Institutions had held the Fixed Deposit Receipt (FDR) for a period ranging from one to three years against the requirement of 10 years. In two cases, it could not be ascertained whether the FDR were in force on the date of

¹³ (i) Institute of Technical Education & Research (1996)
(ii) Institute of Business & Computer Studies (1998)
(iii) School of Hotel Management (2004)
(iv) Institute of Dental Sciences (2006)
(v) SUM Nursing College (2004)
(vi) School of Pharmaceutical Science (2004)
(vii) Institute of Medical Sciences and SUM Hospital Kalingnagar, Bhuvaneswar (2003)
(year within brackets indicate the year of establishment)

¹⁴ (i) Institute of Chemical Technology, Mumbai, (ii) Modi Institute of Education and Research, Rajasthan, (iii) D.Y. Patil Educational Society, Maharashtra, (iv) Academy of Maritime Education & Training, Tamilnadu and (v) Koneru Lakshmaiah Education Foundation, Andhra Pradesh.

conferment by the Ministry, since these had already become due for maturity on the dates of notification.

The above discrepancy is highlighted by an instance where in March 2009 UGC asked an Institution to submit a proof of investment of Rs. 5 crore as corpus fund and the Institution in response could furnish only an FDR worth Rs. 50 lakh.

4.12.7 Incorrect release of grant

Section 12(B) of the UGC Act, 1956 stipulates that no grant shall be given by the Central Government, the Commission, or any other organisation receiving any funds from the Central Government, to a University which is established after the commencement of the University Grants Commission-(Amendment) Act, 1972, unless the Commission has, after satisfying itself as to such matters as may be prescribed, declared such University to be fit for receiving such grant.

Besides, as per the policy of the UGC, the Institutions declared as 'deemed to be Universities' after 1992 were not eligible to receive grant from UGC.

The Ministry notified Ramakrishna Mission Vivekananda Educational and Research Institute as a 'deemed to be University' under de-novo category in January 2005. UGC released grants amounting to Rs. 10.52 crore to the Institution during the period from April 2005 to March 2009 for construction of building, salary of selected faculty members and purchase of books, journals, equipment, etc. Besides, Ministry committed regular release of Rs. Five crore annually during the remaining period of 11th and 12th Plan (2009-17).

Examination of records disclosed that the Institution was not covered under section 12(B) of the UGC Act, 1956 and acknowledged as such by the UGC. Further, the Ministry in its notification of February 2007 had decided that the Ministry or UGC would not provide any plan or non-plan grants to either the Institution or its constituent centres. The Ministry, however, overriding its own decision and in deviation of the established policy released grants to the Institution and its constituents resulting in incorrect release of grant.

4.12.8 Maintenance of movable and immovable assets

As per the guidelines, the movable and immovable assets must legally vest in the name of the Institutions seeking recognition as a 'deemed to be University'.

Audit noticed that in case of eight Universities¹⁵, which were granted the status of 'deemed to be University' during the period 2005-09, the movable and immovable assets were not actually legally vested/transferred in the name of these Institutions at the time of granting the status of a 'deemed to be University' to them.

Audit further noticed that in the case of other two Institutions, D.Y. Patil Educational Society, Maharashtra and Periyar Maniammai Institute of Science and Technology, Tamil Nadu, the Ministry conferred the status of 'deemed to be University' in September 2005 and August 2007 respectively, though legally vested documents for the movable and immovable assets had not been transferred in the name of the Universities even as of June 2009.

Conclusion

The instances indicate weak internal controls within the UGC and the Ministry in processing proposals of the Institutions seeking the status of 'deemed to be University'. While the UGC did not adhere to its own guidelines, the Ministry also did not enforce the laid down provisions. In five cases, it also issued notifications conferring the status of 'deemed to be University' to the ineligible Institutions against the specific recommendations of the expert committee and AICTE. The Ministry also acted against the adverse recommendations of the State Governments and conferred the status of 'deemed to be University' in 10 cases.

The matter was referred to the Ministry in October 2009; their reply was awaited as of February 2010.

¹⁵ (i) Jain University, Bangalore, (ii) ICFAI Foundation for Higher Education, Hyderabad, (iii) Yenaopoya University, Karnataka (iv) Sri Devraj Urs Academy of Higher Education and Research, Karnataka (v) Chettinad University, Tamil Nadu (vi) Maharishi Markandeshwar University, Ambala (vii) I.I.S. University, Rajasthan and (viii) Hindustan Institute of Technology and Science, Tamil Nadu

University of Hyderabad

4.13 Irregular grant of advance increments to the teaching staff

The University of Hyderabad granted upto ten advance increments to its teaching staff possessing M.Phil/Ph.D degrees in contravention of UGC's instructions to grant two/four advance increments resulting in irregular payment of Rs. 44.38 lakh.

As per the instructions (1977) of the University Grants Commission (UGC), the Central universities were empowered to grant upto five advance increments on the minimum of the scale to each category of teaching staff and prior approval of UGC was required to grant more than five advance increments. Consequent upon implementation of the Fourth Pay Commission, UGC revised (1988) grant of advance increments to one/three increments for recruits possessing M.Phil/Ph.D degrees. Subsequently, UGC Notification, 1998 on revision of pay scales etc on implementation of Fifth Pay Commission admitted two/four advance increments to those holding M.Phil/Ph.D degrees at the time of recruitment as lecturers.

Audit scrutiny revealed that the University of Hyderabad (the University) granted upto ten advance increments to 34 Lecturers and 25 Readers holding M.Phil/Ph.D degree during April 2000 to December 2008 in contravention of the instructions issued by UGC in 1998. The excess payment made by the University on this account worked out to Rs. 44.38 lakh upto December 2008.

The Ministry forwarded (December 2009) the reply of the University which stated that the grant of qualification-linked advance increments was mandatory in nature and was in addition to the earlier optional provision of grant of advance increments on the recommendations of the Selection Committee with the approval of competent authority.

The presumption of the University was not correct as UGC categorically directed the University to grant advance increments as per UGC Notification, 1998 which clearly stipulated two and four advance increments to M.Phil and Ph.D degrees holders respectively.