Inspection Report on the accounts of CSIR – National Environmental Engineering Research Institute (NEERI), Nagpur for the period 2021-22 to 2022-23

1. Introduction

a) Overview of the Entity

National Environmental Engineering Research Institute (NEERI), Nagpur is a constituent of Council of Scientific & Industrial Research (CSIR), New Delhi and has a nation-wide presence with its five zonal laboratories at Chennai, Delhi, Hyderabad, Kolkata and Mumbai.

The mandate of NEERI is:

- To conduct research and developmental studies in environmental science and engineering
- To render assistance to the industries of the region, local bodies, etc. in solving the problems of environmental pollution through S&T intervention
- To interact and collaborate with academic and research institutions on environmental science and engineering for mutual benefit
- To participate in CSIR thrust area and National mission projects.

b) Details of Human Resources (as on 31st March)

Category	31st March 2022			31st March 2023		
	SS	MIP	VP	SS	MIP	VP
Scientific	150	111	39	150	110	40
Technical	176	77	99	176	77	99
Administrative	146	69	77	146	62	84
Others (Canteen)	9	0	9	9	0	9
Total	**481**	**257**	**224**	**481**	**249**	**232**

c) Details of Grants -in-aid (GIA) received and Expenditure:

Year	GIA (Rs.in lakhs)	Expenditure (Rs.in lakhs)
2021-22	9665.500	9688.913
2022-23	10940.000	10962.320

d) Financial Performance

Revenue targets estimated and generation of revenue	--
Revenue generation will be in two parts – Internal Revenue Generation and Revenue generated from other sources	(Rs. In lakhs) 2021-22: 981.688 2022-23: 3685.929
Expenditure estimated in the budget and	As at (c) above

<table>
<tr><td>actual expenditure incurred</td><td></td></tr>
<tr><td>Short or excess over the target fixed</td><td>Not applicable</td></tr>
<tr><td>Year wise number of works in which time overrun and cost overrun was reported</td><td>Time over-run cases (2021-22) – 4
Time over-run cases (2022-23) – 7
Cost over-run cases (2021-22) – 1
Cost over-run cases (2021-22) – 4</td></tr>
<tr><td>Year wise number of projects in which time overrun and cost overrun was reported</td><td><table><tr><th>Projects</th><th>Time Overrun</th><th>Cost Overrun</th></tr><tr><td>TSP</td><td>--</td><td>--</td></tr><tr><td>GAP</td><td>--</td><td>--</td></tr><tr><td>CNP</td><td>--</td><td>--</td></tr><tr><td>MLP</td><td>--</td><td>--</td></tr></table></td></tr>
<tr><td>The year wise details of royalty premium due and received</td><td>(` In Lakhs)<table><tr><th>Year</th><th>Received</th><th>Due</th></tr><tr><td>2021-22</td><td>11.98</td><td>22.71</td></tr><tr><td>2022-23</td><td>28.10</td><td>11.55</td></tr></table></td></tr>
<tr><td>Year wise details of major procurements (costing ` 50 lakhs and above)</td><td>As per <u>Annexure – I</u></td></tr>
<tr><td>Year wise details of PO's not materialized or delayed or short closed (i.e. not executed as per schedule)</td><td>Nil</td></tr>
</table>

Note: TSP- Technical Service Project
GAP- Grant-in-Aid Project
CNP- Collaborative Project
MLP- Major Lab Projects

e) Outstanding/meritorious achievements of the entity: NIL

f) Scope of audit along with sampling technique adopted during the course of audit and the audit sample selected including the implementation unit:

(i) The relevant section of CAG's DPC Act under which this audit is conducted: Section 20 (1) of CAG's DPC Act 1971

(ii) Sampling procedure: Judgemental sampling (month of November 2017, May 2018, Sept 2019 & January 2021 were selected for detailed scrutiny and other months for test check purpose)

(iii) The audit has been conducted in accordance with the norms, principles and practices of the Auditing standards prescribed by CAG.

g) Subject matter selected and source of audit criteria: GFR 2017, CSIR bye laws, Rules and regulations, etc.

PART II SECTION A

MAJOR IRREGULARITIES

NIL

PART II SECTION B

OTHER IRREGULARITIES

Para 1: Non-capitalization of Fixed Assets valuing Rs. 23,98,02,166/-.
#27 (AENQ-469744)

As per GFR, 2017 Rule, 233(ii), on completion of the Projects or Schemes and the receipt of technical and financial reports, the Department should decide and communicate to the funding agency whether the assets created should be returned, sold or retained by the respective Lab or Institute. If such information/ letter is not received from the funding agency and assets generated is lying in the Books of the Account of the Lab or Institute, it has to be transferred to the Fixed Assets of the Lab or Institute.

Further, as per Rule 233(iii) of GFR, if the assets are to be sold, the proceeds therefrom should be credited to the account of the sponsoring department/Organization. If the assets are allowed to be retained by the Institution/ Organization, the implementing agency should include the assets at the book value in their own accounts.

Para 1.8 of chapter 1 of the CSIR guidelines for technology transfer and utilization of knowledgebase-2017 outlines that the ownership of prototype/products produced during contract research shall normally be the property of sponsor for sponsored R&D, for collaborative/cooperative R&D projects the ownership shall be agreed upon between CSIR and Collaborator/Grantor and so included and specified in agreement. In case of grant-in-aid, it shall belong to CSIR, unless otherwise stated. Ownership of all equipment purchased under the project shall belong to CSIR, after one year from the closure of the project.

On scrutiny of records and Annual Accounts furnished to audit for the period from 2018-19 to 2022-23, it was observed that sub para 05 : Fixed Assets of Schedule 18: Contingent Liabilities and Notes to Accounts outlines the details of Fixed Assets purchased out of Externally Funded Projects (EFP) but not yet taken in Schedule 06: Fixed Assets of CSIR Accounts. Details ibid are as given in the table below:

2018-19	Opening balance	9,65,07,303
	Add during FY	2,22,08,119
	Returned to sponsor or taken into CSIR	**5,24,757 (Taken to CSIR Account)**
2019-20	Opening balance	11,81,90,665
	Add during FY	2,10,26,321
	Returned to sponsor or taken into CSIR	**Nil**
2020-21	Opening balance	13,92,16,986
	Add during FY	1,64,51,657
	Returned to sponsor or taken into CSIR	**Nil**
2021-22	Opening balance	15,47,66,430
	Add during FY	2,96,28,298
	Returned to sponsor or taken into CSIR	**Nil**
2022-23	Opening balance	18,43,94,728
	Add during FY	5,54,07,438
	Returned to sponsor or taken into CSIR	**Nil**
Total value of Fixed Assets purchased out of EFP but not yet taken to CSIR (Schedule 06: Fixed Assets)		23,98,02,166

It could be seen from the details in the table above that Fixed Assets amounting to Rs. 23,98,02,166/- has neither been transferred to the sponsoring agency nor accounted for in the Schedule 06: Fixed Assets of the CSIR Accounts. However, it is clear that the assets of value of Rs. 5,24,757/- only have been considered for transferring to CSIR account back in FY 2018-19. Since then, no action has been taken with respect to the various categories of assets, i.e. Buildings, Apparatus & Equipment, Computer Equipment/Major Computer Software, Office Equipment, Furniture & Fittings, Vehicles & Transport and Library Books etc. either for transferring to CSIR accounts or transferring the ownership to the sponsors.

It is pertinent to mention that Assets valuing Rs.13,92,16,986/- are due for consideration to merge in schedule 06 by corresponding credit to Capital Fund or to return to sponsoring agency due for more than 03 years. It is clear from the facts above that CSIR-NEERI has not complied with the CSIR guidelines for technology transfer and utilization of knowledgebase-2017 as well as GFR codal provisions.

In view of the above, reply of the following may be furnished to audit:

1. There has not been any Credit entry to Capital funds with respect to the capitalization of Assets purchased out of EFP during the last four financial years. Reasons thereof may be furnished to audit.
2. The value of Fixed Assets purchased out of EFP is Rs.23,98,02,166/- as on 31.03.2023. Whether the ibid total value pertains to the completed projects only. If no, value pertaining to the completed projects may be stated.

In reply (12.02.2024) NEERI stated that process for transferring the Assets acquired out of projects which are closed during 2013-14 to 2019-20 is already undertaken. Based on the list all Assets Register will be verified and equipment purchased out of such closed projects will be sorted out along with its cost and date of purchase. The same will be circulated amongst project leaders (PL) confirming whether or not the equipment is to be transferred / returned to the sponsoring agency. After receipt of NOC / clearance from the PL proposal with list of equipment will be sent to Director for approval. Further, it is stated that on completion of the above process of transferring, will be intimated to audit.

Progress in this regard may be intimated to audit.

Para 2: Avoidable expenditure of Rs. 4.81 lakh due to payment of electricity duty
#3 (AENQ-460705)

Article 287 of the Constitution of India while providing exemption from taxes on electricity stipulates that, save in so far as Parliament may by law otherwise provide, no law of a State shall impose, or authorize the imposition of, a tax on the consumption or sale of electricity (whether produced by a Government or other persons) which is (a) Consumed by the Government of India, or sold to the Government of India for consumption by that Government; or (b) Consumed in the construction, maintenance or operation of any railway by the Government of India or a railway company operating that railway, or sold to that Government or any such railway company for consumption in the construction, maintenance or operation of any railway, and any such law imposing, or authorizing the imposition of, a tax on the sale of electricity shall secure that the price of electricity sold to the Government of India for consumption by that Government, or to any such railway company as aforesaid for consumption in the construction, maintenance or operation of any railway, shall be less by the amount of the tax than the price charged to other consumers of a substantial quantity of electricity.
National Environmental Engineering Research Institute, Nagpur is an autonomous R&D organization under Ministry of Science & Technology, Government of India and grants for meeting its objectives and activities are received from MST budget which is approved by parliament/Government of India.

During scrutiny of electricity bills and its connected records made available to audit, it was observed that NEERI, Nagpur paid electricity duty amounting to **Rs. 4.81 lakh** to Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) for the period March 2022 to December 2023. Though, the Institute was exempted to pay the electricity duty being an establishment of the Central Government, but the management failed to check the correctness of bills during passing of bills and paid electricity duty amounting to Rs. **4.81 lakh** to the electricity company, which was against the provision of Article 287 of Constitution of India and could be avoided.

Details of payment of electricity duty are given in Annexure-I.

Facts and figures may be confirmed and reasons for payment of electricity duty of Rs.4,80,830/- be elucidated.

In reply (08.02.2024) NEERI stated that the Institute has given a request to MSEDCL for refund of electricity duty and also requested to provide an exemption in all upcoming bills.

Para will be reviewed during the next audit.

Para 3: Pending TDS refund amounting to Rs. 192.98 lakh.

#15 (AENQ-465964)

National Environmental Engineering Research Institute (NEERI), Nagpur is one of the constituent national laboratories under the Council of Scientific & Industrial Research (CSIR), Ministry of Science & Technology, Government of India. CSIR is an approved Scientific and Industrial Research organization under Rule-6, Section 35(1) (ii) of the Income Tax Act, 1961 and by virtue of Section 10(21) of the said Act, NEERI is exempted from Income Tax.

Normally, NEERI submits Tax Exemption Certificate to sponsoring agencies, so as to make payment of dues without deducting TDS towards the projects undertaken by NEERI. However, it was observed that sponsoring agencies had deducted TDS amounting to Rs. 192.98 lakh from the amount due towards the projects undertaken by NEERI during the period. NEERI sent 176 TDS certificates to CSIR amounting to Rs. 1,92,98,414/- received from the clients for obtaining refund of TDS from Government for the period 2021-22 to 2022-23 as detailed below:

Sr. No.	TDS Certificate for the year	No. of TDS certificate	Total amount
1	2021-22	96	89,70,506
2	2022-23	80	1,03,27,908
Total		**176**	**1,92,98,414**

Due to the delay in obtaining the refund from Tax authorities, huge funds of Rs. 192.98 lakh remained out of project account for the last 10 to 33 months. Effective steps may be taken to obtain the refund of TDS from the concerned statutory agencies, and if possible, to devise a method that avoids payment of TDS at the first place under intimation to audit.

Reply is awaited.

Para 4: Observation with respect to statutory liabilities

#20 (AENQ-467710)

i. **Non-depiction of Input Tax Credit (ITC) as Current Assets in the Balance Sheet**: On scrutiny of Annual Accounts & Balance Sheet for the period 2021-23, it was observed that balance available in GST-electronic ledger in form of ITC has not been accounted in the balance sheet as current assets. It was also seen that CSIR-NEERI has been utilizing ITC for making payments towards GST liabilities.

   In view of the above, the total balance available in Electronic Credit Ledger as on 31.03.2023 in form of Input Tax Credit may be stated.

ii. **Interest and Late Fee charges towards late payment of GST:** On scrutiny of form GSTR-3B towards the payment of GST liabilities for the period 2021-23, it was observed that CSIR-NEERI failed to make payments towards GST dues on time, which resulted in interest payment of Rs.900/- and Rs. 5,740/- for the month of January 2022 and March 2023 respectively. In addition, the institute also paid late fee of Rs.150/- during the month of March 2023. It is pertinent to mention that similar cases of non-compliance with statutory provisions had already been brought to the notice of the institute in previous audit reports.

Hence, reasons for not paying GST dues on time may be furnished to audit.

Reply is awaited.

Para 5: Variation between estimated cost and work order value
#18 (AENQ-466916)

Rule 141 of GFR, 2017 outlines that the Administrative Ministry or Department will set up a Review Committee consisting of a representative each from the Administrative Ministry, Finance and the Executing Agency to review the progress of the work costing more than Rs.100 crore. The Review Committee shall have the powers to accept variation within 10% of the approved estimates. For works costing less than Rs.100 crore, it will be at the discretion of the Administrative Ministry/Department to set up a suitable mechanism for review and acceptance of variation within 10% of the approved estimates.

As per the CVC instructions, wherever the estimated value put to tender is at large variance with the actually accepted value of the contract, the reasons for this can be attributed to either wrong assessment of quantities of items or the sketchy estimates prepared in an unprofessional manner. To arrive at the estimated value for a particular item, the rates of lower capacity items are extrapolated or a linear escalation is added to the last accepted rates for similar items. The estimates thus prepared are far from realistic. This results in the award of contracts at very high rates vis-à-vis the estimates.

Section 20.4.3 of CPWD Works Manual (2014) casts responsibility upon tender accepting authority to satisfy itself about the reasonableness of rates before acceptance of tender. Reasonability of rates shall primarily be assessed on the basis of justified rates. Further, Section 20.4.3.2 ibid stipulates that 'variations up to plus 10 per cent might be allowed for peculiar situations and in special circumstances and tenders above this limit should not be accepted.'

On scrutiny of various work order files, Audit noticed huge difference between the estimates and the value at which the work orders were awarded. A few illustrative cases depicting the difference ranging from 32% to 54% between the estimates and work order value are listed in Annexure-**III**.

In view of the above, reasons for huge deviation in value between estimate and actual allotted work order and non-compliance with the aforementioned codal provisions was called to furnish to audit.

CSIR-NEERI replied (08.02.2024) that estimates are prepared based on Delhi Schedule Rates (DSR) and market rates. Further, CSIR-NEERI stated that after receipt of the tender, the reasonability of rates quoted by the lowest bidder has been assessed by preparing the justified cost. The major item costing 90% of the estimated cost has been analyzed to work out the justified rates.

Reply is not tenable. Assessment of reasonability of rates quoted by the lowest bidder after receipt of the tender is in contravention to CPWD manual clause 20.4.3. This depicts the fact that the rates quoted by the lowest bidder were justified without giving opportunity to other parties which ultimately reduced the competitiveness of the bidding and vendor base of CSIR-NEERI. Preparation of estimate is pre-requisite of the tendering process to safeguard the reasonableness and economy.

Para 6: Non-functioning/ idling of equipment worth Rs.299.49 lakh (approx)
#13 (AENQ-465730)

In terms of Rule 217 to 221 of General Financial Rules (GFRs), 2017 stipulates that an item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item. Unserviceable store items should be disposed of to avoid accumulation of obsolete goods and consequential blockage of space and also deterioration in value of goods.

During scrutiny of records and the information furnished to audit it was observed that approximately 120 numbers of various types of equipment/ machineries amounting to Rs. 299.49 lakh were lying in NEERI HQs and its Zonal Labs which had been declared as non-functional due to various reasons over a period ranging from 1 to 11 years as detailed in the **Annexure-IV**.

In this connection necessary steps may be taken for the early disposal of these items in order to fetch good returns by avoiding further deterioration due to the passage of time and also to clear the occupied space on account of non-functioning.

In reply (12.02.2024) NEERI stated that on completion of the above procedure, auction of such items will be initiated and after the auction and sale of goods, the same will be intimated to audit.

Progress may be furnished to audit.

Para 7: Non-settlement of outstanding objection book advances - Rs. 41.24 lakh.
#7(AENQ-462633)

During scrutiny of objection book advances and information furnished by NEERI, Nagpur for the year 2021-23, it was observed that an amount of Rs. 41,24,035/- was outstanding as on 7th December 2022. The year-wise details of outstanding advances are given below.

Sl. No.	Month & Year of advances	Amount of advance (Rs.)	Advance given to	Purpose for which given
1	09/2018	14,64,035	Scientist & Head, MZL	Installation of Wayu unit at Delhi
2	12/2018	11,60,000	Scientist & Head, MZL Ritesh Vijay	Fabrication & Installation of 5 unit of Wayu at Delhi
3	06/2019	15,00,000	Scientist & Head Goyal S K	Advance towards carryout activities CPCB PRj
	Total	**41,24,035**		

It could be seen from the above table that these amounts are pending unadjusted as of January 2024 i.e. over a period ranging from 55 to 64 months. Sl. No. 1 & 2 of above table depicts non-installation of the Wayu units.

In this connection the following information may be furnished to audit.

i. Reasons for non-settlement of the above advances over 5 years need elucidation.

ii. Further, whether the Wayu units have been installed? If yes, installation certificates may be furnished. If not, reasons for delay and the action taken by NEERI may be stated.

iii. The present status of CPCB Project may also be stated.

In reply (06.02.2024) NEERI stated that though adjustment bills against all these advances received were handed over to Administration for scrutiny and further course of action. However, all these bills are still awaited and on receiving necessary direction, instruction from Administration, adjustment Bills in reference shall be processed accordingly and progress made in this regard shall be communicated to audit.

Progress may be intimated to audit.

Para 8: Non-disposal of condemned vehicle.
#9 (AENQ-463757)

Rule 217 (i) of GFR 2017 states that "an item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item". Clause (ii) & (iii) of said rule further stated that the competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable. The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case it is not possible to work out the book value, the original purchase price of the goods in question may be utilized.

During scrutiny of vehicle disposal records for the year 2021-23, it was seen that under mentioned vehicles condemned by NEERI are waiting for their disposal.

Sl. No.	Vehicle No.	Description	Date of purchase	Cost (Rs.)
1	MH31/Z-174	Ambassador	11.11.1998	3,28,290
2	MH31/Z-175	Ambassador	11.11.1998	2,99,653
3	MH31/Z-176	Ambassador	17.11.1998	2,99,653
4	MH31/CV-7128	Maruti OMNI	01.01.1990	94,827
5	AP28/L-2705	Armada Jeep	04.01.1999	3,78,713

It was observed from the records furnished to audit that though the disposal action of above vehicle was initiated by the Institute yet the auction status was rejected as the received offer price was much less than that of Reserved Price including Tolerance Price. Further, no offer was received for vehicle listed at Sl. no.5.

In order to avoid accumulation of such items and consequential blockage of space and also deterioration in value of goods, early action may be taken for disposal under intimation to audit.

In reply (12.02.2024) NEERI stated that once the auction is materialized and vehicles are sold, the details shall be intimated to audit.

Progress may be intimated to audit.

Para 9: Non-disposal of unserviceable/surplus store items worth Rs. 857.48 lakh.

#8 (AENQ-463425)

In terms of Rule 217 to 221 of General Financial Rules (GFRs), 2017 stipulates that an item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item. Unserviceable store items should be disposed of to avoid accumulation of obsolete goods and consequential blockage of space and also deterioration in value of goods.

On scrutiny of physical verification report of stores and other connected records, it was observed that approximately 1955 number of items of various divisions of the Institute and its Zonal Laboratory amounting to Rs. 8,57,47,878/- which were either declared un-serviceable or surplus during the year 2021-22 to 2022-23 were due for disposal (**Annexure V)**.

In this connection, reasons for non-disposal of these items may be elucidated to audit. Early action may please be taken for the disposal of these unserviceable items so as to fetch good returns and to avoid further deterioration due to passage of time lag between the declaring the items unserviceable and their actual disposal.

In reply (12.02.2024) NEERI stated that action for disposal of these unserviceable/ surplus/ obsolete items shall be initiated during the current year and on completion and sale of goods the details shall be intimated to audit.

Progress may be intimated to audit.

Para 10: Outstanding Royalty/Premia amounting to Rs.34.26 lakh
#34 (AENQ-471421)

Rule 9 of GFR stipulates that it is the duty of the Department of the Central Government concerned to ensure that the receipts and dues of the Government are correctly and promptly assessed, collected and duly credited to the Consolidated Fund or Public Account as the case may be.

It was seen from the records and information furnished to audit that an amount of Rs. 34.26 lakh is yet to be received on account of Royalty/Premia as of 31.03.2023.

In this connection necessary action may be taken to obtain the outstanding Royalty/ Premia under intimation to audit.

Reply is awaited.

Para 11: Non-settlement of an amount of Rs. 2,17,34,613/- towards project "Enhanced Natural attenuation for In-situ Nallah Treatment of Jhusi area."
#33 (AENQ-470742)

State Mission for Clean Ganga, Uttar Pradesh (SMCG-UP) sanctioned a project "Enhanced Natural attenuation for In-situ Nallah Treatment of Jhusi area, Prayagraj to the NEERI, Nagpur at an amount of Rs. 10.90 crore for treatment of 6 drains for period of 2 years. The project started on 14.01.2019 and was scheduled to be completed on 31.12.2021. The project could not be completed in scheduled time and proposed for extension up to 30.06.2022 citing various reasons, i.e., project report need to be completed, water quality analysis is being done before closing the final report. Besides, payment to implementing agencies is pending due to administrative reasons.

On scrutiny of the project file, it could be seen that NEERI vide its letter dated 29 Nov 2022 submitted the final report on the project, final Utilization Certificate along with the details of work orders and salary disbursed to manpower hired to SMCG-UP. NEERI also enclosed the details of assets acquired in this project. As per the final Utilization Certificate, a sum of Rs. 6,72,88,304/- had been utilized for the purpose of setting up drain treatment technology against the Grant-in-aid of Rs. 5,22,01,691/- sanctioned during the year 2019-20. Excess of

Rs. 1,50,86,613 was spent by CSIR-NEERI. Institute also furnished the details of committed expenditure of Rs. 66,48,000/- towards operation and maintenance of In-situ drain at Jhunsi, Prayagraj. In view of the above, no correspondence was traced in the file since 29 Nov 2022, in which NEERI requested SMCG-UP to process the release of an amount of Rs. 2,17,34,613/- (Rs. 1,50,86,613+ Rs. 66,48,000/-).

In connection with the above observation, following details were called in audit:

1. Whether the project has been completed? Completion report could not be found in the file.
2. No correspondence has been found since 29 Nov 2022 towards completion of project along with final settlement of an amount of Rs. 2,17,34,613.30/-. Reasons may be furnished to audit.

CSIR-NEERI replied (13.02.2024) that the aforementioned project was completed in March 2021 successfully. It is further stated that the said project is under vigilance and hence, payment to vendors and release of their security amount due in 2020/21, has not been released till date. There was no communication or update regarding the progress of vigilance case. While accepting the fact CSIR-NEERI replied that no correspondence has been done since Nov 2022. The fact remained that an amount of Rs.2,17,34,613.30/- is still pending for settlement since long.

Para 12: Reconciliation of credit/ debit figure of bank with cash book amounting to Rs. 685.60 lakh for the period ranging from 1 to 7 years.

#24 (AENQ-469257)

Article 150 of the Constitution of India provides for the maintenance of Government Accounts in such form as the President may, on the advice of the Comptroller & Auditor General, prescribe.

Under Rule 57 (5) of the GFR 2017, the Head of the Department and the Accounts Officer is jointly responsible for the monthly reconciliation of the figures given in the accounts maintained by the Head of the Department with those appearing in the Accounts Officer's books.

Under Rule 7 of GFR 2017, all money received by or on behalf of the Government either as dues to the Government or for deposit, remittance or otherwise, should be brought into Government Accounts without delay, in accordance with such general or special rules as may be issued under Articles 150 and 283 (1) of the Constitution.

As per para 13.1 of the Civil Accounts Manual, with the departmentalization of accounts, the monetary transactions of the various Central Government offices take place either at the branches of the R.B.I. or the authorized Banks, instead of treasuries. The various receipt and expenditure transactions are finally included in the Government accounts, through the existing accounting channels. At the same time, the effect of these transactions on the cash balance of the Government of India is reflected at the Reserve Bank of India, Central Accounts Section (CAS), Nagpur, through the banking channels. The reconciliation of the cash balance of Government of India is done through the accounting information worked out by the office of Controller General of Accounts on the one side, and the cash balance of Government worked out by the RBI with reference to information received from the various banks including its own branches, on the other. This reconciliation is necessary for the following reasons: (i) The reconciliation brings out any mistake committed by the accounting authorities or by the banks in working out the cash balance; (ii) To ensure that the payments by the R.B.I. and the authorized Banks on account of Government of India, are authorized and correct; (iii) To ensure that every item of receipt accounted for by the branches of the R.B.I. and the authorized Banks are duly accounted for and the amount credited by the bank is correct with reference to the amount shown in the challans; and (iv) The settlement effected by the authorized Banks with R.B.I. through 'Put Through' is done within permitted time limits, is for the correct amount and includes only the actual transactions of Government for both payments and receipts arising at the banks, and that double/excess or less adjustment do not take place for these transactions.

On scrutiny of records, audit observed persistent discrepancies in Bank reconciliation made by NEERI for a period ranging from 1 to 7 years as detailed below:

Credit afforded by bank but not accounted for in cash book:

137 entries (ranging between 1 year to 7 year) of credit afforded by bank amounting to Rs.642.74 lakh is outstanding for reconciliation as on date (Dec. 2023). Details are given below:

Year	No. of entries	Amount (Rs.)
2016-17	2	2,44,000.00
2017-18	2	6,50,000.00
2018-19	22	77,33,047.00
2019-20	15	56,05,393.00
2020-21	26	1,35,78,675.50
2021-22	14	2,86,55,000.00
2022-23	56	78,07,977.00
Total	**137**	**6,42,74,092.50**

Debit made by bank but not accounted for in cash book:

45 entries (ranging between 1 year to 4 years) of debit made by bank amounting to Rs.42.86 lakh are outstanding for reconciliation as on date (Dec. 2023). Details are given below:

Year	No. of cases	Amount (Rs.)
2019-20	8	29,35,868.00
2020-21	8	12,25,579.00
2021-22	4	4,711.00
2022-23	25	1,19,900.24
Total	45	**42,86,058.24**

Necessary steps may be taken to reconcile the discrepancies in the figures between the bank and the Institute especially those cases which are very old and pending since long under intimation to Audit.

Reply is awaited.

Para 13: Improper planning towards outsourcing the "Jobs/Activities for Housekeeping of scientific divisions/labs and non-scientific divisions at NEERI, Nagpur and its zonal labs" resulted in termination of contract and avoidable payment (Rs.30,000/-) to Independent External Monitors (IEMs)
#21 (AENQ-468076)

GFR, 2017 (Rule 21) Standards of financial propriety: Every officer incurring or authorizing expenditure from public money should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed by his own office and by subordinate disbursing officers.

Rule 144 of GFR 2017: Fundamental principles of public buying (for all procurements including procurement of works). — Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

CSIR-NEERI floated (29.09.2022) open tender for the above work at an estimated cost of approx. Rs.4.00 crores (Rs.1.59 crore under regular budget and Rs.2.50 crore under various projects) through CPPP vide no. 15(24)/Gen/House/20, after obtaining approval from Labour Committee and Director on 20.05.2022 and 29.06.2022 respectively. The same was not processed through GeM due to two different wages structures.

After evaluation of required documents, three bidders were technically qualified (LC meetings dated 09.11.2022, 24.02.2023 & 28.03.2023) out of fifteen bidders that participated.

Since, the estimated cost of work was more than Rs. 2.50 crore, the proposal seeking approval of DG, CSIR was forwarded (20.12.2022) to HQ (CSIR, New Delhi) after getting approval from Management Council (87th meeting dated 05.12.2022) based on the delegation of powers for execution of work issued vide No. 30-2(1)/94-Finance dated 22.01.2008.

However, HQ stated (28.02.2023) that no specific approval from HQ was required to process tender as Director, NEERI was competent to incur expenditure of Rs.1.59 crores from regular budget head and Rs.2.50 crores under various projects.

Then, Financial bid was opened on 31.03.2023 and M/s Black-Belt Multisolutions India Pvt. Ltd., Nagpur was found to be L1 with minimum service charge @1.89%.

Accordingly, Institute issued work order on M/s Black Belt Multisolutions, Nagpur for "Jobs/Activities for Housekeeping of scientific divisions/labs under externally funded projects and non-scientific divisions at NEERI, Nagpur and its zonal labs at Mumbai, Delhi, Kolkata, Hyderabad and Chennai" for deployment of approx. 149 skilled/unskilled laborers vide work order no. 15(24)/Gen/House/20 dated 19.05.2023 for a period of one year from 01.06.2023 to 31.05.2024.

It was observed that as per clause 12 under terms & conditions of the work order, contractor had to submit Bank Guarantee of Rs. 40,00,000/-, out of which, they submitted BG of Rs. 20,00,000/- only. After giving reasonable opportunities, they could not submit the BG and requested (28.07.2023) to accept Rs. 20 lakh and deduct the remaining amount of Bank guarantee @ 10% from every month from monthly bill, which was not accepted by the Institute.

Due to non-compliance of terms & conditions, Institute terminated the contract w.e.f. 16.12.2023 and debarred the contractor from participating in all the tenders of CSIR-NEERI, Nagpur for a period of one-year w.e.f. 09.01.2024 and the same work was allotted to M/s Patle Contractors as a stop gap arrangement for a period of three months or till the award of new contract whichever is earlier vide no. 15(24)/Gen/House/20 dated 13.12.2023.

Further it was noticed that, CSIR, New Delhi appointed vide OM dated 01.02.2022, two IAS Officers (Retd) as Independent External Monitors (IEMs) for CSIR & CSIR's Labs/Institutes to review the tender for procurement of goods, works and services with an estimated value of Rs. 3.00 crores and above. Since the estimated cost of work was more than Rs.3.00 crores, Institute had to pay Rs.15,000/- each to IEMs (Rs.7,500/- per sitting and TA/DA) on 14.07.2023.

Audit found the following observations:

i. It was observed that approval for floating tender was given on 29.06.2022, however tender was floated on 29.09.2022 i.e. after lapse of three months from the date of approval.
ii. CSIR-NEERI floated open tender of Rs.4.00 crore for the above work on 29.09.2022, before getting consent from HQ.
iii. Institute took 8 months (29.09.2022 to 19.05.2023) to finalize the contract.

iv. As the approval of DG-CSIR was not required, the above work could have been awarded project wise which could have saved payment made to IEMs and contract could have been alive.

v. GeM introduced a bunching system to float tender of multiple items under the same services, which was not explored by the Institute.

In this connection, the following replies/information may be furnished to Audit.

i. The reasons for the delay in floating tender that resulted in extension of existing contract may be furnished to Audit.

ii. The reasons for taking too much time to finalize the contract.

iii. Reasons for not getting approval from HQ before floating tender.

iv. Reasons for not floating project wise tender considering economy and effectiveness towards Institute.

v. Details of payment made to M/s Black Belt Multisolutions, Nagpur as on date.

vi. Whether all the settlement has been done with contractor. If yes, the same may be furnished to Audit. If not, present status may be furnished.

vii. Further development regarding the award of new contract may also be furnished to Audit.

viii. The fees per sitting of IEMs had been revised and fixed at Rs.25,000/- vide CSIR letter dated 12.07.2023. In this regard, how much amount (with TA/DA and others, if any) was paid or to be paid by NEERI may be furnished to Audit.

Reply is awaited.

Para 14: Loss of Rs. 4.89 lakh due to fire at NEERI Mumbai Zonal Centre and Fire in Container Room of Solar Park of CSIR-NEERI, Nagpur
#16 (AENQ-466518) #31 (AENQ-470402)

According to Rule 33 (1) of GFR 2017, any loss or shortage of public moneys, departmental revenue or receipts, stamps, opium, stores or other property held by, or on behalf of, Government irrespective of the cause of loss and manner of detection, shall immediately be reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and to the concerned Principal Accounts Officer, even when such loss has been made by the party responsible for it.

i) During scrutiny of minutes of Managing Council (MC) Meeting, it was seen that the fire incident had occurred in Mumbai Zonal Centre of NEERI on 09.12.2018 and loss of Rs.4,89,071/- of stores were reported to NEERI HQs, Nagpur. However, the same was not reported to the Statutory Audit Officer as per the above referred rule.

Further, it was also observed that the incident was discussed in the Managing Council (MC) Meeting and the MC recommended the proposal for writing off of stores amounting to Rs. 4,89,071/- as per the report of the Fact Finding Committee. The MC recommended that a detailed proposal along with all the relevant documents/ annexures be sent to CSIR Headquarters for obtaining approval/ sanction of the Competent Authority.

NEERI, Nagpur vide its letter dated 17.11.2022 submitted a request letter for approval of the competent authority to write-off the losses occurred due to fire incident at Mumbai Zonal Centre of NEERI along with all the required connected records/documents viz. panchanama report, inventory list along with committee's report and recommendations of MC mentioned in OM.

In this connection the following information may be furnished to Audit.

1. Reasons for non-adherence to the provisions ibid in respect of reporting to the statutory Audit office may be elucidated to Audit.
2. Whether the write-off proposal has been approved by CSIR? If not, what action has been taken to obtain the same may be intimated.

ii) It was seen from the information furnished to Audit with respect to report of cases of loss to government; NEERI stated that a fire took place on 12.11.2023 in Container Room of Solar Park of CSIR-NEERI, Nagpur.

In this connection, Director, NEERI constituted two members committee on 22.11.2023 to inquire the cause of the fire accident, that would also suggest measures to avoid such incidents in future. Further, the committee would estimate the approximate loss that occurred due to fire incident and submit the report within in a month to the Director. However, the committee report is awaited as of date (12.02.2024).

The progress in this regard may be intimated to Audit on receipt of the committee report.

Reply is awaited.

Para 15: Observation on Procurement of services
#29 (AENQ-470292)

As per GFR 2017, Rule 174: Public procurement procedure should ensure efficiency, economy and accountability in the system. To achieve the same, the following key areas should be addressed: (i) To reduce delay, an appropriate time frame for each stage of procurement should be prescribed by the Ministry or Department.

Manual for procurement of Goods and Services under clause 7.5.1- -Timely Processing of Tenders (Rule 174 (i) of GFR 2017) stipulates that delay in finalizing procurement deprives the public of the intended benefits and results in lost revenues and cost over-run. To enable timely decision making, complete Time schedule of finalizing the Tender process from the date of issuing the tender to date of issuing the contract, should be published in the Bid Documents. Every official in the chain of the procurement operation is accountable for taking action at a specified time so that the tender is finalized on time.

Further, Manual for Procurement and other services under clause 9.4.3 mentioned that the clause of extension of contract beyond the period of two years may be extended further for a period of one year subject to the **service provider providing satisfactory service**. Thereafter fresh bidding for a new tender for the said service may be undertaken.

During scrutiny of contract files, it was observed that the Institute had extended the existing contracts seven times due to a delay in finalization of tender process. It shows that the Institute could not complete the procurement process within the specified time, which diminishes the spirit of GFRs.

Details of the contract are as mentioned below:

Sr. No.	Name of Work/Contract	Name of Contractor	Period of Contract	Extension Granted upto	Reasons for extension
1.	Job/ Activities for Housekeeping of scientific divisions/ labs under externally funded projects and non-scientific divisions at NEERI, Nagpur and its zonal labs at Mumbai, Delhi, Kolkata, Hyderabad and Chennai	M/s Isha Protectional Security Guard Pvt. Ltd.	01.02.2021 to 31.01.2022	31.05.2023	To initiate the process of tendering committee, activation of GeM IDs for secondary users, dealing assistant got transferred. Then delay in finalization of tender.
2.	Jobs/Activities for Cleaning, Sweeping and Sanitation at CSIR-NEERI, Nagpur	M/s Oriental Integrated Facility Management Private Limited	01.02.2021 to 31.01.2022	30.11.2022	
3.	Job/ Activities for Garden Maintenance and Landscaping at CSIR-NEERI, Nagpur	M/s Sri Sai Nath Associates	01.02.2021 to 31.01.2022	30.11.2022	
4.	Job contract for Work of implementation of waste management	M/s Urban Enviro, Nagpur	Date of commencement 01.08.2022	30.11.2022	

	system in CSIR-NEERI				
5.	Job contract for Security arrangement at CSIR-NEERI H.Qtr. and its Zonal Laboratories at Mumbai, Delhi, Kolkata and Hyderabad	M/s Great Sherlock Ex-servicemen's Facility and Security Management	31.12.2021 already extended upto 30.04.2022	31.07.2022	

In this connection, reasons for the delay in finalization of the tender process may be furnished to Audit. Effective action taken to complete the tender process in time may also be elucidated.

2. As per EPFO OM dated 01.02.2021, many employers outsource business processes of their establishment to contractors and also engage workers in or in connection with the work of the establishment by or through contractors and is such cases employer's liability under EPF & MP Act, 1952 is payable by the principal employers. The contractors are registered independently as establishment with EPFO and they are required to report EPF compliance in r/o workers provided to their Principal Employers through ECRs. The UANs of the workers and the attendance/wage payment records are verified by the principal employers to settle the claims. Further, Principal Employers not registered with EPFO can register on the above Portal with Income Tax TAN to receive Login/password for adding details of their contractors & contract workers. On adding contractor's & employee's details, principal employer can view through their login the employee wise remittance made by contractors through ECR for any wage month during tenure of contract. Principal employer can view whether the employer's share of EPF contributions (13% of contract worker's wages) paid by the principal employer has been remitted by the contractor with respect to all contract workers or not.

During scrutiny of contract files, it was observed that many a time, Institute got the grievances from the workers/laborers for non-credit of EPF to their EPF account. In this regard, the following replies/information may be furnished to Audit.

i. Details of pending cases wherein EPF has not been credited by the contractors.
ii. Whether Institute has taken action as per EPFO OM dated 01.02.2021. If yes, how it was implemented during payment to the contractors may be furnished to Audit?
iii. If not, reasons for the same may be furnished to Audit.

Reply is awaited.

Para 16: Non-installation of Biomedical Waste Incinerator of Rs. 9.82 lakh for more than 5 months of its receipt due to delay in preparation of site.

#6 (AENQ-462463)

Under Rule 70 of GFR 2017, the Secretary of a Ministry/Department who is the Chief Accounting Authority of the Ministry/ Department should be responsible and accountable for financial management of his Ministry or Department. He would be responsible for the effective, efficient, economical and transparent use of the resources of the Ministry or Department in achieving the stated project objectives of that Ministry or Department, whilst complying with performance standards. He should review and monitor regularly the performance of the programs and projects assigned to his Ministry to determine whether stated objectives are achieved.

On scrutiny of records and information furnished to audit, it was observed that NEERI issued Purchase Order (PO)No.PUR-95/EP/ERMD/2022-23/147 dated 02.02.2023 to M/s McClelland Engineers Pvt. Ltd., Navi Mumbai for procurement of Biomedical Waste Incinerator at a cost of Rs. 9,81,750/-. The scheduled date of delivery was 45 days from the date of PO i.e. 19.03.2023. However, the equipment was received at NEERI on 16.08.2023 i.e. delayed by approximately five months. Further, it was seen that the received equipment was lying uninstalled as of January 2024, i.e., more than five months from the date of receipt.

Following additional information was called in Audit:

1. Present status of installation and commissioning of system. If completed, the installation certificate may be furnished. If not, reasons for delay in installation and commissioning may be stated to audit.
2. Adverse impact on envisaged deliverables/objectives of the equipment due to delay in installation and commissioning.
3. Total payments made to the supplier as on date.

In reply (01.02.2024) NEERI stated that the delay of the initial period of 5 months was from the supplier, further there is a delay in completing all the site preparation and process thereof. Considering the delay in installation and commissioning of the said pilot unit, alternate site was proposed by the competent authority, after discussion with Engineering Service Unit (ESU) and work committee and the supplier was duly informed to undertake the installation of the unit. However, the installation will be completed in the month of February 2024.

Progress may be intimated to Audit.

Para 17: Observation on Human Resource Management.
#1 (AENQ-460516)

On scrutiny of records and information furnished to audit, it was observed that the vacancies under the Scientific cadre at NEERI, Nagpur has gradually increased from 26.00% to 26.67% during the year 2021-22 to 2022-23 and still remains 56.25% under the Technical Cadre during the year 2022-23 as detailed below:

Category	As on date	Sanctioned Strength	Men-in-Position	Vacant Posts	% of Men-in-Position	% of Vacant Posts
Scientific	31.03.2022	150	111	39	74.00	26.00
	31.03.2023	150	110	40	73.33	26.67
Technical	31.03.2022	176	77	99	43.75	56.25
	31.03.2023	176	77	99	43.75	56.25

The non-utilization of full sanctioned capacity of Scientific and Technical staff by NEERI, Nagpur may lead to mandatory activities getting compromised or may result in delay in execution of the envisaged objectives & deliverables.

In this connection the following information may be furnished to Audit.

1. How the mandate of NEERI is being carried out with the available men-in-position of 73.33% and 43.75% of scientific and technical category respectively against sanctioned post during the year 2022-23?
2. Reasons for not filling the vacant posts, especially under Technical staff for over a period of time?
3. Whether any initiation has been taken up with the CSIR regarding filling up the vacant posts? If yes, the documentary evidence may be furnished to Audit. If not, reasons thereof may be stated.

In reply (12.02.2024) NEERI stated that its mandate is carried out by utilizing the services, expertise and skills of the available Scientific & Technical staff. Further, the technical/ support staff is managed by engaging temporary project staff without creating long-term staffing commitments.
Further, CSIR-NEERI has initiated the process for recruitment of 22 Administrative posts and it is at the stage of advertising. Similar necessary steps will be taken very shortly to fill the vacancies in the Scientific & Technical Cadre also.

However, the fact remains that there is a shortage in the Scientific & Technical Cadre which may result in delay in execution of envisaged objectives & deliverables.

Progress in this aspect will be reviewed during the next Audit.

Para 18: Observation on Budget and Expenditure

It was observed from the records and the information furnished to audit that there was an excess expenditure over the actual receipt of grant during 2021-22 and 2022-23 as detailed below:

Year	Government Grant received	Actual Expenditure	Excess Expenditure
2021-22	9665.500	9688.913	-23.413
2022-23	10940.000	10962.320	-22.320

Reasons for excess expenditure over the grant received from Government and the source from which it was met may be stated. Further, whether the excess expenditure has been regularized by the competent authority may also be furnished to audit.

Reply is awaited.

Para 19: Loss of rebate of Rs. 21,360/- and blocking of Rs. 7,105/- due to idling of the franking machine.
#32 (AENQ-470642)

During the audit, it was seen from the record that the Franking machine was not in use from March 2021 to December 2023 and again from February 2024 onwards. Thus, CSIR-NEERI Nagpur had incurred expenditure of Rs.7,11,989/- on postage. Due to non-utilisation of franking machine, CSIR-NEERI Nagpur could not save 3% rebate on postage which works out to Rs. 21,360/-.

Details of Purchase of stamp (Speed Post) in cash for dispatch		
Month	**Actual amount utilized in dispatch (Rs.)**	**Applicable rebate on use of franking machine.**
01.01.2021 to 01.12.2021	2,27,769	6,833.07
01.01.2022 to 01.12.2022	2,23,014	6,690.42
01.01.2023 to 01.12.2023	2,61,206	7,836.08
	7,11,989/-	**21,360/-**

2. Blocking of franking amount of Rs. 7105/- due to non-working.

It was seen from the register of franking that an amount of Rs.7,105/- was lying unused due to the non-working of machine. Thus, CSIR-NEERI Nagpur had to use the postage stamps. Necessary action may please be taken to get the machine repaired/ replaced or to get back the amount from the post office under intimation to audit.

3. Improper maintenance of postage records

Audit observed that the CSIR-NEERI Nagpur is giving Temporary Advance for purchase of postage stamp. However, the franking machine register furnished to audit does not depict the details of total available balance at the beginning of the month, total purchase during month, total utilization of stamp during month and closing balance of stamps available at the end of month. The monthly closing of the account has not been done. In absence of this, the Audit could not verify the actual available postage with CSIR-NEERI Nagpur. Necessary steps may kindly be taken to maintain the postage account properly under intimation to audit.

Reply is awaited.

Para 20: Irregular reimbursement of LTC claim of Rs. 5,491/-against railway ticket booked from un-authorized agents.

#12 (AENQ-465657)

According to OM No.19023/I/2006-E.IV dated 25.10.2006, the reimbursement of charges for booking of rail tickets through internet/e-ticketing, booked through the website of Indian Railways, may be allowed only for railway journey undertaken for official tours and LTC.

Under Para 1 of the instruction regarding the booking of Air Tickets vide O/M dated 16th June, 2022, it has already been decided that in all cases of air travel where the Government of India bears the cost of air passage, air tickets shall be purchased only from the three Authorized Travel Agents viz.

(i) M/s Balmer Lawrie& Company Limited (BLCL),
(ii) M/s Ashok Travels & Tours (ATT).
(iii) Indian Railways Catering and Tourism Corporation Ltd. (IRCTC),

The choice of the travel agent for booking of ticket for tour and LTC from those in Para 1 is left open to the Ministry/Department and to the official in case of self-booking, based on convenience and service quality. Tickets for all employees for a single tour should be done through one selected travel agent only. No agency charges/convenience fees will be paid to these three booking agencies.

On test check of vouchers related to LTC, audit observed that CSIR-NEERI Nagpur admitted and reimbursed the claims of railway ticket which were booked through the unauthorized agent which stands irregular and result in recovery. Few illustrative cases are listed below:

S. No.	Name & Designation	Place of Travel	Date of Travel	Agency through which ticket was booked	Amount of Fare reimbursed (Rs.)
1	Shri Subhash Chander, SPO	Nagpur to New Delhi		ixigo-Pay	2681
		New Delhi to Nagpur	19.06.2022		2,096
		Loharu Jn. to New Delhi	08.06.2022	G Pay	184
2	Rasmi Chauhan, MTS	Nagpur to Bilaspur	05.02.2022	Paytm	263
		Bilaspur to Nagpur	11.02.2022	Paytm	267
				Total	**5,491**

Reasons for passing of LTC claims on rail ticket booked from unauthorized agent in contravention to above stipulation may please be stated.

Facts and figures may please be confirmed. Similar cases may be reviewed under intimation to Audit.

Reply is awaited.

Para 21: Inadmissible reimbursement of Add on Insurance charges of Rs.1,194 /-

#17 (AENQ-466589)

As per order Government of India, Ministry of Finance, Department of Expenditure, Government OM No. 19024/03/2021-E.IV dated 16.06.2022 employees are to choose flight having the **Best Available Fare** on their entitled travel class, which is the **Cheapest Fare available**, preferably for Non-stop flight in a given slot, mentioned below, at the time of booking. They are to retain the print-out of the concerned webpage of the ATAs having flight and fare details for the purpose of the settlement of the TA/LTC claims.

On scrutiny of vouchers, it is observed that CSIR-NEERI Nagpur reimbursed the claims inclusive airfare charge of the claim submitted by official, which includes an amount Add on Insurance.

Voucher no. & Date	Name of employee	Journey performed		Claim Amount	Insurance charges
		From	To		
12704031	Shri Satish Jagdeo Dabe, Principal Scientist	Nagpur 14.11.2023	Port Blair	124396	796
12703872	Shri Ashutosh Kumar, Sr. Technical Officer	Nagpur 14.10.2023	Madurai	22902	398

As the selection of Insurance is an optional add on facility offered by many airlines and does not include in the mandate of Cheapest Fare available which is against the provisions and resulted in inadmissible reimbursement of Rs.1194/- needs to be recovered. Facts and figures may please be confirmed and similar such cases may also be reviewed and result be intimated to audit.

Reply is awaited.

Para 22: Irregular payment of Medical Bill Rs. 2,602/-.
#30 (AENQ-470305)

Under Rule 2(h) (iii) of the Central Services (Medical Attendance) Rules, 1944, it has been provided that preparations such as primarily food, tonics, expensive drugs, laxatives, etc. specified in schedules I and II are not reimbursable.

On scrutiny of voucher in respect of medical bills, it was observed that CSIR-NEERI, Nagpur reimbursed medical bill including 'Inadmissible Items'. The details are as mentioned below:

Sr. no.	Bill No & date	Name of the Employee	Name of the patient	Date of prescription	Date of cash memo	Claim Amount	In admissible	Remark
1	437 16.08.21	Saurabh A Mulay	Manjusha Kuley	31.07.21	0005280	653	310	Protein Chocolate powder
2	FCV/21/310/03007	S.S.Waghmare	Self	17.07.21	004715 17.07.21	787	295	Volini Spray
2	FCV/21/310/03007	Khubi Singh	B.K Sarangi	23.07.21	0004907 23.07.21	424	210	Omni Gel
3	434 16.08.21	Sanjay Gajbhiye	Self	19.07.21	0004768 19.07.21	2992	420	Omni Gel
4	434 16.08.21	Sanjay Gajbhiye	Self	19.07.21	0004787	328	269	Volini Spray
5	436 16.08.21	Arun P. Umathe	Pandurangji	19.07.21	0004744	2445	210	Volini Spray
6	12703287 20.10.2023	R.D.Chinchulkar	Sunita Chinchulkar (Spouse)	05.09.23	MC203037313 06.09.23	1631	689	Protein powder
7	12703269 17.10.23	Shaik Basha	Shaik Rumaisa Daughter	09.09.23	Q017164	1135	199	Volini Gel
					Total		**2,602/-**	

Inadmissible reimbursement of Rs. 2,602/- may be recovered and intimated to audit. Similar cases may be reviewed under intimation to Audit.

Reply is awaited.

Para 23: Non-compliance of instructions of DoPT in respect of TA/ LTC claims.
#11 (AENQ-465568)

Department of Personnel & Training vide OM dated 16th June 2022 and 29th August 2022 issued instructions on booking of Air Tickets on Government Account in respect of **Tour and Leave Travel Concession (LTC).**

In the said OM it was mentioned that in all cases of air travel in respect of tour and LTC, air tickets shall be purchased only from the three Authorized Travel Agents (ATAs), namely:

(a) M/s Balmer Lawrie & Company Limited,
(b) M/s Ashok Travels & Tours ,
(c) Indian Railways Catering and Tourism Corporation Ltd.

Further, as per order Government of India, Ministry of Finance, Department of Expenditure, Government OM No. 19024/03/2021-E.IV dated 16.06.2022 employees are to choose flight having the **Best Available Fare** on their entitled travel class, which is the **Cheapest Fare available**, preferably for Non-stop flight in a given slot, mentioned below, at the time of booking. They are to retain the print-out of the concerned webpage of the ATAs having flight and fare details for the purpose of the settlement of the TA/LTC claims.

a. On the day of travel in the desired 3 hours' slot of following time band - 00:00 hours to 03:00 hours, 03:00 hours to 06:00 hours, 06:00 hours to 09:00 hours, 09:00 hours to 12:00 hours, 12:00 hours to 15:00 hours, 15:00 hours to 18:00 hours, 18:00 hours to 21:00 hours, 21:00 hours to 24:00 hours.
b. With provision of optimizing within a 10% price band, for convenience and comfort.

During scrutiny of TA/LTC vouchers, it was seen that none of the vouchers were supported with the sheet describing the 3 hours' slot as stated at (a) above to verify the cheapest rate available in the particular slot selected for journey/travel.

In this regard, kindly elucidate the mechanism available at CSIR-NEERI, Nagpur to ensure that the above-mentioned officials have chosen flights having the Best Available Fare on their entitled travel class which is the Cheapest Fare available. Documentary evidence may also be provided.

Reply is awaited.

Para 24: Irregular incremental benefit during leave period resulted in excess payment – Rs.592/-.
#25 (AENQ-469597)

As per FRSR Part I: "If a government servant is on leave or is availing joining time on the 1st January or 1st July, the increased pay will be drawn only from the date on which he/she resumes duty and not from the 1st January or 1st of July".

During test check of leave records and Pay bill register, it was observed that though the official was on leave on 1st January and 1st July onwards, NEERI granted annual increment and financial benefits from 1st January and 1st of July instead of from the date of resumption. Further, in few cases, it was also observed that the official was granted incremental benefits from the date of expiry of the leave though the official had not resumed the duty due to days covered by suffix on account of holidays/ Saturday/ Sunday etc. which resulted in excess payment of Rs.592/- to employees detailed in the **Annexure-VI.**

Facts and figures may kindly be confirmed and recovery be intimated to audit. Similar cases may also be reviewed on the basis of above observation and result be intimated to audit.
Reply is awaited.

Para 25: Non-levy of penal interest on delayed submission of adjustment bills. (Rs.447/-).
#19 (AENQ-467216)

Government of India, decision under Compendium on Advances to Government Servants states about the cases regulated under Rule 51-Adjustment of Advance-The amount of advance granted under this section shall be adjusted within 15 days from the completion of tour or the date on which the Government servant resumes duty after completion of tour.

During the test check of TA bills, it is observed that CSIR-NEERI Nagpur had admitted TA claims that were not submitted within stipulated time and without charging any penal interest. Few illustrative cases are listed in the **Annexure-VII**.

Further, Para (2) of Government of India Decision under Compendium on Advances to Government Servants states about the cases regulated under Rules 39 to 84 and outlines that sanctions to be issued by the competent authority/agreements to be executed at the time of drawing of advance should stipulate that no interest shall be chargeable if the conditions attached to the sanction, including those relating to the recovery of amount, are complied with fully to the satisfaction of the competent authority. However, in case of default, interest @ 2 % (two per cent) over the interest rate which is allowed by the Government on the Provident Fund balances of its employees shall be charged in the following cases: (i) in cases where the advance is not utilized fully but the adjustment bill is submitted in time, interest may be charged as stated above on the unutilized portion of advance from the date of drawal of advance to the date of refund. (ii) in cases where the adjustment bill is not submitted within the prescribed time, the entire amount of advance may be recovered one lump sum immediately on expiry of such time. In such cases also, the interest may be charged as mentioned above on the entire amount of advance from the date of drawal to the date of recovery of amount.

Facts and figures may please be confirmed and penal interest be recovered. Further, similar cases may also be reviewed and result be intimated to audit.

Reply is awaited.

Para 26: Observation on maintenance of Service Books
#22 (AENQ-468383)

During scrutiny of Service Books, the following irregularities were observed:

(i) In terms of SR 199 and Govt of India orders there under, every step in Govt servant's official life must be recorded in his Service Book, and each and every entry must be attested by the competent authority.

In terms of Ministry Home Affairs, Department of Personnel & Administrative Reforms Notification No. 6(1)Pen(H)/79 dated 19.5.1980, the **details of family members** of the Government Servant should be obtained and pasted in the Service Book of the concerned officials. However, the same has not been done in the following cases:

Sl. No.	Name & Designation of Govt. Servant	Date of appointment
1	Dr. P.Nagababu	05.01.2017
2	Dr.Bholu Ram Yadav	18.10.2019
3	Dr.Amit Kumar Bansiwal	06.11.2000

(ii) As per instructions contained in Government of India decision No.1 below Rule 53 of CCS (Pension) Rules, 1972, a Note should be kept regarding **nominations of DCRG and family** pensions etc. in the service books. The nominations of all types as required should be obtained and pasted in the service books. This was not done accordingly in the following cases:

Sl. No.	Name & Designation of Govt. Servant	Date of appointment
1	Dr. P.Nagababu	05.01.2017
2	Dr.Bholu Ram Yadav	18.10.2019
3	Dr.Amit Kumar Bansiwal	06.11.2000
4	Shri Pradeep R Salve	14.07.1997
5	Dr.Raghuvanshi Ram	30.12.1994

(iii) As per Government of India decision No. 7 below SR 199, the **Home Town declaration** in the prescribed form duly accepted by the Head of Office should be pasted in the service books of the government servants. This was not done in the following cases:

Sl. No.	Name & Designation of Govt. Servant	Date of appointment
1	Dr. P.Nagababu	05.01.2017
2	Miss Rachana Suresh Jain	24.01.2016
3	Dr.Bholu Ram Yadav	18.10.2019
4	Dr.Amit Kumar Bansiwal	06.11.2000
5	Shri Pradeep R Salve	14.07.1997
6	Dr.Vaishali V Khaparde	18.04.1991
7	Dr.Raghuvanshi Ram	30.12.1994

(iv) If a mistake is discovered at any point of time, the same should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines and to be attested by the competent authority. The same has not been done in the following cases:

Sl. No.	Name & Designation of Govt. Servant	Remarks	Page No
1	Shri Pravin S Gumgaonkar	Leave	46
2	Ms. Soni Arti Roshan	Leave	02

(v) The date of birth which should be verified with reference to Documentary evidence and a certificate to that effect stating the description of the documents relied upon **(Competent authority stamp/seal was not affixed in Bio-data).** However, this was not done in the following cases:

Sl. No.	Name & Designation of Govt. Servant	Date of appointment	Page No
1	Dr. P.Nagababu	05.01.2017	02
2	Shri Ankit A Gupta	08.11.2012	02
3	Miss Rachana Suresh Jain	24.01.2016	02
4	Dr.Bholu Ram Yadav	18.10.2019	02
5	Ms. Soni Arti Roshan	20.11.2019	02

The above given cases are only illustrative. The facts and figures may please be confirmed and similar cases may also be reviewed and rectified wherever necessary and compliance be shown to Audit.

Reply is awaited.

Para 27: Loss of Rs.2.37 lakh due to non-initiation of timely action either in renewal of agreement or recovery of the license fee/ water charges/ electricity charges from Lessee.
#28 (AENQ-470287)

Rule 9 of GFR, 2017 stipulates that it is the duty of the Department of the Central Government concerned to ensure that the receipts and dues of the Government are correctly and promptly assessed, collected and duly credited to the Consolidated Fund or Public Account as the case may be.

On scrutiny of records pertaining to estate management, it was observed that NEERI, Nagpur has five shops in its premises and it had allotted the said shops after entering into valid agreement on lease basis to the allottee for doing commercial activities. It was seen that recovery of license fee/ water charges/ electricity charges from lessee were recovered from time to time. However, it is further observed that Shop No. B-2 was allotted to Shri R. M. Shrivas, for which the agreement was valid till 30.11.2011 only. The non-renewal of the agreement and non-recovery of license fee and water charges of Rs.2,36,967/- at the rates notified in the last agreement was raised in the previous audit. NEERI in its reply (07.02.2024) stated that the shop had been closed for the last 4-5 years. Despite multiple attempts to contact the shop owner at his residence address, the letters were returned by the postal authority stating that said tenant/family has left the residence. Further, it was reported that the tenant of Shop No. B-2 had passed away and his family had left Nagpur.

NEERI constituted a committee and with the help of the Police Authority and with several efforts, the possession of the Shop No. B2 was taken over by the Institute on 22.09.2023. However, the fact remains that due to non-initiation of timely action either for renewal of agreement or timely and regular recovery of license fees resulted in loss of Rs. 2,36,967/- to NEERI.

In this connection, matter may be taken up with the higher authority either to recover the amount or to write off the loss with the approval of competent authority under intimation to Audit.

Reply is awaited.

Para 28: Non-receipt of returnable items since long.
#14 (AENQ-465871)

On test check of Returnable Gate pass register and the information furnished to audit for the year 2022-2023, it is observed that following items were sent outside the premises of CSIR-NEERI, Nagpur for some or the other reasons viz. maintenance/repair/replace etc. However, the same was not received even after lapse of over more than 4 to 24 months from the expected date of return as detailed in the **Annexure-VIII.**

Non-receipt of these returnable items over a long period depicts lack of internal control of the institute. Reason for non-receipt of these returnable items over a long period needs elucidation. Further, action taken if any to get back the above items may also be intimated to audit.

Reply is awaited.

PART III

a) Status of outstanding Paras of previous Inspection Reports

Year	No. of paras outstanding at the start of audit	No. of paras dropped during audit	No. of paras outstanding at the close of audit.
2012-13	01	00	01
2017-21	07	04	03
Total	**08**	**04**	**04**

b) Details of outstanding paras:

Sl. no.	Part & Para No.	Subject in brief	Reply/Remark
Inspection Report for the year 2012-13 (File No.OA/X/NEERI/2012-13/459)			
1	Part II A Para 01	Excess payment of transport allowance of Rs.35.68 lakh due to allowing transport allowance @Rs.7,000/-plus DA thereon per month to the Scientists who are not entitled to staff car in the terms of OM dated 28.01.1964.	Please furnish the details of the recovery made towards excess payment of transport allowance of Rs. 35.68 lakh along with documentary evidence and details of the amount to be recovered. Reasons for the delay in recovery may please be stated. Para stands.
Inspection Report for the year 2017-21 (File No.OA/X/NEERI/2017-21/588)			
2	Part II B Para 01	Avoidable loss of Rs.3.93 crore due to non-availing of Input Tax Credit (ITC) within stipulated time period.	Para may be retained as reply has not been furnished. **Para stands.**
3	Part II B Para 02	Avoidable liability of Rs.14.18 lakh towards penal interest due to delay in filling GST.	Para has been **updated** in the current IR. Hence, **Para is closed from this IR.**
4	Part II B Para 04	Project balance of Rs.20.35 crore lying un-utilized.	A committee was constituted for identification and utilization of project

			balance and is working in follow up with Project Leaders. **Hence, para stands.**
5	Part II B Para 05	Equipment/ obsolete items lying non-functional/ idle/ unutilized.	Para **updated** in the current IR. Hence, **<u>Para is closed from this IR</u>**.
6	Part II B Para 06	Wasteful expenditure of Rs.70.64 lakh.	The item has been declared as unserviceable and returned to stores for disposal. **<u>Para to be retained till final disposal.</u>**
7	Part II B Para 07	Outstanding advances. Rs.1.63 crore.	Para **updated** in the current IR. Hence, **<u>Para is closed from this IR</u>**.
8	Part II B Para 08	Laxity in recovery of license fee/ water charges/ electricity charges from Lessee – Rs.7.56 lakh.	Para **updated** in the current IR. Hence, **<u>Para is closed from this IR</u>**.

c) Schedule of persistent irregularities: NIL

Part – IV

Best Practices: NIL

Part – V

1. Acknowledgement: Local Audit Party from the Office of the Director General of Audit, Environment & Scientific Departments, Mumbai Branch acknowledges the co-operation extended by NEERI, Nagpur in facilitating smooth conduct of audit by providing conducive working atmosphere and making available the records requisitioned in Audit.

2. General Information:

Name of the Head of the Ministry / Department	Dr. N. Kalaiselvi Director General, CSIR
Name of the Head of the Unit	Dr. Atul N. Vaidya Director, NEERI
Name of Controller of Finance & Accounts	Shri Roshan Singh, CoFA
Name of the Administrative Officer	Shri Rajiv Kumar Varma, Administrative Officer
Name of the Group Officer of concerned Audit Party	Mrs. Nidhi S. Jain, IA&AS Director
Name of Audit Officer	Shri Pralhad R. Pachapur Senior Audit Officer
Names of other members of the team	Shri Gautam Kumar, Assistant Audit Officer Shri Rajendra Kumar Jat, Assistant Audit Officer Shri Shrikant B. Lokhande, Sr. Auditor
Period covered by Audit	2021-22 to 2022-23
Dates of Audit	23.01.2024 to 13.02.2024 (15 working days)

The co-operation extended by NEERI, Nagpur towards submission of records was satisfactory.

DISCLAIMER

The Inspection Report has been prepared on the basis of information furnished and made available by NEERI, Nagpur. The office of the Director General of Audit, Environment & Scientific Departments, Mumbai Branch, Mumbai disclaims responsibility for any misinformation and/ or non-information on the part of the auditee unit.

Signed by Nidhi Ankush Jain
Date: 29-02-2024 14:10:44

Director